



Hili Finance Company p.l.c.

Interim Financial Report (Unaudited)

For the period 1 January 2024 to 30 June 2024

Half-yearly Directors' Report Pursuant to Capital Market Rules 5.75.2	2
Condensed Statements of Profit or Loss and Other Comprehensive Income	3
Condensed Statements of Financial Position	4
Condensed Statement of Changes in Equity	5
Condensed Statements of Cash Flows	6
Notes to the Condensed Interim Financial Statements	7 - 9
Statement pursuant to Capital Market Rules 5.75.3	10

## Hili Finance Company p.l.c.

Half-yearly Directors' Report Pursuant to Capital Market Rules 5.75.2

Period ended 30 June 2024



These condensed interim financial statements for the six months ended 30 June 2024 have been prepared in accordance with IAS 34 'Interim Financial Reporting'. They have been prepared under the historical cost convention and have not been audited or reviewed by the auditors of Hili Finance Company plc (the "Company").

### Principal activities

The Company was incorporated on the 6<sup>th</sup> of April 2018 with the objective of raising funds to support and finance the subsidiaries of Hili Ventures Limited (the "Group").

### Business review

The main business activity of the Company has been the issue in July 2018 of *Eur40,000,000*, August 2019 of *Eur80,000,000* and March 2022 of *Eur50,000,000* worth of bonds to the public that were fully subscribed. The bonds are guaranteed by Hili Ventures Limited, being the parent company of Hili Finance Company p.l.c.

During the six-month period that ended 30 June 2024, the Company registered a profit before tax of *Eur484,775* (2023: profit of *Eur491,680*). The net assets of the Company at the end of the period amounted to *Eur3,490,428* compared to *Eur3,663,267* as at 31 December 2023. During the same period, a net interim dividend of *Eur480,000* (*Eur0.24c* per ordinary share) was declared to the ordinary shareholders of the Company (period up to June 2023: *EurNil*).

The published figures have been extracted from the unaudited management financial statements for the six-month period ending 30 June 2024, and the audited accounts for the period ending 31 December 2023.

During the period under review, Hili Ventures Limited registered a profit before tax of *Eur27,161,458* (June 2023: *Eur24,948,235*) on investment income of *Eur32,238,462* (June 2023: *Eur29,596,877*). The Group's profit before tax for the same period amounted to *Eur24,633,485* (June 2023: *Eur22,224,701*) on revenues of *Eur503,759,743* (June 2023: *Eur437,815,650*). While the group's performance for the first 6 months of the year was positive, general operating and macro-economic conditions are still prone to volatility. Whilst the situation remains fluid, the business' outlook for the rest of 2024 remains cautiously optimistic.

The Company is mainly dependent on the business prospects of Hili Ventures Limited, and the operating results of its subsidiaries have a direct effect on the Company's financial position and performance, including the ability of the Company to meet its obligations under the issued bonds.

Approved by the Board of Directors on 22 August 2024 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'Geoffrey Camilleri'.

Geoffrey Camilleri  
Chairman

A handwritten signature in blue ink, appearing to read 'Dorian Desira'.

Dorian Desira  
Director

Hili Finance Company p.l.c.  
 Condensed Statements of Profit or Loss  
 and Other Comprehensive Income  
 Period ended 30 June 2024



	Period from 1 January to 30 June 2024 Eur (unaudited)	Period from 1 January to 30 June 2023 Eur (unaudited)
Finance income	3,868,447	3,879,158
Finance costs	<u>(3,355,632)</u>	<u>(3,358,932)</u>
<b>Net interest earned</b>	<b>512,814</b>	<b>520,226</b>
Administrative expenses	<u>(28,039)</u>	<u>(28,546)</u>
<b>Profit before tax</b>	<b>484,775</b>	<b>491,680</b>
Income tax expense	(177,612)	(180,324)
<b>Profit after tax and total comprehensive income for the period</b>	<u><b>307,162</b></u>	<u><b>311,356</b></u>

Hili Finance Company p.l.c.  
Condensed Statements of Financial Position  
for the period ended 30 June 2024



	Notes	As at 30 June 2024 Eur	As at 31 December 2023 Eur
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Intangible assets	6	10,890	-
Loans and receivables		171,930,958	172,410,958
		<b>171,941,847</b>	<b>172,410,958</b>
<b>Current assets</b>			
Loans and receivables		6,229,942	4,611,893
Other receivables		31,289	49,083
Cash and cash equivalents		157,491	69,073
		<b>6,418,721</b>	<b>4,730,049</b>
<b>Total assets</b>		<b>178,360,569</b>	<b>177,141,007</b>
<b>Current liabilities</b>			
Other payables		4,687,007	3,404,625
Other financial liabilities		1,109	398
Current tax liability		182,024	72,717
		<b>4,870,140</b>	<b>3,477,740</b>
<b>Non-current liabilities</b>			
Debt securities in issue	8	170,000,000	170,000,000
		<b>170,000,000</b>	<b>170,000,000</b>
<b>Total liabilities</b>		<b>174,870,140</b>	<b>173,477,740</b>
<b>Net assets</b>		<b>3,490,428</b>	<b>3,663,267</b>
<b>EQUITY</b>			
Share capital		2,000,000	2,000,000
Retained earnings		1,490,428	1,663,266
<b>Total equity</b>		<b>3,490,428</b>	<b>3,663,266</b>

The notes on pages 7 to 9 are an integral part of this interim condensed financial information.

The condensed interim financial information on pages 3 to 6 were authorised for issue by the Board of Directors on 22 August 2024 and were signed by:

  
Geoffrey Camilleri  
Chairman

  
Dorian Desira  
Director

Hili Finance Company p.l.c.  
 Condensed Statement of Changes in Equity  
 for the period ended 30 June 2024



	<b>Share capital Eur</b>	<b>Retained earnings Eur</b>	<b>Total Eur</b>
Balance at 1 January 2023	2,000,000	1,882,449	3,882,449
Total comprehensive income for the period	-	311,356	311,356
<b>Balance at 30 June 2023 (unaudited)</b>	<b>2,000,000</b>	<b>2,193,805</b>	<b>4,193,805</b>
Balance at 1 January 2024	2,000,000	1,663,266	3,663,266
Dividends	-	(480,000)	(480,000)
Total comprehensive income for the period	-	307,162	307,162
<b>Balance at 30 June 2024 (unaudited)</b>	<b>2,000,000</b>	<b>1,490,428</b>	<b>3,490,428</b>

Hili Finance Company p.l.c.  
Condensed Statements of Cash Flows  
for the period ended 30 June 2024



	Period from 1 January to 30 June 2024 Eur (unaudited)	Period from 1 January to 30 June 2023 Eur (unaudited)
<b>Cash flows from operating activities</b>		
Operating profit before working capital movement	484,775	491,680
<i>Adjustments for:</i>		
Depreciation and amortisation	185	-
Interest Income	(3,868,447)	(3,879,158)
Interest expense on debt securities issued	3,290,000	3,293,364
<i>Operating loss before working capital movement</i>	<b>(93,487)</b>	<b>(94,114)</b>
Movement in other receivables	18,193	17,854
Movement in other payables	(79,345)	(61,897)
<i>Net cash flows used in operating activities</i>	<b>(154,640)</b>	<b>(138,156)</b>
<b>Cash flows from investing activities</b>		
Payments to acquire intangible assets	(11,074)	-
Interest received	2,250,000	2,260,000
<i>Net cash flows used in investing activities</i>	<b>2,238,926</b>	<b>2,260,000</b>
<b>Cash flow from financing activities</b>		
Proceeds from bond issue	-	-
Interest paid	(1,995,867)	(2,042,883)
<i>Net cash flows from financing activities</i>	<b>(1,995,867)</b>	<b>(2,042,883)</b>
<b>Net movement in cash and cash equivalents</b>	<b>88,419</b>	<b>78,961</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>69,073</b>	<b>409,277</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>157,491</b>	<b>488,238</b>

## **1. Basis of preparation**

The condensed interim financial statements for the half year ended 30 June 2024 have been extracted from the unaudited management accounts of the Company and have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting. The interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2023, which have been prepared in accordance with International Financial Reporting Standards as adopted by the EU.

## **2. Summary of significant accounting policies**

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2023, as described in those financial statements.

## **3. Financial risk management**

The company's financial risk management objectives and policies are consistent with those disclosed in the financial statements for the year ended 31 December 2023.

## **4. Critical accounting estimates and judgements**

In the process of applying the company's accounting policies, management has made no judgements which can significantly affect the amounts recognised in these condensed financial statements and, at the end of the reporting period, there were no key assumptions concerning the future, or any key sources of estimation uncertainty, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next six month period.

## **5. Segment information**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of operating segments has been identified as the board of directors, responsible for making strategic decisions. The Board of Directors considers the Company to be made up of one segment, that is, raising financial resources from capital markets to finance the capital projects of the Group. All of the Company's revenue and expenses are



## 5. Segment information (continued)

generated in Malta and revenue is mainly earned from interest earned from inter-company loans.

## 6. Intangible assets

	<b>Computer software Eur</b>
<b>Cost</b>	
At 31.12.2023	-
Additions	11,074
<b>At 30.06.2024</b>	<b>11,074</b>
<b>Amortisation</b>	
At 31.12.2023	-
Provision for the year	185
<b>At 30.06.2024</b>	<b>185</b>
<b>Carrying amount</b>	
At 31.12.2023	-
<b>At 30.06.2024</b>	<b>10,890</b>

## 7. Related party transactions

The Company forms part of the Hili Ventures. All companies forming part of the Group are related parties since these companies are all ultimately owned by Hili Ventures Limited. Trading transactions between these companies include items which are normally encountered in a group context.

The principal transactions carried out with related parties during the period are as follows:

	<b>Six-months ended 30 June 2024 Eur</b>
<b>Finance income</b>	
Interest receivable on loans advanced to parent company	<b>3,868,447</b>

## 8. Debt securities in issue

In July 2018, the Company issued *Eur40,000,000* 3.85% unsecured bonds of a nominal value of *Eur100* per bond. Unless previously re-purchased or cancelled, the bonds are redeemable at their nominal value on 24<sup>th</sup> of July 2028. The bonds are listed on the Official List of the Malta Stock Exchange. The carrying amount of the bonds is *Eur40,000,000*. The market of debt securities on the last day before the statement of financial position date was *Eur40,000,000*. Interest is repayable on the 24<sup>th</sup> of July of each year at the rate of 3.85% per annum, payable annually in arrears on each interest payment date.

In August 2019, the company issued *Eur80,000,000* 3.80% unsecured bonds of a nominal value of *Eur100* per bond. Unless previously re-purchased or cancelled, the bonds are redeemable at their nominal value on 27<sup>th</sup> of August 2029. The bonds are listed on the Official List of the Malta Stock Exchange. The carrying amount of the bonds is *Eur80,000,000*. The market value of debt securities on the last day before the statement of financial position date was *Eur77,600,000*. Interest is repayable on the 27 August of each year at the rate of 3.80% per annum, payable annually in arrears on each interest payment date.

In March 2022, the Company issued *Eur50,000,000* 4% unsecured bonds of a nominal value of *Eur100* per bond. Unless previously re-purchased or cancelled, the bonds are redeemable at their nominal value on 11<sup>th</sup> of March 2027. The bonds are listed on the Official List of the Malta Stock Exchange. The carrying amount of the bonds is *Eur50,000,000*. The market of debt securities on the last day before the statement of financial position date was *Eur50,000,000*. Interest is repayable on the 11<sup>th</sup> of March of each year at the rate of 4% per annum, payable annually in arrears on each interest payment date.

## 9. Subsequent events

In July 2024, the Company issued *Eur80,000,000* 5% unsecured bonds of a nominal value of *Eur100* per bond. Unless previously re-purchased or cancelled, the bonds are redeemable at their nominal value on 17 July 2029. The bonds are listed on the Official List of the Malta Stock Exchange and trading commenced on 27 July 2024.

Other than the above, no adjusting or significant non-adjusting events have occurred between the reporting date and the date of information.

## Hili Finance Company p.l.c.

Statement Pursuant to Capital Market Rules 5.75.3

issued by the Malta Financial Services Authority

for the period ended 30 June 2024

---



We confirm that to the best of our knowledge:

- (a)** the condensed interim financial statements give a true and fair view of the financial position of Hili Finance Company p.l.c. as at 30 June 2024, and the financial performance and cash flows of the company for the half year then ended, which have been prepared in accordance with International Financial Reporting Standards as adopted by the EU applicable to interim financial reporting (International Accounting Standard 34 – Interim Financial Reporting); and
  
- (b)** the interim Directors’ report includes a fair review of the information required in terms of Capital Market Rules 5.81 to 5.84.

Approved by the Board of Directors on 22 August 2024 and signed on its behalf by:

  
Geoffrey Camilleri  
Chairman

  
Dorian Desira  
Director