

MEDITERRANEAN MARITIME HUB FINANCE P.L.C.

Half-Yearly Report  
30 June 2023

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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 2023 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, known as the Mediterranean Maritime Hub (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 operational but also partly under development, by a public deed published on 1 August 2016.

During the six-month period that ended on 30 June 2023, the Company registered a profit before tax of €18,766 (2022: €23,214). The net assets of the Company at the end of the period amounted to €524,379 compared to €512,180 as at 31 December 2022.

The published figures have been extracted from the unaudited management financial statement for the six-month period ending 30 June 2023, and the audited accounts for the full year period January-December of 2022.

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 under the above mentioned loans; 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 €3,307,408 (June 2022: €3,289,762) on revenues of €7,804,115 (June 2022: €8,219,706)

### Risks and Uncertainties for Remaining Six-Month Period of 2023

The Group's diversification strategy in promoting the Site as a regional facility to the marine and oil and gas industry has continued during the year under review. The Directors consider that the year-end financial position as at 31<sup>st</sup> December 2022 of the Group was satisfactory.

The Group has prepared cash flow forecasts for the year ending 31 December 2023. This forms part of the Group's business plan for the years ending 31 December 2023-27 (FY23-27).

## Half-yearly Directors' report (Continued ....)

### Risks and Uncertainties for Remaining Six-Month Period of 2023 (continued....)

The Group has also prepared a Business Plan which sets out a number of strategic measures being proposed by Management to optimise Site utilisation and increase profitability, as well as measures to improve the Group's management structure, controls, and other internal processes over both the short and medium-term.

Cash flow forecasts for the period were based on several assumptions, which were deemed by Management to be as realistic as possible with the information and data in hand at the time of approving these financial statements.

The cash flow forecast presented by the Group indicates that sufficient cash will be generated throughout the year to enable the Group to meet its financial commitments.

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 2023. The return on the commercial activity for the remaining six-month period of 2023 is likely to be in line with the return generated in the first six months of 2023 and in line with 2022. The Group is expected to generate a positive cashflow during the year under review.

### Likely future business developments

As per company announcement dated 3 July 2023, the Company entered into a conditional Share Purchase Agreement dated 30 June 2023, by means of which Virtu Holdings Limited [C30642] and LTV Developments Ltd [C95089] (the 'Acquirers') have agreed to purchase a 70% shareholding in the Guarantor following completion of a number of conditions precedent, which conditions are expected to be fulfilled by 31<sup>st</sup> December 2023.

These conditions include the issuing of all authorisations for the transaction to proceed from the local competent authorities, in line with the Guarantor's obligations arising from the above-mentioned public deed of the 1 August 2016 concerning the transfer by temporary emphyteusis of the Site.

In accordance with the conditional Share Purchase Agreement, the availability and participation of the Acquirers in the capital of the Group means that new funds of approximately €10 million will flow into the Group to restructure the present capital.

### Dividends

The Directors do not recommend the payment of an interim dividend (2022: €Nil).

On behalf of the Board



**Paul Abela**  
Director



**Angelique Abela**  
Director

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27<sup>th</sup> July 2023

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## Condensed statement of financial position

	As at 30 June	As at 31 December
	2023	2022
	€	€
	(unaudited)	(audited)
<b>ASSETS</b>		
Non-current assets	14,750,000	14,750,000
Current assets	1,175,116	798,743
<b>Total assets</b>	<b>15,925,116</b>	15,548,743
<b>EQUITY AND LIABILITIES</b>		
<b>Total equity</b>	<b>524,379</b>	512,180
Total non-current liabilities	14,860,660	14,841,722
Total current liabilities	540,077	194,841
<b>Total liabilities</b>	<b>15,400,737</b>	15,036,563
<b>Total equity and liabilities</b>	<b>15,925,116</b>	15,548,743

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

The condensed interim financial information on pages 3 to 6 were authorised for issue by the Board of Directors of the Company on 27 July 2023 and were signed on its behalf by:



**Paul Abela**  
Director



**Angelique Abela**  
Director

**Condensed statement of comprehensive income**

		<b>Six-months ended 30 June</b>	Six-months ended 30 June
	Note	<b>2023 € (unaudited)</b>	2022 € (unaudited)
Finance income		<b>435,206</b>	435,206
Finance costs		<b>(357,041)</b>	(357,041)
<b>Net interest income</b>		<b>78,164</b>	78,165
Administrative expenses		<b>(59,400)</b>	(54,951)
<b>Profit before tax</b>		<b>18,766</b>	23,214
Tax expense		<b>(6,567)</b>	(8,125)
<b>Profit for the period – total comprehensive income</b>		<b>12,198</b>	15,089
Earnings per share (cents)	2	<b>0.03</b>	0.04

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

**Condensed statement of changes in equity**

	<b>Share capital €</b>	<b>Retained earnings €</b>	<b>Total €</b>
Balance at 1 January 2023	250,000	262,181	512,181
<b>Comprehensive income</b>			
Profit for the period - total comprehensive income	-	12,198	12,198
<b>Balance at 30 June 2023</b>	<b>250,000</b>	<b>274,379</b>	<b>524,379</b>

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

## Condensed statement of cash flows

	<b>Six-months ended 30 June</b>	Six-months ended 30 June
	<b>2023</b>	2022
	<b>€</b>	€
	<b>(unaudited)</b>	(unaudited)
<b>Net cash generated from operating activities</b>	<b>72,825</b>	92,657
<b>Net cash (used in)/generated from investing activities</b>	<b>(64,489)</b>	(533,625)
Movement in cash and cash equivalents	<b>8,336</b>	(440,968)
Cash and cash equivalents at beginning of period	<b>5,927</b>	446,895
<b>Cash and cash equivalents at end of period</b>	<b>14,263</b>	5,927

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 2022. 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 2022.

### 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 2022, 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 parties with which 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>2023</b>
	<b>€</b>
<b>Finance Income</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>2023</b>	<b>2022</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 by parent company and fellow subsidiary	<b>1,175,116</b>	798,743

### **Director's statement pursuant to Listing Rule 5.75.3**

We hereby confirm that to the best of our knowledge:

1. the condensed half-yearly report gives a true and fair view of the financial position of the Company as at 30 June 2023, 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



**Angelique Abela**  
Director