

MEDITERRANEAN MARITIME HUB FINANCE P.L.C.

Half-Yearly Report
30 June 2017

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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 2017 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 period ended 30 June 2017, the Company registered a profit before tax of €35,526. The net assets of the Company at the end of the period amounted to €279,554 compared to €256,463 as at 31 December 2016.

The published figures have been extracted from the unaudited management financial statement for the six-month period ending 30 June 2017, and the audited accounts for the six-month period July-December of 2016

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 loss of €337,812 (June 2016: €235,180 loss) on revenues of €6,652,134 (June 2016: €5,758,110). The loss was mainly a result of the significant costs incurred on the development of the Site which has so far not generated any material revenue.

Risks and Uncertainties for Remaining Six-Month Period of 2017

The outlook for the remaining six-month period of 2017 appears to be positive, especially in view of the fact that the Group has secured a major contract for logistical services with a main player in the oil and gas industry, whilst its traditional revenue streams are showing a steady increase as developed parts of the Site come into stream. The Group is further intensifying its marketing strategy to promote the Hub as a regional facility for the marine and oil and gas industry, with the aim of consolidating traditional revenue streams and attracting previously untapped markets.

Half-yearly directors' report - continued

Dividends

The directors do not recommend the payment of an interim dividend (2016: €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

31st July 2017

Condensed statement of financial position

	As at 30 June	As at 31 December
	2017 € (unaudited)	2016 € (audited)
ASSETS		
Non-current assets	14,750,000	14,750,000
Current assets	714,880	326,169
Total assets	15,464,880	15,076,169
EQUITY AND LIABILITIES		
Total equity	279,554	256,462
Total non-current liabilities	14,666,547	14,653,191
Total current liabilities	518,779	166,516
Total liabilities	15,181,326	14,819,707
Total equity and liabilities	15,464,880	15,076,169

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 31st July 2017 and were signed on its behalf by:



Paul Abela
Director



Raymond Ciantar
Director

Condensed statement of comprehensive income

		Six-months ended 30 June
	Note	2017 € (unaudited)
Finance income		435,206
Finance costs		(357,041)
Net interest income		78,165
Administrative expenses		(42,639)
Profit before tax		35,526
Tax expense		(12,434)
Profit for the period – total comprehensive income		23,092
Earnings per share (cents)	2	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 2017	250,000	6,462	256,462
Comprehensive income			
Profit for the period - total comprehensive income	-	23,092	23,092
Balance at 30 June 2017	250,000	29,554	279,554

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
	2017 € (unaudited)
Net cash used in operating activities	(21,626)
Net cash used in investing activities	(12,434)
Movement in cash and cash equivalents	(34,060)
Cash and cash equivalents at beginning of period	119,386
Cash and cash equivalents at end of period	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 2016, 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
	2017
	€
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
	2017	2016
	€	€
Non-current		
Loans to parent company and fellow subsidiary	14,750,000	14,750,000
Current		
Net amounts owed to fellow subsidiary	-	3,480

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 2017, 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