

MEDITERRANEAN MARITIME HUB FINANCE P.L.C.

Half-Yearly Report
30 June 2022

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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 Capital Markets Rules of the 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 2022 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 170,000m² 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 2022, the Company registered a profit before tax of €23,214 (2021: €25,123). The net assets of the Company at the end of the period amounted to €488,679 compared to €473,590 as at 31 December 2021.

The published figures have been extracted from the unaudited management financial statement for the six-month period ending 30 June 2022, and the audited accounts for the full year period January-December of 2021.

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 a profit before tax of €175,679 (June 2021: €342,393) on revenues of €8,395,881 (June 2021: €7,981,322)

Risks and Uncertainties for Remaining Six-Month Period of 2022

The Group's diversification strategy in promoting the Site as a regional facility to the marine and oil and gas industry has continued. The Directors consider that the half year financial position of the Group was satisfactory considering all the struggles due to the Covid-19 pandemic. The present situation remains fluid, the medium-term outlook remains cautiously optimistic.

Half-yearly directors' report - continued

Risks and Uncertainties for Remaining Six-Month Period of 2022 - continued

The Group's strong efforts in diversifying its revenue streams in 2021, yielded results in 2022 and this trend continued during the first six months of 2022. The return on the commercial activity for the remaining six-month period of 2022 is likely to be in line with the return generated in the first six months of 2022 and in line with 2021. The Group is expected to generate a positive cashflow during the year under review. For this reason, the Directors have adopted the going concern basis in preparing the interim financial statements.

Dividends

The directors do not recommend the payment of an interim dividend (2021: €Nil).

On behalf of the Board



Paul Abela
Director



Angelique Abela
Director

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

27th July 2022

Condensed statement of financial position

	As at 30 June	As at 31 December
	2022	2021
	€	€
	(unaudited)	(audited)
ASSETS		
Non-current assets	14,750,000	14,750,000
Current assets	1,100,132	695,038
Total assets	15,850,132	15,445,038
EQUITY AND LIABILITIES		
Total equity	488,679	473,590
Total non-current liabilities	14,823,406	14,805,387
Total current liabilities	538,047	166,061
Total liabilities	15,361,453	14,971,448
Total equity and liabilities	15,850,132	15,445,038

The notes on page 8 are an integral part of this interim condensed financial information.

The condensed interim financial information on pages 4 to 9 were authorised for issue by the board of directors on 27th July, 2022 and were signed on its behalf by:



Paul Abela
Director



Angelique Abela
Director

Condensed statement of comprehensive income

		Six-months ended 30 June	Six-months ended 30 June
	Note	2022 € (unaudited)	2021 € (unaudited)
Finance income		435,206	435,206
Finance costs		(357,041)	(357,041)
Net interest income		78,165	78,165
Administrative expenses		(54,951)	(53,042)
Profit before tax		23,214	25,123
Tax expense		(8,125)	(8,793)
Profit for the period – total comprehensive income		15,089	16,330
Earnings per share (cents)	2	0.06	0.06

The notes on page 8 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 2022	250,000	223,590	473,590
Comprehensive income			
Profit for the period - total comprehensive income	-	15,089	15,089
Balance at 30 June 2022	250,000	238,679	488,679

The notes on page 8 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
	2022	2021
	€	€
	(unaudited)	(unaudited)
Net cash generated from operating activities	92,657	72,221
Net cash (used in)/generated from investing activities	(533,625)	(339,292)
Movement in cash and cash equivalents	(440,968)	(267,071)
Cash and cash equivalents at beginning of period	446,895	713,966
Cash and cash equivalents at end of period	5,927	446,895

The notes on page 8 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 2021. 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 2021.

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 2021, 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:

	Six-months ended 30 June
	2022
	€
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
	2022	2021
	€	€
Non-current		
Loans to parent company and fellow subsidiary	14,750,000	14,750,000
Current		
Net amounts owed from parent company & fellow subsidiary	1,089,670	556,046

Director's statement pursuant to Capital Markets 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 2022, 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 Capital Markets Rule 5.81.



Paul Abela
Director



Angelique Abela
Director