

AST GROUP P.L.C.

C 66811

CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE SIX MONTHS ENDING
30 JUNE 2022**

**AST GROUP P.L.C.
CONSOLIDATED MANAGEMENT ACCOUNTS
FOR THE SIX MONTHS ENDING 30 JUNE 2022**

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**DIRECTORS' REPORT PURSUANT TO PROSPECTS MTF RULE 4.11.12
FOR THE PERIOD ENDING 30 JUNE 2022**

This Half-Yearly Report is being published in terms of Chapter 4 of the Prospects MTF Rules of the Malta Stock Exchange and the Prevention of Financial Markets Abuse Act, 2005. The Half-Yearly Report comprises the unaudited interim condensed consolidated financial statements for the six months ending 30 June 2022 prepared in accordance with IAS 34, 'Interim Financial Reporting'. In accordance with the terms of Prospects MTF Rule 4.11.12, this interim report has not been audited by the Group's independent auditors.

The Directors present their report of the Group for the interim period ended 30 June 2022. The Group comprises the Company ("AST Group P.L.C.") and its four subsidiaries: Damask Investment Limited, AST Shipping Limited, DS Shipping Ltd. (formerly Damask Shipping Management Company Limited) and DS Chartering Ltd. (formerly Damask Chartering Limited).

Principal Activities

The principal activity of the Group is to trade in animal feed as well as operate M/V AST Malta to distribute the Group's animal feed or charter her out to third parties. The activities of the group are expected to remain consistent for the foreseeable future.

Review of business and results

The revenue for the period under review increased by € 10.6 million, from € 14.6 million in the first half of 2021 to € 25.2 million in the first half of 2022, with a corresponding increase in profit margin from 4.5% to 5.4% respectively. Revenue from shipping operations increased from € 398K in the first half of 2021 to € 2.8 m per note 7 in the first half of 2022, reason for this being that the vessel was principally used to distribute the Group's animal feed, hence expanding the animal feed business, both in terms of products and volume.

Despite the significant increase in revenue, the Group managed its costs, and as a result selling, distribution and administrative expenses totalled € 508K in the first half of 2022 (FY 2021: € 316K).

The increase in revenue, combined with the increase in expenses contributed towards a profit of € 228K for the six months ending 30 June 2022 (FY 2021: profit € 200K).

The activities of the Group are expected to remain consistent for the foreseeable future.

No interim dividends are being proposed.

Approved by the board of directors on 31 August 2022 and signed on its behalf by:



Mr. William Wait
Director



Dr. Kristian Balzan
Director

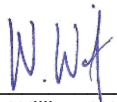
Registered Office:
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Kingsway Palace
Republic Street
Valletta VLT 1115
Malta

**DIRECTORS' STATEMENT
FOR THE PERIOD ENDING 30 JUNE 2022**

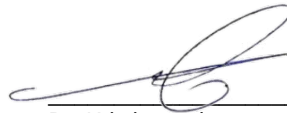
Statement by Directors on the interim financial statements and other information included in the interim consolidated report

We hereby confirm that to the best of our knowledge:

- The unaudited consolidated management accounts give a true and fair view of the financial position of the Group as at 30 June 2022, and of its financial performance and cash flows for the six month period then ended in accordance with IAS34, "Interim Financial Reporting"; and
- The Interim Directors' Report includes a fair review of the information required in terms of Prospects MTF Rule 4.11.12.



Mr. William Wait
Director
31 August 2022

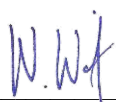


Dr. Kristian Balzan
Director
31 August 2022

**INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022**

		30.06.2022	31.12.2021
		€	€
Assets			
	Note		
Non-Current Assets			
Other Assets		36,234	-
Property, Plant and Equipment	1	3,390,698	3,771,262
Right-Of-Use-Asset		7,431	15,433
Sinking Fund		100,000	-
Deferred Tax Assets	2	80,704	158,012
		3,615,067	3,944,707
Current Assets			
Inventories	3	725,987	1,571,935
Trade and Other Receivables	4	6,028,961	1,279,192
Cash and Cash Equivalents	5	713,754	621,401
		7,468,702	3,472,528
Total Assets		11,083,769	7,417,235
Equity and Liabilities			
Equity			
Share Capital		50,000	50,000
Accumulated Losses		31,230	(196,737)
General Purpose Reserve		312,037	312,044
Revaluation Reserve		2,549,281	2,549,281
Other Reserves		160,204	160,204
Capital Contribution Reserve		382,000	382,245
		3,484,752	3,257,037
Non-Current Liabilities			
Borrowings		1,824,349	1,792,657
Lease Liabilities		15,919	17,532
Other Non-Current Liabilities		158,971	158,971
		1,999,239	1,969,160
Current Liabilities			
Bank Overdraft	5	99,258	-
Trade and Other Payables	6	5,251,868	2,032,219
Lease Liabilities		5,789	3,027
Current Tax Payables		242,863	155,792
		5,599,778	2,191,038
Total Liabilities		7,599,017	4,160,198
Total Equity and Liabilities		11,083,769	7,417,235

The interim financial statements on pages 3 to 9 have been authorised for issue by the board of Directors on 31 August 2022 and were signed on its behalf by:


Mr. William Wait
Director


Dr. Kristian Balzan
Director

**INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDING 30 JUNE 2022**

	Notes	01.01.2022 to 30.06.2022 €	01.01.2021 to 30.06.2021 €
Revenue	7	25,180,176	14,590,212
Cost of Sales	8	(23,815,356)	(13,935,592)
Gross Profit		1,364,820	654,620
Other Income		420	-
Selling and Distribution Expenses		(212,407)	(87,443)
Administration Expenses	9	(295,382)	(228,938)
Depreciation and Amortisation		(396,450)	(124,208)
Operating Profit		461,001	214,031
Net Finance Costs	10	(254,470)	(84,369)
Profit Before Tax		206,531	129,662
Taxation		21,449	70,085
Profit After Tax		227,980	199,747
Total Comprehensive Income for the Period		227,980	199,747

**INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDING 30 JUNE 2022**
Group

	Share Capital €	Retained Earnings €	Other Reserves €	Revaluation Reserve €	General Purpose Reserve €	Capital Contribution €	Total €
Balance as at 1 January 2020	50,000	(661,594)	160,204	843,215	312,037	382,000	1,085,862
Comprehensive Income for the Period	-	199,746	-	-	-	-	199,746
Balance as at 30 June 2021	50,000	(461,848)	160,204	843,215	312,037	382,000	1,285,608
Balance as at 31 December 2021	50,000	(196,751)	160,204	2,549,281	312,037	382,000	3,256,771
Balance as at 1 January 2022	50,000	(196,751)	160,204	2,549,281	312,037	382,000	3,256,771
Comprehensive Income for the Period	-	227,980	-	-	-	-	227,980
Balance as at 30 June 2022	50,000	31,229	160,204	2,549,281	312,037	382,000	3,484,751

**INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDING 30 JUNE 2022**

		01.01.2022 to 30.06.2022 €	01.01.2021 to 30.06.2021 €
	Notes		
Cash Flows from Operating Activities			
Operating Profit for the Period		461,001	214,032
Adjustment for:			
Depreciation of Plant and Machinery	1	382,343	109,961
Amortisation of Bond Issue Costs		6,109	6,111
Right-of-Use-Asset		8,004	8,140
Interest Expense		172,719	128,139
Operating Profit and Loss Before Working Capital		1,030,176	466,383
<i>Movement in Working Capital</i>			
Movement in Inventories		845,948	187,908
Movement in Trade and Other Receivables		(4,613,935)	(3,412,149)
Movement in Trade and Other Payables		3,220,798	1,791,488
Cash Used in Operations		482,987	(966,370)
Net Finance Cost		(95,331)	(48,226)
Income Tax Paid		(11,196)	(30,056)
Net Cash Generated From Operating Activities		376,460	(1,044,652)
Cash Flows from Investing Activities			
Purchase of Property, Plant and Equipment	1	(1,779)	(1,081)
Net cash Used In Investing Activities		(1,779)	(1,081)
Cash Flows from Financing Activities			
Movement From Related Party Borrowings		(192,977)	56,882
Payment for lease obligations to third parties		(6,109)	-
Proceeds to Sinking Fund		(100,000)	-
Net cash (used in) financing activities		(299,086)	56,882
Net (Decrease)/Increase in Cash and Cash		75,595	(988,851)
Cash and Cash Equivalents at the Beginning of the Period		621,401	334,287
Cash and Cash Equivalents at the End of Period	5	696,996	(654,563)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDING 30 JUNE 2022**
1. Property, Plant and Equipment

Group	Motor Vessel	Intangible Asset	Office Equipment, Furniture & Fittings	Total
	€	€	€	€
At 31 Dec 2021				
Cost / Revalued Amount	4,559,512	4,600	74,599	4,638,711
Accumulated Depreciation	(809,512)	(4,600)	(53,337)	(867,449)
Net Book Amount	3,750,000	-	21,262	3,771,262
At 30 June 2022				
Opening Net Book Value	3,750,000	-	21,262	3,771,262
Additions	-	-	1,779	1,779
Depreciation for the period	(377,362)	-	(4,981)	(382,343)
Closing Net Book Amount	3,372,638	-	18,060	3,390,698

The motor vessel is held under a security trust under the AST Trust agreement as a guarantee in favour of bondholders until such time that these are repaid in accordance with the Company Admission Document.

In 2018, after the vessel was purchased, it was subject to dry-dock and special survey costs which were capitalised. In 2021, the vessel was subject to dry docking costs which were capitalised as part of the vessel's cost.

The motor vessel was revalued by an independent valuer on 31 December 2021 on an open market existing use basis that reflects recent transactions for similar vessels.

2. Deferred Tax Asset

The measurement in the deferred tax asset is as follows:-

	30.06.2022 €	31.12.2021 €
At the Beginning of the Period	158,013	84,442
Credited to Profit or Loss	(77,309)	73,570
At the End of the Period	80,704	158,012
<u>Deferred Tax Asset</u>		
	30.06.2022 €	31.12.2021 €
<i>Temporary differences arising on:</i>		
Property, Plant and Equipment	(295)	(295)
Provisions	-	9,592
Unabsorbed Capital Allowances	6,728	4,990
Unabsorbed Tax Losses	71,158	140,612
Unutilised Tax Credits	3,113	3,113
	80,704	158,012

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD ENDING 30 JUNE 2022
3. Inventories

	30.06.2022	31.12.2021
	€	€
Animal Feed	433,275	1,436,403
Spares, Fuels and Oils	292,712	135,532
	725,987	1,571,935

4. Trade and Other Receivables

	30.06.2022	31.12.2021
	€	€
Trade Receivables	4,584,896	415,707
Other Receivables	256,068	20,206
Prepayments and Accrued Income	658,010	389,742
Amounts due from Parent Company	51,397	42,247
Amounts due from Ultimate Beneficial Owner	343,452	328,399
VAT Refundable	134,492	82,245
Tax Refundable	646	646
	6,028,961	1,279,192

Amounts due from parent company and ultimate beneficial owner are unsecured, interest free and repayable within the normal operating cycle of the Group.

5. Cash and Cash Equivalents

	30.06.2022	31.12.2021
	€	€
Cash at Bank and in Hand	713,754	621,401
Total Cash and Cash Equivalents	713,754	621,401
Bank Overdraft	(99,258)	-
Total Cash and Cash Equivalents	614,496	621,401

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD ENDING 30 JUNE 2022
6. Trade and Other Payables

	30.06.2022	31.12.2021
	€	€
Trade Payables	4,690,126	1,101,125
Other Creditors	108	2,638
Accrued Expenses	274,672	172,515
Indirect Taxation	286,066	751,788
Social Security Payable	896	4,153
	5,251,868	2,032,219

7. Revenue

	01.01.2022 to 30.06.2022	01.01.2021 to 30.06.2021
	€	€
Sale of Goods	22,359,050	14,191,934
Freight Income	2,821,126	398,278
	25,180,176	14,590,212

8. Cost of Sales

Cost of Sales for the period under review amounted to € 23,815,356 (FY 2021: € 13,935,592). Such expenses included costs relating to animal feed amounting to € 22,275,665 and shipping costs amounting to € 1,539,691.

9. Administrative Expenses

Administrative expenses for the period under review amounted to € 295,382 (FY 2021: € 228,938). Such expenses included:- personnel costs and expenses of € 82,045, management fees of € 57,255, professional fees of € 23,085, overseas travelling of € 17,198, legal fees of € 13,402, accounting services of € 11,862, directors' fees of € 6,112, rent of € 10,356, insurance of € 3,981 and other general and administrative expenses amounting to € 70,086.

10. Net Finance Cost

	01.01.2022 to 30.06.2022	01.01.2021 to 30.06.2021
	€	€
Interest Expense on Lease Liabilities	1,149	1,149
Bank Interest Expenses and Similar Bank Charges	21,288	22,575
Factoring Agreement Interests	124,744	10,182
Difference on Exchange	42,400	-
Other Charges	14,426	-
Bond Interest	50,463	50,463
	254,470	84,369