



COMPANY ANNOUNCEMENT

The following is a company announcement issued by AST Group P.L.C., a company registered under the laws of Malta with company registration number C 66811 (the “Company”), pursuant to the rules of Prospects, a market regulated as a multi-lateral trading facility and operated by the Malta Stock Exchange.

QUOTE

Approval and Publication of Interim Condensed Consolidated Financial Statements

The Company hereby announces that during the meeting of its Board of Directors held on Tuesday, 31st August 2021, the Company’s interim condensed consolidated financial statements for the six-month financial period ended 30th June 2021 were approved.

Copies of the aforesaid consolidated interim condensed consolidated financial statements are attached to this announcement and are also available for viewing and download on the following link on the Company’s website: <https://astgroupplc.com/news/category/financial-reports/>.

The Board of Directors resolved not to declare an interim dividend.

UNQUOTE

A handwritten signature in blue ink, appearing to be 'K Cachia', written in a cursive style.

Dr Katia Cachia
Company Secretary
31st August 2021

AST GROUP P.L.C

C 66811

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED

30 JUNE 2021

AST GROUP P.L.C
CONSOLIDATED MANAGEMENT ACCOUNTS
FOR THE SIX MONTHS ENDED 30 JUNE 2021

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**DIRECTORS' REPORT PURSUANT TO PROSPECTS MTF RULE 4.11.12
FOR THE PERIOD ENDED 30 JUNE 2021**

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 ended 30 June 2021 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 2021. The Group comprises the Company ("AST Group Plc") and its four subsidiaries: Damask Investment Limited, AST Shipping Limited, Damask Shipping Management Company Limited and 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.

Review of business and results

The revenue for the period under review increased by €5.2 million, from €9.4 million in the first half of 2020 to €14.6 million in the first half of 2021, with a corresponding increase in profit margin from 3.5% to 4.5% respectively. Although revenue from shipping operations decreased from €621k in the first half of 2020 to €398k in the first half of 2021, 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 €316k in the first half of 2021 (FY 2020: €511k).

The increase in revenue, combined with the decrease in expenses contributed towards a profit of €200k for the six months ending 30 June 2021 (FY 2020: loss €472k).

No interim dividends are being proposed.

Approved by the board of directors on 25 August 2021 and signed on its behalf by:



Mr Giuseppe Muscat
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 ENDED 30 JUNE 2021**

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 2021, 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 Giuseppe Muscat
Director
25 August 2021



Dr. Kristian Balzan
Director
25 August 2021

**INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021**

| | | 30.06.2021 | 31.12.2020 |
|-------------------------------------|-------------|-------------------|-------------------|
| | | € | € |
| Assets | | | |
| | Note | | |
| Non-current Assets | | | |
| Other assets | | 72,914 | - |
| Property, plant and equipment | 1 | 2,023,611 | 2,132,490 |
| Right-of-use-asset | | 23,573 | 31,713 |
| Deferred tax assets | 2 | 160,187 | 84,442 |
| | | 2,280,284 | 2,248,645 |
| Current Assets | | | |
| Inventories | 3 | 1,019,282 | 1,207,190 |
| Trade and other receivables | 4 | 4,633,448 | 1,414,655 |
| Prepaid expenses | | 84,528 | - |
| Cash and cash equivalents | 5 | 114,817 | 334,278 |
| | | 5,852,075 | 2,956,123 |
| Total Assets | | 8,132,359 | 5,204,768 |
| Equity and Liabilities | | | |
| Equity | | | |
| Share capital | | 50,000 | 50,000 |
| Retained earnings/(losses) | | (461,848) | (661,607) |
| General purpose reserve | | 312,037 | 312,044 |
| Revaluation | | 843,215 | 843,215 |
| Other reserves | | 160,204 | 160,204 |
| Capital contribution reserve | | 382,000 | 382,245 |
| | | 1,285,608 | 1,086,101 |
| Non-Current liabilities | | | |
| Borrowings | | 1,835,000 | 1,755,279 |
| Lease liabilities | | 19,174 | 19,174 |
| Other non-current liabilities | | 158,971 | 158,971 |
| Deferred tax liability | | 13,078 | 13,077 |
| | | 2,026,223 | 1,946,501 |
| Current liabilities | | | |
| Bank overdraft | 5 | 769,391 | - |
| Trade and other payables | 6 | 3,821,898 | 2,031,560 |
| Lease liabilities | | 17,877 | 16,728 |
| Current tax payables | | 211,361 | 123,877 |
| | | 4,820,527 | 2,172,165 |
| Total liabilities | | 6,846,751 | 4,118,667 |
| Total Equity and Liabilities | | 8,132,359 | 5,204,768 |

The interim financial statements on pages 3 to 9 have been authorised for issue by the board of Directors on 25 August 2021 and were signed on its behalf by:



Mr. Giuseppe Muscat
Director



Dr. Kristian Balzan
Director

**INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2021**

| | Notes | 01.01.2021 to 30.06.2021 € | 01.01.2020 to 30.06.2020 € |
|---|-----------|-------------------------------------|-------------------------------------|
| Revenue | 7 | 14,590,212 | 9,357,771 |
| Cost of sales | 8 | (13,935,592) | (9,029,498) |
| Gross Profit | | 654,621 | 328,273 |
| Other income | | - | 14,430 |
| Selling and distribution expenses | | (87,443) | (351,677) |
| Administration expenses | 9 | (228,938) | (159,449) |
| Depreciation and amortisation | | (124,208) | (185,648) |
| Operating Profit / (Loss) | | 214,032 | (354,071) |
| Net finance costs | 10 | (84,369) | (105,540) |
| Profit / (Loss) Before Tax | | 129,663 | (459,611) |
| Taxation | | 70,085 | (12,428) |
| Profit / (Loss) After Tax | | 199,747 | (472,039) |
| Total Comprehensive Income / (Loss) for the period | | 199,747 | (472,039) |

**INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2021**

Group

| | Share Capital € | Retained Earnings € | Other Reserves € | Revaluation Reserve € | General Purpose Reserve € | Capital Contribution € | Total € |
|-------------------------------------|-----------------------|---------------------------|------------------------|-----------------------------|------------------------------------|------------------------------|------------------|
| Balance as at 1 January 2020 | 50,000 | 447,407 | 160,204 | 353,853 | 312,044 | 382,245 | 1,705,753 |
| Comprehensive income for the period | - | (472,040) | - | - | - | - | - 472,040 |
| Balance as at 30 June 2020 | 50,000 | (24,633) | 160,204 | 353,853 | 312,044 | 382,245 | 1,233,713 |
| Balance as at 1 January 2021 | 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 |

**INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2021**

| | Notes | 01.01.2021 to 30.06.2021 € | 01.01.2020 to 30.06.2020 € |
|---|----------|-------------------------------------|-------------------------------------|
| Cash flows from operating activities | | | |
| Operating profit / (loss) for the period | | 214,032 | (354,070) |
| Adjustment for: | | | |
| Depreciation of plant and machinery | | 109,961 | 174,274 |
| Amortisation of bond issue costs | | 6,111 | 5,651 |
| Right-of-use-asset | | 8,140 | 5,720 |
| Interest expense | | 128,139 | 159,851 |
| | | <hr/> | <hr/> |
| Operating profit and loss before working capital | | 466,383 | (8,574) |
| <i>Movement in Working Capital</i> | | | |
| Movement in inventories | | 187,908 | 252,645 |
| Movement in trade and other receivables | | (3,412,149) | 445,856 |
| Movement in trade and other payables | | 1,791,488 | (731,989) |
| | | <hr/> | <hr/> |
| Cash used in operations | | (966,370) | (42,062) |
| Net finance cost | | (48,226) | (79,366) |
| Income tax paid | | (30,056) | (26,847) |
| | | <hr/> | <hr/> |
| Net cash used in operating activities | | (1,044,652) | (148,275) |
| <hr/> | | | |
| Cash flows from investing activities | | | |
| Purchase of property, plant and equipment | | (1,081) | (610) |
| | | <hr/> | <hr/> |
| Net cash used in investing activities | | (1,081) | (610) |
| <hr/> | | | |
| Cash flows from financing activities | | | |
| Bond issuance costs | | 56,882 | (21,734) |
| Movement from related party borrowings | | - | - |
| Payment for lease obligation | | - | 2,419 |
| | | <hr/> | <hr/> |
| Net cash generated from / (used in) financing activities | | 56,882 | (19,315) |
| <hr/> | | | |
| Net increase in cash and cash equivalents | | (988,851) | (168,200) |
| Cash and cash equivalents at the beginning of the period | | 334,278 | 306,560 |
| | | <hr/> | <hr/> |
| Cash and cash equivalents at the end of period | 5 | (654,574) | 138,360 |
| | | <hr/> <hr/> | <hr/> <hr/> |

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2021**
1. Property, Plant and Equipment

| Group | Motor Vessel | Intangible Asset | Office Equipment, Furniture & Fittings | Total |
|--------------------------------|------------------|---------------------|---|------------------|
| | € | € | € | € |
| At 31 December 2020 | | | | |
| Cost / revalued amount | 2,604,053 | 4,600 | 72,311 | 2,680,964 |
| Accumulated depreciation | (504,053) | (2,610) | (41,811) | (548,474) |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Net Book Amount | 2,100,000 | 1,990 | 30,500 | 2,132,490 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |
| At 30 June 2021 | | | | |
| Opening Net Book Value | 2,100,000 | 1,990 | 30,500 | 2,132,490 |
| Additions | - | - | 1,081 | 1,081 |
| Depreciation for the period | (102,855) | - | (7,106) | (109,961) |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Closing Net Book Amount | 1,997,145 | 1,990 | 24,475 | 2,023,610 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

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.

The motor vessel was revalued by an independent valuer on 31 December 2020 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:-

| | 30.06.2021 | 31.12.2020 |
|--|-------------|-------------|
| | € | € |
| At the beginning of the period | 84,444 | 26,821 |
| Credited to profit or loss | 75,743 | 57,621 |
| | <hr/> | <hr/> |
| At the end of the period | 160,187 | 84,442 |
| | <hr/> <hr/> | <hr/> <hr/> |
| <u>Deferred tax asset</u> | | |
| | 30.06.2021 | 31.12.2020 |
| | € | € |
| <i>Temporary differences arising on:</i> | | |
| Property, Plant and Equipment | (295) | (298) |
| Provisions | - | 9,380 |
| Unabsorbed Capital Allowances | 4,384 | 3,327 |
| Unabsorbed Tax Losses | 150,636 | 68,691 |
| Unutilised Tax Credits | 3,113 | 3,113 |
| Leases | 2,349 | 229 |
| | <hr/> | <hr/> |
| | 160,187 | 84,442 |
| | <hr/> <hr/> | <hr/> <hr/> |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD ENDED 30 JUNE 2021

3. Inventories

| | 30.06.2021 | 31.12.2020 |
|------------------------|-------------------|------------|
| | € | € |
| Animal feed | 782,133 | 979,351 |
| Spares, Fuels and oils | 237,149 | 227,839 |
| | 1,019,282 | 1,207,190 |

4. Trade and Other Receivables

| | 30.06.2021 | 31.12.2020 |
|--|-------------------|------------|
| | € | € |
| Trade receivables | 3,463,453 | 394,979 |
| Other receivables | 150,779 | 8,322 |
| Prepayments/Advance Payments | 475,670 | 463,127 |
| Amounts due from parent company | 26,547 | 26,547 |
| Amounts due from ultimate beneficial owner | 216,841 | 222,807 |
| VAT refundable | 297,210 | 295,925 |
| Tax refundable | 2,948 | 2,948 |
| | 4,633,448 | 1,414,655 |

Amounts due from subsidiaries, 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

| | 30.06.2021 | 31.12.2020 |
|--|-------------------|------------|
| | € | € |
| Cash at bank and in hand | 114,817 | 334,278 |
| Total cash and cash equivalents | 114,817 | 334,278 |
| Bank overdraft | (769,391) | - |
| Total cash and cash equivalents | (654,574) | 334,278 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD ENDED 30 JUNE 2021

6. Trade and other payables

| | 30.06.2021 | 31.12.2020 |
|-------------------------|-------------------|------------|
| | € | € |
| Trade payables | 3,150,584 | 1,570,115 |
| Other creditors | 8,351 | 14,303 |
| Accrued expenses | 201,385 | 235,574 |
| Indirect taxation | 458,379 | 207,885 |
| Social security payable | 3,201 | 3,683 |
| | 3,821,899 | 2,031,560 |

7. Revenue

| | 01.01.2021 | 01.01.2020 |
|----------------|-------------------|------------|
| | to | to |
| | 30.06.2021 | 30.06.2020 |
| | € | € |
| Sale of goods | 14,191,934 | 8,735,995 |
| Freight income | 398,278 | 621,776 |
| | 14,590,212 | 9,357,771 |

8. Cost of Sales

Cost of sales for the period under review amounted to € 13,935,592 (FY 2020: € 9,029,498). Such expenses included costs relating to animal feed amounting to € 12,933,334 and shipping costs amounting to € 1,002,258.

9. Administrative Expenses

Administrative expenses for the period under review amounted to € 228,938 (FY 2020: € 159,449). Such expenses included professional fees of € 60,675, management fees of € 40,717, insurances of € 18,181, accounting services of € 11,862, directors' fees of € 6,112, personnel costs and expenses of € 41,696 and other general and administrative expenses amounting to € 49,695.

10. Net Finance Cost

| | 01.01.2021 | 01.01.2020 |
|---|-------------------|------------|
| | to | to |
| | 30.06.2021 | 30.06.2020 |
| | € | € |
| Interest expense on lease liabilities | 1,149 | 1,944 |
| Bank interest expenses and similar bank charges | 22,575 | 15,402 |
| Factoring agreement interests | 10,182 | 37,732 |
| Bond interest | 50,463 | 50,462 |
| | 84,369 | 105,540 |