

AST GROUP P.L.C.

C 66811

CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE SIX MONTHS ENDING
30 JUNE 2023**

**AST GROUP P.L.C.
CONSOLIDATED MANAGEMENT ACCOUNTS
FOR THE SIX MONTHS ENDING 30 JUNE 2023**

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**DIRECTORS' REPORT PURSUANT TO PROSPECTS MTF RULE 4.11.12
FOR THE PERIOD ENDING 30 JUNE 2023**

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 2023 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 2023. The Group comprises the Company ("AST Group P.L.C.") and its five subsidiaries: Damask Investment Limited, AST Shipping Limited, DS Shipping Ltd. (formerly Damask Shipping Management Company Limited), DS Chartering Ltd. (formerly Damask Chartering Limited) and AST Green Shipping Ltd. (a company registered in Malta on 23 March 2023).

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

During the period under review the Group generated revenue of € 18.1 million, representing in a decrease of € 7.1 million from the same period last year (FY 2022: € 25.2 million). This decrease is principally due to lower sale of annual feed products driven by Ukraine war and higher shipping costs. Despite this, cost of sales were significantly lower and as a result, the gross profit margin of the Group increased to 7.0% (FY 2022: 5.4%). Despite inflationary pressures, the Group's selling and administrative expenses were contained and as a result, the Group generated a total comprehensive income of € 203K for the six months ending 30 June 2023 (FY 2022: € 228K).

On 21 April 2023 AST Group plc issued € 8,500,000 6.25% Secured Bonds 2023, to redeem the € 1,835,000 million bonds issued on Prospects MTF and acquire further vessel/s. As at 30 June, the Prospects MTF bonds were redeemed, however, the remaining funds were held by the Security Trustee. On 28 July 2023, the Group acquired MV AST ECO (IMO 9414656) through part of the proceeds raised from the bond issue.

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 29 August 2023 and signed on its behalf by:



Mr. William Wait
Director



Dr. Kristian Balzan
Director

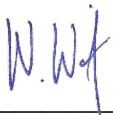
Registered Office:
31,32,33 Third Floor
Kingsway Palace
Republic Street
Valletta VLT 1115
Malta

**DIRECTORS' STATEMENT
FOR THE PERIOD ENDING 30 JUNE 2023**

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 2023, 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
29 August 2023

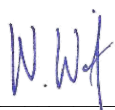


Dr. Kristian Balzan
Director
29 August 2023

**INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023**

		30.06.2023	31.12.2022
		€	€
Assets			
	Note		
Non-Current Assets			
Property, Plant and Equipment	1	4,187,727	4,016,294
Right-Of-Use-Asset		18,331	26,986
Sinking Fund		-	300,000
Deferred Tax Assets	2	54,434	69,261
		4,260,492	4,412,541
Current Assets			
Inventories	3	731,604	1,088,328
Trade and Other Receivables	4	3,218,774	2,885,548
Cash and Cash Equivalents	5	7,347,635	1,119,809
		11,298,013	5,093,685
Total Assets		15,558,505	9,506,226
Equity and Liabilities			
Equity			
Share Capital		250,000	250,000
Accumulated Losses		184,448	(18,068)
General Purpose Reserve		312,044	312,044
Revaluation Reserve		3,272,128	3,272,128
Other Reserves		160,204	160,204
Capital Contribution Reserve		382,245	382,245
		4,561,069	4,358,553
Non-Current Liabilities			
Borrowings	6	8,305,971	1,799,607
Lease Liabilities		1,316	10,309
Other Non-Current Liabilities		56,004	63,858
		8,363,291	1,873,774
Current Liabilities			
Trade and Other Payables	7	2,546,474	3,186,944
Lease Liabilities		12,330	19,136
Other Liabilities		-	9,830
Current Tax Payables		75,341	57,989
		2,634,145	3,273,899
Total Liabilities		10,997,436	5,147,673
Total Equity and Liabilities		15,558,505	9,506,226

The interim financial statements on pages 3 to 10 have been authorised for issue by the board of Directors on 29th August 2023 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 2023**

	Notes	01.01.2023 to 30.06.2023 €	01.01.2022 to 30.06.2022 €
Revenue	8	18,074,007	25,180,176
Cost of Sales	9	(16,802,799)	(23,815,356)
Gross Profit		1,271,208	1,364,820
Other Income		24,671	420
Selling and Distribution Expenses		(108,147)	(212,407)
Administration Expenses	10	(317,047)	(295,382)
Depreciation and Amortisation		(286,520)	(396,450)
Operating Profit		584,165	461,001
Net Finance Costs	11	(363,425)	(254,470)
Profit Before Tax		220,740	206,531
Taxation		(18,224)	21,449
Profit After Tax		202,516	227,980
Total Comprehensive Income for the Period		202,516	227,980

**INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDING 30 JUNE 2023**
Group

	Share Capital €	Retained Earnings €	Other Reserves €	Revaluation Reserve €	General Purpose Reserve €	Capital Contribution €	Total €
Balance as at 1 January 2022	50,000	(196,737)	160,204	2,549,281	312,044	382,245	3,257,037
Comprehensive Income for the Period	-	227,980	-	-	-	-	227,980
Balance as at 30 June 2022	50,000	31,243	160,204	2,549,281	312,044	382,245	3,485,017
Balance as at 31 December 2022	250,000	(18,068)	160,204	3,272,128	312,044	382,245	4,358,553
Balance as at 1 January 2023	250,000	(18,068)	160,204	3,272,128	312,044	382,245	4,358,553
Comprehensive Income for the Period	-	202,516	-	-	-	-	202,516
Balance as at 30 June 2023	250,000	184,448	160,204	3,272,128	312,044	382,245	4,561,069

**INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDING 30 JUNE 2023**

		01.01.2023 to 30.06.2023 €	01.01.2022 to 30.06.2022 €
	Notes		
Cash Flows from Operating Activities			
Operating Profit for the Period		584,165	461,001
Adjustment for:			
Depreciation of Plant and Machinery	1	287,070	382,343
Amortisation of Bond Issue Costs		620	6,109
Write-off amortisation of bond issue cost		29,025	-
Right-of-Use-Asset		1,172	8,004
Interest Expense		104,333	172,719
Operating Profit and Loss Before Working Capital		1,006,386	1,030,176.13
<i>Movement in Working Capital</i>			
Movement in Inventories		(356,724)	845,948
Movement in Trade and Other Receivables		333,226	(4,613,935)
Movement in Trade and Other Payables		(694,570)	3,220,798
Cash Used in Operations		288,317	482,987
Net Finance Cost		(82,198)	(95,331)
Income Tax Paid		(12,074)	(11,196)
Net Cash Generated From Operating Activities		194,045	376,460
Cash Flows from Investing Activities			
Purchase of Property, Plant and Equipment	1	(448,602)	(1,779)
Net cash Used In Investing Activities		(448,602)	(1,779)
Cash Flows from Financing Activities			
Movement From Related Party Borrowings		124,487	(192,977)
Redemption of 5.25% Bond 2018 - 2028		(1,835,000)	-
Issuance of 6.5% Bond 2023 - 2033		8,500,000	-
Payment for lease obligations to third parties		(7,103)	(6,109)
Proceeds of Sinking Fund		(300,000)	(100,000)
Net cash generated from/(used in) financing activities		6,482,384	(299,086)
Net Increase in Cash and Cash Equivalents		6,227,827	75,595
Cash and Cash Equivalents at the Beginning of the Period		1,119,809	621,401
Cash and Cash Equivalents at the End of Period	5	7,347,636	696,996

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDING 30 JUNE 2023**
1. Property, Plant and Equipment

Group	Motor Vessel	Intangible Asset	Office Equipment, Furniture & Fittings	Total
	€	€	€	€
At 31 Dec 2022				
Cost / Revalued Amount	5,282,359	4,600	76,378	5,363,337
Accumulated Depreciation	(1,282,359)	(4,600)	(60,084)	(1,347,043)
Net Book Amount	4,000,000	-	16,294	4,016,294
At 30 June 2023				
Opening Net Book Value	4,000,000	-	16,294	4,016,294
Additions	428,434	11,738	8,429	448,602
Depreciation for the period	(267,268)	(450)	(9,451)	(277,169)
Closing Net Book Amount	4,161,166	11,288.40	15,272	4,187,727

In accordance with the Prospectus dated 21 April 2023 the Collateral includes specifically, the registration of a first priority mortgage on the MV AST Malta in the Malta ship registry in favour of VB Onyx Limited.

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 2022 on an open market existing use basis that reflects recent transactions for similar vessels.

During the period under review, the residual value of MV AST Malta was increased to € 2,000,000 based on estimated market value. Hence the depreciation change for the period was adjusted accordingly.

2. Deferred Tax Asset

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

	30.06.2023 €	31.12.2022 €
At the Beginning of the Period	158,013	158,012
Credited to Profit or Loss	(103,579)	(88,751)
At the End of the Period	54,434	69,261
<u>Deferred Tax Asset</u>		
	30.06.2023 €	31.12.2022 €
<i>Temporary differences arising on:</i>		
Property, Plant and Equipment	(295)	(93)
Provisions	9,584	9,584
Unabsorbed Capital Allowances	657	5,900
Unabsorbed Tax Losses	41,310	50,692
Unutilised Tax Credits	3,113	3,113
Leases	65	65
	54,434	69,261

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD ENDING 30 JUNE 2023
3. Inventories

	30.06.2023	31.12.2022
	€	€
Animal Feed	352,709	737,133
Spares	139,704	139,704
Fuel and Oil	239,190	211,491
	731,604	1,088,328

4. Trade and Other Receivables

	30.06.2023	31.12.2022
	€	€
Trade Receivables	1,828,933	1,007,317
Other Receivables	80,328	53,487
Prepayments and Accrued Income	174,049	251,614
Advance payments	368,313	859,458
Amounts due from Parent Company	57,747	54,647
Amounts due from Ultimate Beneficial Owner	531,807	521,085
VAT Refundable	175,415	134,461
Tax Refundable	2,182	3,479
	3,218,774	2,885,548

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

	30.06.2023	31.12.2022
	€	€
Cash at Bank and in Hand	1,041,330	1,119,809
Cash held by the Security Trustee	6,306,305	-
Total Cash and Cash Equivalents	7,347,635	1,119,809

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD ENDING 30 JUNE 2023

6. Borrowings

	30.06.2023	31.12.2022
	€	€
Non-Current		
1,835,000 5.5% Unsecured Bonds 2028	-	1,799,607
8,500,000 6.25% Secured Bonds 2033	8,305,971	-
	<u>8,305,971</u>	<u>1,799,607</u>
Bonds outstanding (face value)	8,500,000	1,835,000
Gross amount of bond issue costs	(194,724)	(112,976)
Amortisation of gross amount of bond issue costs:-		
Amortised bond issue costs brought forward	-	70,633
Amortisation charge for the period	695	6,950
Unamortised bond issue costs	<u>(194,029)</u>	<u>(35,393)</u>
Amortised cost and closing carrying amount	<u>8,305,971</u>	<u>1,799,607</u>

Interest

Interest on the 6.25% Secured Bonds 2033 is payable annually in arrears, on 16 June of each year.

7. Trade and Other Payables

	30.06.2023	31.12.2022
	€	€
Trade Payables	2,289,251	2,669,912
Other Payables	29,727	11,918
Accrued Expenses	197,555	340,971
Indirect Taxation	22,198	161,444
Social Security Payable	7,742	2,699
	<u>2,546,474</u>	<u>3,186,944</u>

8. Revenue

	01.01.2023	01.01.2022
	to	to
	30.06.2023	30.06.2022
	€	€
Sale of Goods	16,493,135	22,359,050
Freight Income	1,142,190	1,331,160
Management and Recharge Fee	438,682	1,489,966
	<u>18,074,007</u>	<u>25,180,176</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD ENDING 30 JUNE 2023

9. Cost of Sales

Cost of Sales for the period under review amounted to € 16,802,799 (FY 2022: € 23,815,356). Such expenses included

10. Administrative Expenses

Administrative expenses for the period under review amounted to € 317,047 (FY 2021: € 295,382). Such expenses

11. Net Finance Cost

	01.01.2023 to 30.06.2023 €	01.01.2022 to 30.06.2022 €
Interest Expense on Lease Liabilities	1,106	1,148
Bank Interest Expenses and Similar Bank Charges	10,920	21,288
Factoring Agreement Interests	237,837	124,744
Difference on Exchange	(8,395)	42,400
Other Charges	17,624	14,426
Bond Interest	104,333	50,463
	363,423	254,470