

Date of Announcement: 24 April 2024

Reference: 4/2024



The following is a company announcement issued by HH Finance plc (the “Company”), bearing company registration number C-84461, pursuant to the Prospects MTF Rules.

Approval of Financial Sustainability Forecasts

QUOTE

At its meeting held earlier today, the Board of Directors of the Company approved for publication the Financial Sustainability Forecasts for the financial year ending 31 December 2024 (the “FSFs”), a copy of which is being attached herewith. The FSFs are also available for viewing at the registered office of the Company and in the Investor Relations section on the Company’s website, <http://www.hhfinance.com.mt/>.

The Company hereby informs the market that the FSFs are being published on the basis of management’s prudent expectations that the actuals for the financial year ending 2024 will not vary materially from the financials published in the audited financial statements for the financial year ended 31 December 2023 insofar as topline revenue and administrative expenses are concerned.

It is to be noted that profitability after tax for 2024 is however being projected to differ materially from that in 2023 by reason of the fact that the Company does not at this time foresee a valuation of the investment property to be conducted that may result in as marked a change as the one recorded for the year ended 2023.

Additionally, whilst the balance sheet value is not expected to change in any material way from that recorded at year-end 2023, non-current assets consisting in loans receivable from intra-group companies are expected to increase in line with duly sanctioned intra-group loan facilities.

The Company invites investors to account for the fact that the FSFs are prudently elaborated projections that are forward-looking in nature and thus amenable to unknown and possibly aleatory circumstances yet to take place and that may therefore impact the Company’s performance in disparate and currently unforeseen ways.

UNQUOTE

By order of the Board.



Dr Emma Grech
Company Secretary
24 April 2024

HH Finance plc – C 84461**Projected Income Statement for year ending 31 December 2024**

	2024
	€
Revenue	
Rent from H Hotel	<u>2,070,905</u>
Administrative expenses	
Accountancy fees	(5,360)
Audit fees	(7,645)
Bank charges	(400)
Directors' fees	(52,000)
Professional fees	(24,500)
Property Rental	(1,000)
Registration fees	(9,000)
	<u>(99,905)</u>
Operating Profit	<u>1,971,000</u>
Interest expense	
Effective interest amortisation on related party borrowings	(327,679)
Interest on related party borrowings	(679,000)
Interest on bonds	(250,000)
	<u>(1,256,679)</u>
Interest Income	
Interest on related party loans	424,370
Profit before tax	1,138,691
Tax charge for the year	(398,542)
Profit after tax	740,149

Operating expenses as % of revenue
EBITDA margin (%)

5%

95%

HH Finance plc – C 84461**Projected Statement of Financial Position for year ending 31 December 2024**

	2024
	€
Assets	
Non-current assets	
Investment Property	42,700,000
Loans receivable	10,736,568
Other receivables	2,072,266
	<hr/> 55,508,834
Current assets	
Cash and cash equivalent	121,977
	<hr/> 55,630,811
Total Assets	
	55,630,811
Equity and Liabilities	
Capital and reserves	
Share capital	150,000
Retained earnings	15,758,274
	<hr/> 15,908,274
Total equity	
	15,908,274
Provision for liabilities and charges	
Deferred tax liability	4,140,134
	<hr/>
Non-current liabilities	
Amounts owed to parent company	25,919,015
€5,000,000 bonds 5% 2023-2028	5,000,000
Other payables	4,017,417
	<hr/> 34,936,432
Current Liabilities	
Trade and other payables	247,429
Current Tax payable	398,542
	<hr/> 645,971
Total Liabilities	
	39,722,537
Total Equity and Liabilities	
	<hr/> 55,630,811

HH Finance plc – C 84461**Projected Statement of cashflows for year ending 31 December 2024**

	2024
	€
Profit before tax	1,138,691
Adjustment for:	
Interest expense	1,256,679
Interest income	(424,370)
Profit from operations	<hr/> 1,971,000
Cashflows from operating activities	
Increase in trade receivables	(206,937)
Increase in trade payables	23,053
Cashflows from operating activities	<hr/> 1,787,116 <hr/>
Cashflows from investing activities	
Advances to fellow subsidiary	(1,537,116)
Cashflows from financing activities	
Payment of interest	(250,000)
Net increase in cash and cash equivalents	80,887
Cash and cash equivalents at beginning of year	41,090
Cash and cash equivalents at end of year	<hr/> 121,977 <hr/>