

MEDITERRANEAN MARITIME HUB FINANCE P.L.C.

Half-Yearly Report
30 June 2018

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Half-yearly directors' report

This Half-Yearly Report is being published in terms of Chapter 5, Rule 5.75 of the Listing Rules of the Listing Authority – Malta Financial Services Authority and the Prevention of Financial Markets Abuse Act, Chapter 476 of the Laws of Malta). The condensed set of financial statements included in this report has been extracted from Mediterranean Maritime Hub Finance p.l.c.'s unaudited financial information for the six months ended 30 June 2018 prepared in accordance with International Financial Reporting Standards adopted for use in the EU for interim financial statements (International Accounting Standard 34, 'Interim Financial Reporting'). This half-yearly report has not been audited or reviewed by the Company's auditors.

Principal Activities

The Company's business is that of raising funds to support and finance the operations and capital projects of the MMH Group of Companies (formerly known as the Ablecare Oilfield Services Group) (the 'Group').

Business Review

The main business activity of the Company has been the issue in October 2016 of €15m worth of bonds to the public that were fully subscribed, following which the Company advanced the proceeds to two companies within the Group to finance the development of a site measuring almost 170,000m² in Malta's Grand Harbour, formerly known as the Marsa Shipbuilding Site (the 'Site'), to serve as a regional hub for the provision of the Group's shore-based services and facilities in connection with the marine and oil and gas industry. MMH Holdings Limited, which is the guarantor of the above-mentioned bonds acquired the Site, which is currently under development, by a public deed published on 1 August 2016.

During the six-month period that ended on 30 June 2018, the Company registered a profit before tax of €25,815 (2017: €35,526). The net assets of the Company at the end of the period amounted to €314,116 compared to €297,335 as at 31 December 2017.

The published figures have been extracted from the unaudited management financial statement for the six-month period ending 30 June 2018, and the audited accounts for the full year period January-December of 2017.

The Company recognises that the key risk and uncertainty of its business is that of the potential non-fulfilment by the borrowers (that is, the two Group members) of their obligations; and due to the borrowers' operations, this risk is impacted by the performance of the marine and oil and gas industry.

During the period under review, the Group registered an operating profit of €196,120 (June 2017: €337,812 loss) on revenues of €7,587,598 (June 2017: €6,652,134).

Risks and Uncertainties for Remaining Six-Month Period of 2018

Interest from the marine and oil and gas industry has increased following the Group's diversification strategy in promoting the Hub as a regional facility. However, new revenue streams which are gradually coming into fruition are picking up at a slower pace than envisaged, whilst activity in the oil and gas industry has remained somewhat challenging, notwithstanding the increase in the international price of oil. The return on the commercial activity for the remaining six-month period of 2018 is likely to be below the levels forecasted for this year.

Half-yearly directors' report - continued

Dividends

The directors do not recommend the payment of an interim dividend (2017: €Nil).

On behalf of the Board



Paul Abela
Director



Raymond Ciantar
Director

Registered office:
Head Office Building
Mediterranean Maritime Hub
Xatt il-Mollijiet
Marsa MRS 1152
Malta



Dr Michael Zammit Maempel
Company Secretary

25th July 2018

Condensed statement of financial position

	As at 30 June	As at 31 December
	2018	2017
	€	€
	(unaudited)	(audited)
ASSETS		
Non-current assets	14,750,000	14,750,000
Current assets	785,045	413,623
Total assets	15,535,045	15,163,623
EQUITY AND LIABILITIES		
Total equity	314,116	297,335
Total non-current liabilities	14,694,888	14,680,125
Total current liabilities	526,041	186,163
Total liabilities	15,220,929	14,866,288
Total equity and liabilities	15,534,045	15,163,623

The notes on page 7 are an integral part of this interim condensed financial information.

The condensed interim financial information on pages 3 to 8 were authorised for issue by the board of directors on 25th July, 2018 and were signed on its behalf by:


Paul Abela
Director


Raymond Ciantar
Director

Condensed statement of comprehensive income

		Six-months ended 30 June	Six-months ended 30 June
	Note	2018 € (unaudited)	2017 € (unaudited)
Finance income		435,206	435,206
Finance costs		(357,041)	(357,041)
Net interest income		78,165	78,165
Administrative expenses		(52,350)	(42,639)
Profit before tax		25,815	35,526
Tax expense		(9,035)	(12,434)
Profit for the period – total comprehensive income		16,780	23,092
Earnings per share (cents)	2	0.07	0.09

The notes on page 7 are an integral part of this interim condensed financial information.

Condensed statement of changes in equity

	Share capital €	Retained earnings €	Total €
Balance at 1 January 2018	250,000	47,336	297,336
Comprehensive income			
Profit for the period - total comprehensive income	-	16,780	16,780
Balance at 30 June 2018	250,000	64,116	314,116

The notes on page 7 are an integral part of this interim condensed financial information.

Condensed statement of cash flows

	Six-months ended 30 June	Six-months ended 30 June
	2018 € (unaudited)	2017 € (unaudited)
Net cash used in operating activities	397,377	(21,626)
Net cash used in investing activities	(435,134)	(12,434)
Movement in cash and cash equivalents	(37,757)	(34,060)
Cash and cash equivalents at beginning of period	41,815	119,386
Cash and cash equivalents at end of period	4,058	85,326

The notes on page 7 are an integral part of this interim condensed financial information.

Notes to the half-yearly report

1. Significant accounting policies

The accounting policies applied in the preparation of the half-yearly report are consistent with those of the annual financial statements for the year ended 31 December 2017, as described in those financial statements.

2. Comparative information

The Company was incorporated on 26 July 2016 and therefore no comparative information is available for the period before incorporation for the condensed statement of comprehensive income, condensed statement of changes in equity and the condensed statement of cash flows.

3. Earnings per share

Earnings per share is based on the profit after taxation attributable to the ordinary shareholders of the Company divided by the weighted average number of ordinary shares in issue during the period.

4. Related party transactions

The Company forms part of the MMH Group of Companies. All companies forming part of the MMH Group are related parties since these companies are all ultimately owned by MMH Holdings Limited. Trading transactions between these companies include items which are normally encountered in a group context. The Group is ultimately fully owned by Paul Abela. Companies owned directly by Paul Abela are also considered to be related parties. The main related party with whom transactions are entered into are MMH Malta Limited and MMH Holdings Limited, the guarantor of the borrowings.

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

	Six-months ended 30 June
	2018
	€
Income from services	
Finance income from parent and fellow subsidiary	435,206

The Company's balances with fellow subsidiaries and parent as at the end of the period are as follows:

	As at 30 June	As at 31 December
	2018	2017
	€	€
Non-current		
Loans to parent company and fellow subsidiary	14,750,000	14,750,000
Current		
Net amounts owed to fellow subsidiary	22,008	22,008

Director's statement pursuant to Listing Rule 5.75.3

I hereby confirm that to the best of my knowledge:

1. the condensed half-yearly report gives a true and fair view of the financial position of the Company as at 30 June 2018, and of its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards as adopted by the EU applicable to Interim Financial Reporting (IAS 34).
2. the interim directors' report includes a fair review of the information required in terms of Listing Rule 5.81.



Paul Abela
Director



Raymond Ciantar
Director