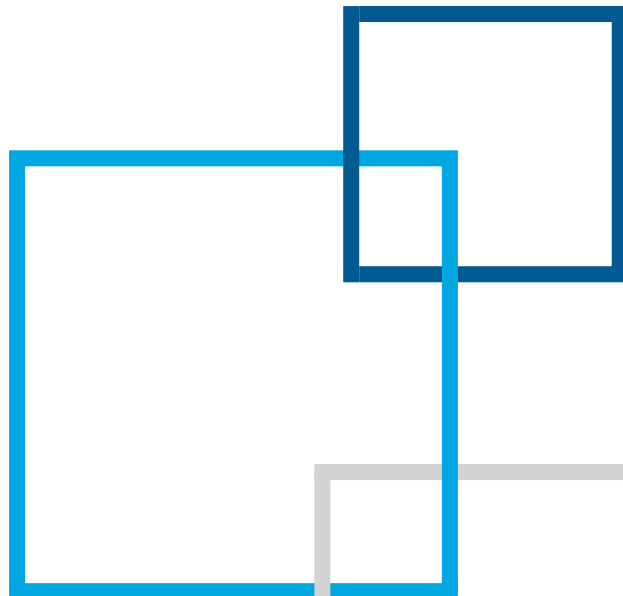




**HILI**  
VENTURES

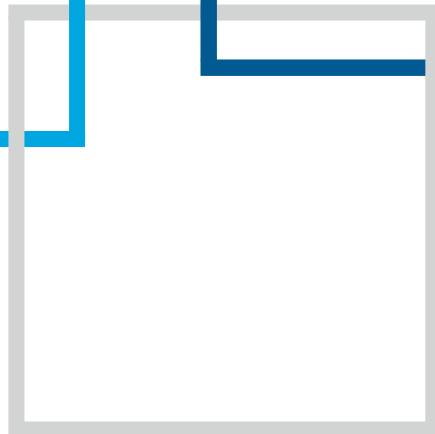


Annual Report  
**2020**



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# Hili Ventures

Hili Ventures is the holding company of a diversified group with a deep-rooted entrepreneurial heritage dating back to 1923. From its head office in Malta, Hili Ventures steers the group towards continued growth in selected sectors and markets.

Hili Ventures is shaped by a track record for leadership of its segments, extensive market knowledge, and consistency in delivering on its promises. Led by Melo Hili as Chief Executive Officer, Hili Ventures is engaged in multi-sited operations in partnership with McDonald's and Apple, logistics, oil & gas, marine & engineering, technology, property, and hospitality in 10 countries in central and Eastern Europe and North Africa with a team of 9,500 people.

Hili Ventures is a proud partner of Cisco, CMA CGM, Diebold Nixdorf, Gemalto, GLS, Hoffmann, IBM, Konecranes, Lenovo, Microsoft, NCR, Tranter, Terberg and many other global brands to service a wide-ranging B2B and B2C client base in an array of sectors.

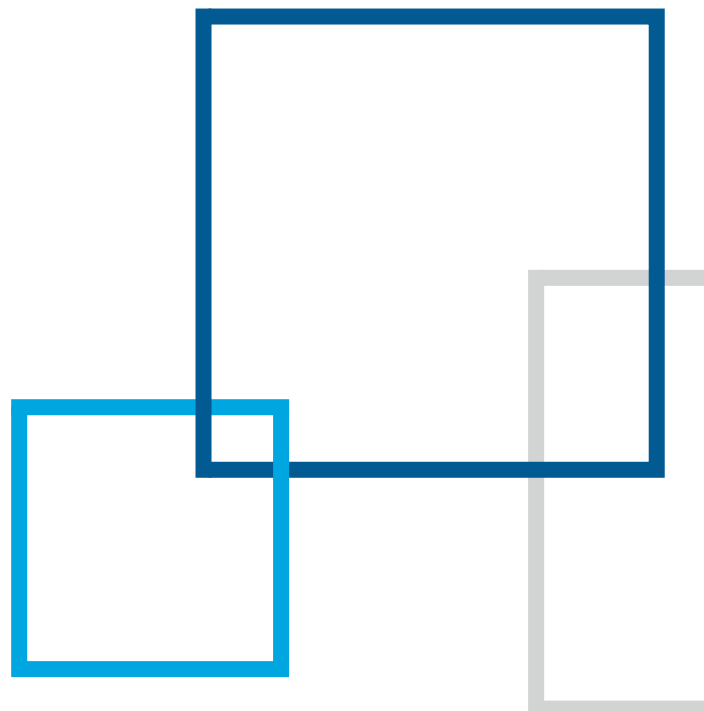
The group has successfully worked with its international partners to continually upgrade

customer experience and deliver on the promises made by much-loved and admired brands.

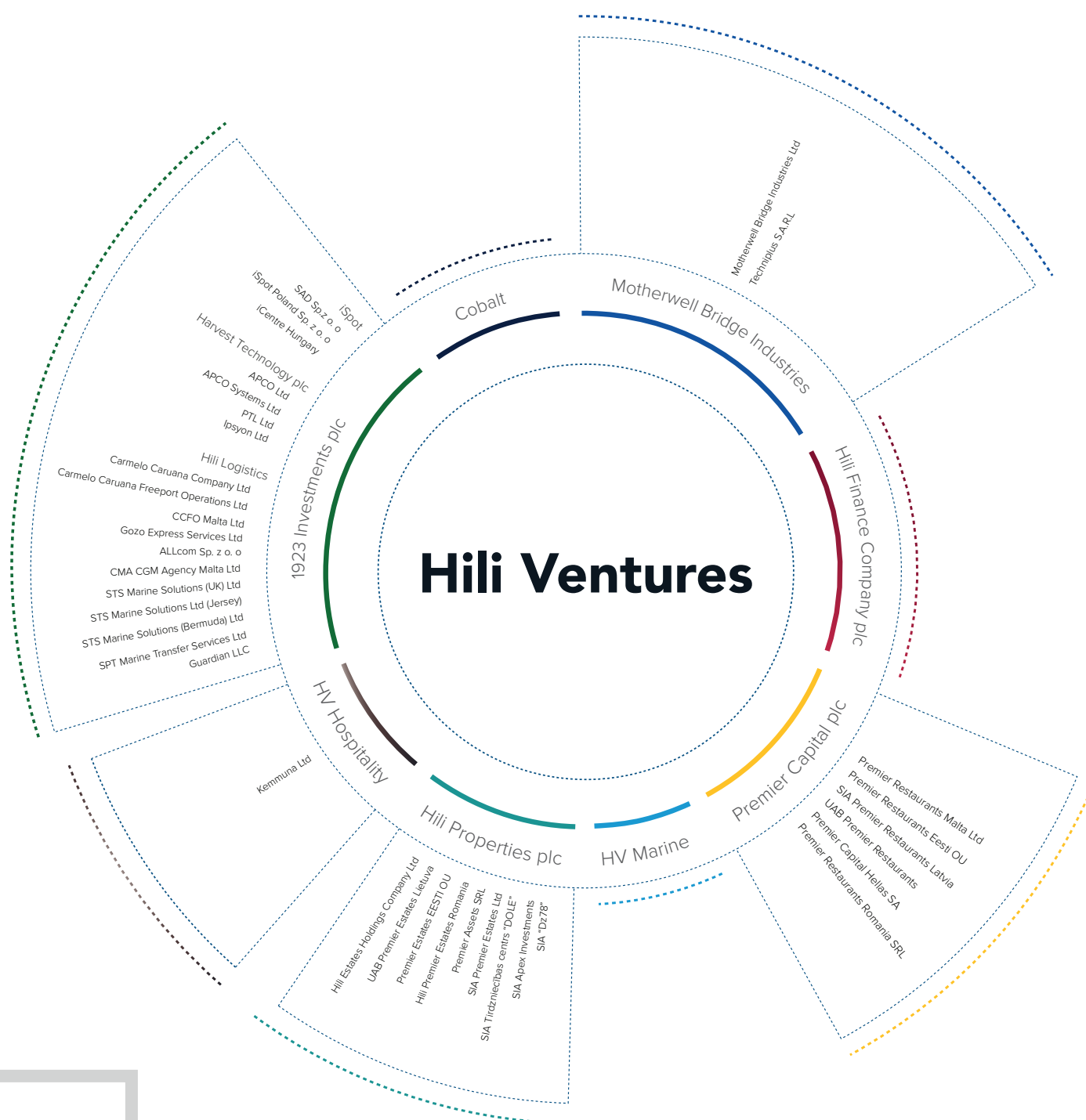
It has developed a considerable understanding of the specific demands of its customers in diverse markets and regions.

This expertise has been key to its consistent growth as it strives to continuously exceeds customer expectations with a clearly articulated commitment to reach ever-higher standards.

Beyond its key commercial activities in retail, Hili Ventures' subsidiaries reach out to customers with a portfolio of capabilities, and the ability to offer multi-faceted solutions by tapping a range of synergies and putting unmatched assets, human capital, and connections to work across its international business network.



# Group structure











# Lines of business



**premier  
capital**  
everyone makes  
it possible.

## **Premier Capital plc**

McDonald's

Premier Capital plc is the Developmental Licencee for McDonald's, operating more than 162 restaurants in Estonia, Greece, Latvia, Lithuania, Malta and Romania, thanks to a team of 8,800 people.

Its network of McDonald's restaurants, which includes 90 McDrives, 65 McCafé counters and 151 McDelivery outlets, enjoys consistent investment in development and innovation.

More than 131 million customers are served at McDonald's restaurants operated by Premier Capital every year.



**HILI  
PROPERTIES**

## **Hili Properties plc**

Real Estate

Hili Properties plc holds and manages an extensive portfolio of strategic assets in key locations in Malta, Romania and around the Baltics.

The portfolio, currently valued at €110 million, includes commercial and retail property in Malta, Latvia, Lithuania, Estonia, and Romania. Its real estate houses McDonald's restaurants, grocery-anchored retail centres, and dedicated office blocks. Tenants include operators of major international brands and private healthcare facilities.

With decades of experience in property management, development and repositioning, every asset in Hili Properties plc's portfolio is managed to realise its full potential to benefit both shareholders, tenants and their customers.



**1923  
INVESTMENTS**

## **1923 Investments plc**

Technology, Logistics, Apple Premium Resellers, Oil & Gas

1923 Investments plc is a diversified holding company focused on the pursuit of opportunities to acquire and nurture companies to generate attractive returns and maximise value for stakeholders.

1923 Investments plc encompasses Harvest Technology, Hili Logistics, iSpot Holdings, and STS Marine Solutions.

These activities located in Malta, Poland, Hungary and the UK are engaged in innovation for businesses, retail of some of the world's most desirable technology products, the mobility of goods and cargo across regions, and oil & gas ship-to-ship operations.



### **Hili Finance plc**

Finance

Hili Finance Company plc acts as the finance company for Hili Ventures and its subsidiaries.

Operating from Malta, Hili Finance Company plc acquires, holds and manages assets and other financial interests for Hili Ventures, of which it is a wholly owned subsidiary.

Hili Finance Company plc raises finance for the business of Hili Ventures through the issue of bonds on the Malta Stock Exchange.



### **HV Marine Ltd**

Marine

HV Marine is the holding company of a diversified and reputable array of businesses operating in the marine industry.

Its vision is to develop a strong network of critical infrastructure for berthing, operating and servicing of yachts. Its mission is to become the leader in providing high quality marine facilities and complementary services, delivered to customers through sustainable businesses which encourage local employment and add value to local economies.

As part of its growth strategy HV Marine is continuously pursuing investment opportunities in yacht marinas, shipyards and large yacht management through acquisitions, joint ventures or strategic partnerships.



### **Motherwell Bridge Industries Ltd**

Engineering

Operating from a 15,240-square metre industrial plant in Hal Far, Motherwell Bridge Industries' Malta facility specialises in on-site construction and maintenance of port-handling equipment, non-destructive testing inspections, technical training, and tooling.

Motherwell Bridge Industries has been a preferred subcontractor for Finnish crane builder Konecranes for more than 10 years, and has project-managed the installation of more than 200 port terminal cranes in Europe, Asia, the United States, and the Middle East.

Motherwell Bridge Industries also encompasses Techniplus, a multi-disciplinary engineering company based in Casablanca, engaged in the maintenance and servicing of port cargo handling equipment at Morocco's major ports.





### **Cobalt Leasing Ltd**

Leasing

Based in the United Kingdom, Cobalt is a boutique container lessor dedicated to providing client-centric, cost-effective and seamless service. It leases, rents and trades in shipping containers around the globe.

Container leasing grants customers three key benefits which Cobalt optimizes for clients - flexibility, capital and resource freedom, and risk mitigation.

By leasing containers, businesses enjoy freedom from the capital commitment required to own and manage containers. Leasing also minimises exposure to business and compliance risk enabling clients to focus on their value drivers.



### **HV Hospitality Ltd**

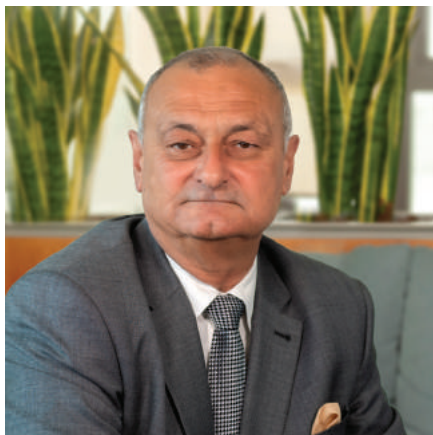
Hotels & Resorts

Established in 2019, HV Hospitality is a dedicated and responsible investment firm headquartered in Malta. The company is focused on identifying and developing boutique hotels, retreats and sanctuaries in Europe which are destined for landmark status – with particular interest in the Mediterranean. HV Hospitality is committed to safeguard the integrity of the world's natural surroundings, local cultures, heritage and history.

Building on the vision, expertise and track record of its team, HV Hospitality has set out to develop a luxury hotel and resorts brand. The objective is to own and manage a distinct collection of properties in stunning locations for discerning travellers who crave more meaningful, purposeful and sustainable luxury experiences from their journeys.



# Chairman's statement



“We will once again trust in our seniors’ leadership, insight and experience to continue to steer their people and the business on the right path ”

**Steve Tarr**  
June 2021

As everyone at Hili Ventures rose to the extraordinary internal and external challenges which shaped 2020, it was communication, collaboration and care which defined our response to the crisis brought about by the coronavirus pandemic.

The year under review was undoubtedly a momentous period for our people and our business. Our 9,500-strong community demonstrated unprecedented resilience and flexibility as it lived through a scenario destined to become a long-examined case study.

Towards the end of the first quarter, as Europe grappled with the onslaught of the first wave of the pandemic and business communities scrambled to adapt, we too regrouped to align our resources. In hindsight, we were not as sure-footed as we should have been at the outset, however our leaders soon assigned the appropriate accountability to their teams.

The objectives were clear: keep people and customers safe and protect the business, in that order. Communication was always going to be key, and people rapidly understood that it was imperative that they continued to talk to

each other. Chairs, directors, chief executives and managing directors, direct reports, middle managers – the dialogue was flowing, people knew what was happening and there was as much clarity as possible about roles and responsibilities.

Our senior executive team worked tirelessly with the leaders of the underlying groups to ensure all precautions were in place and all the resources possible were made available as managers worked within the parameters of rapidly changing restrictions and guidelines in all our markets.

Looking back, we can say with great confidence that we went above and beyond our duty of care. There has not been a single COVID-related job loss across the group and all processes and procedures were – and still are – in place to support people who were unwell, others who had to quarantine, and those who had challenging family situations to deal with.

With all hands on deck to protect people and customers, maintain operations where possible, and preserve cash, we are pleased to present our financial results for 2020, which although far short

of our original forecasts for the year, are healthy and testament to the collective responsibility and dedication we share at Hili Ventures.

There will be many learning experiences to emerge from this crisis – and we are not out of the woods at the time of writing. One will undoubtedly be better management of remote working. There is a great deal of work going on behind the scenes at Hili Ventures where a fully-fledged digital transformation journey is underway to ensure the right technologies are in place to meet the new behaviours of our people, our partners and our customers.

However, while it has been imperative to impose a work from home directive on all our office-based people over the past months, we need to examine the benefits and the impact it has on different segments of our talent pool. Remote work does not appeal to – or indeed work – for everyone. For some it has restored a couple of precious hours a day which would have otherwise been spent commuting. For others, the psychological effects of working in isolation or in an environment not conducive to productivity or creativity has been detrimental to their wellbeing. We must definitely





think in terms of value not venue where work bases are concerned, but we must do this with greater understanding. Our people will thank us for it.

The coronavirus crisis has encouraged us to rethink a plethora of work practices and we are all left wondering what kind of 'normal' we will eventually return to. Business travel is here to stay of course, but there is little doubt that there will be less of it. We will be increasingly conscious of the value of time and we will work hard to identify ways to be more efficient and effective by continuing to listen to our people and embrace whatever they believe the 'new normal' should look like.

The painstaking group-wide risk assessment carried out in 2019 could not have been timelier and risk is now a key agenda item for all our boards of directors. Our senior management teams too have factored risk in their three-year plans for the first time, increasing our focus on risk mitigation and management, foresight and prudence. The assessment will continue to be a rolling exercise and it is now firmly planted among our boards and management's lists of accountabilities.

Corporate governance reviews are an annual priority, and in 2021, following an audit by Deloitte, we will endeavour to formally assess the composition of all boards with greater rigour every year. We have also committed to reduce the involvement and presence of the Hili Ventures board members on the boards of our subsidiaries in the spirit of good governance and best practice. In the same mindset, we have also set out to establish unequivocal accountabilities for both boards and audit committees while we closely review the composition of the latter.

Throughout 2020, our boards of directors met with increased regularity, particularly in view of the crisis, which saw them more heavily involved in oversight than ever before. Our independent non-executive directors too gained wider knowledge about the activities of the businesses. There were also key changes at Hili Properties where highly experienced Maltese entrepreneur Pier Luca Demajo was appointed chairman and George Kakouras, who previously led the team at Harvest Technology subsidiary Apco Systems, was named managing director.

We are extremely confident that Pier Luca and George, both people of influence, will take stock of our real estate group, re-energise its strategy and take it to new heights in the short- to mid-term.

One of our most innovative initiatives last year was the D2030 (Destination 2030) project. The mission to examine Hili Ventures' future with a 2030 perspective was entrusted to a group of nine people selected from across the organisation who were identified from among our most high potential talent. The exercise also doubled as an executive leadership development opportunity.

By exposing them to the wider business and giving them a business-critical task to map the future of the group, these nine candidates could be assessed on their ability to rise to the next level of executive leadership – an objective high on our human resources team's agenda.

After several weeks of training, fact-finding and analysis, with the support and insight from the Hili Ventures senior management team, CEOs, MDs and other leaders, and some external high profile business

leaders, the team presented their work to the Hili Ventures board at the end of November. The board found the D2030 vision and aspirations very meaningful and asked the team to translate them into effective transformation plans.

This is the first such project undertaken across the group and I am confident the initiative will evolve and see the creation of similar teams tasked with major projects. While it will remain strategy-driven, the idea could mature to be more formulated and structured and provide similar invaluable opportunities to our people which would be hard to come by elsewhere.

We ventured into 2021 with cautious confidence that we were better equipped to face up to the challenges brought about by a second and third wave of the pandemic. Our people's safety and the preservation of our operations where possible will remain our top priorities. It is highly doubtful our offices will be at full capacity until at least the very end of the year, particularly with vaccination programmes' progress differing so greatly across our markets.

Our boards of directors will continue to pledge their full support and guidance to our seniors and ensure they deliver on their carefully prepared plans during what looks to be another difficult year if the first two quarters are anything to go by.

Throughout the year, it is critical that we resist the temptation to be over-ambitious despite the promising results of 2020, maintain our focus on overhead management, and ensure we are able to operate in safety. We will once again trust in our seniors' leadership, insight and experience to continue to steer their people and the business on the right path.

# Board of Directors - Hili Ventures

## **Steve Tarr**

Chairman



Steve Tarr is a certified management consultant and sits on a number of company boards in the UK, Malta and Germany. He has been involved in more than 20 mergers and acquisitions and is a specialist in supporting organisations in change management and people management. Mr Tarr established Mdina International, a management and people consultancy in 1980, after an apprenticeship in engineering and a career in sales in the UK. He has delivered bespoke training programmes to thousands of people within organisations of all sizes in more than 30 countries. Mdina International has offices in the UK, Malta and Germany.

## **Melo Hili**

Chief Executive Officer



Melo Hili joined the family business in 1988 and was appointed Managing Director of Motherwell Bridge, then a joint venture with Motherwell Bridge Group of Scotland. He later also headed the company's Italian operation and was a board member of Motherwell Bridge Bhicam in the Bahamas. Mr Hili was named Developmental Licencee for McDonald's in Malta in 2005, for Estonia, Latvia and Lithuania in 2007, for Greece in 2011, and for Romania in 2016. Mr Hili is also Chairman of Premier Capital.

## **Annabel Hili**

Director



Annabel Hili is Director of Legal at Hili Ventures. She was previously an Associate at Malta law firm GVZH Advocates, where her main areas of practice were data protection, technology, media and telecommunications, and intellectual property. Dr Hili also advised on corporate, M&A and real estate matters. She graduated Doctor of Laws from the University of Malta in 2015 and was called to the Bar in 2016. Dr Hili graduated LLM in the Law of Internet Technology at Bocconi University in Milan, focusing on international legal matters emerging in the digital age, including intellectual property and competition rules, data protection, jurisdictional issues and digital innovation.

## **Victor Tedesco**

Director



Victor Tedesco joined the McDonald's team in Malta before the first restaurant opened in Valletta in 1995. He was part of the team that opened the Valletta, St Julian's and Sliema restaurants and was St Julian's store manager for three years during which time he won a Manager of the Year award. After some time as Operations Manager, he was appointed Director of Operations for the Baltics in 2007 and moved to Riga for three and a half years. In 2011, he was entrusted with leading the operation in Greece. He returned to Malta in 2014 as Managing Director for Malta and Greece. A year later, he was appointed Managing Director of Premier Capital, assuming responsibility for the McDonald's operations in Greece, the Baltics, Malta and later Romania. Now Chief Executive Officer of Premier Capital, Mr Tedesco is also Chairman of HV Hospitality.

## **Jesmond Mizzi**

Director



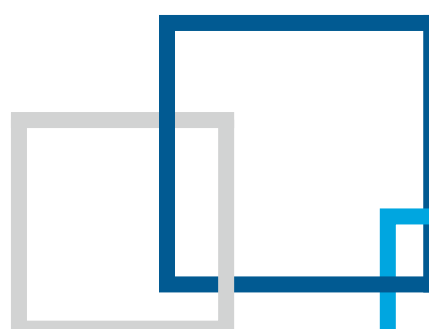
Jesmond Mizzi is Managing Director of Jesmond Mizzi Financial Advisors, which he co-founded in 2002. He has a financial services career spanning almost 20 years and has held senior roles with a listed company in Malta. Mr Mizzi previously spent six years managing a family catering business and was at PricewaterhouseCoopers for seven years. Mr Mizzi also served as a Director of Premier Capital.

## **Melanie Miceli Demajo**

Company Secretary



Melanie Miceli Demajo graduated Doctor of Laws from the University of Malta in 2002 and was admitted to the bar in 2003. She has a Master's in Law specialising in Commercial and Corporate Law from University College London and a Master of Arts in Financial Services from the University of Malta. Dr Miceli Demajo has been a Partner at Maltese law firm Gonzi & Associates since 2012. She was previously Group Legal Advisor at M. Demajo Group, a multi-disciplinary group of companies.





# Board members

## Premier Capital plc

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**Melo Hili**  
Chairman



**Victor Tedesco**  
Executive Director



**Valentin-Alexandru Truta**  
Non-Executive Director



**Dorian Desira**  
Non-Executive Director



**Massimiliano Eugenio Lupica**  
Independent Non-Executive  
Director/Chair Audit Committee



**Karen Pace**  
Independent Non-Executive  
Director



**Geoffrey Camilleri**  
Company Secretary

## Hili Properties plc

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**Pier Luca Demajo**  
Chairman



**George Kakouras**  
Executive Director



**Eddy Vermeir**  
Non-Executive Director



**Peter Hili**  
Non-Executive Director



**David Aquilina**  
Independent Non-Executive  
Director/Chair Audit Committee



**Laragh Cassar**  
Independent Non-Executive  
Director



**Melanie Miceli Demajo**  
Company Secretary

## 1923 Investments plc



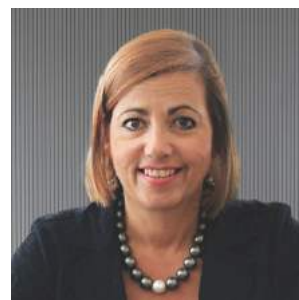
**Charles Borg**  
Chairman



**Melo Hili**  
Non-Executive Director



**Dorian Desira**  
Non-Executive Director



**Ann Fenech**  
Independent Non-Executive  
Director



**Karl Fritz**  
Independent Non-Executive  
Director/Chair Audit Committee



**Melanie Miceli Demajo**  
Company Secretary

## Hili Finance Company plc



**Geoffrey Camilleri**  
Chairman



**Dorian Desira**  
Executive Director



**Melo Hili**  
Non-Executive Director



**Mario Vella**  
Independent Non-Executive  
Director/Chair Audit Committee



**Jacqueline Camilleri**  
Independent Non-Executive  
Director



**Melanie Miceli Demajo**  
Company Secretary

## HV Hospitality Ltd

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**Victor Tedesco**  
Chairman



**Andre Scerri**  
Director



**Melo Hili**  
Non-Executive Director



**Melanie Miceli Demajo**  
Company Secretary

## HV Marine Ltd

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**Melo Hili**  
Director



**Dorian Desira**  
Director



**Melanie Miceli Demajo**  
Company Secretary





# Chief Executive's review



“With personal and professional pressure brought to bear, life is still not easy for anyone. But we have weathered the storm well so far and we are better informed and better equipped to handle this long-term disruption to our lives ”

**Melo Hili**  
June 2021

Hili Ventures registered revenues in excess of €483 million in 2020, successfully maintaining the turnover levels of 2019 while completing two major acquisitions throughout the year, despite the coronavirus pandemic adversely impacting the economies of the markets in which we operate. Another major win for us was our success in keeping our 9,500 staff complement intact throughout the year with no COVID-19-related job losses.

As expected, challenging trading conditions across Europe impacted profitability. However, EBITDA for the group in 2020 exceeded €67 million. The group's robust position and healthy liquidity at the end of 2019 allowed us to enter 2020 on a sure footing, able to maintain the momentum on our ambitious investment programme.

In April, we completed the acquisition of all non-US ship-to-ship operations from marine energy transporter Teekay Tankers in order to fulfil our strategy to make greater strides in international shipping in the near term. Based in Sunderland, a highly experienced team at the newly incorporated STS Marine Solutions, provides ship-to-ship and ship-to-shore transfers of crude oil, refined petroleum, LPG and LNG. The team, which manages

Jordan's first LNG import terminal, oversees operations at 24 bases around the globe, where core activities comprise oil and gas and LNG support, emergency support services and consultancy. In October, our McDonald's business Premier Capital, our foremost holding, secured 100 per cent ownership of the Romanian business after acquiring the 10 per cent stake held by a single shareholder.

Now firmly focused on our three-year plans to 2023, we continue on our growth trajectory, pursuing expansion organically and through mergers and acquisitions. In 2021 we are actively engaged in seeking partners and investors for a collection of attractive propositions in a range of sectors and markets.

As our revenues hover steadily over the half-billion mark for a second year, even after a year of global crisis, we are confident the time is right for the group to step up the tempo on investment activity. Our strong operational resilience, our management teams' nimbleness in navigating the crisis, our ability to protect our people, our revenues and our associates demonstrate that we are succeeding in building a solid, sustainable business with significant potential for growth. We believe we are well-placed to welcome like-minded, ambitious

partners and investors to our fold to continue to drive real business value to our medium-and long-term plans.

From an internal perspective, our commitment to evolving into the best version of ourselves has never been stronger. In 2020, the D2030 team – a select group of nine of our most high potential talent from across the group – were entrusted with identifying pathways to take the business and its people to the next level. Following approval by the board of Hili Ventures in the last quarter of the year, the team began to deliver on its first tasks in 2021.

These tasks re-energise our values to keep them relevant to these changing times, step up our efforts on sustainability, review our structures to ensure our resources are best placed to realise their full potential, and kickstart an ambitious digital transformation journey with all our companies so that we are aligned with the behaviours and needs of our staff, our partners and our customers by embracing the most innovative technologies.

A closer look at our business' performance in 2020 reveals that Premier Capital demonstrated remarkable resilience across the markets where it operates McDonald's restaurants. This despite economic turmoil impacting sales

and profitability forecasts for 2020. The teams worked tirelessly to ensure brand trust was maintained, adhering to very stringent safety protocols and serving customers with pride through lobby take-out, McDrive and McDelivery.

Premier Capital closed 2020 with a portfolio of 159 restaurants in its six markets after opening three additional restaurants in Romania, one in Greece and another in Lithuania. The group's McDonald's team is committed to its ambitious vision for the next three years, determined to open more than 20 restaurants in the next three years.

Investments arm 1923 Investments, our second largest underlying operating group, continued to see growth, particularly within its subsidiaries engaged in Apple Premium Resellers, its newly acquired oil and gas company STS Marine Solutions, logistics and technology.

At iSpot, the Apple Premium Reseller chain and Poland's largest Apple retailer, the situation necessitated a reshaping of the business and greater team effort behind digital sales channels as authorities ordered the closure of malls for long stretches. The team's great sense of commercial responsibility resulted in remarkable results, significantly up from 2019 and close to the original projections for 2020, particularly on the back of strong December sales.

Since March, as uncertainty underpinned global commercial activity, the strong collaboration between the various functions at Hili Ventures, 1923 Investments and the team now trading as STS Marine Solutions in Sunderland in the UK, ensured the integration was smooth. While working from home, the STS team re-opened all the bases around the world and restored their revenue streams. The team closed off 2020 by signing a contract to supply services to Russia.

Shipping proved itself as one of the more resilient activities in a crisis, and we registered positive results

at our logistics business in Poland where the team ensured relations with loyal customers remained strong, and at its Malta-based ship agency joint venture with CMA CGM. The group's anchor company Carmelo Caruana underwent considerable restructuring in 2020 in order for it to be repositioned to target new areas of business.

Technology group Harvest, of which 1923 Investments is the majority shareholder, maintained its positive momentum and exceeded forecasts for 2020 thanks to prudent cost management and encouraging business results from its partnerships, the completion of international projects, and new products and services.

In 2021, 1923 Investments continues to expand its APR network, step up its internationalization efforts across its technology business, increase its LNG bases, and solidify its sales teams and offerings across its logistics activities. Over the next three years, our investment arm intends to intensify its mergers and acquisitions activity to the tune of €50 million by forging strategic international partnerships.

The €120 million re-development of the Comino Hotel and Villas on one of the Maltese islands, our most ambitious project to date, will reach a key milestone in 2021. As soon as planning permission is granted for the demolition of the existing sites, the construction of the 70 luxury suites and 21-villa cluster can commence.

We are engaging with some of the world's most renowned architects and engineers to deliver a stunning and environmentally sustainable destination for discerning travellers by 2023-2024.

In tandem with bringing its first project to fruition, the team is working on the concept for our very own hospitality brand. Longer term, we are focused on growing our hospitality portfolio to encompass a small but unique selection of outstanding hotels and properties.

Hili Properties, our real estate holding and management company, collaborated closely with its retail and corporate tenants to support them through a very challenging year, and to give consumers and visitors good reason to return to shopping centres and business spaces as soon as was safely possible. In the near-term, Hili Properties aims to expand its portfolio beyond retail and office properties by venturing into partnerships with prominent players on the wider European market.

2020 was particularly productive and fruitful for our Malta-based engineering company Motherwell Bridge Industries as it seized opportunities presented by the downturn in affiliate sectors to register its best revenues in five years. Strict COVID-19 protocols ensured teams entrusted with crane installation and maintenance stationed at port terminals in and outside Malta were kept safe and all operations continued undisrupted.

HV Marine, our yacht industry start-up, identified a niche for remote crew management, support and training throughout 2020, and will now turn its focus on its growing pipeline of potential acquisitions and partnerships in yacht marinas and yards around the continent.

Our people's dedication and their focus on the rigorous review and adjustment processes we put in place throughout 2020 was phenomenal. All that we have achieved and overcome throughout the year is entirely thanks to this talented, determined community across Hili Ventures.

With personal and professional pressure brought to bear, life is still not easy for anyone. But we have weathered the storm well so far and we are better informed and better equipped to handle this long-term disruption to our lives. We still experience challenges in 2021 as we continue to live through this pandemic but there is a light at the end of the tunnel. There still is a bright future ahead.





# Leadership

## Executive Team

**Melo Hili**  
Chief Executive Officer

**Dorian Desira**  
Chief Financial Officer

**David Vella**  
Chief People Officer

**Valentin Truta**  
General Counsel

**Eddy Vermeir**  
Senior Director of Business Transformation

**Joanna Ripard**  
Director of Communications

**Arzu Bilgic**  
Commercial Director

## Leadership Team

**Victor Tedesco**  
Chief Executive Officer  
**Premier Capital plc**

**Keith Busuttil**  
Chief Executive Officer  
**1923 Investments plc**

**George Kakouras**  
Managing Director  
**Hili Properties plc**

**Arzu Bilgic**  
Acting Chief Executive Officer  
**HV Marine Ltd**

**Petra Deuter**  
Chief Executive Officer  
**HV Hospitality Ltd**

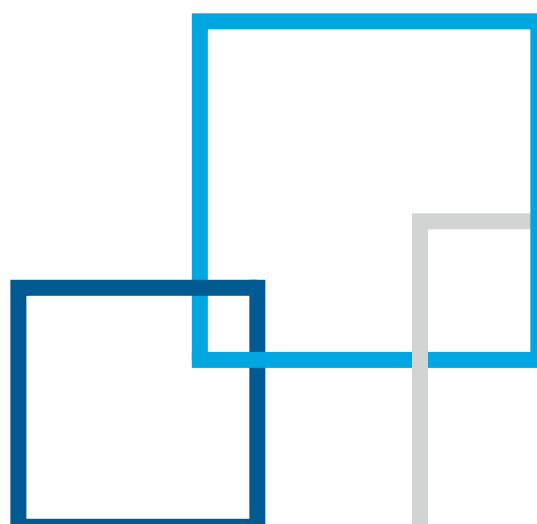
**Geoffrey Camilleri**  
Chairman  
**Hili Finance Company plc**

## Audit Committee

**Jesmond Mizzi**  
Chairman

**Karl Fritz**  
Member

**Annabel Hili**  
Member



# Chief Financial Officer's report for the year ended December 31, 2020



“ At year end, the group's total assets amounted to €624.2 million compared to €628.9 million in 2019; total liabilities stood at €517.4 million, decreasing from €518.8 million ”

**Dorian Desira**

June 2021



In 2020 Hili Ventures generated revenue of €483.2 million, a decrease of 1.5% when compared to the prior year. This drop in revenue was mainly attributable to disruptions to the group's retail operations caused by the coronavirus pandemic.

The outbreak of the pandemic has severely impacted worldwide economies and consequently affected the group's core operations, primarily McDonald's restaurants and rental activities.

EBITDA for the year under review amounted to €67.6 million, an increase of 4% from the €64.9 registered in 2019. The contribution of Premier Capital, our McDonald's business, to the total EBITDA in relative terms amounted to 76%, dropping from the 87% registered in 2019.

In 2020, Hili Ventures reported net investment income of €1.4 million while finance costs amounted to €19.5 million. The group achieved a profit for the year of €15.2 million and total comprehensive income of €13.7 million as compared to €22.6 million and €29.9 million registered in 2019.

Hili Ventures raised €44.9 million net cash from operating activities. Net outflows from investing activities amounted to €48.6 million, which included the acquisition of the non-controlling interest in the McDonald's business in Romania and the acquisition of ship-to-ship transfer services businesses and LNG terminal management.

Net cash outflows from financing activities of €14.2 million mainly related to the servicing of debt and borrowings and payment of dividends. Hili Ventures closed the year with a balance of cash and cash equivalents of €41.9 million.

As at the end of year, the group's total assets amounted to €624.2 million compared to €628.9 million in 2019, while total liabilities stood at €517.4 million, decreasing from €518.8 million in 2019. The equity of the group decreased to €106.8 million from €110.1 million in 2019 mainly due to the acquisition of the minority shareholding in the Romanian McDonald's business.





Key Accounting Ratios	2019	2020
Gross profit margin	22%	20%
EBITDA margin	13%	14%
Net profit margin	5%	3%
Interest cover (times)	3.9	3.5
Return on equity	21%	14%
Gearing	71%	74%

# Finance summary

## by underlying group

### Premier Capital plc

Premier Capital plc achieved an operating profit of €26 million in 2020 compared to €34.3 million in 2019. Overall group revenue decreased by 6.5% compared to 2019, with all markets within the group experiencing business disruptions in view of Covid-19. The market reporting the highest negative impact was Malta, with an overall decrease of 15.7%. Romania and Greece both registered a decrease of 8% when compared to 2019, and Estonia 2.2%. Lithuania and Latvia registered a decrease in turnover of 3.3% and 1% respectively. Premier Capital plc pursued its expansion plans and in 2020 invested over €13 million of capital expenditure in development activity, which included the opening of restaurants, bringing the total number of operating restaurants to 159 by the end of the year. Profit after tax amounted to €17.7 million in 2020, down from €25.7 million in the previous year. Net Asset Value as at end of 2020 stood at €53 million (2019: €57.1 million).

### Hili Properties plc

During the year under review, Hili Properties plc registered an operating profit of €5 million (2019: €6 million). In 2020, Hili Properties plc generated over €4.6 million in net investing activities on successful disposal of an underlying subsidiary which held commercial property and another investment asset in Latvia. The division continued to enhance the value of its portfolio and registered an increase of €4.2 million in the portfolio value in 2020. Profit after tax amounted to €4.1 million compared to a profit after tax of €5.5 million in 2019. Net Asset Value as at end of 2020 stood at €62.7 million (2019: €57.6 million).

### 1923 Investments plc

1923 Investments plc registered an operating profit of €7.6 million compared to €3.2 million in 2020. During 2020, 1923 Investments plc acquired a ship-to-ship transfer services business based in the UK. In 2020, the results were positively impacted by increased profitability by the various service lines and with the addition of the results generated by the STS business. Profit after tax amounted to €3.4 million in 2020 compared to €1.6 million in 2019. During the year under review, 1923 Investments plc was adversely impacted by foreign exchange translation of the significantly weaker Polish Zloty (PLN) and US Dollar (USD) against the Euro leading to a negative impact on the translation reserve of €5 million for the year. Net Asset Value as at end of 2020 stood at €45.6 million (2019: €45.1 million).

### Hili Finance plc

The financial results of Hili Finance Company plc are restricted to interest payable on the bond, interest receivable on the inter-company loan and limited overheads. Hili Finance Company plc registered a profit after tax of €500,000 compared to €200,000 in 2019. Net Asset Value as at end of 2020 stood at €2.8 million (2019: €2.3 million).

## Motherwell Bridge Industries Ltd

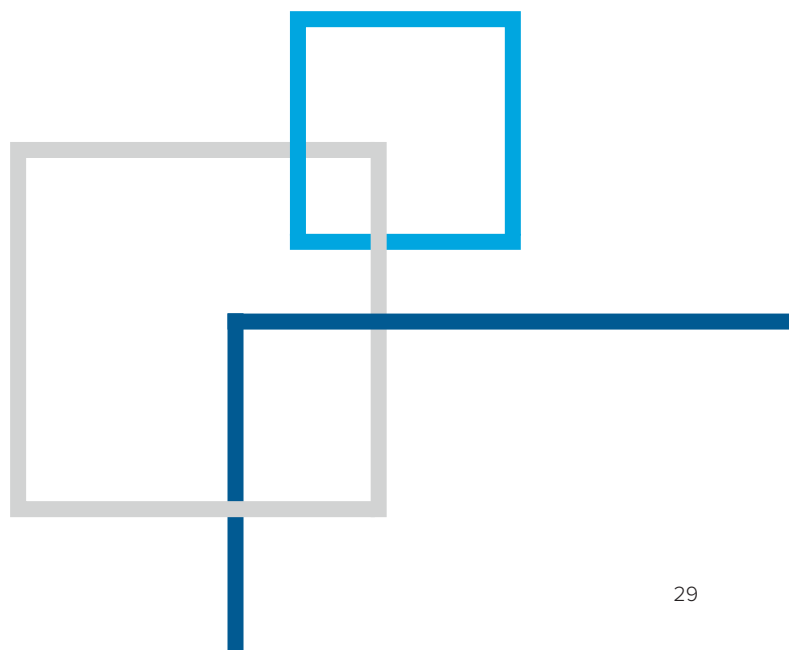
During the year under review, the company registered an operating profit of €1.7 million compared to an operating loss of €658,000 in 2019. The main contributors to the profit made in 2020 were the projects in the assembly and installation of container port cranes carried out in Abu Dhabi and Tangiers. During the year under review, the company also consolidated the marine division and started undergoing fabrication works following a period of inactivity. The profit after tax amounted to €1.1 million in 2020 compared to a loss after tax of €601,000 in 2019. Net Asset Value as at end of 2020 stood at €2 million (2019: €547,000).

## HV Hospitality Ltd

HV Hospitality Ltd was incepted in 2019 and subsequently acquired Kemmuna Ltd which owns a hotel and villas on the island of Comino, off Malta. The company has initiated the design process to redevelop the existing properties and is currently seeking to obtain the necessary planning permission. The loss for the year amounted to €190,000 (2019: €190,000) mainly attributable to overheads. Net Asset Value as at end of 2020 stood at €62.7 million (2019: €1.8 million).

## Cobalt Leasing Ltd and HV Marine Ltd

Cobalt Leasing Ltd and HV Marine Ltd were set up in 2019 with the intent to tap into opportunities relating to container leasing and marine business leads. Due to the negative impact and significant uncertainty in the market brought about by the COVID-19 pandemic, Cobalt Leasing Ltd decided not to proceed with investment activity pending reasonable clarity on the market situation post-pandemic. During 2020, HV Marine Ltd was actively engaged in setting up a pipeline of projects. As at year end, both companies registered no operating activities. As such, the loss for the year of Cobalt Leasing Ltd and HV Marine Ltd which amounted to €105,000 (2019: €157,000) and €541,000 (2019: €207,000) respectively was attributable mainly to overheads incurred throughout the year.











# Statement of profit or loss and other comprehensive income

	Group 2020 Eur	Group 2019 Eur
<b>Continuing operations</b>		
Revenue	483,237,106	490,567,309
Cost of sales	(385,089,872)	(384,443,463)
<b>Gross profit</b>	<b>98,147,234</b>	<b>106,123,846</b>
Other operating income	2,838,940	1,544,573
Other operating expenses	(214,264)	(488,344)
Selling expenses	(20,096,522)	(21,496,098)
Administrative expenses	(43,518,082)	(48,270,607)
<b>Operating profit/(loss)</b>	<b>37,157,306</b>	<b>37,413,370</b>
Investment income	3,445,926	9,986,071
Investment losses	(2,052,511)	(4,220,880)
Net investment income	1,393,415	5,765,191
Finance costs	(19,475,554)	(16,701,945)
<b>Profit before tax</b>	<b>19,075,167</b>	<b>26,476,616</b>
Income tax (expense)/credit	(3,825,354)	(3,886,949)
<b>Profit for the year</b>	<b>15,249,813</b>	<b>22,589,667</b>
<b>Other comprehensive expense items that will not be reclassified subsequently to profit or loss:</b>		
Decrease in fair value of financial assets at fair value through other comprehensive income	(15,225)	(15,883)
<b>Items that may be reclassified subsequently to profit or loss:</b>		
Decrease in fair value of financial assets at fair value through other comprehensive income	(6,650)	(20,240)
Revaluation on property, plant and equipment	4,199,635	8,175,738
Exchange differences on translation of foreign operations	(5,757,878)	(792,606)
	(1,564,893)	7,362,892
<b>Total other comprehensive (expense)/income</b>	<b>(1,580,118)</b>	<b>7,347,009</b>
<b>Total comprehensive income for the year</b>	<b>13,669,695</b>	<b>29,936,676</b>
Profit attributable to:		
Owners of the company	13,703,245	19,788,335
Non-controlling interests	1,546,568	2,801,332
	15,249,813	22,589,667
Total comprehensive income attributable to:		
Owners of the company	12,123,127	26,643,312
Non-controlling interests	1,546,568	3,293,364
	13,669,695	29,936,676



# Statement of financial position

	Group 2020 Eur	Group 2019 Eur
<b>Assets and liabilities</b>		
<b>Non-current assets</b>		
Goodwill	86,757,032	77,035,811
Intangible assets	19,572,736	21,138,610
Property, plant and equipment	214,444,663	202,170,771
Investment property	64,726,757	72,605,084
Property held for sale	7,735,151	3,774,413
Right of use assets	80,583,179	80,917,982
Investments in subsidiaries	-	-
Investments in associates	496,191	270,678
Investments in joint ventures	965,831	907,996
Other financial assets	50,000	50,000
Financial assets at fair value through other comprehensive income	798,269	820,144
Loans and receivables	14,337,525	2,817,410
Deposit on acquisition of investments	24,500,000	24,500,000
Trade and other receivables	1,983,628	2,295,701
Deferred tax assets	3,711,668	3,172,173
Restricted cash	1,582,998	1,191,606
	<u>522,245,628</u>	<u>493,668,379</u>
<b>Current assets</b>		
Inventories	17,713,786	19,040,198
Loans and receivables	8,297,028	22,455,135
Contract assets	1,854,760	383,998
Trade and other receivables	23,508,164	22,929,828
Cash and cash equivalents	47,595,565	66,238,141
Current tax assets	3,006,809	4,199,856
	<u>101,976,112</u>	<u>135,247,156</u>
<b>Total assets</b>	<u><b>624,221,740</b></u>	<u><b>628,915,535</b></u>
<b>Current liabilities</b>		
Trade and other payables	65,696,714	68,412,629
Contract liabilities	1,383,949	2,397,231
Other financial liabilities	891,302	7,938,819
Bank loans and overdrafts	22,621,664	18,517,432
Lease liabilities	9,472,161	11,110,972
Current tax liability	3,365,680	3,980,860
	<u>103,431,470</u>	<u>112,357,943</u>
<b>Non-current liabilities</b>		
Debt securities in issue	255,337,859	254,915,560
Trade and other payables	591,647	941,843
Other financial liabilities	2,333,876	4,525,069
Bank loans	71,872,008	68,178,339
Provisions	306,170	420,234
Lease liabilities	74,882,726	71,947,549
Deferred tax liabilities	8,654,914	5,501,375
	<u>413,979,200</u>	<u>406,429,969</u>
<b>Total liabilities</b>	<u><b>517,410,670</b></u>	<u><b>518,787,912</b></u>
<b>Net assets</b>	<u><b>106,811,070</b></u>	<u><b>110,127,623</b></u>
<b>Equity</b>		
Share capital	69,400,000	69,400,000
Other equity	(205,968)	10,514,006
Retained earnings	31,791,499	20,199,505
<b>Total equity</b>	<u><b>100,985,531</b></u>	<u><b>100,113,511</b></u>
Non-controlling interests	5,825,539	10,014,112
<b>Total equity</b>	<u><b>106,811,070</b></u>	<u><b>110,127,623</b></u>



**Steve Tarr**  
Chairman



**Carmelo sive Melo Hili**  
Director

# Cash flows from operating activities

	Group 2020 Eur	Group 2019 Eur
<b>Profit before tax</b>	<b>19,075,167</b>	<b>26,476,616</b>
Adjustments for:		
Depreciation and amortisation	18,522,274	16,423,034
Depreciation on right of use assets	11,412,749	10,787,375
Net exchange differences	757,719	85,680
Bad debts written off	68,182	391,975
Bond amortisation costs	422,299	345,876
Acquisition-related costs	501,042	-
Movement in provision for doubtful debts	(73,958)	42,176
Dividends from equity instruments	-	-
Interest income on bank deposits and financial assets	(145,222)	(216,332)
Interest payable	14,495,705	12,897,429
Interest income on amounts due from related parties	(705,449)	(505,301)
Interest payable on amounts owed to related parties	148,103	151,967
Interest on leased assets	3,162,885	2,958,932
Other interest receivable	-	-
Share of profit of associated undertakings	(421,513)	(246,028)
Share of profits in jointly controlled entities	(57,835)	(107,557)
Gain on partial sale of subsidiaries	-	(5,881,742)
(Gain)/Loss on disposal of subsidiary	(200,000)	-
Loss on derivative financial instrument	215,293	262,061
Loss on disposal of intangible assets	320,000	80,360
Loss on disposal of a subsidiary	-	58,363
Gain on derivative financial instruments	-	(87,946)
Loss on disposal of investment property	-	23,700
Loss on disposal of property plant and equipment	184,052	372,766
Loss on disposal of right of use assets	10,013	-
Loss on disposal of other assets	91,553	5,612
Increase in fair value of investment properties	(1,910,477)	(1,329,852)
Increase in fair value of property held for sale	-	(1,418,787)
Decrease in fair value of investment properties	574,851	343,817
Stocks written off	347,915	115,734
Gain on waiver of loans	-	-
Lease payments waived by lessors	(1,689,912)	-
Impairment on loans and receivables	-	-
Impairment of property, plant and equipment	-	2,306
Impairment on investment in subsidiary	-	-
Other fair value movements	-	198,712
Impairment of goodwill	831,582	3,789,388
<b>Net cash flows from/(used in) continuing operations</b>	<b>65,937,018</b>	<b>66,020,334</b>
Movement in inventories	978,497	3,554,846
Movement in trade and other receivables	3,954,799	(2,272,927)
Movement in trade and other payables	(5,321,570)	(1,573,775)
Change in contract assets	(1,470,762)	698,045
Change in contract liabilities	(1,013,282)	722,479
<b>Cash flows from/(used in) operations</b>	<b>63,064,700</b>	<b>67,149,002</b>
Interest paid	(14,495,705)	(12,897,429)
Taxation refunded	2,520,383	1,152,404
Taxation paid	(6,204,020)	(6,759,162)
<b>Net cash flows from/(used in) operating activities</b>	<b>44,885,358</b>	<b>48,644,815</b>

	Group 2020 Eur	Group 2019 Eur
<b>Cash flows from investing activities</b>		
Payments to acquire property plant and equipment	(18,632,890)	(85,750,996)
Payments to acquire investment properties	(121,198)	(975,887)
Payments to acquire intangible assets	(1,277,541)	(850,978)
Proceeds from sale of property, plant and equipment	610,753	321,652
Proceeds from sale of investment properties	3,914,000	4,033,851
Payments to acquire non-controlling interest in subsidiary	(11,489,000)	-
Proceeds from sale of subsidiary	1,858,726	17,969,322
Proceeds from group undertakings	-	-
Cash paid on acquisition of subsidiaries	(24,784,537)	(850,000)
Acquisition-related costs	(501,042)	-
Interest received	145,222	216,332
Dividends received from associates	196,000	83,300
Dividends received from equity investments	-	-
Cash disposal on sale of subsidiaries	(44,642)	(120,357)
Cash and cash equivalents taken over upon acquisition of subsidiaries and a business	1,509,407	12,278
<b>Net cash flows (used in)/from investing activities</b>	<b>(48,616,742)</b>	<b>(65,911,483)</b>

## Cash flows from financing activities

Investments in subsidiaries	-	-
Proceeds from bond issue	-	80,000,000
Payments made to issue bonds	-	(1,057,907)
Payments to other related parties	(2,208,348)	(4,442,208)
Interest paid on leasing arrangements with related party	-	-
Interest paid on leasing arrangements with third parties	(3,162,885)	(2,958,932)
Payments for lease obligations with related party	-	-
Payments for lease obligations with third parties	(8,101,681)	(8,646,836)
Proceeds from bank loans	22,884,353	4,597,831
Repayment of bank loans	(13,999,980)	(14,178,148)
Transfer to restricted cash	(391,392)	(360,428)
Dividends paid	(2,701,517)	(8,951,605)
Dividends paid to NCI	(489,649)	(1,849,411)
Repayment of amount to third parties	(6,000,000)	-
<b>Net cash flows (used in)/from financing activities</b>	<b>(14,171,099)</b>	<b>42,152,356</b>
<b>Net movement in cash and cash equivalents</b>	<b>(17,902,483)</b>	<b>24,885,688</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>59,444,614</b>	<b>33,832,520</b>
Effect of movements in exchange	346,379	726,406
<b>Cash and cash equivalents at the end of the year</b>	<b>41,888,510</b>	<b>59,444,614</b>

This is an extract of the report and financial statements of Hili Ventures as at year ended December 31, 2020.  
Please visit: <https://www.hilifinance.com/wp-content/uploads/2021/05/HVL-AFS-2020.pdf>





# Corporate responsibility



**SUSTAINABLE  
SUCCESS**

Sustainable Success is Hili Ventures' proactive approach to corporate responsibility. Alongside its vision and values, and its employer brand 'You Belong Here', Sustainable Success sits at the heart of Hili Ventures' mission. By acting with integrity and responsibility with every decision and every action it takes, Hili Ventures seeks to be a forward-thinking agent for positive change and impact at every opportunity and every interaction.

Under the ethos of Sustainable Success, Hili Ventures provides products and services responsibly, sharing value, employment knowledge and economic benefits. It safeguards the environment along the value chain, keeps people safe, granting seamless access to development and promotion, upholding standards, and fostering diversity. Investment in training and development continues to be a cornerstone of Hili Ventures' people strategy.

## **COVID-19 and business continuity**

The onset of the global health crisis in March 2020 created physical, emotional, social, and financial challenges, causing several shifts in business strategies and consumer attitudes and the reconsideration of life priorities. Our people's health and their safety were the driving factors behind all decision-making in 2020 as the group was determined to be part of the solution to the crisis. Hili Ventures did not experience a single COVID-related job loss as it worked hard to tap government support schemes and maintain cashflows during the pandemic.

By mid-March, all office-based staff across the group were instructed to work from home and a business travel ban was put in place. Stringent health and safety protocols were implemented at all other workplaces and many thousands of units of personal protection equipment were procured and distributed among staff.

HR teams across the group supported people throughout the crisis, putting in place policies and procedures to alleviate hardship and address concerns as staff faced a range of issues and challenges including self-isolation, shielding, caring for loved ones, and additional childcare and home-schooling responsibilities.

Health and Safety procedures guide teams in the logistics, technology, engineering, hospitality and restaurant divisions where supervisors and line managers regularly conduct inspections and risk assessments with strict checks on personal protection equipment and other requirements.

Responding to a survey conducted by HR teams across the group, people appeared to be satisfied with the company's response to the crisis and the support they received. Several proposals were drawn up to form an action plan for each market.

Meanwhile, Hili Properties collaborated closely with its retail and corporate tenants to support them through a very challenging year, and to give consumers and visitors good reason to return to shopping centres and business spaces as soon as was safely possible.

At Motherwell Bridge Industries' sites, strict COVID-19 protocols ensured teams entrusted with crane installation and maintenance stationed at port terminals in and

outside Malta were kept safe, and all operations continued undisrupted.

COVID-19 presented significant challenges across the different businesses within 1923 Investments. The transition to online and remote working was managed effectively and the group re-focused businesses on strategic opportunities. Offshore STS Marine Solutions personnel underwent enhanced testing when travelling was required. The CMA CGM Group stepped up efforts to protect and support all its employees while maintaining its international logistics chain. At the same time, it has launched numerous charitable actions internationally while providing support for its employees who continued to work in difficult conditions.

In other health and safety-related matters, the requirements of ISO 9001 are adhered to at Motherwell Bridge, Carmelo Caruana Company Ltd in Malta, ALLcom in Poland, and UK-based shipping company STS Marine Solutions.

STS Marine Solutions is also ISO 9001-certified and adheres to ISO 45001 for occupational health and safety.

An environmental management plan is in place to track the business' environmental impact and to reduce its overall footprint. The company is also looking to reduce travel for office staff in 2021 as an initiative to reduce its carbon footprint. As part of its green initiatives, STS Marine Solutions has a cycle to work scheme for office-based employees.

At Motherwell Bridge Industries, staff undergoes health and safety training on induction, and ongoing training is led by health and safety experts. Incident management drills are held twice a year among Motherwell

Bridge Industries staff stationed at Malta Freeport Terminals. Motherwell Bridge Industries connected its own 2,800-panel solar energy installation to Malta's national grid. The panels, which sit on the workshop's roof, produce a daily average of 2.02 MWh and have saved hundreds of tonnes of CO<sup>2</sup> emissions.

As part of Hili Ventures' privacy compliance programme, the Data Protection Officer provided training to employees and issued a Data Retention Policy to ensure that personal data processed within the company is not kept for longer than necessary. Amendments were also made to the Employee Privacy Notice and the Data Policy informing employees of the methods of security monitoring in place.

Several Data Processing Agreements between Hili Ventures and third party companies providing services to the company were entered into and other DPAs are currently being implemented. Various Data Protection Impact Assessments are being undertaken to help the company systematically analyse, identify and minimise the data protection risks of a project or plan.

A group-wide implementation and deployment of a PeopleNet Human Resources Management System was initiated in 2020 to enable HR teams to optimise and automate its processes. This platform gives employees access to their personal data, career development opportunities and a more efficient and effective access to HR services. Additionally in 2020, the group invested more than €534,000 in staff welfare and €276,000 in training around its footprint.

Hili Ventures' Group IT team modified the delivery of security awareness training in the third quarter of 2020 to ensure relevance and effectiveness. Mandatory security awareness training targeted staff who did not complete training in the previous year and to selected users as a refresher. The selected users list was based on the results

of periodical phishing simulations designed to assess awareness and responsiveness.

Only aggregated values are presented to senior management as the primary objective is to measure security readiness. Mandatory training was delivered through short modules.

From an operational and environmental perspective, McDonald's restaurants continued to phase out non-recyclable guest packaging, and sourcing renewable, recycled and certified materials is a key priority. Measures to ensure sustainability within the supply chains are also being adhered to.

Premier Capital fulfils McDonald's far-reaching promises by enhancing balanced choices on restaurant menu boards and providing full nutritional information on packaging. Food quality and process audits take place regularly across the markets. In the Baltics, the cooking oil recycling programme continues to return valuable results.

Procurement strategies increasingly embrace the installation of and upgrade to energy-efficient equipment in partnership with McDonald's-approved suppliers. Reduction, replacement or complete removal of plastics, including the 'Straws on Request' and 'No Lid In Store' actions within restaurants, continued in 2020. These fall under McDonald's global commitment to achieve its global goals to source 100 per cent of guest packaging from renewable, recycled or certified sources by 2025.

Hili Properties continued to invest in waste separation and energy-saving measures like intelligent lighting across its properties.

### **In the community**

In 2020, Hili Ventures' business groups pledged funds to charities across the footprint. The opt-in monthly salary deduction scheme for Malta-based companies continued in 2020, allowing staff to donate to the Malta Chapter

of the Ronald McDonald House Charities. Employees continued to benefit from the 'Work+' Programme introduced in 2018, an incentive to improve people's well-being. Several donations, sponsorships and fund-raising initiatives were held throughout the year. A joint campaign between iSpot and Polish Apple Premium Resellers Cortland and iDream raised money for Polish children's hospitals and medical programmes.

Hili Ventures head office staff pledged donations totalling €18,000 towards Hospice Malta, Caritas Malta, and others. Food and donations were also collected for the Foodbank Lifeline Foundation in Malta. Motherwell Bridge Industries sponsored apprenticeships and certification through its Welding School.

Apart from supporting the Ronald McDonald House Charities' programmes in Latvia, Romania, and Malta, McDonald's operations in all six markets sponsored and supported various sports, educational, and children's organisations throughout 2020, although many activities were suspended to 2020's global crisis.

However, many thousands of food items were donated to front-liners, emergency responders, key workers and teachers across the six markets where the group operates McDonald's restaurants.





# Our work with the Ronald McDonald House Charities



Our McDonald's operator companies in Latvia, Malta and Romania are mission founding partners of their local Ronald McDonald House Charities Chapters. These Chapters form part of RMHC's global non-profit network which delivers programmes and services in more than 65 countries and regions, benefitting the lives of millions of children and their families through three core programmes. Its Chapters operate 375 Ronald McDonald Houses, more than 260 Ronald McDonald Family Rooms, and a fleet exceeding 50 Ronald McDonald Care Mobiles.

Millions of dollars have been collected at boxes at McDonald's restaurants around the world and through donations. In turn, families have saved close to \$1 billion in out-of-pocket lodging and meal expenses thanks to the Ronald McDonald House and Family Room programmes.

RMHC Global's largest corporate partner is the McDonald's system worldwide, which includes owners, operators, suppliers, employees and customers.

## Romania

The COVID-19 outbreak disrupted RMHC Romania's operations but the charity's resolve to support families with sick children remained steadfast. Its Houses in Bucharest and Timisoara adapted to the ever-changing situation particularly in the early months of the pandemic. It also continued to work on the new House in Iasi, engaging the local community, finalising the technical project and submitting all necessary

documentation for obtaining the building permit. 2020 was also a year of remarkable solidarity alongside RMHC's mission partners Premier Restaurants Romania, culminating in a fundraising effort in which 60 companies and thousands of donors across the country participated.

Donations collected by RMHC Romania in March and April were redirected to support four of the largest children's hospitals (Sf. Maria in Iasi, Grigore Alexandrescu and Marie Curie in Bucharest, Louis Turcanu in Timisoara) in the supply of personal protective equipment. This included 22,000 gloves, 12,000 face masks, 500 suits and professional cleaning equipment exceeding a value of €18,000. The Chapter also sponsored the acquisition of 1,420 covid testing kits between May and July for children and parents in these hospitals, amounting to a donation of over €32,400.

In collaboration with Vodafone Foundation, RMHC Romania supported the donation of 30,000 masks to Victor Gomoiu Children's Hospital in Bucharest, the only COVID-designated facility for children. The charity also supported the construction of a new ICU ward for COVID-19 patients at the Ana Aslan Institute. The €60,000 donation covered a substantial part of the works. The ward has been serving around 50 patients a month since April 2020.

During national lockdown in April, May and part of June, the Houses in Bucharest and Timisoara served as a home away from home to active medical personnel from RMHC's two partnering children's hospitals. After a four-month expansion and remodeling project, the House in Timisoara opened its doors to families with 26 individual rooms, in

February 2020.

The Houses in Bucharest and Timisoara offered 4,648 free days of stay for families of hospitalized children. A total of 406 people (269 families) were accommodated in 2020. The longest stays by family were 170 days in Bucharest and 147 days in Timisoara, while the wards with the longest stays were NICU (1,489 days) and ICU (972 days), reflecting the shift in admission of the sickest patients with the most pressing emergencies.

In June, the online recurring donations module was introduced on rmhc.ro. In August, it expanded its partnership with Banca Transilvania and 30 McDonald's restaurants began hosting cashless charity boxes, a new system of customer donations collection. In November, the charity launched the option of a €2 donation per month via SMS. In November and December, a direct mailing campaign was initiated for engaging companies throughout Romania to redirect their profit tax to the Chapter. More than 2,000 McDonald's employees redirected 3.5% of their income tax to support RMHC Romania.

A "Keeping Families Together" campaign launched with McDonald's in Romania reached millions of people around the country, raising a record 1.8 million Lei (€365,250) from customers, donors and corporate sponsors. These funds, 50% up from the 2019 figure, will continue to support the Houses in Bucharest and Timisoara and will also contribute to the building of a new RMHC house in Iasi, the continuation of the project for a fourth House in Bucharest, and the support of public healthcare facilities for the benefit of children and their families in 2021.



## Latvia

RMHC Latvija's Care Mobile has provided around 45,000 medical consultations to children since 2009. The €400,000 vehicle is a 12-metre long, 2.5-metre wide, state-of-the-art vehicle built for delivering paediatric healthcare on site. It is a registered medical facility with two examination rooms, a laboratory, an eye clinic, a reception, and a video education corner. It is completely self-sufficient with a generator and its own water supply. In 2020, the Care Mobile was given a newer and brighter look.

2020 kicked off on a very positive note for RMHC Latvija, with a full medical team of paediatricians, ophthalmologists, orthopaedists, neurologists, pulmonologists, endocrinologists, gastroenterologists, dermatologists, speech therapists, a physiotherapist, and ENT doctors. All doctors concurrently serve at the University Children's hospital. RMHC Latvija's medical team's work was also complemented by the services of speech therapists, occupational therapists, and physiotherapists.

RMHC's operations were severely impacted between March and June and, based on advice from the Children's Clinical University Hospital in Riga and partnering doctors, its services had to be put on hold. The charity used this downtime to catch up on previously postponed visits.

Operations resumed in June under some very strict guidelines to ensure the safety of both staff and beneficiaries. By the end of the year, despite COVID-related restrictions, RMHC Latvija's Care Mobile's doctors examined 4,519 children in 102 locations across the country. Demand was highest for ophthalmologists and allergists/immunologists, however requests for endocrinologist and gastroenterologist specialist services were also on the rise.

During the second half of the year, RMHC Latvija ramped up its efforts to support orphanages hosting

children with disability. A total of 425 medical consultations were carried out. Discussions with the Ministry of Health were renewed to determine requirements for the next few years. The charity is looking into investing in a second Care Mobile. In parallel, discussions are underway on collaborations with other NGOs to render its support more effective, efficient, and far-reaching.

McDonald's customers in Latvia, Lithuania and Estonia stood by RMHC Latvija and helped raise over €54,000 during McHappy Day 2020 and through regular donations at McDonald's restaurants across the Baltics. Thanks to these contributions, RMHC can ensure its Care Mobile continues to reach more children in need of specialist medical attention in rural Latvia, while it funds important projects to safeguard the well-being of Estonian and Lithuanian children.

## Malta

The RMHC Learning Centre in Qawra works to safeguard the well-being of vulnerable children or young people in need of educational support. The 360-square metre premises feature training rooms, consultation spaces and activity areas, including a fully equipped learning kitchen.

During the year, more than 120 children and young people with diverse needs benefitted from programmes and hundreds of sessions hosted by the Learning Centre as it diversified and adapted its services to stay close to the community despite the difficult circumstances.

A total of 270 sessions and activities took place during the year, with 91 aimed at supporting Caritas Malta in the delivery of Solidarity Meals provided by The Alfred Mizzi Foundation. In March, RMHC suspended its programmes and instead partnered with Caritas Malta to assist in the delivery of more than 3,500 cooked meals, packed at the Learning Centre over three months with the help of volunteers from Hili Ventures, McDonald's staff and

sponsors, to be delivered by Caritas helpers to families in the local area.

Additionally, 124 children and young people participated in the Learning Centre's programmes; 45 young clients are on the autism spectrum and others live with Attention Deficit Hyperactivity Disorder. Furthermore, 92 parents participated in training programmes and activities with the support of 95 professionals. Self-care, communication, socialisation, emotions, problem-solving and elements of mindfulness were some of the topics covered by ADHD Malta at the Learning Centre through the Social Smarts 2020 programme. More than 550 hours of training took place at the Learning Centre.

RMHC continued to support ADHD Malta to raise awareness about the condition and the Learning Centre served as a virtual exhibition space for works of art produced by adults and children with ADHD. RMHC also partnered several organisations, including the Richmond Foundation and Smiling with Jerome Foundation, by offering its facilities for their activities. Hundreds of 'Chemo Bags of Hope' were packed with essentials at the Learning Centre to be delivered to cancer patients. The centre also hosted children from the Richmond Foundation's KIDS Programme with all safety protocols strictly in place.

During 2020 students from the Malta College of Arts, Science & Technology were hosted at the Learning Centre to train in 'student to student' support, a programme leading to the launch of a peer mentoring scheme at the college. Anti-bullying charity bBrave delivered an online press event from the Learning Centre to launch the anti-bullying week and campaign.

In collaboration with Malta's National Literacy Agency the centre hosted parent groups for a five-week programme on young children's language development. RMHC was also instrumental in the opening of Caritas' Tal-Ibwar Adolescent Therapeutic Services Centre by hosting Caritas professionals as they



finalised their preparatory work on programmes for their own young clients while their new premises were being finished.

With the University of Malta's Department of Counselling, the Learning Centre also accommodated free counselling sessions in person and virtually to all of the organisations with which RMHC works.

McDonald's customers in Malta helped raise €25,000 in aid of the RMHC Learning Centre during McDonald's annual McHappy Day fund-raising campaign.

### Greece

Due to restrictions brought about by the COVID-19 outbreak in 2020, discussions to seal a partnership with one of Athens' major paediatric hospitals to establish an RMHC Chapter in Greece will resume in the third quarter of 2021.

In Greece RMHC aims to deliver a space which provides a comfortable, home-like setting featuring a recreational area, kitchen, laundry and shower facilities, and rest areas for overnight stays. Premises requiring total refurbishment and renovation were identified to set up a Ronald McDonald Family Room. Architectural and engineering works are underway.





# Our values



**Integrity**



**Care**



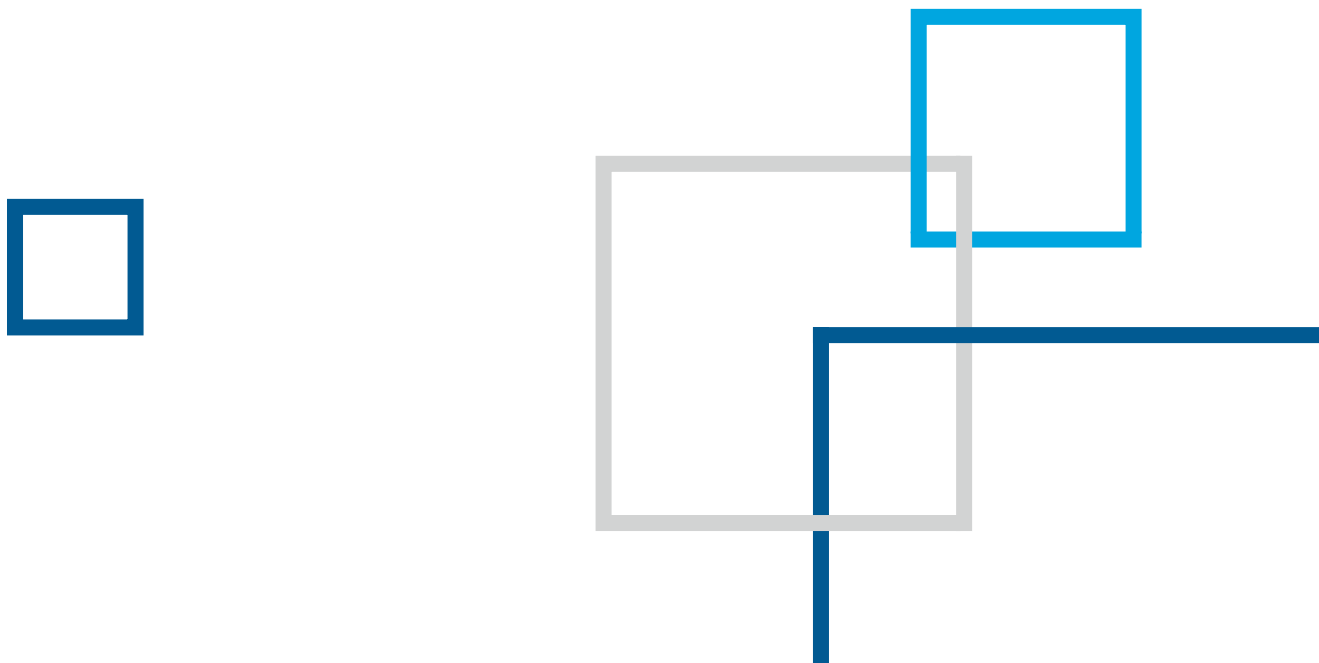
**Ambition**



**Innovation**



**Impact for Good**





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