Financial Analysis Summary

1 February 2023

Issuer

GPH Malta Finance p.l.c.

Guarantor

Global Ports Holding plc

MZ INVESTMENTS

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The Directors
GPH Malta Finance p.l.c.
45, 46 Pinto Wharf
Floriana FRN 1913
Malta

1 February 2023

Dear Board Members,

Financial Analysis Summary

In accordance with your instructions, and in line with the requirements of the MFSA Listing Policies, we have compiled the Financial Analysis Summary (the "**Analysis**") set out in 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 GPH Malta Finance p.l.c. (the "**Issuer**") and Global Ports Holding plc (the "**Guarantor**" or "**GPH Group**" or "**Group**"). The data is derived from various sources or is based on our own computations as follows:

(a) Historical financial data relating to the Guarantor has been extracted from the audited consolidated financial statements of the Guarantor for the three years ended 31 December 2019, 31 March 2021 (15 months) and 31 March 2022, and the interim unaudited consolidated financial statements for the period ended 30 September 2022.

(b) The projected data relating to the Issuer and Guarantor for the years ending 31 March 2023 and 31 March 2024 has been provided by management.

(c) Our commentary on the results of GPH Group and on its financial position is based on the explanations provided to us by management.

(d) The ratios quoted in the Analysis have been computed by us applying the definitions set out in Part 5 of the Analysis.

(e) Relevant financial data in respect of the companies included in Part 4 has been extracted from public sources such as websites of the companies concerned, financial statements filed with the Malta Business Registry or websites providing financial data.

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The Analysis is meant to assist investors in the Issuer's securities and potential investors by summarising the more important financial data of GPH Group. The Analysis does not contain all data that is relevant to investors or potential investors. The Analysis does not constitute an endorsement by our firm of any securities of the Issuer and should not be interpreted as a recommendation to invest in any of the Issuer's securities. We shall not accept any liability for any loss or damage arising out of the use of the Analysis. As with all investments, potential investors are encouraged to seek independent professional financial advice before investing in the Issuer's securities.

Yours faithfully,

Evan Mohnani
Senior Financial Advisor

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Malta
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PART 1 – INFORMATION ABOUT THE GPH GROUP

1. KEY ACTIVITIES OF THE ISSUER

GPH Malta Finance p.l.c. (the "**Issuer**") was incorporated on 18 October 2022 as a public limited liability company under the Companies Act with an authorised and fully paid up issued share capital of €250,000. The principal activity of the Issuer is to carry on the business of a finance company within the GPH Group.

The Issuer is a special purpose vehicle which has been incorporated for the purposes of issuing up to €25 million unsecured bonds due in 2030 and does not itself carry on any trading activity other than for the purpose of funding the Group and when the demands of its business so requires. Accordingly, the Issuer is economically dependent on the Guarantor, and other Group companies.

2. DIRECTORS OF THE ISSUER

The Issuer is managed by a Board comprising five directors who are entrusted with its overall direction and management. The Board members of the Issuer as at the date of this report are included hereunder:

Board of Directors

Mehmet Kutman	Chairman
Stephen Xuereb	Executive Director
Ayşegül Bensel	Non-Executive Director
Jérôme Bernard Jean Auguste Bayle	Independent Non-Executive Director
Taddeo Scerri	Independent Non-Executive Director

3. KEY ACTIVITIES OF THE GUARANTOR

Global Ports Holding plc (the "**Guarantor**", "**GPH Group**" or "**Group**") is the world's largest independent cruise port operator, with an established presence in the Caribbean, Mediterranean and Asia-Pacific regions, and a commercial port operation in Montenegro. The Group's business divisions are described in section 7 of this analysis.

4. DIRECTORS OF THE GUARANTOR AND SENIOR MANAGEMENT

The Guarantor is managed by a Board comprising four directors who are entrusted with its overall direction and management, including the establishment of strategies for future development. The Board members of the Guarantor as at the date of this report are included hereunder:

Board of Directors

Mehmet Kutman	Executive Chairman and CEO
Ayşegül Bensel	Non-Executive Vice Chairperson
Jérôme Bernard Jean Auguste Bayle	Independent Non-Executive Director
Ercan Nuri Ergül	Executive Director

In the execution of the strategic direction, investment and management oversight of the Group, the Board is assisted by the following members of senior management:

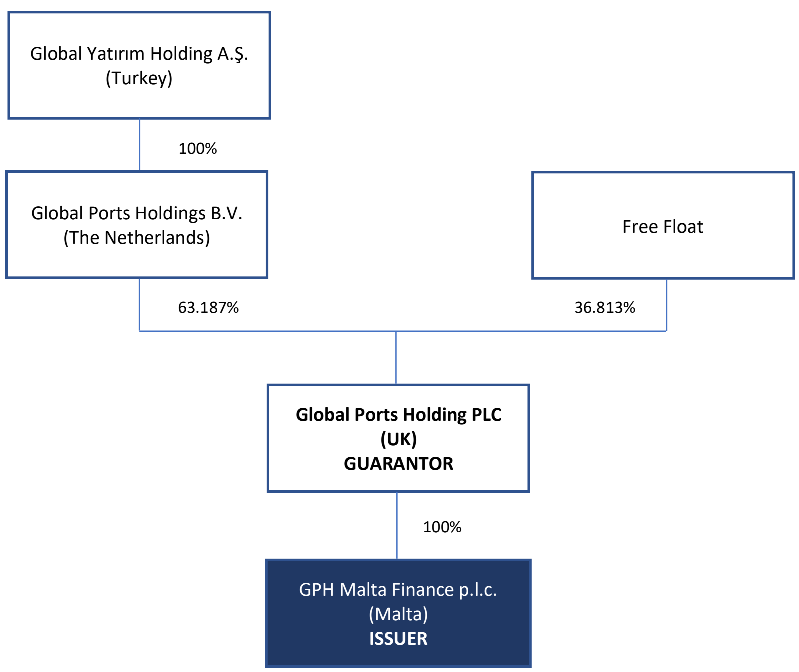
Senior Management

Mehmet Kutman	Executive Chairman and CEO
Jan Fomferra	Chief Financial Officer
Stephen Xuereb	Chief Operating Officer
Ece Gürsoy	Chief Legal Officer
Colin Murphy	Head of Business Development - Americas

The average number of persons employed by the Group (including Directors) during FY2022 amounted to 493 persons (FY2021: 495).

5. ORGANISATIONAL STRUCTURE

The diagram below summaries, in simplified format, the structure of GPH Group and the position of the Issuer within the said Group. A more detailed organigram of the Group as at 31 March 2022 is included on page 65 of the 2022 Annual Report (https://www.globalportsholding.com/annual-reports).



The Group was established in 2004 and was originally a leading port operator in Turkey. In 2013, the Group acquired indirect interests in the Barcelona Cruise Port and the Málaga Cruise Port, gaining an important first foothold in the West Mediterranean. Through a series of strategic acquisitions, as well as its initial public offering on the London Stock Exchange in 2017, the Group has grown into the world's largest independent cruise port operator and has successfully integrated ports across the Mediterranean, Americas and Asia Pacific regions into its global network.

In July 2019, the Group had announced a strategic review process to explore ways to maximise value for all stakeholders. Following such review process and in line with the Group's strategy of disposing of commercial port assets, the Group's significant commercial port activities in Antalya (Port Akdeniz) were sold at an enterprise value of $140 million to QTerminals W.L.L. The management of the Group is currently considering its options with respect to a possible disposition of the commercial Port of Adria-Bar. However, there can be no certainty as to the timing of any such disposition or that the terms of a disposition will be agreed. In any case, going forward, the Group's main operating segment and core activity will be its cruise port business.

As at the date of this analysis, Global Yatırım Holding A.Ş. ("GIH") is the ultimate parent company of the Group. GIH has a 63.50% interest in the Guarantor, directly and through its wholly owned subsidiary Global Ports Holding B.V. GIH is listed on Borsa Istanbul under the ticker 'GLYHO'. The remaining shares of the Guarantor are free-float shares traded on the London Stock Exchange.

GIH is a diversified conglomerate with investments in a number of businesses – port infrastructure, energy generation, non-piped natural gas sales and distribution, mining, real estate development, brokerage and asset management. GIH focuses on maximizing shareholder value by diversifying investments in its operational areas and executing agile investment strategies. Over the past 16 years, GIH has grown its total assets by 63-fold and total equity by 18-fold, transforming from a brokerage firm into a diversified conglomerate. As of end-2021, GIH reported total assets of TL 15.1 billion and total equity of TL 2.5 billion. GIH is registered with the Capital Markets Board of Turkey (CMB) and has been listed on Borsa Istanbul (BIST) since May 1995. The credit rating of GIH is investment grade for the long-term Local Rating equivalent to 'BBB (Trk)' and a Foreign Currency rating of 'BB' capped by the sovereign rating of Turkey (with a 'Stable' outlook on both ratings) as assigned by JCR Eurasia Rating on 29 December 2021.

The table below illustrates the principal subsidiaries and equity-accounted investments of GPH Group as at 31 March 2022:

GLOBAL PORTS HOLDING PLC
Principal Subsidiaries and Equity-accounted Investments
As at 31 March 2022

Name	Location	Operations	Effective Ownership (%)	Voting Power Held (%)
Subsidiaries				
Ege Liman İşletmeleri A.Ş. ('Ege Liman')	Aydin - Turkey	Port operations	72.50	72.50
Bodrum Liman İşletmeleri A.Ş. ('Bodrum Liman')	Muğla – Turkey	Port operations	60.00	60.00
Port of Adria – Bar A.d. ('Port of Adria')	Montenegro	Port operations	63.79	63.79
Barcelona Port Investments, S.L. ('BPI')	Spain	Port investments	62.00	62.00
Creuers del Port de Barcelona, S.A. ('Creuers')	Spain	Port operations	62.00	62.00
Cruceros Malaga, S.A. ('Malaga Port')	Spain	Port operations	62.00	100.00
Global Ports Europe B.V ('Global BV')	Netherlands	Port investments	100.00	100.00
Valletta Cruise Port PLC ('VCP')	Valletta - Malta	Port operations	55.60	55.60
Travel Shopping Ltd ('TSL')	Valletta - Malta	Service operations	50.04	50.04
Catania Cruise Terminal Srl ('Catania')	Italy	Port operations	63.17	63.17
Cagliari Cruise Port Srl ('Cagliari')	Italy	Port operations	70.89	70.89
Taranto Cruise Port Srl ('TCP')	Italy	Port operations	100.00	100.00
GPH (Kalundborg) ApS ('GPH Kal')	Denmark	Port operations	100.00	100.00
Zadar International Port Operations d.o.o. ('ZIPO')	Croatia	Port operations	100.00	100.00
GPH (Antigua) Ltd ('GPH Antigua')	Antigua & Barbuda	Port operations	100.00	100.00
Nassau Cruise Port Limited ('NCP')	Bahamas	Port operations	49.00	50.00
Global Port Services Med S.L. ('GPS Med')	Spain	Service operations	100.00	100.00
Shore Handling S.L.A. ('Shore')	Spain	Service operations	51.00	51.00
Balearic Handling S.L.A. ('Balearic')	Spain	Service operations	51.00	51.00
Crotone Cruise Port Srl ('Crotone')	Italy	Port operations	100.00	100.00
Equity-accounted Investments				
LCT – Lisbon Cruise Terminals, LDA ('LCT')	Portugal	Port operations	46.20	50.00
SATS – Creuers Cruise Services Pte. Ltd. ('Singapore Port')	Singapore	Port operations	24.80	40.00
Venezia Investimenti Srl. ('Venice Investment')	Italy	Port investments	25.00	25.00
Goulette Cruise Holding Ltd. ('La Goulette')	UK	Port investments	50.00	50.00

During the financial year ended on 31 March 2022 (FY2022), GPH Group signed a 20-year agreement for Kalundborg Port, Denmark, the Group's first cruise port in Northern Europe. Kalundborg Port is located in the north-western region of Denmark and is just over one hour from Copenhagen city centre. The geographic location of the port means that it can provide cruise lines with an important time-saving and fuel-efficient alternative to Copenhagen Cruise Port. As part of the agreement to manage the cruise services at the port, GPH Group, subject to certain milestones, will invest up to €6 million by the end of 2025 into a purpose-built cruise terminal.

At the beginning of FY2022, GPH Group signed a concession agreement for Taranto Cruise Port, Italy. In addition, before year end, the Group signed a four-year renewable concession to manage the services for cruise passengers in the Port of Crotone, Italy.

Since the start of FY2023, GPH Group signed a number of new and important cruise port concessions. In April 2022, GPH signed a 12-year concession agreement with a six-year extension option, for Tarragona Cruise Port, Spain, and also began cruise port operations at Vigo Cruise Port, Spain.

During Q4 2022, GPH Group signed a concession for its first cruise port in North America, signing a 10-year concession with a 10-year extension option for Prince Rupert Cruise Port, Canada. In addition, GPH Group was selected as the preferred bidder to operate Alicante Cruise Port, Spain. The concession is for a period of 15 years with an extension option of 7.5 years in exchange for an additional investment commitment. It is anticipated that the final award of the concession by the Port Authority of Alicante will take place by end Q2 2023.Two key cruise port related investments to which the Group is committed in the foreseeable future are the following:

San Juan Cruise Port, Puerto Rico

Following a competitive procurement process managed by the Puerto Rico Public-Private Partnership Authority, a wholly owned subsidiary of the Guarantor signed a 30-year concession agreement on 15 August 2022 with the Puerto Rico Ports Authority for the San Cruise Port, Puerto Rico. The port will be the third largest cruise port in the Group's global network and is a strategically important port in the Caribbean cruise market. According to the conditions of the concession agreement, the subsidiary will pay an upfront concession fee of $75 million to the Puerto Rico Ports Authority. During the initial investment phase, the subsidiary will spend approximately $100 million, primarily focused on critical infrastructure repairs and upgrades of the terminal buildings and the walkway.

The second investment phase will commence subject to certain pre-agreed criteria, including cruise passenger volumes recovering to pre-pandemic levels. In this phase, the subsidiary will invest an estimated $250 million in expanding the capacity of the cruise port by building a completely new cruise pier and state-of-the-art homeport terminal capable of handling the world's largest cruise ships.

As well as investing in the port's infrastructure, the subsidiary will invest in modernising the cruise port experience for cruise passengers, cruise lines and local vendors and will use its global expertise and operating model to improve the management of the cruise port operations. The subsidiary will also invest in systems, equipment, and technology to enhance the cruise port's operational performance and ensure environmental protection, safety, and security.

With respect to the long-term financing of the project, the Guarantor expects this to be made by way of debt finance from US debt capital markets in the form of non-recourse project activity bonds and, or from US institutional investors.

The concession's financial close and commencement of operations are expected to occur in the first half of the Guarantor's financial year 2024. This is subject to the satisfaction of the closing conditions, including financing conditions, of the concession.

Alicante Cruise Port

On 16 December 2022, following a public tender process, the Group, together with its 80:20 partner Servicios Portuarios Canarios S.L. ("Sepcan"), was announced as the preferred bidder for concession to operate Alicante Cruise Port. The concession will be awarded for a period of 15 years. The Group anticipates that the final award of the concession by the Port Authority of Alicante will take place by the end of Q2 2023.

The Group will operate Alicante Cruise Port through a special purpose vehicle to be incorporated in due course. The Group will own 80% of this special purpose vehicle and Sepcan will own 20%. In their proposal, the Group and Sepcan have committed to renovate and refurbish the existing cruise terminal in Alicante. The pro rata investment of the Group for this renovation and refurbishment will amount to approximately €2 million. The Group expects to fund the investments for this project through the Bond proceeds.

6. MAJOR ASSETS OWNED BY THE GROUP

The Group's major assets include the following:

Global Ports Holding plc Major Assets As at	31 Dec'19 Actual $'000	31 Mar'21 Actual $'000	31 Mar'22 Actual $'000
Port operation rights (classified as intangible assets)	423,654	330,001	409,589
Right of use assets	81,123	87,469	83,461
Property and equipment	130,511	126,858	121,411
Equity-accounted investments	26,637	18,776	14,073
	661,925	**563,104**	**628,534**

Port Operation Rights

Port operation rights relate to the concession agreements with public authorities allowing the Group to act as an operator of the ports. As at 31 March 2022, the Group has port operating rights with carrying amount of $409.6 million (2021: $330.0 million) which are amortised based on the lower of their useful lives or concession period. The carrying value of $423.7 million in 2019 comprises $144.2 million relating to Port Akdeniz which was sold during FY2021.

The details of port operation rights as at 31 March 2021 and 31 March 2022 are as follows:

Global Ports Holding plc Port Operation Rights As at 31 March		2021		2022	
	Country	Carrying amount ($'000)	Remaining amortisation period	Carrying amount ($'000)	Remaining amortisation period
Creuers del Port de Barcelona	Spain	92,442	111 months	78,002	99 months
Cruceros Malaga	Spain	10,838	137 months	9,683	125 months
Valletta Cruise Port	Malta	62,561	548 months	58,043	536 months
Port of Adria	Montenegro	15,562	273 months	14,113	261 months
Ege Ports	Turkey	10,197	144 months	9,360	132 months
Bodrum Cruise Port	Turkey	2,411	564 months	2,360	552 months
Nassau Cruise Port	Bahamas	132,112	317 months	234,915	305 months
Cagliari Cruise Port	Italy	1,897	69 months	1,485	57 months
Catania Cruise Port	Italy	1,981	81 months	1,628	69 months
		330,001		**409,589**	

During FY2022, the Group invested $89.6 million in the port infrastructure at Nassau Cruise Port (FY2021: $56.8 million). The main elements of the marine works have been completed, significantly expanding the port's berthing capacity. Works commenced on the landside, including a new cruise terminal, which are expected to be completed in FY2024.

Right of Use Assets

The Group's main operating lease arrangements as lessee are the port rent agreement of Valletta Cruise Port until 2066, Port of Adria until 2043, Creuers until 2030, Malaga Port until 2043, Zadar Cruise Port until 2038, Antigua Cruise Port until 2049 and Bodrum Liman until 2067. At as 31 March 2022, the Group's right of use assets had a carrying value of $83.5 million (2021: $87.5 million).

Property and Equipment

The two key components of property and equipment include leasehold improvements and machinery and equipment, which as at 31 March 2022 amounted to $92.6 million and $11.9 million respectively (2021: $99.7 million and $13.0 million respectively).

Leasehold improvements relate to capital expenditure incurred with respect to improvements made at the different ports. This therefore includes physical infrastructure, terminal investment and marine improvements. The Group's machinery and equipment comprises cranes at the commercial Port of Adria, and x-ray machines and passenger screening equipment located within the cruise ports.

Equity-accounted Investments

The Group's investments in associates and joint ventures are accounted for using the equity method, which as at 31 March 2022 had a carrying value of $14.1 million (2021: $18.8 million) and included the following operations:

Global Ports Holding plc Equity-accounted Investments As at 31 March	**Country**	**2021 ($'000)**	**2022 ($'000)**
Lisbon Cruise Terminals	Portugal	8,666	8,003
Singapore Port	Singapore	7,179	3,312
Venezia Investimenti	Italy	2,453	2,294
Pelican Peak	Canada	478	464
		18,776	**14,073**

PART 2 – OPERATIONAL DEVELOPMENT

7. OVERVIEW OF BUSINESS OPERATIONS

GPH Group holds a unique position in the cruise port landscape, positioning itself as the world’s leading cruise port brand, with an integrated network serving cruise lines, ferries, yachts and mega-yachts. The Group also offers commercial port operations which specialise in container, bulk and general cargo handling.

As at 31 March 2022, GPH Group actively operated or was invested in a total of 20 ports (19 cruise ports and 1 commercial port) which are spread across 13 countries. This increased to 26 ports by the end of calendar year 2022 (including the commercial port) as the Group began its cruise operations in Vigo Cruise Port, Spain; signed a concession agreement for Tarragona Cruise Port, Spain; and agreed concession terms for San Juan, Puerto Rico; Alicante, Spain; Prince Rupert, Canada; and three cruise ports in the Canary Islands (Las Palmas de Gran Canaria, Arrecife (Lanzarote) and Puerto del Rosario (Fuerteventura)).

CRUISE BUSINESS

The Group's cruise revenues are generated through two primary service categories:

(I) ***Core port services:*** Revenues are primarily derived from handling cruise ships and their passengers and crew through terminal and marine services. The Group's customers and main counterparties are the world's leading cruise operators. The main driver of cruise port operations, and the key to delivering organic growth, is cruise passenger volumes and gross tonnage. In turn, cruise passenger volumes are driven by the number of calls at the Group’s ports, each ship’s capacity and occupancy rate. The Group's cruise business model utilises an advantageous pricing structure as passenger handling prices represent a low percentage of cruise lines' overall operating costs, which the cruise lines ultimately pass on to passengers. This reduces the pricing pressure on the Group. In addition, since the Group receives cruise revenues on a per-passenger basis, it benefits from the cruise lines' inherent incentives to consistently maximise passenger occupancy. With cruise lines setting itineraries 12-18 months in advance, this intelligence provides the Group with valuable visibility on the most important driver of its business.

(II) ***Ancillary services:*** Revenues are derived from a portfolio of additional services offered at each port, including vessel and port services, destination and shoreside services and area and terminal management. All three areas offer a collection of services that vary according to the terms of each particular port agreement and the physical layout of the relevant port. The Group focuses on configuring and delivering bespoke value-added services for each individual asset. While terminal and marine services generate the Group’s core cruise revenue, the aforementioned ancillary services are also considered to be central to its business model, improving ports’ profitability.

The Group has grown a diversified cruise portfolio of 26 cruise ports in 14 different countries across four continents (including Valencia (Spain), Las Palmas, Arrecife and Puerto del Rosario (Spain) and San Juan (Puerto Rico). The size and geographic diversity of the Group's operations help to mitigate it from localised geopolitical risks.

The Group has a long-standing and robust presence in the Mediterranean, including at key cruise port locations in Turkey, Spain, Portugal, Italy and Malta, and in 2019 successfully grew its footprint in the Asia Pacific and Caribbean regions. The Group's steady international expansion is a core component of its business model and provides cruise operators with an unmatched choice of passenger destinations, thereby reinforcing its position in the market and facilitating the collection of data across the Group's infrastructure that can inform operational and commercial improvements. The Group believes that its expanded cruise port network has and will continue to strengthen its negotiating position with cruise operators, provide additional opportunities for value-added cross-selling of port activities, and allow it to take advantage of network effects such as economies of scale, development of uniform standardized operations and new marketing models across its cruise portfolio.

COMMERCIAL BUSINESS

The Group's commercial port, being the Port of Adria in Montenegro, handles cargo from two distinct categories:

(I) ***Containers:*** The shipping industry standardised intermodal containers used to store and move materials and products, such as marble, aluminium, cigarettes, fertiliser and furniture. The containers are loaded and sealed intact onto container ships.

(II) ***General bulk:*** This cargo requires special handling at the port and is typically transported in bags, boxes or crates.

The Group offers a range of complementary services, including stuffing and unstuffing containers, warehouse services and cargo weighing.

The Group’s commercial business generates the majority of its revenue from handling goods for export and import through its dedicated commercial port. Accordingly, the key input to the commercial port is the volume of goods that is handled. This volume is driven primarily by global trade volumes and the health of both the global economy and the local economy around the port. Trade barriers and tariffs can have a negative impact on volumes. Cost control is a vital component of the Group’s model and success. The port contends with monthly, weekly and daily changes in resourcing needs. Therefore, controlling and managing its costs is a key focus of the Group’s management team at the port.

The location of the commercial port provides a competitive advantage. The port has strong rail links to land-locked neighbour Serbia, particularly the industrial area around Belgrade. It also has significant storage capacity, which allows it to act as a distribution centre for the region.

8. THE IMPACT OF THE PANDEMIC AND RECOVERY OF CRUISE OPERATIONS

According to the Cruise Lines International Association (CLIA), the world’s largest cruise industry trade organisation, the number of cruise ship passengers has increased from 17.8 million in 2009 to 30 million in 2019, an annual growth rate of 5.4%. Prior to the business lockdown due to the COVID-19 pandemic, the forecast for 2020 was a further increase to 32 million passengers. In 2019, the most popular cruise destination was the Caribbean region (42% of all cruise passengers), followed by the Mediterranean (16%), Asia and China (14%), and Northern Europe (6%). In 2019 the number of passengers split by origin, was the following (data in millions): 15.41 were North American, 7.71 European and 3.75 Asian.[1]

The pandemic had a significant impact on the cruise industry due to the widespread travel restrictions, closure of cruise ports and other restrictions imposed by authorities around the world in response to the pandemic which led to the effective shutdown of the global cruise industry for much of calendar years 2020 and 2021.

[1] Cruise Lines international Association - https://europe.cruising.org/economy/

As a result, the ports consolidated and managed by GPH Group only received 1.3 million passengers for the 15 months from 1 January 2020 to 31 March 2021 compared to 5.3 million passengers in the financial year ended 31 December 2019 (pre-pandemic). The majority of FY2021 passenger volume was generated in Q1 2020 prior to the emergence of COVID-19 as a global pandemic.

The first half of FY2022 (April 2021 to September 2021) remained a challenging period. While there was significantly more cruise activity in this period than the year before, widespread travel restrictions and COVID-19 protocols meant that activity levels were well below pre-pandemic levels. In the second half of FY2022, the recovery of the cruise industry accelerated, with GPH Group's passenger volumes reaching 48% of pre-pandemic volume in Q4 FY2022, mainly driven by the easing of travel restrictions in the Caribbean which coincided with the start of the main Caribbean cruise season. Passenger volumes of consolidated and managed ports in FY2022 amounted to 2.4 million (FY2021: 1.3 million passengers).

The global cruise industry continues to recover strongly from the COVID-19 pandemic. While the cruise lines recovery plans mean some itineraries remain different from pre-COVID patterns, the vast majority of the global cruise fleet is now sailing, with only industry occupancy rates left to recover to pre-pandemic levels

In fact, GPH Group's cruise passenger volumes rose by 673% for the six-month period ending 30 September 2022 (H1 FY2023) compared to the first half of FY2022 and were down just 14.5% compared to the same period in 2019. This strong growth in passenger volumes was mainly driven by the further easing of travel restrictions during the second quarter, higher cruise fleet deployment and a continued increase in occupancy levels, as well as the impact of seasonality. Occupancy levels continue to remain below pre-pandemic levels but have significantly and continuously risen since calendar year 2021.

CLIA identified 2022 as a pivotal transition year for the cruise industry, with full recovery expected to continue in 2023. As per CLIA's projections, global passenger volume is projected to grow in excess of 12% above 2019 levels by the end of 2026.[2]

[2] Cruise Lines international Association - https://europe.cruising.org/economy/ - "2022 State of the Cruise Industry Outlook"

9. PERFORMANCE ANALYSIS BY SEGMENT

The following is an analysis of the Group’s revenue and EBITDA by reportable segment for the years ended 31 December 2019 (12 months), 31 March 2021 (15 months) and 31 March 2022 (12 months):

Global Ports Holding plc Segment Reporting ($'000)	**BPI**			**VCP**			**EP**			**NCP**			**ACP**		
	2019	**2021**	**2022**	**2019**	**2021**	**2022**	**2019**	**2021**	**2022**	**2019**	**2021**	**2022**	**2019**	**2021**	**2022**
Adjusted Revenue*	31,278	1,886	**6,210**	13,872	4,215	**6,333**	6,549	905	**1,504**	2,492	6,137	**12,168**	1,753	2,782	**2,550**
Segmental EBITDA*	20,461	(2,740)	**518**	8,027	2,054	**3,784**	4,590	(391)	**401**	1,808	432	**5,081**	1,169	627	**(37)**
Segmental EBITDA margin (%)	65%	-145%	**8%**	58%	49%	**60%**	70%	-43%	**27%**	73%	7%	**42%**	67%	23%	**-1%**

Global Ports Holding plc Segment Reporting ($'000)	**Other Cruise Ports**			**Cruise (aggregate)**			**Port of Adria**			**Commercial (aggregate)**			**Segmental Total**		
	2019	**2021**	**2022**	**2019**	**2021**	**2022**	**2019**	**2021**	**2022**	**2019**	**2021**	**2022**	**2019**	**2021**	**2022**
Adjusted Revenue*	7,102	1,547	**2,979**	63,046	17,472	**31,744**	7,352	9,318	**8,565**	7,352	9,318	**8,565**	70,398	26,790	**40,309**
Segmental EBITDA*	8,309	(1,680)	**(203)**	44,364	(1,698)	**9,544**	1,708	2,852	**3,396**	1,708	2,852	**3,396**	46,072	1,154	**12,940**
Segmental EBITDA margin (%)	117%	-109%	**-7%**	70%	-10%	**30%**	23%	31%	**40%**	23%	31%	**40%**	65%	4%	**32%**

** Please refer to Part 6 of this report entitled “Glossary of Alternative Performance Measures (APM)”*

The Group’s reportable segments include the following: Barcelona and Malaga Cruise Ports (“BPI”), Valletta Cruise Port (“VCP”), Ege Liman (“EP”), Nassau Cruise Port (“NCP”), Antigua Cruise Port (“ACP”) and Port of Adria. The operating results of Port Akdeniz (commercial segment) are excluded from the above table following the disposal thereof on 25 January 2021.

Revenue in FY2021 amounted to $26.8 million compared to $70.4 million in FY2019 (-62%). The sharp y-o-y fall resulted from the global shutdown of the cruise industry in response to the COVID-19 pandemic. Cruise revenue amounted to $17.5 million (FY2019: $63.0 million), of which $11.0 million was generated in Q1 2020 while the balance of $6.5 million was accumulated during the remainder of the reporting period. The majority of the $6.5 million represented ancillary revenue such as retail rental income and the use of the port infrastructure for berthing of non-cruise ships.

NCP and ACP reported revenue of $6.1 million (FY2019: $2.5 million) and $2.8 million (FY2019: $1.8 million) respectively (both ports were acquired in end of FY2019 and as such revenue generated during the mentioned financial year is not comparable to FY2021 results). This revenue was generated primarily in Q1 2020, which is part of the high season in the Caribbean, before the global shutdown of the cruise industry. VCP reported revenue of $4.2 million (FY2019: $13.9 million). This relatively strong contribution, when compared to the Group’s other cruise ports, reflects the fact that Valletta was able to restart cruise operations in late summer 2020, albeit with only a small number of cruise calls, as well as its extensive retail and dining facilities re-opened to locals.

Despite the shutdown of the cruise industry for much of FY2021, the Group reported Cruise Segmental EBITDA loss of $1.7 million, a strong performance in the circumstances, albeit compared to a Cruise Segmental EBITDA of $44.4 million in FY2019. The relatively modest EBITDA loss reflects the flexible cost base inherent in the business model and the actions taken to reduce costs.

Following the sale of Port Akdeniz, the Group's commercial port operations comprises Port of Adria only. In FY2021, the Port of Adria handled 60.4 thousand tonnes of TEU throughput and 166.9 thousand tonnes of general cargo and generated revenue of $9.3 million compared to $7.4 million in FY2019. EBITDA in the reporting period amounted to $2.9 million compared to $1.7 million in FY2019.

Cruise activity improved in the second half of FY2022 as travel restrictions began to ease globally. The Group's ports in the Caribbean, in particular, experienced a sharp pick-up in activity, with easing in restrictions coinciding with the start of the Caribbean cruise season. NCP was particularly strong, benefiting from its close proximity to the world's largest sourcing market and the key Florida homeports in the US. In FY2022, NCP generated $12.2 million in revenue, an increase of 98% from the prior year.

Valletta Cruise Port was the Group's best performing port in the Mediterranean, reflecting the higher number of cruise passengers welcomed compared with the other ports in the region and the strength of the ancillary services offered, particularly retail and F&B.

The majority of the Group's cruise revenue is driven by the number of cruise passengers, rather than cruise ships. This means that cruise ship occupancy levels are a key determinant of the Group's financial performance. While cruise ship volumes have risen and the global cruise fleet is close to 100% deployed as of mid-2022, occupancy rates during FY2022 were significantly lower than normal. This lower occupancy rate has been driven by a number of factors, including shorter booking windows as the industry restarts, uncertainty around travel restrictions, passengers failing pre-boarding COVID-19 tests, on-board COVID-19 measures and cruise lines limiting passenger numbers due to staff shortages.

Cruise revenue in FY2022 increased by $14.3 million (+82%) from $17.5 million in FY2021 to $31.7 million. The improved business environment enabled the Group to report Segmental Cruise EBITDA of $9.5 million compared to a loss in the previous year of $1.7 million.

Commercial revenue registered a y-o-y decrease of $0.75 million (-8%) to $8.6 million, mainly in view of the shorter reporting period (12 months) compared to the prior period (15 months). Notwithstanding, EBITDA increased from $2.9 million in FY2021 to $3.4 million in FY2022, primarily driven by an increase in general cargo volumes. As such, Segmental EBITDA margin improved by 9 percentage points to 40%.

10. INTERIM GROUP RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

The financial information provided hereunder is extracted from the interim unaudited consolidated financial statements of the GPH Group for the six-month period from 1 April 2022 to 30 September 2022.

Global Ports Holding plc

Interim Consolidated Income Statement and Other Comprehensive Income

for the six-month period ended	30 Sep'21 Unaudited $'000	30 Sep'22 Unaudited $'000
Adjusted revenue*	14,761	64,099
Adjusted cost of sales	(7,359)	(15,652)
Gross profit	**7,402**	**48,447**
Administrative expenses	(7,076)	(8,761)
Selling and marketing expenses	(874)	(1,476)
Impairment loss on trade receivables and contract assets	-	-
Share of results of equity-accounted investees	(343)	1,232
Other net expenses	(4,431)	(4,070)
Specific adjusting items*	4,837	5,031
Adjusted EBITDA*	**(485)**	**40,403**
Depreciation and amortisation	(14,420)	(13,315)
IFRIC 12 Construction gross profit*	926	1,085
Finance income	9,523	2,881
Finance costs	(20,110)	(30,381)
Specific adjusting items	(4,837)	(5,031)
Loss before tax	**(29,403)**	**(4,358)**
Taxation	6,102	(2,942)
Loss from continuing operations	**(23,301)**	**(7,300)**
Profit from discontinued operations	-	-
Loss for the period	**(23,301)**	**(7,300)**
Other comprehensive income		
Foreign currency translation differences	(686)	(17,364)
Losses on a hedge of a net investment	(990)	-
Other movements	(569)	595
Other comprehensive loss, net of tax	**(2,245)**	**(16,769)**
Total comprehensive loss, net of tax	**(25,546)**	**(24,069)**

** Please refer to Part 6 of this report entitled "Glossary of Alternative Performance Measures (APM)"*

Adjusted revenue for the six-month period ended 30 September 2022 ("**H1 FY2023**") amounted to $64.1 million compared to $14.8 million in the six-month period ended 30 September 2021 ("**H1 FY2022**"). This strong performance reflects the gradual return of passenger volumes following the further relaxation of COVID-related travel restrictions and the Group's strategy to continue to grow the number of cruise ports under management.

Adjusted EBITDA, comprising Cruise and Commercial EBITDA less unallocated expenses, was $40.4 million compared to an EBITDA loss of $0.5 million in H1 FY2022. This recovery was driven by the significant increase in cruise activity in H1 FY2023 and continued control of costs as the Group's cruise operations returned to normal operating conditions.

After accounting for other items, particularly depreciation & amortisation and finance costs, the Group registered a loss before tax of $4.4 million (H1 FY2022: loss of $29.4 million). Depreciation and amortisation decreased from $14.4 million in H1 FY2022 to $13.3 million in H1 FY2023 due to the impact of foreign exchange movements on the depreciation charge relating to euro denominated assets.

The Group's net finance cost amounted to $27.5 million compared to $10.6 million in the comparable period. This was driven by lower finance income due to lower other foreign exchange gains and a one-off gain on refinancing of the Eurobond of $4.8 million in H1 FY2022. In addition, higher interest expense on loans and borrowings and higher other foreign exchange losses resulted in a $10.3 million increase in finance costs on a comparable basis.

Overall, the Group reported a net loss of $7.3 million for H1 FY2023 compared to a net loss of $23.3 million in H1 FY2022.

Global Ports Holding PLC		
Consolidated Statement of Financial Position		
as at	**31 Mar'22**	**30 Sep'22**
	Audited	**Unaudited**
	$'000	**$'000**
ASSETS		
Non-current assets		
Property and equipment	121,411	110,067
Intangible assets	410,971	444,990
Right-of-use assets	83,461	76,356
Investment property	2,038	1,747
Goodwill	13,483	13,483
Equity accounted investments	14,073	13,204
Due from related parties	8,846	8,182
Deferred tax assets	6,604	3,962
Other non-current assets	2,375	2,385
	663,262	674,376
Current assets		
Trade and other receivables	21,148	27,948
Other current assets	27,774	16,008
Cash and cash equivalents	99,687	79,484
	148,609	123,440
Total assets	**811,871**	**797,816**
EQUITY		
Capital and reserves		
Share capital	811	811
Reserves	9,515	392
Retained earnings	(48,192)	(64,784)
Non-controlling interest	88,263	89,909
	50,397	**26,328**
LIABILITIES		
Non-current liabilities		
Loans and borrowings	459,370	462,448
Lease obligations	63,220	56,331
Other financial liabilities	50,316	50,064
Deferred tax liabilities and provisions	58,495	49,138
Other non-current liabilities	5,087	10,700
	636,488	628,681
Current liabilities		
Loans and borrowings	72,199	76,237
Lease obligations	3,799	3,937
Other financial liabilities	754	396
Trade and other payables	37,888	47,483
Other current liabilities	10,346	14,754
	124,986	142,807
	761,474	**771,488**
Total equity and liabilities	**811,871**	**797,816**

Non-current assets in the statement of financial position as at 30 September 2022 amounted to $674.4 million (31 March 2022: $663.3 million). Material non-current assets include:

- Property, plant and equipment amounting to $110.1 million (31 March 2022: $121.4 million) principally comprising leasehold improvements and machinery and equipment. Leasehold improvements relate to capital expenditure incurred with respect to improvements made at the different ports. This therefore includes physical infrastructure, terminal investment and marine improvements;
- Intangible assets of $445.0 million (31 March 2022: $411.0 million) consist of port operation rights in relation to the concession agreements with public authorities which allow the Group to act as an operator of the ports;
- Right-of-use assets amounting to $76.4 million (31 March 2022: $83.5 million) accounted for in line with IFRS 16 "Leases" which relate to the annual payments to respective governments on leased ports, for which the Group controls pricing.

Current assets as at 30 September 2022 amounted to $123.4 million (31 March 2022: $148.6 million) and primarily include trade and other receivables, prepayments and cash and cash equivalents.

As at 30 September 2022, the Group's net debt amounted to $519.5 million compared to $498.9 million as at 31 March 2022. The main driver for the increase in net debt is the continued investment activity in Nassau Cruise Port. The committed investments in Nassau continue to progress in line with the Group's plans and commitments. The marine works in Nassau have been completed, and the second phase of the investment programme, the landside works, continues to progress as planned. The development works are scheduled to be completed by the summer of 2023.

The equity value of the Group as at 30 September 2022 totalled $26.3 million (31 March 2022: $50.4 million) consisting of non-controlling interests, translation reserves arising from the translation of the financial statements of subsidiaries and equity-accounted investees from their functional currency to the presentation currency USD mitigated by accumulated losses and hedging reserves.

Global Ports Holding PLC **Interim Consolidated Cash Flow Statement** **for the six-month period ended**	**30 Sep'21** **Unaudited** **$'000**	**30 Sep'22** **Unaudited** **$'000**
Net cash from/(used in) operating activities	(11,765)	39,139
Cash from operating activities of discontinued operations	-	-
Net cash from/(used in) investing activities	(48,379)	(43,285)
Cash used in investing activities of discontinued operations	-	-
Net cash from/(used in) financing activities	(25,575)	(8,484)
Cash used in financing activities of discontinued operations	-	-
Net movement in cash and cash equivalents	**(85,719)**	**(12,630)**
Effect of foreign exchange rate changes	(2,264)	(7,573)
Cash and cash equivalents at beginning of period	170,599	99,687
Cash and cash equivalents at end of period	**82,616**	**79,484**
Free cash flow*	(62,052)	(4,794)

** Free cash flow is arrived at by deducting capital expenditure from cash generated from operating activities.*

Operating cash inflow in H1 FY2023 amounted to $39.1 million (H1 FY2022: cash outflow of $11.8 million), reflecting the positive Adjusted EBITDA generated by the Group.

Total capital expenditure for the reviewed period amounted to $43.3 million compared to $48.4 million incurred a year earlier, which predominantly related to development works at the Nassau Cruise Port. Such expenditure was funded from the $110 million of notes issued during FY2022 in Nassau.

Net cash used in financing activities during H1 FY2023 amounted to $8.5 million (H1 FY2022: $25.6 million) and principally comprised interest payments.

PART 3 – PERFORMANCE REVIEW

11. FINANCIAL INFORMATION ABOUT THE ISSUER

The Issuer was registered and incorporated on 18 October 2022 as a special purpose vehicle to act as the financing arm of GPH Group. The Issuer has not completed its first financial period and as such has not published any audited financial statements. The forecast financial information for the period 18 October 2022 to 31 March 2024 has been provided by management.

The projected financial statements relate to events in the future and are based on assumptions which the Issuer believes to be reasonable. Consequently, the actual outcome may be adversely affected by unforeseen situations and the variation between forecast and actual results may be material.

GPH Malta Finance p.l.c. Income Statement for the year ending 31 March 2024	**Projection *18 months* $'000**
Finance income	2,632
Finance costs	(2,292)
Administrative expenses	(256)
Profit before tax	**84**
Taxation	(64)
Profit for the year	**20**

GPH Malta Finance p.l.c. Cash Flow Statement for the year ending 31 March 2024	**Projection *18 months* $'000**
Net cash from operating activities	140
Net cash from investing activities	(26,675)
Net cash from financing activities	26,950
Net movement in cash and cash equivalents	**415**
Cash and cash equivalents at beginning of year	-
Cash and cash equivalents at end of year	**415**

GPH Malta Finance p.l.c. Statement of Financial Position as at 31 March 2024	Projection $'000
ASSETS	
Non-current	
Loans receivable from parent company	26,675
	26,675
Current	
Receivables	658
Cash and cash equivalents	415
	1,073
Total assets	**27,748**
EQUITY	
Capital and reserves	
Called up share capital	275
Retained earnings	20
	295
LIABILITIES	
Non-current	
Bonds in issue	26,832
	26,832
Current	
Payables	621
	621
	27,453
Total equity and liabilities	**27,748**

The Issuer is a fully owned subsidiary of the Guarantor, the parent company of GPH Group, and is principally engaged to act as a finance company. In Q1 2023, the Issuer is expected to advance the net proceeds of the proposed €25 million Bond Issue to the Guarantor. As a result, finance income in the income statement principally represents interest receivable from the loan receivable from the Guarantor and finance costs comprise interest payable to bondholders.

During the 18 month period ending 31 March 2024, the Issuer is projecting finance income of $2.6 million and finance costs are estimated at $2.3 million. Net profit is expected to amount to $20,000.

The Issuer's statement of financial position is primarily made up of the bond issue amounting to €25 million (equivalent to $26.8 million) (classified as non-current liabilities) and loans receivable from the Guarantor (classified as non-current assets) of $26.7 million. Receivables and payables refer to accrued interest receivable and interest payable respectively for the period under review.

The issued share capital of the Issuer amounts to €250,000 (equivalent to $275,000).

12. FINANCIAL INFORMATION ABOUT THE GROUP

The financial information provided hereunder is extracted from the audited consolidated financial statements of the Guarantor for each of the years ended 31 December 2019, 31 March 2021 and 31 March 2022. The projected financial information for the years ending 31 March 2023 and 31 March 2024 has been provided by management of the GPH Group.

The projected financial information relates to events in the future and is based on assumptions which the Group believes to be reasonable. Consequently, the actual outcome may be adversely affected by unforeseen situations particularly during this uncertain period of recovery from the COVID-19 pandemic, and the variation between projections and actual results may be material.

Global Ports Holding plc Consolidated Income Statement and Other Comprehensive Income for the year ended	31 Dec'19 Actual *Restated* $'000	31 Mar'21 Actual *15 months* $'000	31 Mar'22 Actual $'000	31 Mar'23 Projection $'000	31 Mar'24 Projection $'000
Adjusted revenue*	70,398	26,790	40,309	106,358	156,696
Adjusted cost of sales	(24,172)	(15,750)	(19,362)	(30,552)	(39,305)
Gross profit	**46,226**	**11,040**	**20,947**	**75,806**	**117,391**
Administrative expenses	(11,143)	(16,792)	(13,925)	(17,393)	(18,206)
Selling and marketing expenses	(2,054)	(1,622)	(2,530)	(2,489)	(2,601)
Impairment loss on trade receivables and contract assets	(300)	(1,339)	-	-	-
Share of results of equity-accounted investees	5,580	465	(2,425)	1,202	5,817
Other net expenses	(4,969)	(30,491)	(7,476)	(1,912)	(1,108)
Specific adjusting items*	6,306	32,014	12,419	2,000	1,034
Adjusted EBITDA*	**39,646**	**(6,725)**	**7,010**	**57,214**	**102,327**
Depreciation and amortisation	(25,900)	(34,202)	(28,463)	(31,673)	(35,549)
IFRIC 12 Construction gross profit*	-	1,052	1,763	1,568	1,050
Finance income	7,274	30,047	25,071	-	-
Finance costs	(39,223)	(80,814)	(36,897)	(36,695)	(36,087)
Specific adjusting items	(6,306)	(32,014)	(12,419)	(2,000)	(1,034)
Profit/(loss) before tax	**(24,509)**	**(122,656)**	**(43,935)**	**(11,586)**	**30,707**
Taxation	(588)	15,061	(605)	(3,300)	(6,484)
Profit/(loss) from continuing operations	**(25,097)**	**(107,595)**	**(44,540)**	**(14,886)**	**24,223**
Profit from discontinued operations	9,878	12,906	-	-	-
Profit (loss) for the year	**(15,219)**	**(94,689)**	**(44,540)**	**(14,886)**	**24,223**
Other comprehensive income					
Foreign currency translation differences	14,774	65,014	(15,460)	-	-
Losses on a hedge of a net investment	(24,725)	(45,209)	(793)	-	-
Other movements	58	(764)	(633)	-	-
Other comprehensive income/(loss), net of tax	**(9,893)**	**19,041**	**(16,886)**	**-**	**-**
Total comprehensive income/(loss), net of tax	**(25,112)**	**(75,648)**	**(61,426)**	**(14,886)**	**24,223**

** Please refer to Part 6 of this report entitled "Glossary of Alternative Performance Measures (APM)"*

Key Accounting Ratios	FY2019 Actual	FY2021 Actual	FY2022 Actual	FY2023 Projection	FY2024 Projection
EBITDA margin *(Adjusted EBITDA/revenue)*	56%	-25%	17%	54%	65%
Interest cover (times) *(Adjusted EBITDA/net finance cost)*	1.24	-0.13	0.59	1.56	2.84
Net profit margin *(Profit after tax/revenue)*	-22%	-353%	-110%	-14%	15%
Earnings per share ($) *(Profit after tax/number of shares)*	-0.30	-1.28	-0.57	-0.24	0.39
Return on equity *(Profit after tax/shareholders' equity)*	-10%	-109%	-88%	-41%	51%
Return on capital employed *(Adjusted EBITDA/total assets less current liabilities)*	6%	-1%	1%	7%	12%
Return on assets *(Profit after tax/total assets)*	-2%	-12%	-5%	-2%	3%

Source: MZ Investment Services Ltd

GPH Group has changed its financial year closing to 31 March 2021 from 31 December 2020. This financial period change has been decided to align the Group's cruise ports season with the start of the Mediterranean season being April, and the season for Caribbean region ending March. Following this change, the Group's financial year represents the high season for the two main regions the Group operates in.

The financial statements for 2021 covered the period from 1 January 2020 to 31 March 2021. Comparative financial statements for 2019 covered the twelve months ended 31 December 2019.

Following a strategic review, the Group announced in July 2019 that it will focus on cruise operations and therefore launched a disposal process for certain assets. As a result of such disposal process, the Group completed on 25 January 2021 the sale of Ortadoğu Antalya Liman Işletmeleri ("Port Akdeniz") to QTerminals W.L.L., a Qatari commercial port operating company, for an enterprise value of $140 million. Port Akdeniz historically comprised a significant proportion of the Group's commercial operating segment.

The consolidated statement of profit or loss for each of FY2019 and FY2021 has been restated to show the discontinued operation separately from continuing operations.

Commentary on FY2021

The 15-month reporting period ended 31 March 2021 was the most challenging period in the Group's history during which the COVID-19 pandemic brought many of the Group's operations to a standstill. In light of the exceptional circumstances that engulfed the cruise industry, the Group's Board and management acted quickly, taking several significant actions to protect the balance sheet and the long-term future of the business. Operational costs were reduced significantly, while all capex was suspended except for essential maintenance capital expenditure and capex relating to the Group's new ports in the Caribbean – Antigua and Nassau.

The Group's cruise operations started the reporting period strongly, with Cruise passenger volumes in the three months to March 2020 up 146% y-o-y, primarily driven by the first-time contribution from Antigua Cruise Port and Nassau Cruise Port, while the Group's European ports were also performing well compared to the previous year. Unfortunately, the global outbreak of COVID-19 and the subsequent disruption to the global travel sector put the cruise industry into a standstill.

Over the summer of 2020, some of the Group's ports in the Mediterranean welcomed the return of cruise ships. However, the cruising experience was very different – with COVID-19 testing, cruise bubbles, social distancing and 'blue cruises' (cruises that have no ports of call).

With Port Akdeniz reported as a discontinued operation, adjusted revenue for FY2021 was $26.8 million compared to $70.4 million in the prior year. Operating loss amounted to $72.4 million (FY2019: operating profit of $1.9 million).

In FY2021, other net expenses amounted to $30.5 million and primarily comprised impairment losses of $12.0 million related to Port of Adria and Venice Cruise Port, project expenses of $11.1 million which included expenses for the Eurobond refinancing and expenses related to a major Caribbean project incurred mainly during the early part of FY2021. Due to the adverse impact of COVID-19, the Group registered an adjusted EBITDA loss in FY2021 of $6.7 million compared to a positive adjusted EBITDA of $39.6 million in the previous year.

The Group's net finance charge in FY2021 amounted to $50.8 million compared to $31.9 million in FY2019. In addition to the impact of the longer financial period, the increase was driven primarily by an increase in non-cash foreign exchange losses.

Overall, the Group reported a net loss in FY2021 amounting to $94.7 million compared to a loss of $15.2 million in the previous year.

Commentary on FY2022

The first half of FY2022 (1 April 2021 to 30 September 2021) was characterised by continued travel restrictions and limited cruise activity, albeit higher than the year before. An increase in activity occurred towards the end of the normal Mediterranean cruise season in Summer 2021. Therefore, the Group's ports in this region experienced a welcome pick-up in activity ahead of their normal seasonal reduction in cruise activity.

In the Caribbean, the easing of travel restrictions coincided with the start of the main Caribbean cruise season. As a result, the Group's ports in the Caribbean experienced a significant and sustained recovery in volumes, a trend that strengthened as the second half progressed. During Q4 FY2022, Nassau received 333 cruise ship calls, a 5% increase from the 316 calls in the same period of 2019. In aggregate, the Group welcomed 1.8 million passengers in the second half of FY2022 compared to 0.6 million in the first half of FY2022 and 1.3 million passengers for the 15 months from 1 January 2020 to 31 March 2021 (FY2021).

Adjusted revenue for FY2022 amounted to $40.3 million, an increase of $13.5 million (+50%) from the prior year, while Adjusted EBITDA amounted to $7.0 million compared to a loss of $6.7 million in FY2021. This improvement was driven by the increase in cruise activity and the Group's continued control of costs.

In FY2022, 'other net expenses' were lower by $23.0 million compared to FY2021. This reduction was primarily the result of $5.7 million lower provisions in FY2022 and $12.0 million of impairment losses incurred in the prior year compared to no impairment losses in FY2022.

After net finance costs of $11.8 million (FY2021: $50.8 million) and share of results of equity-accounted investees (FY2022: -$2.4 million compared to FY2021: +$0.5 million), loss before tax amounted to $43.9 million (FY2021: $122.7 million).

The y-o-y decrease in net finance charge was due to the impact of the shorter Reporting Period as well as the significant decrease in non-cash foreign exchange losses. GPH Group's finance income and finance costs have historically been subject to material non-cash FX impacts due to USD-denominated assets and liabilities held by the Turkish subsidiary Global Liman. As a result of the repayment of the Eurobond in FY2022 and sale of Port Akdeniz just before, such material impacts from FX on finance income and costs should not occur in future Reporting Periods.

Net interest expenses (excluding FX movements and other finance costs) amounted to $21.9 million compared to $34.7 million in FY2021. The difference was primarily driven by the shorter 12-month 2022 Reporting Period and interest income of $3.8 million from the partial repurchase of the Eurobond in a tender process. This was offset by the additional borrowing, mainly the $110 million at Nassau in the form of non-recourse financing from US-based investors in three tranches from June 2021 to November 2021.

Overall, the Group registered a net loss of $44.5 million in FY2022 compared to a net loss of $94.7 million in the prior year.

Projections - FY2023 and FY2024

The expectation of the cruise industry is a gradual recovery of cruise operations all over the world until a return to operation of all cruise ships by the end of FY2023.

In H1 FY2023 (1 April 2022 to 30 September 2022), the Group reported revenue of $64.1 million compared to $14.8 million in the same period a year earlier. Cruise passenger volumes rose by 673% during the interim period compared to H1 FY2022 and were down just 14.5% compared to the same period in FY2019. This strong growth in passenger volumes was mainly driven by the further easing of travel restrictions during Q2 of FY2023 (June to September 2022), higher cruise fleet deployment and a continued increase in occupancy levels, as well as the impact of seasonality. Adjusted EBITDA for the 6-month period amounted to $40.4 million compared to a loss of $0.5 million in H1 2022. This performance is equivalent to the EBITDA achieved by the Group during the pre-pandemic financial year ended 31 December 2019.

For the financial year ending 31 March 2023, the Group is projecting adjusted revenue to amount to $106.4 million, an increase of 164% over FY2022's revenue of $40.3 million. All cruise operations are expected to register higher revenues over the prior year, most notably Barcelona and Malaga Cruise Ports, Ege Liman and Nassau Cruise Port which in total are expected to register a y-o-y increase in revenue of 250% and generate 70% of total cruise revenue (FY2022: $19.8 million; FY2023: $69.3 million). Overall passenger volume is expected to increase from 2.4 passengers in FY2022 to 7.9 million passengers in FY2023.

Commercial revenue is projected to decrease from $8.6 million in FY2022 to $8.0 million in FY2023 on account of the weaker demand for certain goods which is adversely impacting container throughput handled at Port of Adria in Montenegro.

The recovery of Group business operations is expected to result in a significant increase in Adjusted EBITDA from $7.0 million in FY2022 to $57.2 million in FY2023. Accordingly, the operating profit margin is set to improve to 54% (FY2022: 17%) and interest cover is expected to strengthen to 1.56 times from 0.59 times in the prior year.

After accounting for net finance costs of $36.7 million (FY2022: $11.8 million), IFRIC 12 Construction gross profit of $1.6 million (FY2022: $1.8 million) and depreciation and amortisation amounting to $31.7 million (FY2022: $28.5 million), the Group is projecting a loss before tax of $11.6 million compared to a loss of $43.9 million in FY2022.

Cruise revenue in FY2024 is projected to increase by $48.8 million (+50%) from $98.3 million in FY2023 to $147.1 million. Construction of port infrastructure at Nassau Cruise Port is scheduled to be completed at the beginning of FY2024, which will create additional ancillary revenue opportunities mainly from the new retail, entertainment and F&B outlets. Nassau Cruise Port is expected to generate $47.0 million in FY2024 (FY2023: $31.2 million), making it the largest port in the Group's portfolio in terms of revenue contribution. Passenger volume in Barcelona and Malaga Cruise Ports is projected to increase by 1 million from FY2023 to FY2024, which should result in an increase of $11.2 million in revenue (y-o-y) to $32.0 million. In the first full year of operation (FY2024), Las Palmas Cruise Ports are projected to generate $9.2 million in revenue.

Commercial revenue is expected to increase in FY2024, from $8.0 million in FY2023 to $9.6 million, on the basis that the macroeconomic environment improves from the prior year and the port can gain additional market share.

Adjusted EBITDA for the reviewed year is projected to amount to $102.3 million, an increase of 79% from FY2023 ($57.2 million). The Group's EBITDA margin is set to increase from 54% in FY2023 to 65%. Interest cover is expected to improve to 2.84 times in FY2024 compared to 1.56 times in FY2023.

Overall, the Group expects to generate a net profit for the year of $24.2 million (FY2023: loss of $14.9 million). In consequence, profitability ratios are expected to be positive – net profit margin of 15% (FY2023: -14%), return on equity of 51% (FY2023: -41%), return on capital employed of 12% (FY2023: 7%) and return on assets of 3% (FY2023: -2%).

Global Ports Holding PLC Consolidated Statement of Financial Position as at	31 Dec'19 Actual $'000	31 Mar'21 Actual $'000	31 Mar'22 Actual $'000	31 Mar'23 Projection $'000	31 Mar'24 Projection $'000
ASSETS					
Non-current assets					
Property and equipment	130,511	126,858	121,411	117,186	112,105
Intangible assets	424,618	331,910	410,971	485,406	536,484
Right-of-use assets	81,123	87,469	83,461	81,259	79,039
Investment property	2,139	2,198	2,038	2,038	2,038
Goodwill	13,485	13,485	13,483	13,483	13,483
Equity accounted investments	26,637	18,776	14,073	15,541	14,298
Due from related parties	6,811	8,125	8,846	9,436	9,667
Deferred tax assets	2,179	11,137	6,604	5,210	5,210
Other non-current assets	4,577	2,638	2,375	2,375	2,374
	692,080	602,596	663,262	731,934	774,698
Current assets					
Trade and other receivables	31,022	26,162	21,148	21,369	24,473
Other current assets	7,997	13,899	27,774	30,369	30,379
Cash and cash equivalents	63,780	170,599	99,687	44,845	39,233
	102,799	210,660	148,609	96,583	94,085
Total assets	**794,879**	**813,256**	**811,871**	**828,517**	**868,783**
EQUITY					
Capital and reserves					
Share capital	811	811	811	811	811
Reserves	7,069	23,081	9,515	8,188	8,182
Retained earnings	61,053	(12,151)	(48,192)	(76,982)	(77,607)
Non-controlling interest	86,330	74,822	88,263	104,270	116,224
	155,263	**86,563**	**50,397**	**36,287**	**47,610**
LIABILITIES					
Non-current liabilities					
Loans and borrowings	326,592	190,123	459,370	528,885	569,100
Lease obligations	63,707	63,611	63,220	99,186	95,747
Other financial liabilities	50,394	55,249	50,316	48,756	47,176
Deferred tax liabilities and provisions	102,890	70,544	58,495	55,846	45,271
Other non-current liabilities	1,354	755	5,087	20,087	20,089
	544,937	380,282	636,488	752,760	777,383
Current liabilities					
Loans and borrowings	61,572	292,893	72,199	5,522	17,606
Lease obligations	1,119	2,307	3,799	6,492	6,341
Other financial liabilities	4,536	2,925	754	754	754
Trade and other payables	21,367	39,236	37,888	21,069	17,923
Other current liabilities	6,085	9,050	10,346	5,633	1,166
	94,679	346,411	124,986	39,470	43,790
	639,616	**726,693**	**761,474**	**792,230**	**821,173**
Total equity and liabilities	**794,879**	**813,256**	**811,871**	**828,517**	**868,783**

Key Accounting Ratios	FY2019 Actual	FY2021 Actual	FY2022 Actual	FY2023 Projection	FY2024 Projection
Gearing ratio 1 *(Net debt ex-leases/Net debt ex-leases and shareholders' equity)*	68%	78%	90%	93%	92%
Gearing ratio 2 *(Net debt/Net debt and shareholders' equity)*	71%	81%	91%	94%	93%
Gearing ratio 3 (times) *(Net debt ex-leases/shareholders' equity)*	2.09	3.61	8.63	13.49	11.50
Gearing ratio 4 (times) *(Net debt ex-leases/Adjusted EBITDA ex-IFRS 16 accounting entries)*	4.39	-23.46	240.98	9.65	5.70
Leverage ratio (times) *(Total assets/Total equity)*	5.12	9.39	16.11	22.83	18.25
Net assets per share (€) *(Net asset value/number of shares)*	2.47	1.38	0.80	0.58	0.76
Liquidity ratio (times) *(Current assets/current liabilities)*	1.09	0.61	1.19	2.45	2.15

Source: MZ Investment Services Ltd

Total assets of the Group as at 31 March 2022 amounted to $811.9 million (2021: $813.3 million) and principally include the assets described in section 6 of this report. In the prior financial year (FY2021), the Group disposed of Port Akdeniz for an enterprise value of $140 million. On the other hand, the Group invested $84.5 million into its cruise ports, including $72.8 million in the cruise ports of Antigua and Nassau. Capital expenditure during FY2022 amounted to $94.6 million which was primarily directed towards the continued commitments at Nassau Cruise Port.

Total equity has decreased by $104.9 million, since FY2019, to $50.4 million as at 31 March 2021, principally on account of the significant losses incurred in FY2021 and FY2022.

Total equity is expected to decrease in 2023 by $14.1 million (y-o-y) to $36.3 million which is reflective of the forecast loss for the year. The projected improvement in Group profitability in the following financial year is expected to result in an increase in total equity to $47.6 million.

An analysis of the gearing position of the Group is provided in section 13 of this report.

Global Ports Holding PLC **Consolidated Cash Flow Statement** **for the year ended**	**31 Dec'19** **Actual** ***Restated*** **$'000**	**31 Mar'21** **Actual** ***15 months*** **$'000**	**31 Mar'22** **Actual** **$'000**	**31 Mar'23** **Projection** **$'000**	**31 Mar'24** **Projection** **$'000**
Net cash from/(used in) operating activities	12,192	9,484	(6,573)	45,812	81,013
Cash from operating activities of discontinued operations	24,927	27,163	-	-	-
Net cash from/(used in) investing activities	(25,720)	4,611	(106,327)	(88,598)	(69,594)
Cash used in investing activities of discontinued operations	(3,287)	(1,560)	-	-	-
Net cash from/(used in) financing activities	(38,007)	73,556	43,472	(12,296)	(17,029)
Cash used in financing activities of discontinued operations	17,242	(1,167)	-	-	-
Net movement in cash and cash equivalents	**(12,653)**	**112,087**	**(69,428)**	**(55,082)**	**(5,610)**
Effect of foreign exchange rate changes	(3,396)	(5,268)	(1,484)	240	(2)
Cash and cash equivalents at beginning of year	79,829	63,780	170,599	99,687	44,845
Cash and cash equivalents at end of year	**63,780**	**170,599**	**99,687**	**44,845**	**39,233**
Free cash flow*	(29,675)	(84,654)	(114,885)	(42,520)	4,359

** Free cash flow is arrived at by deducting capital expenditure from cash generated from operating activities.*

The cash flows from operations are principally driven by the Group's business activities at its cruise and commercial ports. Operating cash flow was a negative $6.6 million in FY2022 (FY2021: +$9.5 million), comprising an adverse change in working capital of $2.2 million and other operating outflows of $11.2 million, which primarily reflected the cash portion of project expenses included in other expenses.

The movement in working capital includes a cash outflow of $9.7 million due to changes in trade payables and prepayments in Nassau relating to progress of construction works, offset by the receipt of $11.5 million deferred consideration for the sale of Port Akdeniz (reduction in trade receivables). Adjusted for these two one-offs the increase in working capital is slightly higher than reported, which is a reflection of the working capital build-up as the Group comes out of the cruise industry shut down.

Net cash from operations in FY2023 and FY2024 is projected to amount to $45.8 million and $81.0 million respectively. Such positive cashflows are expected to be generated in consequence of the expected recovery of the cruise industry and the impact of the fully operational Nassau Cruise Port following the completion of development works.

Cash used in investing activities amounted to $106.3 million in FY2022 (FY2021: +$3.1 million) and primarily comprised capital expenditure (including advances) relating to the ongoing Nassau Cruise Port project. In the prior year, capital expenditure amounted to $93.7 million while cash inflows included the consideration of $99.9 million from the sale of Port Akdeniz.

Cash outflows in the projected period for investment purposes are estimated to amount to $158.2 million and mainly pertain to additions made to port operation rights and leasehold improvements with respect to the new ports added to the GPH Group portfolio, in particular, Nassau Cruise Port and Las Palmas Cruise Ports.

Net cash from financing activities in FY2022 amounted to $43.5 million (FY2021: $73.6 million). During FY2022, GPH Group refinanced the $250 million Eurobond ahead of the scheduled maturity in November 2021, through a combination of proceeds from Port Akdeniz received in the prior year and a new five-year, senior secured loan agreement for up to $261.3 million with global investment firm Sixth Street. The loan agreement provides for two term loan facilities, an initial five-year term facility of $186.3 million and an additional five-year growth facility of up to $75.0 million, which remained undrawn as of 31 March 2022.

Net interest expense amounted to $36.2 million (FY2021: $31.5 million) reflecting the cash costs of the outstanding gross debt. The y-o-y increase is the result of the increased borrowings at Nassau Cruise Port and the fact that the first interest payment for the local bond in Nassau, issued in June 2020, was made for the first full year in June 2021.

In FY2023, net cash from financing activities is projected to amount to $12.3 million. The Group expects to raise €25 million from the proposed bond issue. On the other hand, interest payments are estimated at $31.3 million compared to $36.4 million in FY2022.

In FY2024, the Group expects to use $17.0 million for financing activities purposes. Interest paid is expected to amount to $41.3 million while dividend payments to non-controlling interest is projected at $14.6 million (FY2023: nil). It is further projected that the Group will withdraw a net amount of $43.5 million from borrowings for capital investment purposes.

13. GEARING ANALYSIS OF THE GROUP

Key Accounting Ratios	**FY2019 Actual**	**FY2021 Actual**	**FY2022 Actual**	**FY2023 Projection**	**FY2024 Projection**
Gearing ratio 1 *(Net debt ex-leases/Net debt ex-leases and shareholders' equity)*	68%	78%	90%	93%	92%
Gearing ratio 2 *(Net debt/Net debt and shareholders' equity)*	71%	81%	91%	94%	93%
Gearing ratio 3 (times) *(Net debt ex-leases/shareholders' equity)*	2.09	3.61	8.63	13.49	11.50
Gearing ratio 4 (times) *(Net debt ex-leases/Adjusted EBITDA ex-IFRS 16 accounting entries)*	4.39	-23.46	240.98	9.65	5.70
Leverage ratio (times) *(Total assets/Total equity)*	5.12	9.39	16.11	22.83	18.25

Source: MZ Investment Services Ltd

Gross debt as at 31 March 2022 amounted to $598.6 million compared to $548.9 million in the prior year. Excluding IFRS-16 finance leases, gross debt at 31 March 2022 was $531.6 million (2021: $483.0 million). As shown hereunder, 45% or $240.6 million of aggregate borrowings relates to unsecured bonds and notes issued for the purposes for developing the Nassau Cruise Port.

GPH Group Loans and Borrowings

Description	Company name	Maturity	31 Mar'22 $'000	Notes
Loans to finance investments and projects	Cruise Port Finance	2026	187,095	Loan agreement for up to $261.3 million with the investment firm Sixth Street.
Unsecured bonds and notes	Nassau Cruise Port	2040	240,600	Represents four tranches of notes and bonds, and constitute general obligations of Nassau Cruise Port with no specific collateral or guarantee.
Secured loan	Barcelona Port Investments	2023	8,680	
Secured loan	Malaga Cruise Port	2025	3,364	
Secured loan	Valletta Cruise Port	2035	8,880	
Secured loan	Port of Adria	2025	20,181	
Secured loan	Antigua Cruise Port	2026	33,421	
Secured loans	Miscellaneous		5,256	
Unsecured loans for working capital	Global Liman/Ege Liman		24,092	
			531,569	

The increase in gross debt liabilities was primarily driven by the $110 million of new notes issued in Nassau for investment in the port, which was partially offset by the repayment of the $250 million Eurobond through the use of cash resources and the new secured loan from Sixth Street, as well as scheduled repayment of other borrowings.

During FY2022, GPH Group refinanced the $250 million Eurobond ahead of the scheduled maturity in November 2021, through a combination of proceeds from Port Akdeniz and a new five-year, senior secured loan agreement for up to $261.3 million with leading global investment firm Sixth Street. The loan agreement provides for two term loan facilities, an initial five-year term facility of $186.3 million and an additional five-year growth facility of up to $75.0 million, which remained undrawn as of 31 March 2022.

The outstanding debt of $240.6 million relating to Nassau Cruise Port is fully non-recourse, unsecured and has a very long maturity of up to twenty years.

In view of the increase in net debt, from $389.2 million as at 31 December 2019 to $498.9 million as at 31 March 2022, and the decrease in total equity over the same period, from $155.3 million to $50.4 million, the Group's gearing ratio (2) has weakened by 20 percentage points to 91% as at 31 March 2022 (31 December 2019: 71%). Excluding lease obligations, the Group's gearing ratio (1) as at 31 March 2022 was at 90% (FY2019: 68%).

In the projected two financial years (FY2023 and FY2024), non-current assets are expected to increase by $111.4 million, from $663.3 million as at 31 March 2022 to $774.7 million as at 31 March 2024, mainly on account of an increase in intangible assets driven by investments at Nassau Cruise Port and Las Palmas Cruise Port. Such capital expenditure is projected to be financed through this €25 million bond issue, bank loan facilities of *circa* $52 million and the remaining amount from operating cash flow and existing cash balances which stood at $99.7 million as at 31 March 2022.

Borrowings and lease obligations are projected to increase by $90.2 million, from $598.6 million as at 31 March 2022 to $688.8 million as at 31 March 2024. This increase will mainly comprise additional bank loan facilities and the new bond issue, the proceeds of which will be used for capital expenditure purposes as explained above.

In consequence, the Group's gearing ratio (1) is expected to remain above 90% in 2023 and 2024 (93% and 92% respectively). Infrastructure businesses such as the Group's activities typically have higher gearing relative to other companies due to the significant investments required initially in acquiring the port rights which normally last over a long time period (*circa* 20 to 30 years). The main benchmark applicable to infrastructure businesses for indebtedness is the net debt to EBITDA ratio, as such indicator measures the cash flow generating capacity compared to the outstanding debt. GPH's net debt to Adjusted EBITDA ratio (gearing ratio 4) is projected to materially improve from 240.98x in FY2022 to 5.70x in FY2024 on account of the significant expected growth in EBITDA in FY2023 and FY2024.

14. RESERVE

The Issuer hereby undertakes that as from 10 March 2026, it shall, over a period of three years therefrom, build up a reserve account, the value of which will, in aggregate, be equivalent to 50% of the value of the 6.25% GPH Malta Finance p.l.c. Unsecured Bonds 2030 (the "**Bonds**") admitted to listing (the "**Reserve**"), as follows:

Instalment Date	**Percentage threshold of the value of the Bonds admitted to listing (%)**
10 March 2026	20%
10 March 2027	10%
10 March 2028	10%
10 March 2029	10%
	50%

The Reserve, which shall be funded by cash deposits from the Issuer and, or Guarantor, shall take the form of a reserve account, the principal terms of which are explained in further detail below.

The reserve account shall be a bank account created by the Issuer, segregated from any other bank account held by the Issuer from time to time ("**Reserve Account**"). Until the occurrence of an Event of Default, the Reserve Account shall be under the sole administration and control of the Issuer. Should an Event of Default occur, the Reserve Account shall be under the sole administration and control of a security trustee, duly authorised to act as a trustee in terms of article 43(3) of the Trusts and Trustees Act (Cap. 331 of the laws of Malta) and independent of the Issuer and the Guarantor (the "**Security Trustee**"). Upon inception of the Reserve Account, it shall be pledged in favour of the Security Trustee for the benefit of the Bondholders, which pledge shall be enforceable by the Security Trustee upon the occurrence of an Event of Default.

The terms of appointment of the Security Trustee shall be set out in a security trust deed to be entered into by the Security Trustee, the Issuer and the Guarantor based on the principles set out in the Securities Note dated 1 February 2023. The terms on the basis of which the Reserve Account shall be pledged by the Issuer (as pledgor) in favour of the Security Trustee (as pledgee) shall be set out in a pledge agreement to be entered into by the Issuer, the Guarantor and the Security Trustee immediately upon the creation of such Reserve Account.

Funds in the Reserve Account may only be applied for the purpose of redeeming the equivalent amount of outstanding Bonds on 10 March 2030 (the "**Redemption Date**"), provided that prior to the Redemption Date, such funds may be applied exclusively:

(a) for the purpose of buying back Bonds for cancellation in terms of the Securities Note dated 1 February 2023; or
(b) for investing in as balanced and diversified portfolio of marketable and liquid assets as can reasonably be considered practicable by the Security Trustee in the then market and overall economic conditions.

Should an Event of Default occur, the Security Trustee shall undertake *inter alia* the following activities:

(a) maintain control of the funds in the Reserve Account which shall be segregated from any other assets of the Issuer, and, or the Security Trustee, as applicable;
(b) monitor the contributions being made to the Reserve Account, as applicable; and
(c) authorise the release of the funds in the Reserve Account, in full or in part, for the utilisation thereof for any of the permitted uses specified below.

In the event of a cancellation or redemption in full of all outstanding Bonds, any funds remaining thereafter in the Reserve Account shall be distributed by the Security Trustee to the Issuer and, or the Guarantor.

For the purpose of funding the Reserve Account, in lieu (in full or in part) of cash deposits from the Issuer and, or Guarantor, the Issuer may procure a first demand bank guarantee issued by a reputable and duly licensed financial institution and having the Security Trustee as beneficiary. Should such bank guarantee be for an amount equivalent to part but not all of the Reserve, the remaining amount of the Reserve shall be funded through cash deposits from the Issuer and, or the Guarantor in the Reserve Account. Should such bank guarantee be for an amount equivalent to the full amount of the Reserve, the Issuer shall procure that the amount of the bank guarantee will be maintained in accordance with the schedule of instalments set out above.

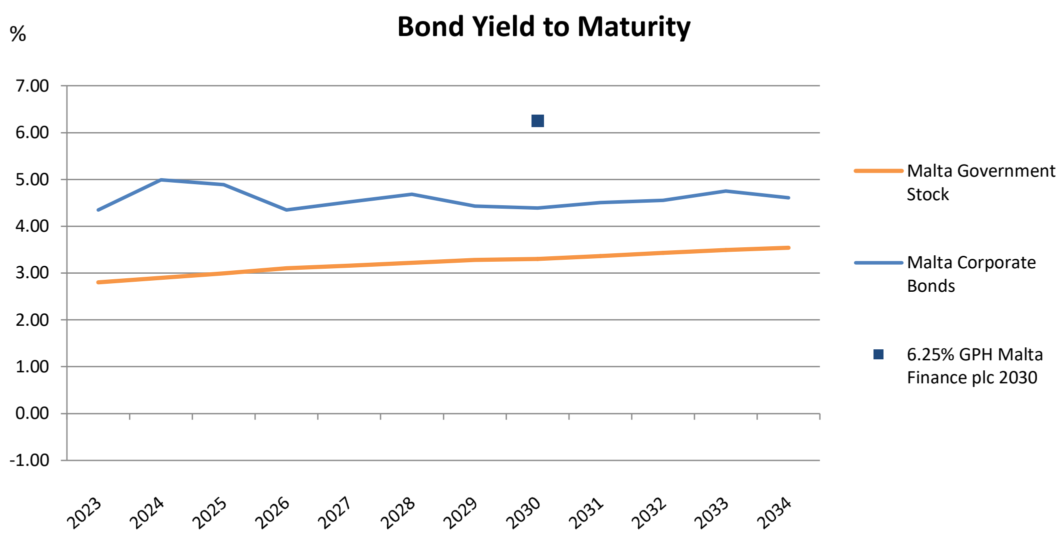
PART 4 – COMPARABLES

The table below compares the Group and its bonds to other debt issuers listed on the Malta Stock Exchange and their respective debt securities. Although there are significant variances between the activities of the Group and other issuers (including different industries, principal markets, competition, capital requirements etc), and material differences between the risks associated with the Group's business and that of other issuers, the comparative analysis provides an indication of the financial performance and strength of the Group.

Comparative Analysis	Nominal Value (€)	Yield to Maturity (%)	Interest Cover (times)	Total Assets (€'000)	Net Asset Value (€'000)	Gearing Ratio (%)	Net Debt to EBITDA (times)
4.25% GAP Group plc Secured € 2023	8,349,900	5.28	14.81	112,173	21,575	60.31	2.68
5.30% United Finance Plc Unsecured € Bonds 2023	8,500,000	4.35	1.68	37,992	9,916	65.59	10.07
5.80% International Hotel Investments plc 2023	10,000,000	5.74	1.06	1,695,229	838,216	40.59	21.59
6.00% AX Investments Plc € 2024	40,000,000	5.06	1.69	374,099	237,143	25.10	11.90
6.00% International Hotel Investments plc € 2024	35,000,000	5.97	1.06	1,695,229	838,216	40.59	21.59
5.30% Mariner Finance plc Unsecured € 2024	35,000,000	5.30	3.30	102,348	52,929	46.65	6.38
5.00% Hal Mann Vella Group plc Secured € 2024	30,000,000	4.99	2.60	123,752	48,512	53.05	8.97
5.10% 1923 Investments plc Unsecured € 2024	36,000,000	4.81	4.58	149,687	52,831	49.89	3.03
4.25% Best Deal Properties Holding plc Secured € 2024	9,137,200	2.88	-	24,561	6,893	62.61	3.04
3.70% GAP Group plc Secured € 2023-2025 Series 1	21,000,000	4.44	14.81	112,173	21,575	60.31	2.68
5.75% International Hotel Investments plc Unsecured € 2025	45,000,000	4.35	1.06	1,695,229	838,216	40.59	21.59
5.10% 6PM Holdings plc Unsecured € 2025	13,000,000	5.09	52.47	155,313	70,709	14.82	0.63
4.50% Hili Properties plc Unsecured € 2025	37,000,000	4.89	1.41	208,696	110,881	32.31	10.62
4.35% Hudson Malta plc Unsecured € 2026	12,000,000	4.35	4.51	58,951	12,557	68.49	4.20
4.25% Corinthia Finance plc Unsecured € 2026	40,000,000	4.25	0.83	1,863,456	899,566	40.81	25.97
4.00% International Hotel Investments plc Secured € 2026	55,000,000	4.02	1.06	1,695,229	838,216	40.59	21.59
3.75% Premier Capital plc Unsecured € 2026	65,000,000	4.61	11.70	317,675	60,118	74.24	2.51
4.00% International Hotel Investments plc Unsecured € 2026	60,000,000	5.74	1.06	1,695,229	838,216	40.59	21.59
3.25% AX Group plc Unsec Bds 2026 Series I	15,000,000	4.67	1.69	374,099	237,143	25.10	11.90
3.90% GAP Group plc Secured € 2024-2026	21,000,000	4.40	14.81	112,173	21,575	60.31	2.68
4.35% SD Finance plc Unsecured € 2027	65,000,000	5.42	4.60	349,955	142,068	27.22	2.66
4.00% Eden Finance plc Unsecured € 2027	40,000,000	4.52	3.63	193,529	109,284	28.55	5.94
4.00% Stivala Group Finance plc Secured € 2027	45,000,000	4.09	3.25	362,955	235,392	26.66	8.19
4.00% Hili Finance Company plc Unsecured € 2027	50,000,000	4.67	4.48	727,669	154,632	71.84	4.68
3.85% Hili Finance Company plc Unsecured € 2028	40,000,000	4.68	4.48	727,669	154,632	71.84	4.68
3.65% Stivala Group Finance plc Secured € 2029	15,000,000	4.55	3.25	362,955	235,392	26.66	8.19
3.80% Hili Finance Company plc Unsecured € 2029	80,000,000	4.89	4.48	727,669	154,632	71.84	4.68
3.75% AX Group plc Unsec Bds 2029 Series II	10,000,000	4.34	1.69	374,099	237,143	25.10	11.90
6.25% GPH Malta Finance plc Unsecured € 2030	**25,000,000**	**6.25**	**1.56**	**828,517**	**36,287**	**94.25**	**9.65**
3.65% International Hotel Investments plc Unsecured € 2031	80,000,000	4.70	1.06	1,695,229	838,216	40.59	21.59
3.50% AX Real Estate plc Unsec Bds 2032	40,000,000	4.89	-	238,228	78,698	63.41	- 5.93
4.50% The Ona plc € 2028 - 2034	16,000,000	4.61	44.94	29,758	8,719	51.62	4.31
AVERAGE		**4.66**	**8.15**			**49.85**	**7.02**

As at 13 January 2023

Source: Malta Stock Exchange, Audited Accounts of Listed Companies, MZ Investment Services Ltd



As at 12 January 2023
Source: Malta Stock Exchange, Central Bank of Malta, MZ Investment Services Ltd

The above chart depicts the Malta Government Stock yield curve (which is the risk-free benchmark for Malta) and average yields for local corporate bond issues. To date, there are no corporate bonds that have a redemption date beyond 2034.

The GPH bonds have been priced at 6.25%, which is 186 basis points higher compared to other corporate bonds maturing in the same year. The premium over FY2030 Malta Government Stock is 295 basis points. The key drivers leading to the aforementioned pricing are provided below:

Strengths	Constraints
• The world's largest cruise port operator with established presence in the Mediterranean, Caribbean, Asia-Pacific and North America.	• Significant contraction in EBITDA generation of cruise port management due to the devastating impact of COVID-19 pandemic on the cruise industry.
• Strong pipeline of cruise port acquisitions and expansion opportunities within the existing cruise port portfolio.	• Annual net losses adversely impacted the Group's equity level.
• Strong recovery of passenger volumes during 2022 and cruise call reservations for 2023 above 2019.	• High level of financial leverage mainly due to acquisitions and capital projects despite long-term funding structure.
• Cruise industry's long-term drivers remain supportive of future growth.	

PART 5 - EXPLANATORY DEFINITIONS

Income Statement	
Revenue	Total revenue generated by the Group from its cruise and commercial port operations and other ancillary services. All revenue is generated from external customers such as cruise liners, ferries, yachts, individual passengers, container ships and bulk and general cargo ships.
Cost of sales	Cost of sales comprises expenses directly attributable to the operations of the Group’s cruise and commercial ports.
Gross profit	Gross profit is the difference between revenue and direct costs. It refers to the profit made by the Group before deducting operating costs, depreciation and amortisation, finance costs, impairment provisions, share of profits from associate and affiliate companies and other operating costs.
Share of results of equity-accounted investees	The Group owns minority stakes in a number of port operations. The results of such companies are not consolidated with the subsidiaries of the Group, but the Group’s share of profit is shown in the profit and loss account under the heading ‘share of results of equity-accounted investees’.
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	
Gross profit margin	Gross profit margin is the difference between revenue and direct costs expressed as a percentage of total revenue.
Operating profit margin	Operating profit margin is operating income 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.
Efficiency Ratios	
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 shareholders’ equity.

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 (operation of cruise and commercial ports) of the Group.
Cash flow from/(used in) investing activities	Cash generated from/(used in) activities dealing with the acquisition and disposal of long-term assets and other investments of the Group.
Cash flow from/(used in) financing activities	Cash generated from/(used in) the activities that result in change in share capital and borrowings of the Group.
Balance Sheet	
Non-current assets	Non-current assets 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 amortises 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 acquired. Such assets mainly include intangible assets, plant and equipment, right-of-use assets and equity-accounted investments.
Current assets	Current assets are all assets of the Group, which are realisable within one year from the balance sheet date. Such amounts include accounts receivable, other current assets and cash and bank balances.
Current liabilities	All liabilities payable by the Group within a period of one year from the balance sheet date, and include accounts payable and short-term debt, including current portion of bank loans.
Non-current liabilities	The Group's long-term financial obligations that are not due within the present accounting year. The Group's non-current liabilities include long-term borrowings, bonds and long-term lease obligations.
Net assets per share	Total assets less total liabilities divided by the number of equity shares in issue.

Total equity	Total equity includes share capital, reserves and other equity components, retained earnings and minority interest.
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 interest expense of the same period.
Net debt to EBITDA	The net debt to EBITDA multiple is a measurement of leverage, calculated as a company's interest bearing liabilities minus cash or cash equivalents, divided by its EBITDA. This multiple shows how many years it would take for a company to pay back its debt if net debt and EBITDA are held constant.
Leverage ratio	The asset to equity ratio (also referred to as the leverage ratio) reveals the proportion of an entity's assets that has been funded by shareholders.
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 excluding lease obligations by net debt excluding lease obligations plus shareholders' equity. Alternatively, the gearing ratio can be calculated by: (i) dividing a company's net debt by net debt plus shareholders' equity; (ii) dividing a company's net debt excluding lease obligations by shareholders' equity; and (iii) dividing a company's net debt excluding lease obligations by Adjusted EBITDA after reversing IFRS 16 accounting entries.

PART 6 – GLOSSARY OF ALTERNATIVE PERFORMANCE MEASURES (APM)

The financial information included in this report includes certain measures to assess the financial performance of the Group's business that are termed "non-IFRS measures" because they exclude amounts that are included in, or include amounts that are excluded from, the most directly comparable measure calculated and presented in accordance with IFRS, or are calculated using financial measures that are not calculated in accordance with IFRS. Such measures comprise the following:

Adjusted Revenue

Adjusted revenue is calculated as revenue from all consolidated subsidiaries (cruise and commercial ports and other subsidiaries) excluding IFRIC-12 construction revenue.

Under IFRIC 12, the expenditure for certain construction activities in Nassau is recognised as operating expenses and added with a margin to the Group's revenue. Accordingly, no invoices are issued, neither any payments made by Nassau Port Authority. IFRIC 12 construction revenue and construction cost of sales have no impact on cash generation.

The margin of 2% on construction revenue was determined based on many estimates including construction consultancy during the tender process and detailed analysis on the cost of terminal building construction, benchmarking with the construction companies performing infrastructure operations throughout the world.

Segmental EBITDA

Segmental EBITDA is calculated as income/(loss) before tax after adding back: interest, depreciation, amortisation, unallocated expenses and specific adjusting items.

Management evaluates segmental performance based on Segmental EBITDA. This is done to reflect the fact that there is a variety of financial structures in place both at a port and Group-level, and the nature of the port operating right intangible assets vary by port depending on which concessions were acquired versus awarded, and which fall to be treated under IFRIC 12. As such, management considers monitoring performance in this way, using Segmental EBITDA, gives a more comparable basis for profitability between the portfolio of ports and a metric closer to net cash generation. Excluding project costs for acquisitions and one-off transactions such as project specific development expenses as well as unallocated expenses, gives a more comparable year-on-year measure of port-level trading performance.

Specific adjusting items

The Group presents specific adjusting items separately. For proper evaluation of individual ports financial performance and consolidated financial statements, Management considers disclosing specific adjusting items separately because of their size and nature. These expenses and income include project expenses; being the costs of specific M&A activities, the costs associated with appraising and securing new and potential future port agreements which should not be considered when assessing the underlying trading performance and the costs related to the refinancing of Group debts, the replacement provisions being provision created for replacement of fixed assets which does not include regular maintenance, other provisions and reversals related to provisions provided being related to unexpected non-operational transactions, impairment, employee termination expenses, income from insurance repayments, income from scrap sales, gain/loss on sale of securities, other provision expenses, redundancy expenses and donations and grants.

Adjusted EBITDA

Adjusted EBITDA is calculated as Segmental EBITDA less unallocated (holding company) expenses.

Management uses Adjusted EBITDA measure to evaluate Group's consolidated performance on an "as-is" basis with respect to the existing portfolio of ports. Notably excluded from Adjusted EBITDA are the costs of specific M&A activities and the costs associated with appraising and securing new and potential future port agreements. M&A and project development are key elements of the Group's strategy in the Cruise segment. Project lead times and upfront expenses for projects can be significant, however these expenses (as well as expenses related to raising financing such as IPO or acquisition financing) do not relate to the current portfolio of ports but to future EBITDA potential. Accordingly, these expenses would distort Adjusted EBITDA which management is using to monitor the existing portfolio's performance.