



## Horizon Finance plc

Horizon Finance plc refers to the obligation which Prospects MTF companies are subject to, in terms of Rule 4.11.03 and Rule 4.11.12 relating to the publication of the twelve-month financial information as defined in Table 1 paragraph 3 and specifically the publication and dissemination via an announcement of Financial Sustainability Forecasts including management assumptions thereon (“FSFs”).

The financial projections as presented together with the underlying assumptions, provide a reasonable basis for the issuer’s projections. However, there will usually be differences between projected and actual results because events and circumstances frequently do not occur as expected, and these differences may be material.

The below copy of the FSFs, as approved by the Board of Directors, is based on the following assumptions:

### **Revenue**

Horizon Finance plc revenue for the twelve months ending 31 December 2021 is expected to total €132,000 and is based on income derived from interest charged on the loans advanced to the shareholder and a group company and on interest income derived from the investment in the bond of 4.5% Shoreline Mall plc 2032.

### **Finance Costs**

Finance costs comprise of interest payable on issued bonds at an interest rate of 5% and amortisation of the related issue costs.

### **Administrative expenses**

Administrative expenses consist primarily of directors’ fees, professional fees, and ongoing admission costs. Administrative expenses are based on historical trends and assumed to increase in line with inflation.

## **Total net profit**

Total net profit is projected to amount to €314, a decrease of €4,686 from the €5,000 forecasted in the CAD. This decrease is mainly attributable to the reduction in the interest rate applicable on the loans advanced by the Company to related entities and an increase in unprojected costs.

## **Taxation**

Income tax is composed of current and deferred tax. Current taxation is provided at 35% of chargeable income for the period.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the forecasts and the corresponding projected tax bases in the computation of taxable profit.

## **Working capital**

The working capital mainly comprises of the net impact of loan and other receivables together with payables and other payables.

€1,700,000 loan receivables are unsecured and bear interest at the rate of 7.25% per annum and repayable by 3 February 2029, with an early repayment option as from 3 February 2026 subject to payment of premium.

€50,000 loan receivables bear interest at the rate of 5% per annum and repayable by 26 August 2023, with an early repayment option as from 27 August 2020 by giving one-month notice.

Other receivables comprise mainly on accrued loan interest income.

Payables include the €2m 5% Secured Bonds 2026-2029. The bond is measured at the amount of the net proceeds adjusted for the amortisation of the difference between the net proceeds and the redemption value of such bond using the effective yield method.

Other payables comprise mainly on the interest expenses payable to the bondholders.

### **Conclusion**

The Directors believe that the assumptions on which the Forecasts are based are reasonable. The Directors further believe that, in the absence of unforeseen circumstances outside their control, the working capital available to the Company will be sufficient for the carrying on of its business.

## FINANCIAL SUSTAINABILITY FORECAST

<b>HORIZON FINANCE PLC - C88540</b>								
<b>IT No: 999474727</b>								
<b>Income statement for the years 31st December</b>								
						Audited 2019	Audited 2020	<i>Forecast 2021</i>
						€	€	€
Finance Income						108,802	127,011	132,500
One-time adjustment							(10,200)	
Fair Value Adjustment							1,500	
Finance Costs						(84,149)	(105,468)	(105,765)
Administrative expenses						(29,202)	(31,624)	(27,967)
Finance charges						(22)	(34)	(30)
<b>(Loss)/profit before tax</b>						<b>(4,571)</b>	<b>(18,816)</b>	<b>(1,262)</b>
Tax income for the year						23,413	5,773	1,576
<b>(Loss)/profit for the period</b>						<b>18,842</b>	<b>(13,042)</b>	<b>314</b>

<b>HORIZON FINANCE PLC - C88540</b>						
<b>IT No: 999474727</b>						
<b>Statement of Financial Position as the years ending:</b>						
				Audited	Audited	Forecast
				2019	2020	2021
				€	€	€
<b>ASSETS</b>						
<b>Non-current assets</b>						
Loans receivable				1,700,000	1,750,000	1,750,000
Other Financial Assets					151,500	150,000
Deferred Tax				23,413	29,186	30,958
<b>Total non-current assets</b>				<b>1,723,413</b>	<b>1,930,686</b>	<b>1,930,958</b>
<b>Current assets</b>						
Other receivables				111,859	107,751	107,750
Cash and cash equivalents				258,361	43,176	47,881
<b>Total current assets</b>				<b>370,220</b>	<b>150,927</b>	<b>155,631</b>
<b>TOTAL ASSETS</b>				<b>2,093,633</b>	<b>2,081,613</b>	<b>2,086,589</b>
<b>EQUITY AND LIABILITIES</b>						
<b>Equity</b>						
Share capital				46,600	46,600	46,600
Retained Earnings				18,842	5,800	5,012
<b>Total equity</b>				<b>65,442</b>	<b>52,400</b>	<b>51,612</b>
<b>Liabilities</b>						
<b>Non-current liabilities</b>						
Debt securities in issue				1,936,839	1,942,307	1,948,072
<b>Current liabilities</b>						
Other payables				91,352	86,906	86,906
<b>Total liabilities</b>				<b>2,028,191</b>	<b>2,029,213</b>	<b>2,034,978</b>
<b>TOTAL EQUITY AND LIABILITIES</b>				<b>2,093,633</b>	<b>2,081,613</b>	<b>2,086,589</b>

<b>HORIZON FINANCE PLC - C88540</b>						
<b>IT No: 999474727</b>						
<b>Statement of cashflows for the years ending:</b>						
				Audited	Audited	Forecast
				2019	2020	2021
				(15 months)	(12 months)	
				€	€	
<b>Cashflow from operating activities</b>						
(Loss/profit for the year/period				18,842	(13,042)	314
Tax income				(23,413)	(5,773)	1,576
Loan interest income				(108,802)	(113,927)	(125,750)
Investment income					(2,885)	(6,750)
Change in fair value of financial assets at fair value through profit and loss					(1,500)	
Bond coupon expense				80,000	100,000	100,000
Amortisation of bond issue costs				4,149	5,468	5,765
<b>Loss from operations</b>				<b>(29,224)</b>	<b>(31,659)</b>	<b>(24,845)</b>
Movement in other receivables				(3,057)	(1,350)	-
Movement in other payables				11,352	(4,446)	-
Tax paid				-	(1,250)	(2,950)
<b>Net cash flows used operating activities</b>				<b>(20,929)</b>	<b>(38,705)</b>	<b>(27,795)</b>
<b>Cashflow from investing activities</b>						
Proceeds from advanced loans				1,700,000	(50,000)	-
Payments to acquire financial assets at fair value through profit and loss					(150,000)	-
Receipt of loan interest					123,520	125,750
Receipt of Interests from investment securities						6,750
<b>Net cash flows used in investing activities</b>				<b>(1,700,000)</b>	<b>(76,480)</b>	<b>132,500</b>
<b>Cashflow from financing activities</b>						
Proceeds from issue of share capital				46,600		
Proceeds from issue of bonds				2,000,000		
Payment of bond issue costs				(67,310)		
Payment of bond interest					(100,000)	(100,000)
<b>Net cash provided by financing activities</b>				<b>1,979,290</b>	<b>(100,000)</b>	<b>(100,000)</b>
<b>Net increase/decrease in cash</b>				<b>258,361</b>	<b>(215,185)</b>	<b>4,705</b>
<b>Net movement in cash and cash equivalents</b>				258,361	(215,185)	4,705
Cash and cash equivalents at beginning of year/period				-	258,361	43,176
<b>Cash and cash equivalents at end of year/period</b>				<b>(258,361)</b>	<b>43,176</b>	<b>47,881</b>