FINANCIAL ANALYSIS SUMMARY
Mediterranean Maritime Hub Finance plc
26th June 2018

The Directors
Mediterranean Maritime Hub Finance plc.
Head Office Building
Xatt il-Mollijiet, Mdina Road,
Marsa MRS 1152, Malta

26th June 2018

Dear Sirs,

In accordance with your instructions, and in line with the requirements of the Listing Authority Rules, we have compiled the Financial Analysis Summary (the "FAS" or the "Analysis") set out on the following pages and which is being forwarded to you together with this letter.

The purpose of the financial analysis is that of summarising key financial data appertaining to Mediterranean Maritime Hub Finance plc. ("the Issuer") and MMH Holdings Limited ("the Guarantor").The data is derived from various sources or is based on our own computations as follows:

(a) The historical financial data for the three years ended 2015, 2016 and 2017 have been extracted from the Issuer and the Guarantor audited statutory financial statements.

(b) The forecast data for the financial years ending 31st December 2018 have been provided by Management.

(c) Our commentary on the results of the Issuer and the MMH Group of Companies ("the Group") and on their financial position is based on the explanations provided by Management.

(d) The ratios quoted in the FAS have been computed by us applying the definitions set out in the "Glossary and Definitions" section of the Analysis.

(e) The principal relevant market players listed in the "Comparative Analysis" section of the document have been identified by us. Relevant financial data in respect of competitors has been extracted from public sources such as the web sites of the companies concerned or financial statements filed with the Registrar of Companies.

The Analysis is meant to assist potential investors by summarising the more important financial data set out in the annually published financial statements of the Issuer and Guarantor. The Analysis does not contain all data that is relevant to potential investors and is meant to complement, and not replace, the contents of the financial statements. The Analysis does not constitute an endorsement by our firm of the purchases of the securities related to the Group and should not be interpreted as a recommendation to invest in the securities issued by the Group. We shall not accept any liability for any loss or damage arising out of the use of the Analysis. Potential investors are encouraged to seek professional advice before investing in the Group's securities.

Yours sincerely,

Nick Calamatta
Director

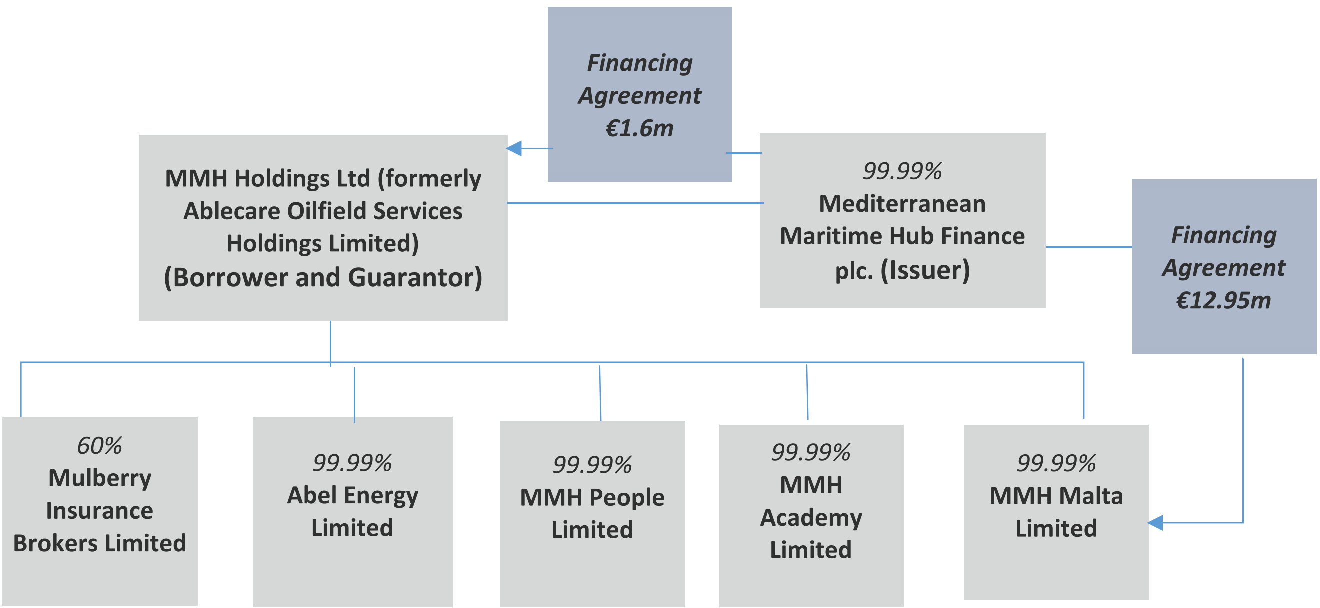
Table of Contents

1. Information about the Issuer and Group

1.1 Issuer's key activities

Mediterranean Maritime Hub Finance Plc ("the Issuer") was incorporated on 26th July 2016 and is a fully owned subsidiary company of MMH Holdings Limited ("the Guarantor"). MMH Holdings Limited (formerly Ablecare Oilfield Services Holdings Limited) was incorporated in Malta in 2008 and as the holding company holds the shares in a number of subsidiary companies primarily operating in the marine and oil and gas services sector ("the Group").

1.2 Group Structure



1.3 Group entities

MMH Malta Limited
MMH Malta Limited focuses on the supply of tailor-made services supporting the oil and gas industry, as well as marine services through its operation of the Mediterranean Maritime Hub. Its services are mainly of an operational, logistical and maintenance nature, as may be required by oil drilling companies and their support service providers referred to as the International Oil Companies or 'IOC's.

From January 2017 MMH Malta Limited took over the services previously offered by MMH People Limited, which is now non-trading. Accordingly, MMH Malta Limited now also provides services of recruitment, contracting and secondment of specialised maintenance personnel and related manning logistical services for the oil and gas industry, together with the career planning and follow-up of the same personnel.

MMH People Limited
MMH People Limited transferred its business to MMH Malta Limited in the beginning of 2017 and is currently non-trading.

MMH Academy Limited
MMH Academy Limited's objective is to provide education, training, conferences and related services in the field of oil exploration and engineering.

Abel Energy Limited
Abel Energy Limited was set up to operate a vehicle fuel service station and related services including a car wash, convenience store and cafeteria.

In 2015, the company acquired a fuel station licence in Malta and is now in the process of acquiring property on which to operate a service station. In March 2016, the company submitted a request for a development permit to the Planning Authority (PA) to build a fuel station at Maghtab, Naxxar. The PA approved the permit during January 2018.

Mulberry Insurance Brokers Limited
Mulberry Insurance Brokers Limited (Mulberry) is a limited liability company registered on 4 December 2015. It is 60% owned by MMH Holdings Limited, with the remaining 40% owned by Primus V.M. Limited, representing the shareholding interest of company employees. The company obtained an insurance brokerage licence on 24 June 2016 and commenced operations immediately after.

1.4 Directors and Executive Management

During 2014, the Group employed an average number of 54 employees, increasing to 111 as at May 2018. New appointees were mainly recruited in operations and logistics, site management and site surveillance, and engineering. As at May 2018, Engineering was the largest department carrying 24 employees, followed by Operations and Logistics (20 employees), and by Site Management and Maintenance (13 employees) and Site Security (7 employees).

As the business continues to transform into a model where most services will increasingly be provided in-house, the Group is streamlining its workforce in order to be better-equipped to provide one-stop-shop services to its clients.

Board of Directors
The Board of Directors of the Issuer is composed of the following persons:

Name	Designation
Paul Abela	Chairman
Mr. Raymond Ciantar	Deputy Chairperson
Ms Angelique Maggi	Executive Director
Dr Michael Borg Costanzi	Non-Executive Director
Mr Lino Casapinta	Non-Executive Director
Mr Victor Denaro	Non- Executive Director

The board of Directors of the Guarantor consists of the following persons:

Name	Designation
Mr. Paul Abela	Chairman
Ms. Angelique Maggi	Deputy Chairperson
Mr. Joseph Maggi	Director – Quality & Planning
Mr. Raymond Ciantar	Director & CFO
Mr. Duncan Brincat	Director – Administration

With effect from 1st May, 2018, Mr. Joseph Maggi was appointed as Group CEO.

1.5 Current shareholders

MMH Holdings Limited is the holding company holding the majority of the shares in all the subsidiary operations.

The shareholders of MMH Holdings Limited are Paul Abela, Elesolar Company Limited and Elesolar Holdings Company Limited, with Paul Abela being the ultimate beneficiary owner through the following companies:

- Elesolar Company Limited (50% shareholding in MMH Holdings Limited) is a limited liability company set up on the 25th of May 1981, under registration ref number C5511. The shareholders of this entity are Paul Abela (99.8%) and Elesolar Holdings Company Limited (0.2%).
- Elesolar Holdings Company Limited (49.996% shareholding in MMH Holdings Limited) is a limited liability company set up on 29 December 1994, under registration number C17386. The shareholders of this entity are Paul Abela (99.9%) and Elesolar Company Limited (0.1%).

The Guarantor's authorised and issued share capital
The authorised, issued and fully paid up share capital of MMH Holdings Limited, as at 31 December 2017, is 500,000 Ordinary shares, made up of equal proportions of A and B Shares of €1 each.

2. Review of the business

The main business focus of the Group is that of providing a range of services to the marine and oil and gas service sector through both the provision of manpower and technical personnel to offshore and onshore oil well operators, as well as logistical support, yard operations, procurement and engineering services to oil rigs service companies. As a key element of its services portfolio, the Group operates the Mediterranean Maritime Hub in the innermost part of Valletta's Grand Harbour, the inauguration of which has allowed the Group to widen its range of marine-based services and products. The Group's portfolio of services is targeted at oil rigs and related operators in the Mediterranean region and West Africa, as well as the supply of personnel to operators in the North Sea. The principal business operations of the Group are provided by MMH Malta Limited.

During the first quarter of 2018 the Group set up a business development team to explore diversification opportunities that would complement existing services being provided by the Hub. Various opportunities have already been identified and are being assessed. The yachting industry has been identified as such. The Group, through MMH Malta Limited, intends to offer maintenance and upkeep services to yachts within the Hub. Management expects the Group to be fully operational within this new segment by the end of 2018.

The Group's track record is marked by the management team's ability to forge ongoing business relationships with key players in the oil and gas sector. Over time the Group has grown by increasingly catering for a wider range of services to its clients. The management team has embarked on the next phase of the business's development and is currently expanding the physical facilities within the Hub, enabling the Group to provide a wider range of services and reduce dependence on bought-out subcontracted services.

2.1 Core operating entities

MMH Malta Limited specialises in the specific requirements of the oil and gas and marine sectors, providing a wide range of services including rig agency and rig stop services, planning, project recruitment, the contracting of pre-screened and pre-qualified personnel, training, logistics, facilities provision, supply chain services and project management.

MMH Malta Limited's key focus is on servicing the needs of oil drilling companies in the EMEA region (Europe, Middle East and Africa region), and service providers thereto. The strength of MMH Malta Limited's provision of services is primarily owed to ongoing relationships, backed by vendor agreements and Master Service Agreements (MSAs) with some of the world's largest drilling companies.

The facilities and support functions typically required to service rig stops comprise:

- Quay - This is to facilitate berthing and mooring;
- Yard area - This is to load, unload and store equipment and acts as an extension of the rig deck;
- Engineering workshop - To facilitate on-shore maintenance of equipment, prior to placing this back onto the rig;
- Procurement services/ ship chandler services - This comprises the procurement of all the goods that may be required by the rig, which could range from the replacement of the items required, such as machine parts, to motors and food supplies;

- Logistical support - This includes all types of logistics required by the rig, which could range from Freeport services, customs declarations, permits, physical logistics including the sending and receiving of rig equipment from hubs etc.; and
- Provision of additional manpower - This involves the provision of personnel, often working under the supervision of the Original Equipment Manufacturers. This service was formerly provided by MMH People Limited, and was transferred to MMH Malta Limited in January 2017.

It may be noted that prior to the acquisition of the Hub for the purpose of servicing Malta based rig stops, the Group made use of sub-contracted facilities from other local operators. For the purpose of servicing non-Malta based rig stops, the Group will continue to make use of sub-contracted foreign facilities as the need arises.

From January 2017 MMH Malta Limited is also offering the services previously offered by MMH People Limited, which included handling human resources requirements for the offshore/onshore oilfield industry, such as manpower planning, project recruitment, training, as well as provision and contracting of pre-screened and qualified personnel. Logistics and travel administration are an integral part of the service.

These services are to a large extent, driven by the same MSAs with oil drilling companies, however, it has a somewhat wider geographic reach as it provides manpower to operations as far as the North Sea and Africa.

2.2 Major Assets and Development Projects

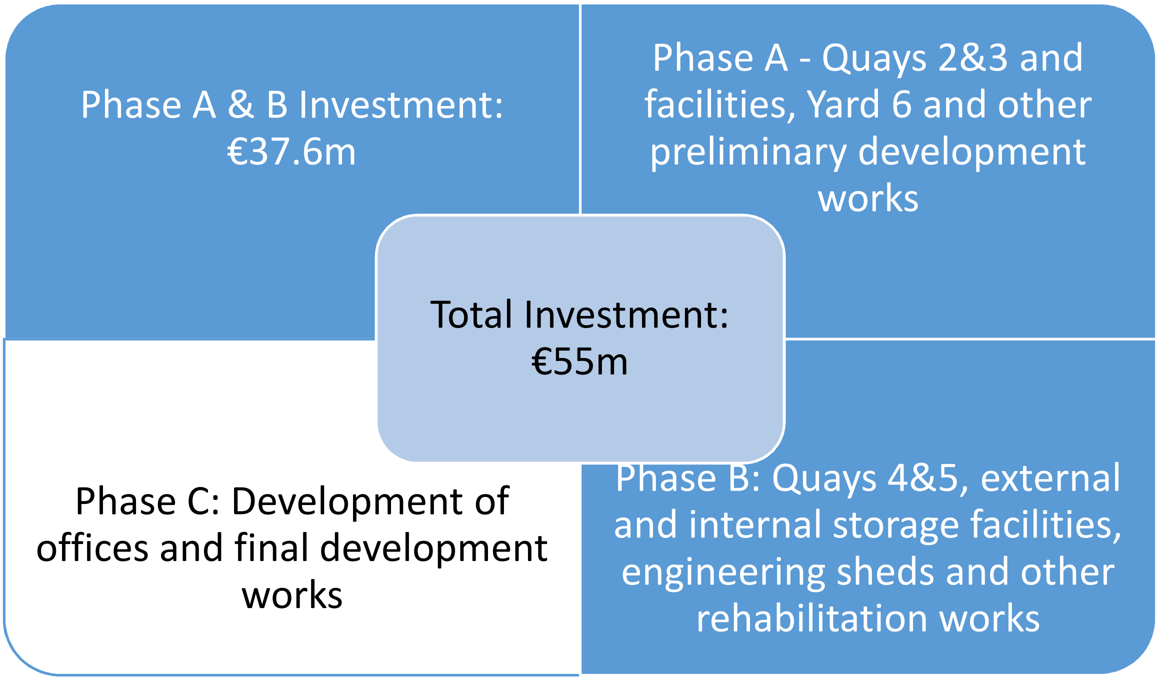
In January 2015, the Group was selected as the preferred bidder for the concession, to be awarded by the Government of Malta to rehabilitate the ex-Malta Shipbuilding site – now known as the Mediterranean Maritime Hub (or the “Hub” or the “Site”).

The Group intends to invest a total of c. €55 million, in several phases, to rehabilitate the Site and fully exploit it to its maximum potential as a maritime hub, with all the facilities that typically come with this, including a dedicated rig servicing centre, facilities for support engineering services and also a training centre.

The concession is for a period of 65 years under a title of temporary emphyteusis and consists of c. 169,000 square metres of land, mainly comprising:

- Quays 2 and 3, including lay down area, storage yards, main entrance to Site and a warehouse
- Quay 4 and 5, including yard space
- Dock
- Stand-alone external yards for open storage
- Four hangars / shed space for engineering works and internal storage
- Three main buildings which comprise warehouse space and space that could be converted into office space, engineering workshops and additional storage space
- Connecting road infrastructure

The Group is currently in phase A and phase B of the investment plan, which in total amounts to an investment of €37.6m.



2.3 Project Development Update

The importance of the Mediterranean Maritime Hub to the Group necessitated that the Group focused primarily on the development of the Hub. This was in fact the main business activity of the Group in 2016, 2017 and is still ongoing.

The commencement of the development of the Hub was delayed due to issues that were encountered in the course of its transfer by the Government of Malta to the Guarantor. The Group has been pursuing efforts to market the Hub internationally, recognising the current limitations of the oil and gas industry which are still facing a challenging period. However, interest in the Hub is being expressed by an increasing number of companies some of which command innovative operational concepts and which are being carefully evaluated.

During 2017 the Group completed a first phase of dredging works of the seabed at the fairway and at Quay 5; the rehabilitation of Shed 4 into a fully functional workshop complete with offices; the transformation of Shed 5 into a dangerous goods warehouse; the upgrading and embellishment of the main entrance of the Hub; the development of a three-level parking area; and the hard-paving works throughout the entire Site. Since 2016 to the end of 2017 a total of €18.7 million were invested in the Hub.

The completion of the first phase of dredging works of the seabed now affords sufficient draft for a wider range of vessels to enter the Site and be serviced there. This enables the Group to start attracting projects that formerly could not be admitted into the Site due to the physical restrictions that existed.

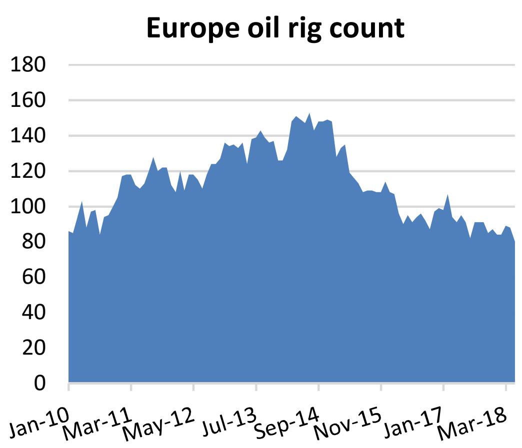
Fuel station update

During January 2018, the Group obtained the approval from the Planning Authority for a development permit to build a fuel station in Maghtab. Abel Energy Limited has now applied for an executable permit in order to start the construction works. The Management expects the station to be operational by June 2019.

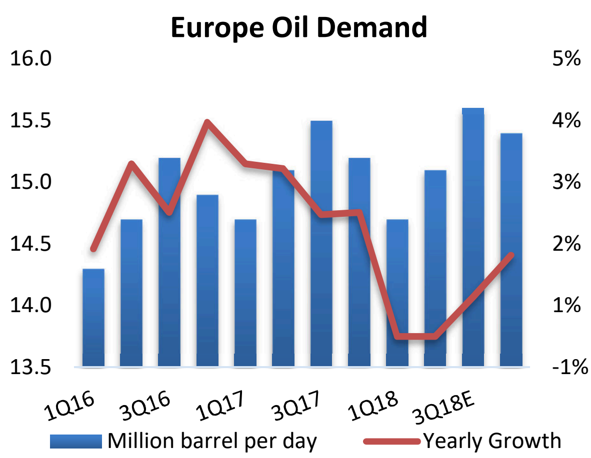
3. Key Market Data

The main industry driver, directly impacting the operations of the Group is the price of oil. This has a direct bearing on the extent of drilling operations carried out by International Oil Companies (IOCs) and the number of rigs in operation, which in turn determines the demand for services provided by the Group.

More specifically, when the oil price is high, IOCs may explore deposits that were previously deemed too costly. However, when the price is low, investment in drilling and exploration could fall, which would increase competition between suppliers and the decline of the number of oil rigs in operation.



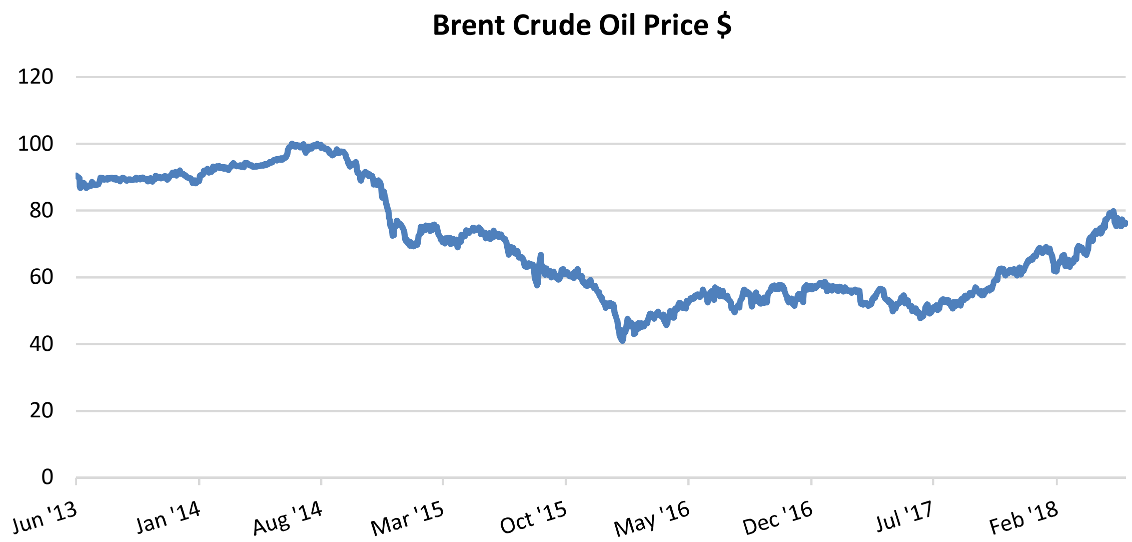
Source: Baker Hughes



Source: International Energy Agency

The offshore oil and gas industry is slowly emerging from a challenging period, which has seen the industry as a whole having to transform itself in order to meet the rapidly-changing energy requirements of the international market. As these challenges grow, the opportunities that they present grow in tandem. Operators, service companies and major equipment manufacturers are beginning to establish MSAs with potential suppliers in order to meet renewed expected growth. They are also looking carefully to rationalize their operations into better strategically located and efficient regional hubs.

It may be noted that the Brent Crude oil has been trading in a range of $54-$80 / barrel in the past three years after a sharp drop off in 2014. As of Q2 2018, the Brent Crude oil was selling in a range of $67-$80 / barrel. The Group is seeking to establish a broad range of MSAs with key potential client companies, as well as strategic alliance partnerships with key supply chain entities. The location, site size and facilities of the Mediterranean Maritime Hub offers clients with unique regional operational flexibility. This applies to the oil and gas industry as well as to companies within the diverse maritime industries. The industry is showing signs of an upward trend, although the political uncertainty in the Middle East and the sustainability of a higher oil price remain a concern.



3.1 The Group's Competitive Environment

To date the Group's competitive environment has comprised local and foreign market players, including local and foreign shipyards, local and foreign terminals, ship chandlers, ship agents, and neighbouring countries with oil and gas pro-legislature, engineering facilities, and personnel recruitment agencies.

As it transforms its business, the Group's competitive strength will increasingly lie in the range of services it provides, resulting in a one-stop shop for rigs within a cost effective, multi-faceted Hub in the centre of the Mediterranean.

The Group is subject to regulation by the local transport regulator –Transport Malta. It is also regulated by the SEC under the Foreign Corrupt Practices Act of 1977, a United States federal law known primarily for two of its main provisions, one that addresses accounting transparency requirements under the Securities Exchange Act of 1934 and another concerning bribery of foreign officials; as well as the UK Bribery Act of 2010.

It is also an accredited member of the International Association of Drilling Contractors and is ISO9001:2015 compliant, OHSAS 18001:2007 certified and 14001:2004 compliant. These certifications demonstrate that the Group aims to ensure client satisfaction, that work is performed in a safe environment, and with the least environmental impact possible.

4. Performance Review and Projections

All financial information presented in this section was derived from the audited accounts of the Guarantor and the Issuer and from data provided by the Group. Forecasts are based on Management's projections for the coming year.

The Issuer was registered and incorporated on 26 July 2016 to issue the Bonds and loan the proceeds to the Group. The Issuer did not conduct any business and has no trading record prior to the financial year 2016. The Issuer's function is solely to act as the financing vehicle for the Group, and as such does not reflect the performance or financial position of the Group.

4.1 Income Statement - Guarantor

€	FY15A	FY16A	FY17A		FY18F
Revenue	**13,706,594**	**12,624,691**	**15,733,451**		**17,344,000**
Operating costs	(10,685,020)	(10,984,560)	(12,544,049)		(12,760,000)
Distribution Costs	(283,947)	(254,339)	(246,281)		(246,000)
Administrative Expenses	(1,910,929)	(1,857,541)	(2,184,900)		(2,233,000)
Other Income	-	97,526	82,332		-
Operating profit / (loss)	**826,698**	**(374,223)**	**840,553**		**2,104,000**
Depreciation	251,996	327,848	727,536		843,000
EBITDA	**1,078,694**	**(46,375)**	**1,568,089**		**2,948,000**
Finance Income	9,925	5,913	19,411		-
Finance Costs	(130,827)	(265,783)	(755,373)		(938,000)
Profit / (Loss) before tax	**705,796**	**(634,093)**	**104,591**		**1,167,000**
Tax credit / (expense)	(275,393)	97,479	230,880		(224,000)
Profit / (Loss) for the year	**430,403**	**(536,614)**	**335,471**		**943,000**
Ratio analysis					
Revenue growth	*n/a*	*-8%*	*25%*		*10%*
EBITDA margin	*8%*	*0%*	*10%*		*17%*
Operating margin	*6%*	*-3%*	*5%*		*12%*
Net margin	*3%*	*-4%*	*2%*		*5%*
Interest cover	*8.25x*	*-0.17x*	*2.08x*		*3.14x*

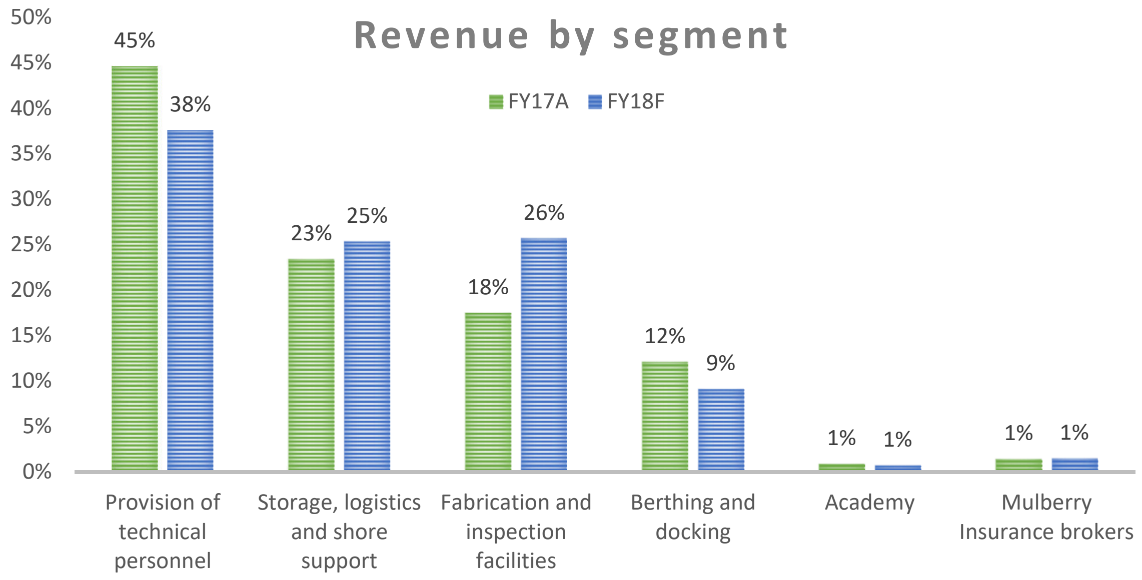
Source: Audited Financial Statements and management information

The results for 2016 have been considerably impacted by the significant costs incurred on the development of the Hub which did not generate any material revenue. The ground-rent incurred on the Hub in 2016 alone amounted to €849,260, whilst the Site was still in development stage. The results were also impacted by the increase in the costs involved to improve the management team in its transition to meet industry requirements.

FY17 was a turning point for the Group in terms of financial results, with an improvement in the overall performance of the Group after a challenging 2016. Revenue increased, coupled with increasing profitability margins and ratios.

Revenue in 2017 increased to €15,733,451 (2016: €12,624,691), following a generally higher level of operations, especially within the provision of technical personnel segment. Projected revenue for

2018 is forecast at €17 million primarily as a result of expected increased activities in logistics, storage and shore support operations and in the fabrication and inspection of facilities.



The Group registered an operating profit of €840,553 in 2017 (2016 loss: €374,223). During 2017 the Group reclassified rental expenses and part of the staff costs from administrative expenses to cost of sale and renamed the cost of sale into operating expenses. FY15 and FY16 have been restated accordingly for comparative purposes. Distribution and administrative costs increased to €2,431,181 (2016: €2,111,880) mainly due to a significant rise in depreciation which resulted from the significant investments in property plant and equipment ("PP&E") undertaken by the Group during 2017. The Group also incurred additional expenses in the gearing up of the Hub which included a significant spike in the wages and salaries of employees (2017: €2,286,761, 2016: €1,988,013). A new business development team was set-up and commenced its work in the latter part of 2017. It is envisaged that this should bear positive results by Q2 2018.

Overall, costs were contained, resulting in a significant improvement in operating margin to 5% (2016: -3%). Management expects an operating profit of €2,104,000 in 2018, resulting in an operating profit margin of 12%.

Finance costs increased significantly to €755,373 as a result of the Bond issue, which interest was expensed for the full year for the first time in 2017.

As a result of the above, the Group generated a profit after tax of €335,471 in 2017 compared to a loss of €536,614 registered in 2016, and exceeding management projections which had forecasted a loss after tax of €252,267. Management is forecasting a profit after tax of €943,000 for 2018.

4.2 Balance Sheet - Guarantor

€	FY15A	FY16A	FY17A		FY18F
Assets					
Non-current assets					
Intangible assets	725,000	809,155	806,173		806,173
Property, plant and equipment	2,188,603	7,417,403	18,662,479		23,584,337
Trade and other receivables	766,702	1,181,375	853,711		853,711
Deferred tax assets	40,282	138,075	407,002		183,472
Total Non- current assets	**3,720,587**	**9,546,008**	**20,729,365**		**25,427,693**
Current Assets					
Inventories	157,850	56,122	446,634		488,292
Trade and other receivables	3,344,519	5,132,560	6,756,096		5,549,675
Cash	2,587,222	8,196,303	1,343,882		126,866
Total current assets	**6,089,591**	**13,384,985**	**8,546,612**		**6,164,834**
Total assets	**9,810,178**	**22,930,993**	**29,275,977**		**31,592,527**
Equity and Liabilities					
Share capital	500,000	500,000	500,000		500,000
Reporting currency conversion reserve	(8,185)	(71,628)	(86,596)		(86,596)
Other reserve	18,305	18,305	18,305		18,305
Retained earnings	4,513,423	3,978,921	4,305,357		5,228,606
Non-controlling interest	-	37,888	46,923		66,668
Total equity	**5,023,543**	**4,463,486**	**4,783,989**		**5,726,982**
Liabilities					
Non-current Liabilities					
Borrowings	1,226,733	14,653,191	14,680,125		19,715,544
Trade and other payables	425,000	425,000	425,000		340,000
Deferred tax liability	-	-	1,664,860		1,625,577
Total non-current liabilities	**1,651,733**	**15,078,191**	**16,769,985**		**21,681,121**
Current Liabilities					
Borrowings	607,695	263,059	200,058		800,000
Trade and other payables	1,777,174	2,638,776	7,161,699		3,222,644
Current tax liabilities	750,033	487,481	319,067		120,601
Other current liabilities	-	-	41179		41,179
Total current liabilities	**3,134,902**	**3,389,316**	**7,722,003**		**4,184,424**
Total liabilities	**4,786,635**	**18,467,507**	**24,491,988**		**25,865,545**
Total equity and liabilities	**9,810,178**	**22,930,993**	**29,275,977**		**31,592,527**
Ratio Analysis					
Profitability					
Return on Common Equity	*9.0%*	*-11.3%*	*7.3%*		*18%*
Return on Assets	*4.4%*	*-2.3%*	*1.1%*		*3%*
Solvency and liquidity					
Net Debt / Total Equity	*-0.15x*	*1.51x*	*2.83x*		*3.56x*
Total Liabilities / Total Assets	*49%*	*81%*	*84%*		*82%*

€	FY15A	FY16A	FY17A		FY18F
Net Debt / EBITDA	*-0.70x*	*-144.90x*	*8.85x*		*6.92x*
Current Ratio	*1.94 x*	*3.95 x*	*1.11x*		*1.47x*
Net Debt/CFO	*-0.28x*	*-3.59x*	*13.57x*		*-20.14x*
Source: Audited Financial Statements and management information					

During 2016 the Guarantor's asset base grew from €9.8 million in 2015 to €22.9 million as a result of the deployment of the funds generated from the Bond issue and subsequently invested in the Hub. This increase was reflected in PP&E, which increased from €2.2 million in 2015 to €7.4 million in 2016.

The equity base of the Guarantor fell marginally as a result of transposing the 2016 loss into retained earnings, thereby decreasing the amount of retained earnings from €4.5 million to €4 million. Following the Bond issue, the Guarantor's leverage increased considerably, with total liabilities increasing from €4.8m to €18.5m.

During 2017 the Group's asset base further increased from €22.9 million in 2016 to €29.3 million as a result of further investments in the Hub. The level of cash decreased to €1.3 million following the investment in PP&E.

The equity base increased to €4.9 million as a result of the positive net results for 2017. Borrowings remained in line with 2016, although, following the deployment of the Bond proceeds, net debt to equity increased to 2.8x from 1.5x in 2016, and net financial debt to total assets increased to 46% from 29% in 2016.

The level of leverage is expected to increase further in 2018, as the Group intends to borrow approximately €5 million in order to finance and continue the development of the Hub.

4.3 Cash Flow Statement - Guarantor

€	FY15A	FY16A	FY17A		FY18F
Cash flows from operating activities					
Cash generated from operations / (used in)	3,282,681	(1,349,202)	1,912,860		88,567
Finance income	9,925	5,913	19,411		-
Finance costs	(130,827)	(265,783)	(728,439)		(902,500)
Tax Paid	(442,796)	(262,866)	(206,461)		(198,466)
Net operating cash flows	**2,718,983**	**(1,871,938)**	**997,371**		**(1,012,399)**
Cash flows used in investing activities					
Purchase of intangible assets	(725,000)	(84,155)	(17,311)		-
Purchase of plant and equipment	(1,946,133)	(5,556,648)	(9,514,802)		(5,804,558)
Net cash used in investing activities	**(2,671,133)**	**(5,640,803)**	**(9,532,113)**		**(5,804,558)**
Cash flows from financing activities					
Net Repayment/bank borrowings	(358,709)	(1,661,810)	-		-
Proceeds from bond issue	-	15,000,000	-		5,000,000
Bond issue costs	-	(346,809)	-		-
Issue of shares in non-controlling interest	-	40,000	-		-
Proceeds from grants	-	-	1,745,322		-
Net cash (used in) / generated from financing activities	**(358,709)**	**13,031,381**	**1,745,322**		**5,000,000**
Net movement in cash flows	**(310,859)**	**5,518,640**	**(6,789,420)**		**(1,816,957)**
Cash and cash equivalents at beg of year	**2,725,463**	**2,414,604**	**7,933,244**		**1,143,824**
Cash and cash equivalents at end of year	**2,414,604**	**7,933,244**	**1,143,824**		**(673,133)**

Source: Audited Financial Statements and management information

During 2016, the Guarantor's reduced operating activities and increase in the workforce prompted a reduction in cash from operations to an outflow of €1.3 million, compared to an inflow of €3.3 million in 2015. An increase in the level of finance costs following the Bond issue also contributed to the net operating cash flows reducing to a net outflow of € 1.9 million.

Net cash used in investing activities increased from €2.7 million in 2015 to €5.6 million in 2016 as a result of an investment in the Hub, as reflected in the sharp increase in the purchase of plant and equipment.

As a result of the Bond issue of €15 million in 2016, after removing the costs of issue and repayment of bank debt, the Group registered an increase in cash from financing activities of €13 million in FY16 compared to an outflow of €0.4 million in FY15.

During 2017 cash generated from operations returned to grow following the increase in turnover. This resulted in a net inflow of €1 million compared to an outflow of €1.8 million in 2016, despite the increase in finance costs following the Bond issue.

Cash used in investing activities increased to €9.5 million due to further investments in the Hub as outlined in section 2.2 of the Analysis.

Cash from financing activities consisted of grants advanced by Malta Enterprise for the co-financing of the capital expenditure of the Hub.

As a result of the above the Group's cash and cash equivalent balance at the end of 2017 decreased to €1.1 million from €7.9 million at the end of 2016.

Due to further capital investments expected for 2018 the Management forecast a negative cash balance of €673K which is expected to be covered through a €2 million bank facility currently being negotiated by the Guarantor with a local bank.

4.4 Variance analysis - Guarantor

€	FY17A		FY17F	Variance
Revenue	**15,733,451**		**14,401,388**	**1,332,063**
Operating expenses	(12,544,049)		(9,267,189)	(3,276,860)
Gross Profit	**3,189,402**		**5,134,200**	**(1,944,798)**
Distribution Costs	(246,281)		(356,680)	110,399
Administrative Expenses	(2,184,900)		(5,194,901)	3,010,001
Other Income	82,332		789,021	(706,689)
Operating / profit	**840,553**		**371,640**	**468,913**
Finance Income	19,411		2,068	17,343
Finance Costs	(755,373)		(761,811)	6,438
Profit / (Loss) before tax	**104,591**		**(388,103)**	**492,694**
Tax credit	230,880		135,836	95,044
Profit / (Loss) for the year	**335,471**		**(252,267)**	**587,738**
Source: Audited Financial Statements and management information				

FY17 revenue exceeded the forecasted revenue by €1.3 million due largely to a general increase in activities and especially within the provision of manpower segment.

Operating costs and administrative expenses for 2017 were in line with the projections except for the effect of the reclassification of administrative expenses into operating costs.

As a result of the above the Group generated a consolidated profit after tax of €335k as opposed to an expected loss of €252k.

4.5 Income Statement - Issuer

€	FY16A	FY17A		FY18F
Finance Income	206,783	877,625		877,625
Finance Costs	(163,215)	(746,934)		(725,840)
Net Interest Income	**43,568**	**130,691**		**151,785**
Administrative Expenses	(33,626)	(67,810)		(87,961)
Profit / (Loss) before tax	**9,942**	**62,881**		**63,824**
Tax expense	(3,480)	(22,008)		(22,338)
Profit for the year	**6,462**	**40,873**		**41,486**
Ratio Analysis				
Net interest margin	*21.1%*	*14.9%*		17.3%
Net profit margin	*3.1%*	*4.7%*		4.7%
Source: Audited Financial Statements and management information				

The Issuer registered a significant increase of 300% in the net interest income during 2017, which was the first full year of operations, as opposed to less than two months during 2016. Administrative expenses increased to €726k, albeit less than proportionally to revenue (+201%).

As a result of the above the Issuer posted a net profit for the year of €40,873. For 2018 the Management forecasts a net interest income of €152k and net profit of €41k.

Finance income is projected to total €9.3 million over the life of the Bond, reflecting the interest paid by MMH Malta Limited on the loan from the issuer at a 5.95% interest rate (4.8% coupon plus 1.15% margin).

4.6 Balance Sheet - Issuer

€	FY16A	FY17A		FY18F
Assets				
Non-current assets				
Loans and receivables	14,750,000	14,750,000		14,750,000
Total non-current assets	**14,750,000**	**14,750,000**		**14,750,000**
Current Assets				
Trade and other receivables	206,783	371,808		479,434
Cash and cash equivalents	119,386	41,815		30,854
Total current assets	**326,169**	**413,623**		**510,288**
Total assets	**15,076,169**	**15,163,623**		**15,260,288**
Equity and Liabilities				
Share capital	250,000	250,000		250,000
Retained earnings	6,462	47,335		88,822
Total equity	**256,462**	**297,335**		**338,822**
Liabilities				
Non-current Liabilities				
Borrowings	14,653,191	14,680,125		14,707,125
Total non-current liabilities	**14,653,191**	**14,680,125**		**14,707,125**
Current Liabilities				
Trade and other payables	166,516	186,163		214,341
Total current liabilities	**166,516**	**186,163**		**214,341**
Total liabilities	**14,819,707**	**14,866,288**		**14,921,466**
Total equity and liabilities	**15,076,169**	**15,163,623**		**15,260,288**
Ratio Analysis				
Current ratio	*1.96x*	*2.22x*		*2.38x*
Net Debt / Total Equity	*56.67x*	*49.23x*		*43.32x*
Source: Audited Financial Statements and management information				

As at 31 December 2017, the Issuer had €15 million in total assets of which €14.75 million consisted of loans to MMH Malta Limited and MMH Holdings Limited, which are projected to continue to be carried until eventual redemption in 2026. The Issuer had a cash balance of €42k.

Total equity and liabilities of €15 million, primarily comprised of the €14.7 million Bond issue and equity of €0.3 million.

4.7 Cash flow Statement - Issuer

€	FY16A	FY17A	FY18F
Cash flows from operating activities			
Cash used in operations	(26,426)	(77,571)	(10,961)
Net operating cash flows	**(26,426)**	**(77,571)**	**(10,961)**
Cash flows used in investing activities			
Proceeds of loans and receivables from subsidiaries	(14,750,000)	-	-
Net cash used in investing activities	**(14,750,000)**	**-**	**-**
Cash flows from financing activities			
Issue of share capital	250,000	-	-
Issue of €15,000,000 4.8% bonds	15,000,000	-	-
Bond issue costs	(354,188)	-	-
Net cash from financing activities	14,895,812	-	-
Net movement in cash flows	**119,386**	**(77,571)**	**(10,961)**
Cash and cash equivalents at beg of year	**-**	**119,386**	**41,815**
Cash and cash equivalents at end of year	**119,386**	**41,815**	**30,854**
Source: Audited Financial Statements and management information			

During FY17 the Issuer registered a net cash outflow generated from the operating activities of €77,571. As a result, the net cash balance at the end of the financial year decreased to €41,815.

4.8 Variance analysis - Issuer

€	FY17A	FY17F	Variance
Finance Income	877,625	907,000	(29,375)
Finance Costs	(746,934)	(750,000)	3,066
Net Interest Income	**130,691**	**157,000**	**(26,309)**
Administrative Expenses	(67,810)	(140,000)	72,190
Profit / (Loss) before tax	**62,881**	**17,000**	**45,881**
Tax expense	(22,008)	(6,000)	(16,008)
Profit for the year	**40,873**	**11,000**	**29,873**
Source: Audited Financial Statements and management information			

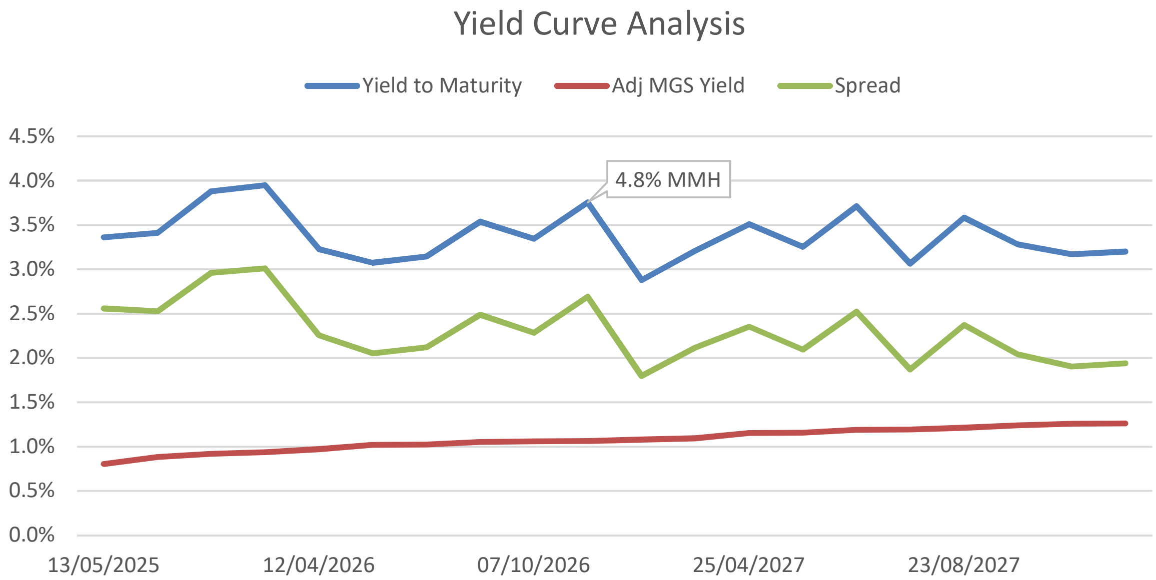
The Issuer registered lower than expected administrative expenses as a result of lower Bond related expenses. This resulted in a higher than expected profit after tax for the year 2017.

5. Comparative Analysis

The purpose of the table below compares the bond issued by the Group to other debt instruments with similar duration. One must note that given the material differences in profiles and industries, the risks associated with the Group's business and that of other issuers is therefore also different.

Comparative Analysis	Nominal Value (€)	Yield to Maturity	Interest Cover (times)	Current ratio (times)	Net Debt/ Equity	Liabilities / Assets
5.75% International Hotel Investments plc Unsecured € 2025	45,000,000	3.36%	2.8	1.5	57.1%	44.8%
4.5% Hili Properties plc Unsecured € 2025	37,000,000	3.41%	1.2	0.5	232.8%	71.8%
5.25% Central Business Centres plc Unsecured € 2025 S2T1	3,000,000	3.88%	0.3	8.6	67.1%	44.2%
4.5% Medserv plc Unsecured € 2026	21,982,400	3.95%	-0.9	2.1	175.1%	81.7%
4.25% Corinthia Finance plc Unsecured € 2026	40,000,000	3.23%	2.5	1.0	67.8%	48.9%
4% MIDI plc Secured € 2026	50,000,000	3.07%	-0.5	2.6	77.7%	68.0%
4% International Hotel Investments plc Secured € 2026	55,000,000	3.14%	2.8	1.5	57.1%	44.8%
5% Dizz Finance plc Unsecured € 2026	8,000,000	3.54%	3.3	0.8	195.0%	75.3%
3.9% Plaza Centres plc Unsecured € 2026	8,500,000	3.34%	5.6	0.6	43.3%	38.4%
4.8% Mediterranean Maritime Hub Finance plc € 2026	**15,000,000**	**3.75%**	**2.0**	**1.1**	**283.0%**	**83.7%**
3.75% Premier Capital plc Unsecured € 2026	65,000,000	2.88%	7.9	1.0	134.3%	70.5%
4% International Hotel Investments plc Unsecured € 2026	40,000,000	3.21%	2.8	1.5	57.1%	44.8%
4.35% SD Finance plc Unsecured € 2027	65,000,000	3.51%	5.5	0.3	92.1%	69.8%
4% Eden Finance plc Unsecured € 2027	40,000,000	3.25%	4.5	0.7	57.5%	46.9%
4.4% Central Business Centres plc Unsecured € 2027 S1/17 T1	6,000,000	3.71%	0.3	8.6	67.1%	44.2%
3.75% Tumas Investments plc Unsecured € 2027	25,000,000	3.06%	7.5	1.6	51.8%	55.12%
4.5% Grand Harbour Marina plc Unsecured € 2027	15,000,000	3.58%	1.7	3.2	241.1%	82.4%
4% Stivala Group Finance plc Secured € 2027	45,000,000	3.28%	9.5	1.6	7.5%	19.2%
3.75% Virtu Finance plc Unsecured € 2027	25,000,000	3.17%	7.7	0.8	58.5%	50.9%
3.75% Bortex Group Finance plc Unsecured € 2027	12,750,000	3.20%	2.3	2.3	24.2%	30.7%

*based on 2017 audited financial statements



As at 18th June 2018, the average spread over the Malta Government Stock (MGS) for corporates with maturity range of seven-nine years was 238 basis points. The 4.8% MMHF Bond maturing on the 14/10/2026 was yielding 380 basis points to maturity and an equivalent spread of 269 basis points over the current Malta Government Stock Yield with the same maturity.

6. Glossary and Definitions

Income Statement	
Revenue	Total revenue generated by the Group from its business activities during the financial year, that is, the operations of BCT and EQR
Operating Expenses	Operating expenses include the cost of terminal operations and management expenses in maintaining the investment property of EQR.
EBITDA	EBITDA is an abbreviation for earnings before interest, tax, depreciation and amortisation. EBITDA can be used to analyse and compare profitability between companies and industries because it eliminates the effects of financing and accounting decisions.
Profit after tax	Profit after tax is the profit made by the Group during the financial year both from its operating as well as non-operating activities.
Profitability Ratios	
Operating profit margin	Operating profit margin is operating income or EBITDA as a percentage of total revenue.
Net profit margin	Net profit margin is profit after tax achieved during the financial year expressed as a percentage of total revenue.
Profit before Tax (PBT)	Profit before Tax is the profit is achieved during the financial year after deducting all relevant expenses including interest expenses. This however does not include tax expense.
Efficiency	
Return on Equity	Return on equity (ROE) measures the rate of return on the shareholders' equity of the owners of issued share capital, computed by dividing profit after tax by average shareholders' equity during the relevant financial year.
Return on capital employed	Return on capital employed (ROCE) indicates the efficiency and profitability of a company's capital investments, estimated by dividing operating profit by capital employed.
Return on Assets	Return on assets (ROA) is computed by dividing profit after tax by total assets.
Equity Ratios	
Earnings per share	Earnings per share (EPS) is the amount of earnings per outstanding share of a company's share capital. It is computed by dividing net income available to equity shareholders by total shares outstanding as at balance sheet date
Cash Flow Statement	
Cash flow from operating activities	Cash generated from the principal revenue-producing activities.
Cash flow from investing activities	Cash generated from the activities dealing with the acquisition and disposal of long-term assets and other investments.
Cash flow from financing activities	Cash generated from the activities that result in change in share capital and borrowings.
Balance Sheet	
Non-current assets	Non-current asset are the Group's long-term investments, which full value will not be realised within the accounting year. Non-current assets are capitalised rather than expensed, meaning that the Group allocates the cost of the asset over the number of years for which the asset will be in use, instead of allocating the entire cost to the accounting year in which the asset was purchased. Such assets include

	intangible assets (goodwill on acquisition), investment properties, and property, plant & equipment.
Current assets	Current assets are all assets of the company, which are realisable within one year from the balance sheet date. Such amounts include inventory, accounts receivable, cash and bank balances.
Current liabilities	All liabilities payable by the company within a period of one year from the balance sheet date, and include accounts payable and short-term debt.
Net debt	Borrowings before unamortised issue costs less cash and cash equivalents.
Non-current liabilities	The company's long-term financial obligations that are not due within the present accounting year. The Company's non-current liabilities include bank borrowings and bonds.
Total equity	Total equity includes share capital, reserves & other equity components, and retained earnings.
Financial Strength Ratios	
Liquidity ratio	The liquidity ratio (also known as current ratio) is a financial ratio that measures whether or not a company has enough resources to pay its debts over the next 12 months. It compares a company's current assets to its current liabilities.
Interest cover	The interest coverage ratio is calculated by dividing a company's EBITDA of one period by the company's finance costs of the same period.
Gearing ratio	The gearing ratio indicates the relative proportion of shareholders' equity and debt used to finance a company's assets, and is calculated by dividing a company's net debt by net debt plus shareholders' equity.