

# **Mariner Finance p.l.c**

## **Interim condensed consolidated financial statements and Director's report**

For the six months ended 30 June 2023

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# Mariner Finance p.l.c

## Interim Directors report pursuant to Listing Rule 5.75.2

Interim condensed consolidated financial statements for the period ended 30 June 2023

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These interim condensed consolidated financial statements comprise the interim consolidated financial statements of Mariner Finance plc and its subsidiaries Mariner Finance Baltic SIA and Baltic Container Terminal SIA.

### Performance review

During the first six months of the year the group continued to operate in its two core markets, precisely operation of sea terminal and property rental.

The group's results for the first six months of 2023 were in line with those attained in the same period of last year. In fact, the group attained a profit before tax of Eur 2,961,646 (30 June 2022 – Eur 2,998,066). Total revenue dropped by 2.8% in 2023 due to lower volumes handled at Baltic Container Terminal SIA. Furthermore, the company generated less revenue from provision of storage services. The reason for these drops in revenue was the positive temporary impact on both volumes and storage experienced in the same period last year as a consequence of the Russia-Ukraine conflict, which was not repeated in the first half of 2023. Nonetheless, warehouse storage revenue continue to increase.

On a positive note, the drop in revenues was offset by an equivalent reduction in the group's cost of sales. The reasons for this decrease in cost of sales were mainly two fold, precisely higher efficiency and lower fuel cost.

The group again registered a marked improvement in it's rental business operations resulting from the continued post Covid-19 recovery. Revenue generated through the group's rental business throughout the current period increased by 25.30% on that of the previous period.

The group has a net current asset position as at 30 June 2023 of Eur 1,290,354 (December 2022: net current asset of Eur 14,991,691). The reason for this decrease was due to bond proceeds which were yet to be received as at December 2022, which have since been received and invested accordingly. The group maintains a strong financial position with net assets as at 30 June 2023 amounting to Eur 65,071,933 (December 2022: 62,315,361).

The Board confirms that the group maintains a strong financial position and has significant liquid reserves.

### Result and dividends

The result for the period ended 30 June 2023 is shown in the condensed consolidated statement of profit and loss and other comprehensive income on page 4. The group registered a profit after tax for the period of Eur 2,756,572 as compared to Eur 2,818,964 in June 2022. Subsequent to the end of the reporting period the directors declared an interim dividend amounting to Eur 5,800,000 equivalent to Eur 11.60 per share.

Approved by the Board of Directors on 29 August 2023 and signed on its behalf by:



**Lawrence Zammit**  
Director



**Kevin Saliba**  
Director

# Mariner Finance p.l.c

## Condensed consolidated statement of profit or loss and other comprehensive income

Six-month period ended 30 June 2023

|  | Group  |  |
|--|--|--|
|  | 30 June 2023<br>6 months<br>(unaudited)<br>EUR | 30 June 2022<br>6 months<br>(unaudited)<br>EUR |
| Revenue  | 9,437,866                                      | 9,716,793                                      |
| Cost of sales  | (4,343,392)                                    | (4,683,950)                                    |
| Gross profit   | 5,094,474                                      | 5,032,843                                      |
| Administrative expenses  | (1,245,532)                                    | (1,261,343)                                    |
| Other operating income   | 244,875  | 187,581  |
| Other operating expenses   | (59,811)                                       | (57,360)                                       |
| Operating profit   | 4,034,006                                      | 3,901,721                                      |
| Net investment income  | 486,579  | 169,312  |
| Finance costs  | (1,558,939)                                    | (1,072,967)                                    |
| Profit before tax  | 2,961,646                                      | 2,998,066                                      |
| Income tax expense   | (205,074)                                      | (179,102)                                      |
| <b>Profit for the period representing total comprehensive income attributable to equity holders of the holding company</b> | <b>2,756,572</b>                               | <b>2,818,964</b>                               |

# Mariner Finance p.l.c

## Condensed consolidated statement of financial position

As at 30 June 2023

|                                | Group                              |                                 |
|--------------------------------|------------------------------------|---------------------------------|
|                                | 30 June 2023<br>(unaudited)<br>EUR | 31 Dec 2022<br>(audited)<br>EUR |
| <b>ASSETS AND LIABILITIES</b>  |                                    |                                 |
| <b>Non-current assets</b>      |                                    |                                 |
| Goodwill                       | 13,184,904                         | 13,184,904                      |
| Intangible asset               | 458,215                            | 475,933                         |
| Property, plant and equipment  | 46,913,049                         | 46,319,897                      |
| Investment property            | 4,466,000                          | 4,466,000                       |
| Right-of-use assets            | 7,447,982                          | 7,611,339                       |
| Loans receivable               | 51,405,697                         | 31,849,922                      |
|                                | <u>123,875,847</u>                 | <u>103,907,995</u>              |
| <b>Current assets</b>          |                                    |                                 |
| Loans receivable               | 348,639                            | 422,245                         |
| Inventories                    | 309,720                            | 339,706                         |
| Trade and other receivables    | 4,017,083                          | 22,814,095                      |
| Cash and cash equivalents      | 2,529,667                          | 829,931                         |
|                                | <u>7,205,109</u>                   | <u>24,405,977</u>               |
| <b>Total assets</b>            | <u>131,080,956</u>                 | <u>128,313,972</u>              |
| <b>Current liabilities</b>     |                                    |                                 |
| Trade and other payables       | 3,451,417                          | 2,796,648                       |
| Lease liability                | 608,532                            | 3,231,200                       |
| Bank loans and overdraft       | 1,564,005                          | 3,374,521                       |
| Current tax liability          | 290,801                            | 11,917                          |
|                                | <u>5,914,755</u>                   | <u>9,414,286</u>                |
| <b>Non-current liabilities</b> |                                    |                                 |
| Other financial liabilities    | 1,286,424                          | 64,592                          |
| Debt securities in issue       | 53,920,078                         | 53,875,714                      |
| Lease liability                | 4,650,317                          | 2,372,849                       |
| Deferred tax liability         | 237,449                            | 271,170                         |
|                                | <u>60,094,268</u>                  | <u>56,584,325</u>               |
| <b>Total liabilities</b>       | <u>66,009,023</u>                  | <u>65,998,611</u>               |
| <b>Net assets</b>              | <u>65,071,933</u>                  | <u>62,315,361</u>               |

# Mariner Finance p.l.c

## Condensed consolidated statement of financial position

As at 30 June 2023

|   | Group                              |                                 |
|---|------------------------------------|---------------------------------|
|   | 30 June 2023<br>(unaudited)<br>EUR | 31 Dec 2022<br>(audited)<br>EUR |
| <b>EQUITY</b>   |                                    |                                 |
| <b>Equity attributable to the owners<br/>of the holding company</b> |                                    |                                 |
| Share capital   | 500,000                            | 500,000                         |
| Other equity  | 10,000,000                         | 10,000,000                      |
| Other reserves  | (1,898,805)                        | (1,898,805)                     |
| Revaluation reserves  | 13,053,803                         | 13,053,803                      |
| Retained earnings   | 43,416,935                         | 40,660,363                      |
| <b>Total equity</b>   | <b>65,071,933</b>                  | <b>62,315,361</b>               |

## Mariner Finance p.l.c

### Condensed consolidated statement of changes in equity

Period ended 30 June 2023

|   | Share capital<br>EUR | Other equity<br>EUR | Other reserves<br>EUR | Revaluation reserve<br>EUR | Retained earnings<br>EUR | Total<br>EUR      |
|---|----------------------|---------------------|-----------------------|----------------------------|--------------------------|-------------------|
| <b>Balance at 1 January 2022</b>          | <b>500,000</b>       | <b>10,000,000</b>   | <b>(1,898,805)</b>    | <b>9,368,400</b>           | <b>34,959,825</b>        | <b>52,929,420</b> |
| Profit for the period                     | -                    | -                   | -                     | -                          | 2,818,964                | 2,818,964         |
| Total comprehensive income for the period | -                    | -                   | -                     | -                          | 2,818,964                | 2,818,964         |
| <b>Balance as at 30 June 2022</b>         | <b>500,000</b>       | <b>10,000,000</b>   | <b>(1,898,805)</b>    | <b>9,368,400</b>           | <b>37,778,789</b>        | <b>55,748,384</b> |
| Profit for the period                     | -                    | -                   | -                     | -                          | 2,881,574                | 2,881,574         |
| Other comprehensive income for the period | -                    | -                   | -                     | 3,685,403                  | -                        | 3,685,403         |
| Total comprehensive income for the period | -                    | -                   | -                     | -                          | 2,881,574                | 2,881,574         |
| <b>Balance as at 31 December 2022</b>     | <b>500,000</b>       | <b>10,000,000</b>   | <b>(1,898,805)</b>    | <b>13,053,803</b>          | <b>40,660,363</b>        | <b>62,315,361</b> |
| Profit for the period                     | -                    | -                   | -                     | -                          | 2,756,572                | 2,756,572         |
| Total comprehensive income for the period | -                    | -                   | -                     | -                          | 2,756,572                | 2,756,572         |
| <b>Balance as at 30 June 2023</b>         | <b>500,000</b>       | <b>10,000,000</b>   | <b>(1,898,805)</b>    | <b>13,053,803</b>          | <b>43,416,935</b>        | <b>65,071,933</b> |

# Mariner Finance p.l.c

## Condensed consolidated statement of cash flows

Six-month period ended 30 June 2023

|   | Group  |  |
|---|--|--|
|   | 30 June 2023<br>6 months<br>(unaudited)<br>EUR | 30 June 2022<br>6 months<br>(unaudited)<br>EUR |
| Cash flows from operating activities                            | 3,788,050                                      | 3,798,830                                      |
| Cash flows used in investing activities                         | (20,060,847)                                   | (2,257,444)                                    |
| Cash flows from financing activities                            | 17,972,534                                     | 468,564  |
| <b>Net movement in cash and cash equivalents</b>                | <b>1,699,737</b>                               | <b>2,009,950</b>                               |
| <b>Cash and cash equivalents at the beginning of the period</b> | <b>829,930</b>                                 | <b>639,763</b>                                 |
| <b>Cash and cash equivalents at the end of the period</b>       | <b>2,529,667</b>                               | <b>2,649,713</b>                               |



# Mariner Finance p.l.c

## Notes to the interim condensed consolidated financial statements

30 June 2023

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### 1 Corporate information

The interim condensed consolidated financial statements of the group for the six months ended 30 June 2023 were authorized for issue in accordance with a resolution of the directors of the 29 August 2023.

### 2 Basis of preparation and significant accounting policies

#### *Basis of preparation*

These interim condensed consolidated financial statements for the six months ended 30 June 2023 have been extracted from the unaudited management accounts of the group and have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting and in terms of the Malta Financial Services Authority Listing Rules.

The financial information of the group as at 30 June 2023 and for the six months then ended reflect the financial position and the performance of Mariner Finance plc and its subsidiaries Mariner Finance Baltic SIA and Baltic Container Terminal SIA. The comparative amounts reflect the position of the group as included in the audited financial statements for the year ended 31 December 2022 and the unaudited results for the period ended 30 June 2022.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the group annual financial statements as at 31 December 2022. These interim financial statements are intended to provide an update on the latest set of financial statements and accordingly focus on the new activities, events and circumstances during the interim period.

The global economy is experiencing the current geopolitical situation and conflict in Ukraine. Whilst performance is sensitive to further changes in the landscape, Management of Baltic Container Terminal SIA expects exports from Latvia to increase as long as there are sufficient empty containers available, whilst imports remain strong. The group's container terminal as well as the property in Latvia, are both well-positioned to continue to be a long-term sustainable business.

#### *Significant accounting policies*

The accounting policies adopted and the methods of computation in these interim condensed consolidated financial statements are consistent with those followed in the preparation of the group's annual financial statements for the year ended 31 December 2022.

### 3 Standards, interpretations and amendments to published standards effective during the reporting period

During the financial period under review, the Group adopted new standards, amendments and interpretations to existing standards that are mandatory for the Group's accounting period beginning on 1 January 2023. Adoption of new standards, amendments and interpretations to existing standards that are mandatory for accounting period beginning on 1 January 2023 did not result in changes to the Group's its subsidiaries' accounting policies and did not require retrospective adjustments.

## **Notes to the interim condensed consolidated financial statements**

**For the six months ended 30 June 2023**

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### **4 Judgements in applying accounting policies and key sources of estimation uncertainty**

In the process of applying the Group's accounting policies, the judgements which can significantly affect the amounts recognized in the financial statements and the key assumptions made at the end of the reporting period concerning the future or any other key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are consistent with those applied in the preparation of the Group's annual financial statements for the year ended 31 December 2022.

As at the end of the reporting period the Directors have assessed the fair value of the investment property and the revalued amounts of land and buildings and there were no significant changes from the amounts reported in the group's annual financial statements for the year ended 31 December 2022.

# Mariner Finance p.l.c

## Notes to the interim condensed consolidated financial statements

For the six months ended 30 June 2023

### 5 Operating segment information

The group, which operates solely in Latvia, operates one main business activity, which is the operation of a sea terminal in Riga Latvia. Apart from this the group also owns an investment property in Riga which it rents to third parties. Each of these operating segments is managed separately as each of these lines requires local resources.

The accounting policy for identifying segments is based on internal management reporting information that is regularly reviewed by the chief operating decision maker.

Revenue reported below represents revenue generated from external customers. There were no intersegment sales in the year. The group's reportable segments under IFRS 8 are direct sales attributable to each business activity.

#### **Measurement of operating segment profit or loss, assets and liabilities**

Segment profit represents the profit earned by each segment after allocation of central administration costs and finance costs, other than that related to the bonds issued by the holding company, based on services and finance provided. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

The accounting policies of the reportable segments are the same as the group's accounting policies.

Reconciliations of reportable segment revenues, profit or loss, assets and liabilities to consolidated totals are reported below:

| <b>Profit before tax</b>             | <b>30-Jun-23</b>   | <b>30-Jun-22</b>   |
|--------------------------------------|--------------------|--------------------|
|                                      | <b>6 months</b>    | <b>6 months</b>    |
|                                      | <b>(unaudited)</b> | <b>(unaudited)</b> |
|                                      | <b>Eur</b>         | <b>Eur</b>         |
| Total profit for reportable segments | <b>4,146,440</b>   | 4,026,565          |
| Unallocated amounts:                 |                    |                    |
| Bond interest expense                | <b>(1,380,426)</b> | (919,877)          |
| Other unallocated amounts            | <b>195,632</b>     | (108,622)          |
|                                      | <b>2,961,646</b>   | <b>2,998,066</b>   |

# Mariner Finance p.l.c

## Notes to the interim condensed consolidated financial statements For the six months ended 30 June 2023

### 5 Operating segment information(continued)

| <b>Assets</b>                             | <b>30 Jun 2023</b> | 31 Dec 2022      |
|---|--------------------|------------------|
|   | <b>6 months</b>    | 6 months         |
|   | <b>(unaudited)</b> | <b>(audited)</b> |
|   | <b>Eur</b>         | <b>Eur</b>       |
| Total assets for reportable segments      | <b>74,496,434</b>  | 72,286,368       |
| Unallocated amounts:                      |                    |                  |
| Goodwill                                  | <b>13,184,904</b>  | 13,184,904       |
| Trade and other receivables               | <b>8,259</b>       | 19,252,417       |
| Loans and receivables                     | <b>42,365,394</b>  | 23,119,577       |
| Cash and cash equivalents                 | <b>998,010</b>     | 470,706          |
| Other unallocated amounts                 | <b>27,955</b>      | -                |
|   | <b>131,080,956</b> | 128,313,972      |
| <br>                                      |                    |                  |
| <b>Liabilities</b>                        | <b>30 Jun 2023</b> | 31 Dec 2022      |
|   | <b>6 months</b>    | 6 months         |
|   | <b>(unaudited)</b> | <b>(audited)</b> |
|   | <b>Eur</b>         | <b>Eur</b>       |
| Total liabilities for reportable segments | <b>10,106,792</b>  | 10,663,370       |
| Unallocated amounts:                      |                    |                  |
| Debt securities in issue                  | <b>53,920,078</b>  | 53,875,714       |
| Trade and other payables                  | <b>1,982,153</b>   | 1,459,527        |
|   | <b>66,009,023</b>  | 65,998,611       |

The group's revenue and results from continuing operations from external customers and information about its asset and liabilities by reportable segments are detailed below:

| <b>Continuing operations</b> | <b>Cargo<br/>handling and<br/>storage of<br/>containers<br/>2023<br/>Eur</b> | <b>Property<br/>rental<br/>2023<br/>Eur</b> | <b>Unallocated<br/>2023<br/>Eur</b> | <b>Total<br/>2023<br/>Eur</b> |
|------------------------------|--|---|-------------------------------------|-------------------------------|
| Revenue                      | 9,437,866  | -   | -                                   | 9,437,866                     |
| Other operating income       | -  | 244,875                                     | -                                   | 244,875                       |
| Profit/(loss) before tax     | 3,977,930  | 168,510                                     | (1,184,794)                         | 2,961,646                     |
| Total assets                 | 69,792,057   | 4,704,377                                   | 56,584,522                          | 131,080,956                   |
| Total liabilities            | 10,048,247   | 58,545                                      | 55,902,231                          | 66,009,023                    |

# Mariner Finance p.l.c

## Notes to the interim condensed consolidated financial statements

For the six months ended 30 June 2023

### 5 Operating segment information(continued)

|                              | Cargo<br>handling and<br>storage of<br>containers<br>2022<br>Eur | Property<br>Rental<br>2022<br>Eur | Unallocated<br>2022<br>Eur | Total<br>2022<br>Eur |
|------------------------------|--|-----------------------------------|----------------------------|----------------------|
| <b>Continuing operations</b> |  |                                   |                            |                      |
| Revenue                      | 9,716,793  | -                                 | -                          | 9,716,793            |
| Operating income             | -  | 187,581                           | -                          | 187,581              |
| Profit/(loss) before tax     | 3,896,325  | 130,240                           | (1,028,499)                | 2,998,066            |
| Total assets                 | 67,502,358   | 4,784,010                         | 56,027,604                 | 128,313,972          |
| Total liabilities            | 10,638,455   | 24,917                            | 55,335,239                 | 65,998,611           |

The group revenue is made up of revenue from cargo handling amounting to Eur 8,034,305 (Jan to Jun 2022: Eur 8,207,498) and revenue from storage of containers amounting to Eur 1,403,561 (Jan to Jun 2022 : Eur 1,509,295). All this revenue is recognized over time. Contracts with customers for cargo handling and the storage of containers generally have an original expected duration of one year or less and are recognised in terms of the Group's accounting policies for revenues.

### 6 Intangibles

During the first six months ended 30 June 2023 the group's capital expenditure amounted to Eur 5,097 (Jan to Jun 2022: Eur Nil).

### 7 Property, plant and equipment

During the first six months ended 30 June 2023 the group's capital expenditure amounted to Eur 1,058,574 (Jan to Jun 2022: Eur 524,861).

### 8 Borrowings

There were no group bank loans drawdowns both at 30.06.2022 and 30.06.2023. Repayments of bank loans undertaken during the first six month of the year amounted to Eur 1,852,532 (Jan to Jun 2022: Eur 153,468).

### 9 Cash and cash equivalents

|              | 30 Jun 2023<br>Eur<br>(unaudited) | 31 Dec 2022<br>Eur<br>(audited) |
|--------------|-----------------------------------|---------------------------------|
| Cash at bank | 2,529,667                         | 829,931                         |

# Mariner Finance p.l.c

## Notes to the interim condensed consolidated financial statements

For the six months ended 30 June 2023

### 10 Related party disclosures

The parent and ultimate parent company of the group are Mariner Capital Limited and MEH Holdings Limited, respectively, which are both incorporated in Malta. The registered address of both Mariner Capital Limited and MEH Holdings Limited is 37, Censu Tabone Street, St. Julian's STJ 1218 Malta

The directors consider the ultimate controlling party to be Marini Hili who indirectly owns 60% (2022: 60%) of Mariner Finance p.l.c.

During the course of the period, the group entered into transactions with related parties as set out below:

|   | 30.06.23                      |                       |           | 30.06.22                      |                       |           |
|---|-------------------------------|-----------------------|-----------|-------------------------------|-----------------------|-----------|
|   | Related party activity<br>Eur | Total activity<br>Eur | %         | Related party activity<br>Eur | Total activity<br>Eur | %         |
| Administration expenses                 |                               |                       |           |                               |                       |           |
| <i>Related party transactions with:</i> |                               |                       |           |                               |                       |           |
| Parent                                  | 420,000                       |                       |           | 420,000                       |                       |           |
| Other related parties                   | 30,000                        |                       |           | 30,000                        |                       |           |
|   | <u>450,000</u>                | <u>1,245,532</u>      | <u>36</u> | <u>450,000</u>                | <u>1,261,343</u>      | <u>36</u> |

|   | 30.06.23                      |                       |           | 30.06.22                      |                       |           |
|---|-------------------------------|-----------------------|-----------|-------------------------------|-----------------------|-----------|
|   | Related party activity<br>Eur | Total activity<br>Eur | %         | Related party activity<br>Eur | Total activity<br>Eur | %         |
| Investment income                       |                               |                       |           |                               |                       |           |
| <i>Related party transactions with:</i> |                               |                       |           |                               |                       |           |
| Parent                                  | 104,705                       |                       |           | 104,704                       |                       |           |
| Other related parties                   | 35,215                        |                       |           | 33,442                        |                       |           |
|   | <u>139,920</u>                | <u>486,579</u>        | <u>29</u> | <u>138,146</u>                | <u>169,312</u>        | <u>82</u> |

Other related parties consist of related parties other than the parent, entities with a joint control or significant influence over the company, subsidiaries, associates, joint ventures in which the company is a joint venturer and key management personnel of the company or its parent

# Mariner Finance p.l.c

## Notes to the interim condensed consolidated financial statements

For the six months ended 30 June 2023

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### 11 Fair value of financial assets and financial liabilities

At 30 June 2023 and 31 December 2022, the carrying amounts of financial assets and financial liabilities classified with current assets and current liabilities respectively approximated the fair values due to the short-term maturities of these assets and liabilities. The fair values of non-current financial assets that are not measured at fair value and the fair values of non-current bank loans are not materially different from their carrying amounts due to their current rates of interest. The fair value of debt securities at 30 June 2023 is Eur 54,613,600 (31 December 2022 – Eur 54,878,857).

### 12 Subsequent events

Subsequent to the end of the reporting period, the directors declared an interim dividend amounting to Eur 5,800,000.

## Mariner Finance p.l.c

### Statement pursuant to Listing Rule 5.75.3 issued by the Listing Authority

For the six months ended 30 June 2023

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We confirm that to the best of our knowledge:

a. the condensed consolidated financial statements give a true and fair view of the financial position of the group as at 30 June 2023, financial performance and cash flows for the period then ended, in accordance with accounting standards adopted for use in the EU for interim financial statements (*adopted IAS 34 'Interim Financial Reporting'*); and

b. the interim Directors' report includes a fair review of the information required in terms of Listing Rules 5.81 to 5.84



**Lawrence Zammit**  
Director



**Kevin Saliba**  
Director

29/08/2023