

Date: 30th October 2017

Addendum to the Financial Analysis Summary dated 28th June 2017 in relation to the Mediterranean Maritime Hub Finance p.l.c. “MMHF FAS2017”.

Following the publication of the MMHF FAS2017, we wish to bring the following clarifications and/or corrections to the attention of the general public:

1. **Covering Letter** – The historical financial data for the three years ended 2014, 2015 and 2016 have been extracted from the Guarantor’s audited statutory financial statements.
2. **Section 2.2** - The employee headcount in the Engineering department stood at 15 persons in May 2016 and 13 persons in May 2017.
3. **Section 2.2** - Ms Angelique Maggi is the Deputy Chairperson of the Guarantor, whilst Mr Raymond Ciantar is the Deputy Chairperson of the Issuer. There has therefore been no switching of roles, and the inadvertent error is regretted.
4. **Section 2.2** - The Issuer’s Mr Paul Abela (Chairman), together with Mr Raymond Ciantar (Deputy Chairperson) and Ms Angelique Maggi (Executive Director) also form part of the senior management team of the Group, and as such are regarded to be the key personnel within the Group structure.
5. **Section 3.6** - The Group has achieved ISO 9001: 2015 compliance, as opposed to the earlier ISO 9001:2008 compliance. ISO standards are constantly revised and updated and the current level of compliance naturally absorbs and supersedes the earlier ISO compliance standard.
6. **Section 4 – Guarantor financial statements**

Below please find the Income Statement, Balance Sheet and Cashflow Statement of the Guarantor for the financial period 2014 which was previously excluded. For comparison purposes, other years are included.

Section 4.1 – Income Statement

	FY14	FY15	FY16
	€'000	€'000	€'000
Revenue	40,798	13,706	12,625
Cost of sales	(35,312)	9,920	(8,949)
Gross Profit	5,486	3,786	3,676
Administrative and Distribution Costs	(2,316)	(2,923)	(4,147)
Operating (loss) / profit	3,170	863	(374)
Finance Costs (net)	(177)	(157)	(260)
Profit / before tax	2,993	706	(634)
Tax expense	(1,096)	(276)	97
Profit for the year	1,897	430	(537)

Section 4.2 - Balance Sheet

€	FY14	FY15	FY16
	€'000	€'000	€'000
Assets			
Non-current assets			
Intangible assets	-	725	809
Property, plant and equipment	769	2,189	7,417
Trade and other receivables	1,407	767	1,181
Deferred tax assets	-	40	138
Total Non- current assets	2,176	3,721	9,546
Current Assets			
Inventories	276	158	56
Trade and other receivables	6,758	3,345	5,133
Cash	2,734	2,587	8,196
Total current assets	9,768	6,090	13,385
Total assets	<u>11,944</u>	<u>9,810</u>	<u>22,931</u>
Equity and Liabilities			
Share capital	500	500	500
Reporting currency conversion reserve	-	(8)	(72)
Other reserve	(19)	18	18
Retained earnings	4,083	4,513	3,979
Non-controlling interest	-	-	38
Total equity	4,564	5,024	4,463
Liabilities			
Non-current Liabilities			
Borrowings	1,533	1,227	14,653
Trade and other payables	-	425	425
Total non-current liabilities	1,533	1,652	15,078
Current Liabilities			
Borrowings	475	608	263
Trade and other payables	4,495	1,777	2,639
Current tax liabilities	877	750	487
Total current liabilities	5,847	3,135	3,389
Total liabilities	7,380	4,787	18,468
Total equity and liabilities	<u>11,944</u>	<u>9,810</u>	<u>22,931</u>

Section 4.3 – Cashflow Statement

	FY14	FY15	FY16
	€'000	€'000	€'000
Cash flows from operating activities			
Cash (used in) / from operations	1,965	3,283	(1,349)
Finance income	-	10	6
Finance costs	(871)	(131)	(266)
Tax Paid	(454)	(443)	(263)
Net operating cash flows	640	2,719	(1,872)
Cashflows used in investing activities			
Purchase of intangible assets	-	(725)	(84)
Purchase of plant and equipment	(286)	(1,946)	(5,557)
Net cash used in investing activities	(286)	(2,671)	(5,641)
Cash flows from financing activities			
Net Repayment/bank borrowings	(20)	(359)	(1,662)
Proceeds from bond issue	-	-	15,000
Bond issue costs	-	-	(347)
Issue of shares in non-controlling interest	1,481	-	40
Net cash used in financing activities	1,461	(359)	13,031
Net movement in cash flows	1,802	(311)	5,519
Cash and cash equivalents at beg of year	934	2,725	2,415
Cash and cash equivalents at end of year	2,725	2,415	7,933

7. **Section 7** - Clarification on the definition of non-current assets, as this was previously inserted under both current and non-current assets in MMHF FAS2017: “Non-current assets are the Group’s long-term investments, which full value will not be realised within the accounting year. Non-current assets are capitalised rather than expensed, meaning that the Group allocates the cost of the asset over the number of years for which the asset will be in use, instead of allocating the entire cost to the accounting year in which the asset was purchased. Such assets include intangible assets (goodwill on acquisition), investment properties, and property, plant & equipment.”



Nick Calamatta

Director