

MEDITERRANEAN MARITIME HUB FINANCE P.L.C.

Half-Yearly Report  
30 June 2019

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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 the unaudited financial information of Mediterranean Maritime Hub Finance p.l.c. (the Company) for the six months ended 30 June 2019 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 (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 170,000m<sup>2</sup> 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 2019, the Company registered a profit before tax of €24,778 (2018: €25,815). The net assets of the Company at the end of the period amounted to €345,900 compared to €329,794 as at 31 December 2018.

The published figures have been extracted from the unaudited management financial statement for the six-month period ending 30 June 2019, and the audited accounts for the full year period January-December of 2018.

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 €487,871 (June 2018: €196,120 loss) on revenues of €9,373,660 (June 2018: €7,587,598)

### Risks and Uncertainties for Remaining Six-Month Period of 2019

The Group's diversification strategy in promoting the Site as a regional facility to the marine and oil and gas industry has continued to progress at a good pace. The new revenue streams, which include service offerings to the marine industry, have picked up. Those related to the oil and gas industry have remained challenging. The return on the commercial activity for the remaining six-month period of 2019 is likely to be below the forecasted levels, however the Group is still expected to generate a positive cashflow.

**Half-yearly directors' report - continued**

**Dividends**

The directors do not recommend the payment of an interim dividend (2018: €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

29<sup>th</sup> July 2019

## Condensed statement of financial position

	As at 30 June	As at 31 December
	2019 € (unaudited)	2018 € (audited)
<b>ASSETS</b>		
Non-current assets	14,750,000	14,750,000
Current assets	864,528	471,921
<b>Total assets</b>	<b>15,614,528</b>	<b>15,221,921</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Total equity</b>	<b>345,900</b>	<b>329,794</b>
Total non-current liabilities	14,725,413	14,709,896
Total current liabilities	543,215	182,231
<b>Total liabilities</b>	<b>15,268,628</b>	<b>14,892,127</b>
<b>Total equity and liabilities</b>	<b>15,614,528</b>	<b>15,221,921</b>

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 25<sup>th</sup> July, 2019 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	2019 € (unaudited)	2018 € (unaudited)
Finance income		435,206	435,206
Finance costs		(357,041)	(357,041)
<b>Net interest income</b>		<b>78,165</b>	<b>78,165</b>
Administrative expenses		(53,387)	(52,350)
<b>Profit before tax</b>		<b>24,778</b>	<b>25,815</b>
Tax expense		(8,672)	(9,035)
<b>Profit for the period – total comprehensive income</b>		<b>16,106</b>	<b>16,780</b>
Earnings per share (cents)	2	0.07	0.07

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 2019	250,000	79,794	329,794
<b>Comprehensive income</b>			
Profit for the period - total comprehensive income	-	16,106	16,106
<b>Balance at 30 June 2019</b>	<b>250,000</b>	<b>95,900</b>	<b>345,900</b>

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
	2019 € (unaudited)	2018 € (unaudited)
<b>Net cash generated from operating activities</b>	61,817	397,377
<b>Net cash generated from investing activities</b>	492,916	(435,134)
Movement in cash and cash equivalents	554,733	(37,757)
Cash and cash equivalents at beginning of period	4,058	41,815
<b>Cash and cash equivalents at end of period</b>	558,791	4,058

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



## Notes to the half-yearly report

### 1. Basis of preparation

#### Statement of compliance

These interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended 31 December 2018. They do not include all the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements as at and for the year ended 31 December 2018.

### 2. 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 2018, as described in those financial statements.

### 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:

	<b>Six-months ended 30 June</b>
	<b>2019</b>
	<b>€</b>
<b>Income from services</b>	
Finance income from parent and fellow subsidiary	<b>435,206</b>

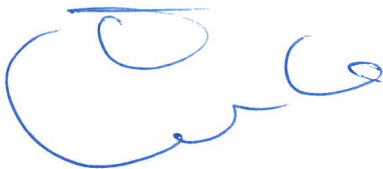
The Company's balances with fellow subsidiaries and parent as at the end of the period are as follows:

	<b>As at 30 June</b>	<b>As at 31 December</b>
	<b>2019</b>	<b>2018</b>
	<b>€</b>	<b>€</b>
<b>Non-current</b>		
Loans to parent company and fellow subsidiary	<b>14,750,000</b>	14,750,000
<b>Current</b>		
Net amounts owed to fellow subsidiary	<b>17,478</b>	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 2019, 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