

MEDITERRANEAN MARITIME HUB FINANCE P.L.C.

Half-Yearly Report
30 June 2024

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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 2024 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 subject to further development, by a public deed published on 1 August 2016.

During the six-month period that ended on 30 June 2024, the Company registered a profit before tax of €7,453 (2023: €12,198). The net assets of the Company at the end of the period amounted to €546,778 compared to €539,325 as at 31 December 2023.

The published figures have been extracted from the unaudited management financial statement for the six-month period ending 30 June 2024, and the audited accounts for the full year period January-December of 2023.

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 to repay the advances made to them by the Company; 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 €3,723,525 (June 2023: €2,751,872) on revenues of €8,906,614 (June 2023: €6,504,643)

Risks and Uncertainties for Remaining Six-Month Period of 2024

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 Group has prepared cash flow forecasts for the year ending 31 December 2024. This forms part of the Group's business plan for the years ending 31 December 2024-28.

Half-yearly directors' report - continued

Risks and Uncertainties for Remaining Six-Month Period of 2024 - continued

The Business Plan of the Group sets out a number of strategic measures which Management is proposing 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 that time. The cash flow forecast presented by the Group indicates that sufficient cash will be generated throughout the remaining part of this year to enable the Group to meet its financial commitments.

The Group's strong efforts in diversifying its revenue streams yielded results in 2023 and this trend continued during the first six months of 2024. The return on the commercial activity for the remaining six-month period of 2024 is likely to be in line with the return generated in the first six months of 2024 and in line with 2023. The Group is expected to generate a positive cashflow during the year under review.

As reported in a company announcement for Mediterranean Maritime Hub Finance plc dated 3 July 2023, the beneficial owners of the Group entered into a conditional Share Purchase Agreement dated 30 June 2023 by means of which new investors agreed to purchase a 70% shareholding in the Group following completion of a number of conditions precedent. In July 2024, a further company announcement was published in which the Company announced that negotiations with the prospective investors would not be pursued further and that the Share Purchase Agreement referred to in previous announcements would not be renewed. In that same announcement, the Company also informed that the Group was planning on communicating with the Grantor and any other competent authority to evaluate the current and future capital investment to maximise the use, output, and flexibility of the Site, and to ensure that the Guarantor is in a position to continue to honour commitments as and when they fall due.

The business plan prepared by Management indicates that the Group will be required to obtain alternative financing for the redemption of the Bond amounting to €15.0 million which is due for repayment in 2026. Such financing is not yet contracted and concluded.

Half-yearly directors' report - continued

Risks and Uncertainties for Remaining Six-Month Period of 2024 - continued

Dividends

The directors do not recommend the payment of an interim dividend (2023: €Nil).

On behalf of the Board



Mr. Paul Abela
Director



Ms. Angelique Abela
Director

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

27th August 2024

Condensed statement of financial position

	As at 30 June	As at 31 December
	2024 € (unaudited)	2023 € (audited)
ASSETS		
Non-current assets	14,750,000	14,750,000
Current assets	1,256,691	871,213
Total assets	16,006,691	15,621,213
EQUITY AND LIABILITIES		
Total equity	546,778	539,325
Total non-current liabilities	14,899,820	14,879,913
Total current liabilities	560,093	201,975
Total liabilities	15,459,913	15,081,888
Total equity and liabilities	16,006,691	15,621,213

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 20th July, 2024 and were signed on its behalf by:



Mr. Paul Abela
Director



Ms. Angelique Abela
Director

Condensed statement of comprehensive income

		Six-months ended 30 June	Six-months ended 30 June
	Note	2024	2023
		€	€
		(unaudited)	(unaudited)
Finance income		442,419	435,206
Finance costs		(362,959)	(357,041)
Net interest income		79,460	78,164
Administrative expenses		(67,994)	(59,400)
Profit before tax		11,466	18,766
Tax expense		(4,013)	(6,567)
Profit for the period – total comprehensive income		7,453	12,198
Earnings per share (cents)	2	0.02	0.03

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 2024	250,000	289,325	539,325
Comprehensive income			
Profit for the period - total comprehensive income	-	7,453	7,453
Balance at 30 June 2024	250,000	296,778	546,778

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
	2024	2023
	€	€
	(unaudited)	(unaudited)
Net cash generated from operating activities	78,780	72,825
Net cash generated from/ (used in) investing activities	202,755	(64,489)
Movement in cash and cash equivalents	281,535	8,336
Cash and cash equivalents at beginning of period	14,263	5,927
Cash and cash equivalents at end of period	295,798	14,263

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 2023. 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 2023.

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 2023, 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
	2024
	€
Income from services	
Finance income from parent and fellow subsidiary	442,419

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
	2024	2023
	€	€
Non-current		
Loans to parent company and fellow subsidiary	14,750,000	14,750,000

Director's statement pursuant to Listing Rule 5.75.3

We 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 2024, 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.



Mr. Paul Abela
Director



Ms. Angelique Abela
Director