

# SUMMARY

**DATED 1 FEBRUARY, 2023**

This document is a Summary issued in accordance with the provisions of Chapter 4 of the Capital Markets Rules issued by the MFSA and in accordance with the provisions of the Prospectus Regulation.

This Summary is being issued by:

## **GPH Malta Finance p.l.c.**

*a public limited liability company registered under the laws of Malta with company registration number C 103534*

with the joint and several guarantee of:

## **Global Ports Holding plc**

*a public limited company registered under the laws of England and Wales with company registration number 10629250*

**in respect of an issue of up to €25,000,000 6.25% unsecured bonds due 2030  
issued and redeemable at their nominal value (at €100 per Bond)**

ISIN MT0002731207



M Z I N V E S T M E N T S

**Sponsor**

**BOV**

Bank of Valletta

**Manager & Registrar**



CAMILLERI PREZIOSI

A D V O C A T E S

**Legal Counsel**

**THIS SUMMARY HAS BEEN APPROVED BY THE MFSA, AS COMPETENT AUTHORITY UNDER THE PROSPECTUS REGULATION. THE MFSA ONLY APPROVED THIS SUMMARY AS MEETING THE STANDARDS OF COMPLETENESS, COMPREHENSIBILITY AND CONSISTENCY IMPOSED BY THE PROSPECTUS REGULATION. SUCH APPROVAL SHOULD NOT BE CONSIDERED AS AN ENDORSEMENT OF THE ISSUER, THE GUARANTOR AND THE SECURITIES THAT ARE THE SUBJECT OF THIS SUMMARY.**

**THIS SUMMARY IS VALID FOR A PERIOD OF 12 MONTHS FROM THE DATE THEREOF. FOLLOWING THE LAPSE OF THIS VALIDITY PERIOD, THE ISSUER IS NOT OBLIGED TO SUPPLEMENT THIS SUMMARY IN THE EVENT OF SIGNIFICANT NEW FACTORS, MATERIAL MISTAKES OR MATERIAL INACCURACIES.**

**APPROVED BY THE BOARD OF DIRECTORS**

**Stephen Xuereb**

signing in his capacity as director of the Issuer and on behalf of  
Mehmet Kutman, Ayşegül Bensele, Jérôme Bernard Jean Auguste Bayle, and Taddeo Scerri

## INTRODUCTION AND WARNINGS

This Summary is prepared in accordance with the requirements of the Prospectus Regulation and the delegated acts issued thereunder. This Summary contains key information which investors require in order to understand the nature and the risks of the Issuer, the Guarantor and the Bonds. Except where the context otherwise requires, the capitalised words and expressions used in this Summary shall bear the meanings assigned to them in the Registration Document and the Securities Note, as the case may be.

This Summary contains key information on the Issuer, the Guarantor and the Bonds, summarised details of which are set out below:

	ISSUER	GUARANTOR
<b>Legal and commercial name</b>	GPH Malta Finance p.l.c.	Global Ports Holding plc
<b>Registered address</b>	45, 46 Pinto Wharf, Floriana FRN 1913, Malta	3rd Floor, 34 Brook Street, London, W1K 5DN, England
<b>Registration number</b>	C 103534	10629250
<b>Telephone number</b>	+356 25673000	+ 44 203 911 2315
<b>Website</b>	<a href="http://gphmaltafinance.com/">http://gphmaltafinance.com/</a>	<a href="https://www.globalportsholding.com/">https://www.globalportsholding.com/</a>
<b>Legal Entity Identifier ('LEI')</b>	2138001JPU17DTYN3W62	213800BMNG6351VR5X06
<b>Competent authority approving the Prospectus</b>	The MFSA, being the competent authority to approve prospectuses of any offer of securities to the public in Malta in terms of the Financial Markets Act (Cap. 345 of the laws of Malta).	
<b>Address of the MFSA</b>	Malta Financial Services Authority, Triq l-Imdina, Zone 1, Central Business District, Birkirkara, Malta, CBD 1010	
<b>Telephone number of the MFSA</b>	+356 2144 1155	
<b>MFSA's website</b>	<a href="https://www.mfsa.mt/">https://www.mfsa.mt/</a>	
<b>Name of the Bonds</b>	6.25% unsecured Bonds due 2030 issued by the Issuer	
<b>ISIN number of the Bonds</b>	MT0002731207	
<b>Prospectus approval date</b>	1 February, 2023	

Prospective investors are hereby warned that:

- (i) this Summary should be read as an introduction to the Prospectus. It is being provided to convey the key characteristics and risks associated with the Issuer, the Guarantor and the Bonds being offered pursuant to the Prospectus. It is not and does not purport to be exhaustive and investors are warned that they should not rely on the information contained in this Summary in making a decision as to whether to invest in the Bonds described in this document;
- (ii) any decision of the investor to invest in the Bonds should be based on a consideration of the Prospectus as a whole by the investor;
- (iii) an investor may lose all or part of the capital invested in subscribing for Bonds;
- (iv) where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of Malta, have to bear the costs of translating the Prospectus before the legal proceedings are initiated; and
- (v) civil liability attaches only to those persons who have tabled the Summary, including any translation thereof, but only if the Summary, when read together with the other parts of the Prospectus, is misleading, inaccurate, or inconsistent or does not provide key information in order to aid investors when considering whether to invest in the Bonds.

## 1. KEY INFORMATION ON THE ISSUER

### 1.1. WHO IS THE ISSUER OF THE BONDS?

#### 1.1.1. DOMICILE AND LEGAL FORM, ITS LEI AND COUNTRY OF INCORPORATION

The Issuer of the Bonds is GPH Malta Finance p.l.c., a public limited liability company registered in Malta in terms of the Companies Act (Cap. 386 of the laws of Malta), having company registration number C 103534. The Issuer was incorporated and is domiciled in Malta, with LEI number 2138001JPU17DTYN3W62.

#### 1.1.2. PRINCIPAL ACTIVITIES OF THE ISSUER

The Issuer is a special purpose vehicle which has been incorporated for the purposes of this Bond Issue 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 require, and is accordingly economically dependent on the Guarantor and other Group companies.

The Guarantor 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 twofold:- cruise business operations and commercial business operations.

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.
- (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.

The Group's commercial port handles cargo from two distinct categories: (i) containers; and (ii) general bulk. It offers a range of complementary services in connection therewith, including stuffing and unstuffing containers, warehouse services and cargo weighing.

### 1.1.3. MAJOR SHAREHOLDERS OF THE ISSUER

As at the date of the Prospectus, Global Ports Melita Limited (C 24361), holds 99.99% of the entire issued share capital of the Issuer, with the remaining 0.01% held by Ayşegül Bensel. In turn, Global Ports Melita Limited is wholly owned by Global Ports Europe B.V. (The Netherlands), which is ultimately owned by the Guarantor.

### 1.1.4. DIRECTORS OF THE ISSUER

The Board of Directors of the Issuer is composed of the following persons: Mehmet Kutman (Turkish passport U24200501, Chairman); Stephen Xuereb (Maltese ID 189872M, Executive Director and Chief Operating Officer), Ayşegül Bensel (Maltese passport 1319699, Non-Executive Director); Jérôme Bernard Jean Auguste Bayle (French passport 17DH64874, Independent Non-Executive Director); and Taddeo Scerri (Maltese ID 475055M, Independent Non-Executive Director).

### 1.1.5. STATUTORY AUDITORS

The auditors of the Issuer as of the date of this Summary are PKF Malta Limited of 15, Level 3, Mannarino Road, Birkirkara, BKR 9080, Malta. The Issuer was set up on 18 October, 2022 and, since incorporation up until the date of the Prospectus, no financial statements have been prepared.

The annual consolidated financial statements of the Group for the financial year ended 31 March, 2022, have been audited by PKF Littlejohn LLP of 15 Westferry Circus, Canary Wharf, London E14 4HD, United Kingdom. The Group's consolidated financial statements for the 15-month period ended 31 March, 2021 and the financial year ended 31 December, 2019, have been audited by KPMG LLP, of 15 Canada Square, London, E14 5GL.

## 1.2. WHAT IS THE KEY FINANCIAL INFORMATION REGARDING THE ISSUER?

The Issuer was registered and incorporated as a public limited liability company on 18 October, 2022 as a special purpose vehicle to act as the financing arm of the Guarantor. No financial statements have been prepared for the Issuer since its incorporation up until the date of this Prospectus.

## 1.3. WHAT ARE THE KEY RISKS THAT ARE SPECIFIC TO THE ISSUER?

The most material risk factor specific to the Issuer, which may adversely impact the operations and financial position of the Issuer should the circumstances mentioned therein materialise, is as follows:

### 1.3.1. RISKS RELATING TO THE ISSUER'S DEPENDENCE ON THE GUARANTOR AND ITS BUSINESS

The Issuer is a finance company, with one of its purposes being that of financing or re-financing the funding requirements of the business of the Group, particularly that of the Guarantor. In this respect, the Issuer is mainly dependent on the business prospects of the Guarantor, and consequently, the operating results of the Guarantor have a direct effect on the Issuer's financial position and performance, and as such the risks intrinsic in the business and operations of the Guarantor shall have a direct effect on the ability of the Issuer to meet its obligations in respect of principal and interest under the Bonds when due.

The interest and capital repayments to be effected by the Guarantor in favour of the Issuer are subject to certain risks. More specifically, the ability of the Guarantor to effect loan repayments will depend on its respective cash flows and earnings, which may be restricted or affected by changes in applicable laws and regulations, by the terms of agreements to which they are or may become party, or by other factors beyond the control of the Issuer. The occurrence of any such factors could in turn negatively affect the ability of the Issuer to meet its obligations in respect of the repayment of principal and interest under the Bonds punctually when due.

## 2. KEY INFORMATION ON THE SECURITIES

### 2.1. WHAT ARE THE MAIN FEATURES OF THE SECURITIES?

ISIN	MT0002731207;
Description, amount	up to €25,000,000 unsecured Bonds due 2030, having a nominal value of €100 per Bond issued at par;
Bond Issue Price	at par (€100 per Bond);
Interest	6.25% per annum;
Redemption Date	10 March, 2030;
Status of the Bonds	the Bonds constitute the general, direct, unconditional and unsecured obligations of the Issuer and shall be guaranteed in respect of both the interest due and the principal amount under said Bonds by the Guarantor. The Bonds shall, at all times, rank <i>pari passu</i> , without any priority or preference among themselves and, save for such exceptions as may be provided by applicable law, without priority or preference to all present and future unsecured obligations of the Issuer;
Minimum amount per subscription	minimum of €2,000 and multiples of €100 thereafter;
Denomination	Euro (€);
Form	the Bonds shall be issued in fully registered and dematerialised form and shall be represented in uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer at the CSD;
Rights attaching to the Bonds	a Bondholder shall have such rights as are attached to the Bonds, including the repayment of capital; the payment of interest; ranking with respect to other indebtedness of the Issuer; the right to attend, participate in and vote at meetings of Bondholders in accordance with the Terms and Conditions of the Bonds; the right to seek recourse from the Guarantor pursuant to the Guarantee, in case of failure by the Issuer to pay any sum payable by it to the Bondholders pursuant to the Terms and Conditions of the Bonds; and the enjoyment of all such other rights attached to the Bonds emanating from the Prospectus;
Transferability	the Bonds are freely transferable and, once admitted to the Official List, shall be transferable only in whole (i.e. in multiples of €100) in accordance with the rules and regulations of the MSE applicable from time to time;
Underwriting	the Bond Issue is not subject to an underwriting agreement on a firm commitment basis.

### 2.2. WHERE WILL THE SECURITIES BE TRADED?

Application has been made to the MSE for the Bonds to be listed and traded on its Official List. The Bonds are expected to be admitted to the MSE with effect from 17 March, 2023 and trading is expected to commence on 20 March, 2023.

### 2.3. IS THERE A GUARANTEE ATTACHED TO THE SECURITIES?

The Bonds are, jointly and severally with the Issuer, guaranteed by the Guarantor. The Guarantor unconditionally and irrevocably guarantees the due and punctual performance of all the obligations undertaken by the Issuer under the Bonds and, without prejudice to the generality of the foregoing, undertakes to pay any indebtedness which shall become due and payable by the Issuer to Bondholders, upon first written demand by a Bondholder and such payment shall be due on the seventh Business Day following the Bondholder's first written demand to the Guarantor to pay. It is a condition precedent for the issuance of the Bonds that, *inter alia*, the Guarantor executes and grants the Guarantee.

#### 2.3.1. THE GUARANTOR

The Guarantor is Global Ports Holding plc, a public limited company registered under the laws of England and Wales with company registration number 10629250 and having its registered office at 3rd Floor, 34 Brook Street, London, England W1K 5DN. The Guarantor was incorporated and is domiciled in the United Kingdom, with LEI number 213800 BMNG 6351 VR5X06.

#### 2.3.2. KEY FINANCIAL INFORMATION OF THE GUARANTOR

The key financial information of the Guarantor on a consolidated basis is set out below (presented in thousands):

##### INCOME STATEMENT

	12 months ended 31 Mar 2022 <i>Audited</i>	15 months ended 31 Mar 2021 <i>Audited</i>	12 months ended 31 Dec 2019 <i>Audited</i>	6 months ended 30 Sep 2022 <i>Unaudited</i>	6 months ended 30 Sep 2021 <i>Unaudited</i>
USD'000					
Adjusted revenue	40,309	26,790	70,398	64,099	14,761
Adjusted EBITDA	7,010	(6,725)	39,646	40,403	(485)
Operating profit (loss)	(29,684)	(72,354)	1,860	21,910	(18,473)

Note: Adjusted revenue excludes IFRIC-12 construction for Nassau Cruise Port. 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.

**STATEMENT OF FINANCIAL POSITION**

<b>USD'000</b>	<b>31 Mar 2022</b> <i>Audited</i>	<b>31 Mar 2021</b> <i>Audited</i>	<b>31 Dec 2019</b> <i>Audited</i>	<b>30 Sep 2022</b> <i>Unaudited</i>
<b>Total assets</b>	811,871	813,256	794,879	797,816
<b>Net debt</b>	498,846	378,272	389,139	519,418
<b>Net debt excluding IFRS-16 Finance Lease</b>	434,963	312,354	324,311	462,184

**CASH FLOW STATEMENT**

<b>USD'000</b>	<b>12 months ended</b> <b>31 Mar 2022</b> <i>Audited</i>	<b>15 months ended</b> <b>31 Mar 2021</b> <i>Audited</i>	<b>12 months ended</b> <b>31 Dec 2019</b> <i>Audited</i>	<b>6 months ended</b> <b>30 Sep 2022</b> <i>Unaudited</i>	<b>6 months ended</b> <b>30 Sep 2021</b> <i>Unaudited</i>
<b>Net cash flows from operating activities</b>	(6,573)	36,647	37,119	39,139	(11,765)
<b>Net cash flows from financing activities</b>	43,472	72,389	(20,765)	(43,285)	(48,379)
<b>Net cash flow from investing activities</b>	(106,327)	3,051	(29,007)	(8,484)	(25,575)

Note: 15 months ended 31 March 2021 figures include cashflows from discontinued operations.

**2.3.3. KEY RISKS THAT ARE SPECIFIC TO THE GUARANTOR**

The most material risk factors specific to the Guarantor, which may adversely impact the operations and financial position of the Issuer should the circumstances mentioned therein materialise, are as follows:

**2.3.3.1. EPIDEMICS AND NATURAL DISASTERS**

The Group's operations are exposed to the inherent risk of incidents affecting some countries or destinations within its operations. Catastrophes from adverse weather patterns or other natural disasters, or a resurgence in the pandemic could similarly have an adverse effect on the Group's operational results, financial position and performance, and trading prospects.

**2.3.3.2. THE RIGHTS ALLOWING THE GROUP TO OPERATE ITS PORTS COULD BE TERMINATED BEFORE THEY EXPIRE**

Even if the Group maintains full compliance with its concession or management agreements and local and national laws and regulations, its concessions can be terminated before they expire in certain exceptional circumstances. Any such early termination of the Group's concession or management agreements may have a material adverse effect on the Guarantor's business, results of operations and prospects.

**2.3.3.3. THE GROUP IS SUBJECT TO AN INCREASINGLY COMPLEX REGULATORY ENVIRONMENT AND CHANGES MAY NEGATIVELY AFFECT ITS BUSINESS**

In addition to complying with the terms of its concession agreements and related licences and permits, the Group must satisfy a range of legal requirements under the jurisdiction of various regulators. Although the Group seeks to continue to comply with all relevant laws, regulations and the terms of its concession agreements, licences and permits, to the extent it is not able to do so, it could be subject to significant administrative or civil penalties.

**2.3.3.4. DEMAND FOR CRUISE PORT SERVICES IS SENSITIVE TO MACROECONOMIC CONDITIONS**

The Group's cruise port operations depend on visiting cruise passengers principally from developed countries, particularly the US, the UK and Germany. Economic uncertainty and the spending power of these passengers are influenced by factors beyond the Group's control, including local and global economic conditions, employment and discretionary income, and tax or interest rate fluctuations. These factors may impact the demand for cruises and cruise passengers' spending and may negatively affect the Group's revenue and profitability.

**2.3.3.5. DEMAND FOR CRUISE PORT SERVICES CAN BE INFLUENCED BY TRENDS AND PERCEPTIONS BEYOND THE GROUP'S CONTROL**

Factors outside the Group's control may negatively affect passenger demand for cruise holidays. Examples include events that cause consumers to perceive that cruise travel is unsafe or undesirable. The Group believes that the demand for cruising and other forms of leisure travel is primarily affected by passenger perceptions about safety. Accordingly, actual or perceived security issues, political or economic instability, terrorism, war and similar events may decrease demand for the Group's cruise ports. These factors may impact the demand for cruises port services and may negatively affect the Group's revenue and profitability.

**2.3.3.6. THE GROUP IS EXPOSED TO RISK RELATED TO INTEGRATING NEW PORTS**

Growth by acquisition involves risks that could adversely affect the Group's operating results, including the substantial amount of management time that may be diverted from operations to pursue and complete port acquisitions. Acquisitions may expose the Group to operational challenges and various risks, including but not limited to: the successful integration of newly acquired businesses with existing operations; adapting the Group's management controls and corporate governance structures to its increased scale; the successful centralisation of shared resources of new port acquisitions; and maintaining, expanding or developing relationships with its customers, suppliers, contractors, lenders and other third parties.

#### **2.3.3.7. THE RISKS OF ADDITIONAL INDEBTEDNESS**

The Group presently has a material amount of debt, and it may incur additional debt beyond the current level of indebtedness for the purposes of funding certain port investments or concession extensions. Such additional debt could have an adverse effect on the Group's leverage ratio and financial stability.

Additionally, a substantial portion of the cash flow generated from the Group's operations is utilised to repay its debt obligations pursuant to financial covenants to which it is subject. This gives rise to a reduction in the amount of cash which would otherwise be available for funding of the Group's working capital, capital expenditure, and other general corporate costs.

#### **2.4. WHAT ARE THE KEY RISKS THAT ARE SPECIFIC TO THE SECURITIES?**

##### **2.4.1. NO PRIOR MARKET**

Prior to the Bond Issue, there has been no public market, nor trading record for the Bonds within or outside Malta. Due to the absence of any prior market for the Bonds, there can be no assurance that the Bond Issue Price will correspond to the price at which the Bonds will trade in the market subsequent to the Bond Issue.

##### **2.4.2. ORDERLY AND LIQUID MARKET**

The existence of an orderly and liquid market for the Bonds depends on a number of factors, over which the Issuer has no control. There can be no assurance that an active secondary market for the Bonds will develop, or, if it develops, that it will continue. Moreover, there can be no assurance that Bondholders will be able to sell the Bonds at or above the Bond Issue Price or at all.

##### **2.4.3. FURTHER PUBLIC OFFERS**

No prediction can be made about the effect which any future public offerings of the Issuer's Bonds (including but not limited to the effects arising out of a change in the cash flow requirements of the Issuer or other commitments of the Issuer *vis-à-vis* the new security holders), or any takeover or merger activity involving the Issuer (including but not limited to a de-listing, in full or in part, of the Bonds), will have on the market price of the Bonds prevailing from time to time.

##### **2.4.4. RANKING OF THE BONDS**

Any secured or privileged debts of the Issuer shall rank at all times ahead of the obligations of the Issuer under the Bonds, as a result of which the Bondholders may not be able to recover their investment in the Bonds in the case of insolvency or an equivalent situation, whether in full or in part. Furthermore, third-party security interests may be registered which will rank in priority to the Bonds against the assets of the Issuer, as the case may be, for so long as such security interests remain in effect. The high gearing of the Company increases the materiality of such risk.

##### **2.4.5. SUBSEQUENT CHANGES IN INTEREST RATES AND POTENTIAL IMPACT OF INFLATION**

Investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the market value of the Bonds. When prevailing market interest rates are rising, the prices that market participants will generally be willing to pay for the Bonds can be expected to decline. Conversely, if market interest rates are declining, secondary market prices for the Bonds can generally be expected to rise. Moreover, the coupon payable on the Bonds is a nominal interest rate. The real interest rate is computed by subtracting inflation from the nominal interest rate, the result of which indicates the real return on the Bond coupons. In a period of high inflation, an investor's real return on the Bonds will be lower than the Bonds' nominal interest rate and thus undermine an investor's expected return. Furthermore, an increase in inflation may result in a decrease in the traded price of the Bonds on the secondary market.

##### **2.4.6. AMENDMENTS TO THE TERMS AND CONDITIONS OF THE BONDS**

The Terms and Conditions of the Bonds contain provisions for calling meetings of Bondholders to consider matters affecting their interests generally. In the event that the Issuer wishes to amend any of the Terms and Conditions of the Bonds it shall call a meeting of Bondholders in accordance with the provisions set out for calling meetings of Bondholders. These provisions permit defined majorities to bind all Bondholders including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority.

##### **2.4.7. RISKS RELATING TO THE GUARANTEE**

In view of the fact that the Bonds are being guaranteed by the Guarantor on a joint and several basis, the Bondholders shall be entitled to request the Guarantor to pay both the interest due and the principal amount under said Bonds if the Issuer fails to meet any amount when due in terms of the Prospectus. The Guarantee also entitles the Bondholders to take action against the Guarantor without having to first take action against the Issuer, if the Issuer fails to pay any sum payable by it to Bondholders pursuant to the Terms and Conditions of the said Bonds. The strength of this undertaking on the part of the Guarantor and, therefore, the level of recoverability by the Bondholders from the Guarantor of any amounts due under any of the Bonds, is dependent upon and directly linked to the financial position and solvency of the Guarantor.

### 3. KEY INFORMATION ON THE OFFER OF SECURITIES TO THE PUBLIC AND THE ADMISSION TO TRADING ON A REGULATED MARKET

#### 3.1. UNDER WHICH CONDITIONS AND TIMETABLE CAN I INVEST IN THIS SECURITY?

##### 3.1.1. PLAN OF DISTRIBUTION AND ALLOTMENT

The Bonds will be available for subscription by the Authorised Financial Intermediaries in accordance with Placement Agreements to be entered into by and amongst such Authorised Financial Intermediaries, the Issuer and the Guarantor.

The Placement Agreements, are conditional upon the Bonds being admitted to the Official List. In terms of the Placement Agreements, the Authorised Financial Intermediaries shall subscribe for the Bonds either for their own account or for the account of underlying customers, including retail clients, subject to a minimum subscription amount of €2,000 in nominal value of Bonds and in multiples of €100 thereafter. Authorised Financial Intermediaries must effect payment to the Issuer for the Bonds subscribed to by not later than the Placement Date.

Authorised Financial Intermediaries shall distribute the Bonds on an advisory basis only, and are therefore required to conduct a Suitability Test prior to selling the Bonds to prospective investors. Such requirement shall also be applicable with regards to secondary trading. Prospective investors who fail the Suitability Test will not be eligible to invest in the Bonds.

It is expected that an allotment advice will be dispatched to Applicants within five Business Days of the announcement of the allocation policy. The registration advice and other documents and any monies returnable to Applicants may be retained pending clearance of the remittance and any verification of identity as required by the Prevention of Money Laundering Act (Cap. 373 of the laws of Malta), and regulations made thereunder. Such monies shall not bear interest while retained as aforesaid.

Dealings in the Bonds shall not commence prior to the Bonds being admitted to the Official List.

##### 3.1.2. ALLOCATION POLICY

The full amount of the Bond Issue shall be allocated to Authorised Financial Intermediaries in accordance with the aforementioned Placement Agreements to be entered into.

The Issuer shall announce the allocation policy for the allotment of Bonds through a company announcement available on the Issuer's website: <http://gphmaltafinance.com/> by not later than 10 March, 2023.

##### 3.1.3. EXPECTED TIMETABLE OF THE BOND ISSUE

1	Placement Date	3 March, 2023
2	Commencement of interest on the Bonds	10 March, 2023
3	Announcement of basis of acceptance	10 March, 2023
4	Expected dispatch of allotment advices	17 March, 2023
5	Expected date of admission of the Bonds to listing	17 March, 2023
6	Expected date of commencement of trading in the Bonds	20 March, 2023

##### 3.1.4. TOTAL ESTIMATED EXPENSES

Professional fees, and costs related to publicity, advertising, printing, listing, registration, sponsor, management, registrar fees, selling commission, and other miscellaneous expenses in connection with this Bond Issue are estimated not to exceed €750,000 in the aggregate. There is no particular order of priority with respect to such expenses. The expenses pertaining to the Bond Issue shall be borne exclusively by the Issuer.

## 3.2. WHY IS THIS PROSPECTUS BEING PRODUCED?

### 3.2.1. THE USE AND ESTIMATED NET AMOUNT OF THE PROCEEDS

The aggregate proceeds from the Bond Issue, which net of Bond Issue expenses are expected to amount to approximately €24,250,000, is intended to be utilised by the Issuer for the following purposes:

- (a) an amount of approximately €22,000,000 shall be on-lent by the Issuer to selected members of the Group via the Guarantor for the purposes of financing, whether in whole or in part, the Group's investments which, as at the date of this Summary, have already been committed under the corresponding agreements entered into in respect of the Canary Island cruise ports, including Las Palmas; the Tarragona Cruise Port; the Kalundborg Cruise Port and the Alicante Cruise Port; and
- (b) an amount of approximately €2,250,000 will be applied for general corporate funding purposes of the Group.

In the event that the Bond Issue is not fully subscribed, the Issuer will proceed with the listing of the amount of Bonds subscribed for, and shall apply the net proceeds received without any order of priority as the Group will determine which projects or uses to apply Bond Issue proceeds so raised. Any residual amounts required by the Issuer for the purposes of the use specified in (a) above which shall not have been raised through the Bond Issue shall be financed from the Group's general cash flow and, or bank financing.

### 3.2.2. RESERVE

The Issuer hereby undertakes that as from the 10 March, 2026, it shall, over a period of three years therefrom, build up a reserve, the value of which will, in aggregate, be equivalent to 50% of the value of the Bonds admitted to listing (the **"Reserve"**). The Reserve, which shall be funded by cash deposits from the Issuer and, or Guarantor, shall take the form of 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.

Funds in the Reserve Account may only be applied for the purpose of redeeming the equivalent amount of outstanding Bonds on 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; or (b) for investing in balanced and diversified portfolio of marketable and liquid assets as can reasonably be considered practicable by the Security Trustee in the then current market and overall economic conditions. 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.

### 3.2.3. CONFLICTS OF INTEREST PERTAINING TO THE BOND ISSUE

Save for the subscription for Bonds by Authorised Financial Intermediaries, and any fees payable in connection with the Bond Issue to M. Z. Investment Services Ltd as Sponsor and Bank of Valletta p.l.c. as Manager and Registrar, in so far as the Issuer is aware, no person involved in the Bond Issue has an interest, conflicting or otherwise, material to the Bond Issue.



# REGISTRATION DOCUMENT

DATED 1 FEBRUARY, 2023

This document is a Registration Document issued in accordance with the provisions of Chapter 4 of the Capital Markets Rules issued by the MFSA and in accordance with the provisions of the Prospectus Regulation.

This Registration Document is being issued by:

## **GPH Malta Finance p.l.c.**

*a public limited liability company registered under the laws of Malta with company registration number C 103534*

with the joint and several guarantee of:

## **Global Ports Holding plc**

*a public limited company registered under the laws of England and Wales with company registration number 10629250*



M Z I N V E S T M E N T S

**Sponsor**



Bank of Valletta

**Manager & Registrar**



CAMILLERI PREZIOSI  
ADVOCATES

**Legal Counsel**

**THIS REGISTRATION DOCUMENT HAS BEEN APPROVED BY THE MFSA, AS THE COMPETENT AUTHORITY UNDER THE PROSPECTUS REGULATION. THIS MEANS THAT THE MFSA HAS ONLY APPROVED THIS REGISTRATION DOCUMENT AS MEETING THE STANDARDS OF COMPLETENESS, COMPREHENSIBILITY AND CONSISTENCY AS PRESCRIBED BY THE PROSPECTUS REGULATION. SUCH APPROVAL SHOULD NOT, HOWEVER, BE CONSIDERED AS AN ENDORSEMENT OF THE ISSUER THAT IS THE SUBJECT OF THIS REGISTRATION DOCUMENT. IN PROVIDING THIS AUTHORISATION, THE MFSA DOES NOT GIVE ANY CERTIFICATION REGARDING THE POTENTIAL RISKS OF INVESTING IN SECURITIES ISSUED BY THE ISSUER AND SUCH AUTHORISATION SHOULD NOT BE DEEMED, OR BE CONSTRUED, AS A REPRESENTATION OR WARRANTY AS TO THE SAFETY OF INVESTING IN ANY SUCH SECURITIES.**

**THE MFSA ACCEPTS NO RESPONSIBILITY FOR THE CONTENTS OF THE PROSPECTUS, MAKES NO REPRESENTATIONS AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER, FOR ANY LOSS HOWSOEVER ARISING FROM, OR IN RELIANCE UPON, THE WHOLE OR ANY PART OF THE CONTENTS OF THE PROSPECTUS INCLUDING ANY LOSSES INCURRED BY INVESTING IN THE SECURITIES ISSUED BY THE ISSUER.**

**A PROSPECTIVE INVESTOR SHOULD ALWAYS SEEK FINANCIAL ADVICE BEFORE DECIDING TO INVEST IN ANY LISTED FINANCIAL INSTRUMENT.**

APPROVED BY THE BOARD OF DIRECTORS

**Stephen Xuereb**

signing in his capacity as director of the Issuer and on behalf of  
Mehmet Kutman, Ayşegül Bensele, Jérôme Bernard Jean Auguste Bayle, and Taddeo Scerri

## IMPORTANT INFORMATION

THIS REGISTRATION DOCUMENT FORMS PART OF THE PROSPECTUS AND CONTAINS INFORMATION ON GPH MALTA FINANCE P.L.C. (C 103534) (THE “ISSUER”) AND GLOBAL PORTS HOLDING PLC (THE “GUARANTOR”), AND THE BUSINESS OF THE GROUP OF WHICH THEY FORM PART, IN ACCORDANCE WITH THE REQUIREMENTS OF THE CAPITAL MARKETS RULES, THE ACT, THE FMA AND THE PROSPECTUS REGULATION.

A COPY OF THIS REGISTRATION DOCUMENT HAS BEEN SUBMITTED TO THE MFSA IN SATISFACTION OF THE CAPITAL MARKETS RULES, THE MSE IN SATISFACTION OF THE MSE BYE-LAWS AND HAS BEEN DULY FILED WITH THE REGISTRAR OF COMPANIES AT THE MALTA BUSINESS REGISTRY IN ACCORDANCE WITH THE ACT.

**THE MFSA ACCEPTS NO RESPONSIBILITY FOR THE CONTENTS OF THIS REGISTRATION DOCUMENT, MAKES NO REPRESENTATIONS AS TO THEIR ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM, OR IN RELIANCE UPON, THE WHOLE OR ANY PART OF THE CONTENTS OF THIS REGISTRATION DOCUMENT.**

THIS REGISTRATION DOCUMENT DOES NOT CONSTITUTE, AND MAY NOT BE USED FOR PURPOSES OF, AN OFFER OR INVITATION TO SUBSCRIBE FOR BONDS ISSUED BY THE ISSUER: (I) BY ANY PERSON IN ANY JURISDICTION IN WHICH SUCH OFFER OR INVITATION IS NOT AUTHORISED OR IN WHICH THE PERSON MAKING SUCH OFFER OR INVITATION TO SUBSCRIBE FOR BONDS IS NOT QUALIFIED TO DO SO; OR (II) TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR INVITATION. THE DISTRIBUTION OF THE PROSPECTUS IN CERTAIN JURISDICTIONS MAY BE RESTRICTED AND, ACCORDINGLY, PERSONS INTO WHOSE POSSESSION IT IS RECEIVED ARE REQUIRED TO INFORM THEMSELVES ABOUT, AND TO OBSERVE, SUCH RESTRICTIONS.

NO PERSON HAS BEEN AUTHORISED BY THE ISSUER OR ITS DIRECTORS, OR THE ISSUER’S ADVISERS, TO ISSUE ANY ADVERTISEMENT OR TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS IN CONNECTION WITH THE BOND ISSUE OTHER THAN THOSE CONTAINED IN THIS REGISTRATION DOCUMENT AND IN THE DOCUMENTS REFERRED TO HEREIN, AND IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORISED BY THE ISSUER, ITS DIRECTORS, OR ITS ADVISERS.

IT IS THE RESPONSIBILITY OF ANY PERSON IN POSSESSION OF THIS REGISTRATION DOCUMENT AND ANY PERSON WISHING TO APPLY FOR THE BONDS TO INFORM THEMSELVES OF, AND TO OBSERVE AND COMPLY WITH, ALL APPLICABLE LAWS AND REGULATIONS OF ANY RELEVANT JURISDICTION. PROSPECTIVE INVESTORS IN THE BONDS SHOULD INFORM THEMSELVES AS TO THE LEGAL REQUIREMENTS OF APPLYING FOR ANY BONDS AND ANY APPLICABLE EXCHANGE CONTROL REQUIREMENTS AND TAXES IN THE COUNTRIES OF THEIR NATIONALITY, RESIDENCE AND, OR DOMICILE. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER ALL THE INFORMATION CONTAINED IN THE PROSPECTUS AS A WHOLE AND SHOULD CONSULT THEIR OWN FINANCIAL AND OTHER PROFESSIONAL ADVISERS BEFORE DECIDING TO MAKE AN INVESTMENT IN THE BONDS.

THE ISSUER HAS CONSENTED TO THE AUTHORISED FINANCIAL INTERMEDIARIES MAKING USE OF THIS REGISTRATION DOCUMENT IN CONNECTION WITH THEIR DISTRIBUTION AND PLACEMENT ACTIVITIES FOR THE SALE OF THE BONDS.

SAVE FOR THE ISSUE IN THE REPUBLIC OF MALTA, NO ACTION HAS BEEN, OR WILL BE, TAKEN BY THE ISSUER THAT WOULD PERMIT A PUBLIC OFFERING OF THE BONDS OR THE DISTRIBUTION OF THE PROSPECTUS (OR ANY PART THEREOF), OR ANY OFFERING MATERIAL, IN ANY COUNTRY OR JURISDICTION WHERE ACTION FOR THAT PURPOSE IS REQUIRED. ACCORDINGLY, NO BONDS MAY BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, AND NEITHER THIS PROSPECTUS NOR ANY ADVERTISEMENT OR OTHER OFFERING MATERIAL MAY BE DISTRIBUTED OR PUBLISHED IN ANY JURISDICTION, EXCEPT UNDER CIRCUMSTANCES THAT WILL RESULT IN COMPLIANCE WITH ANY APPLICABLE LAWS AND REGULATIONS. PERSONS INTO WHOSE POSSESSION THIS PROSPECTUS, OR ANY OTHER OFFERING MATERIAL MAY COME, MUST INFORM THEMSELVES ABOUT, AND OBSERVE, IF ANY SUCH RESTRICTIONS ON THE DISTRIBUTION OF THIS PROSPECTUS AND THE OFFERING AND SALE OF THE BONDS.

THIS PROSPECTUS AND THE OFFERING, SALE OR DELIVERY OF ANY BONDS MAY NOT BE TAKEN AS AN IMPLICATION: (I) THAT THE INFORMATION CONTAINED IN THE PROSPECTUS IS ACCURATE AND COMPLETE SUBSEQUENT TO ITS DATE OF ISSUE; OR (II) THAT THERE HAS BEEN NO MATERIAL ADVERSE CHANGE IN THE FINANCIAL POSITION OR PERFORMANCE OF THE ISSUER OR THE GUARANTOR SINCE SUCH DATE; OR (III) THAT ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE PROSPECTUS IS ACCURATE AT ANY TIME SUBSEQUENT TO THE DATE ON WHICH IT IS SUPPLIED OR, IF DIFFERENT, THE DATE INDICATED IN THE DOCUMENT CONTAINING THE SAME.

**THIS REGISTRATION DOCUMENT IS VALID FOR A PERIOD OF 12 MONTHS FROM THE DATE HEREOF. FOLLOWING THE LAPSE OF THIS VALIDITY PERIOD, THE ISSUER IS NOT OBLIGED TO SUPPLEMENT THIS REGISTRATION DOCUMENT IN THE EVENT OF SIGNIFICANT NEW FACTORS, MATERIAL MISTAKES OR MATERIAL INACCURACIES.**

ALL THE ADVISERS TO THE ISSUER AND THE GUARANTOR NAMED IN SECTION 4.1 OF THIS REGISTRATION DOCUMENT HAVE ACTED, AND ARE ACTING, EXCLUSIVELY FOR THE ISSUER IN RELATION TO THE PROSPECTUS AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION TOWARDS ANY OTHER PERSON, AND WILL ACCORDINGLY NOT BE RESPONSIBLE TO ANY INVESTOR OR ANY OTHER PERSON WHOMSOEVER IN RELATION TO THE TRANSACTIONS PROPOSED IN THE PROSPECTUS.

**STATEMENTS MADE IN THIS REGISTRATION DOCUMENT ARE, EXCEPT WHERE OTHERWISE STATED, BASED ON THE LAW AND PRACTICE CURRENTLY IN FORCE IN MALTA AND ARE SUBJECT TO CHANGES THEREIN.**

UNLESS INCORPORATED BY REFERENCE IN THIS REGISTRATION DOCUMENT, THE CONTENTS OF THE ISSUER'S AND, OR THE GUARANTOR'S WEBSITE OR ANY WEBSITE DIRECTLY OR INDIRECTLY LINKED TO THE ISSUER'S AND, OR THE GUARANTOR'S WEBSITE DO NOT FORM PART OF THE PROSPECTUS. ACCORDINGLY, NO RELIANCE OUGHT TO BE MADE BY ANY INVESTOR ON ANY INFORMATION OR OTHER DATA CONTAINED IN SUCH WEBSITES AS THE BASIS FOR A DECISION TO INVEST IN THE BONDS.

**THE VALUE OF INVESTMENTS CAN GO UP OR DOWN AND PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER ALL THE INFORMATION CONTAINED IN THE PROSPECTUS AS A WHOLE AND SHOULD CONSULT THEIR OWN FINANCIAL AND OTHER PROFESSIONAL ADVISERS.**

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# 1. DEFINITIONS

In this Registration Document the following capitalised words and expressions shall bear the following meanings, except where the context otherwise requires:

<b>Act</b>	the Companies Act (Cap. 386 of the laws of Malta), as may be amended from time to time;
<b>Authorised Financial Intermediary/ies</b>	the financial intermediaries whose details appear in Annex II to the Securities Note;
<b>Board of Directors or Board</b>	the Board of Directors of the Issuer;
<b>Bond/s</b>	the unsecured bonds of an aggregate principal amount of up to €25,000,000 of a nominal value of €100 per bond, issued at par and redeemable at their nominal value on the Redemption Date, and bearing interest at the rate of 6.25% per annum and having ISIN MT0002731207, as described in further detail in the Securities Note;
<b>Bond Issue</b>	the issue of the Bonds;
<b>Capital Markets Rules</b>	the capital markets rules issued by the MFSA, as may be amended from time to time;
<b>EEA</b>	European Economic Area;
<b>EU</b>	European Union;
<b>Euro</b>	the lawful currency of the Republic of Malta;
<b>FMA</b>	the Financial Markets Act (Cap. 345 of the laws of Malta);
<b>GDPR</b>	Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC, as may be amended from time to time;
<b>GIH</b>	Global Yatırım Holding A.Ş., a joint stock company registered under the laws of the Republic of Turkey with company registration number 265814-0 and having its registered office at Esentepe Mah. Buyukdere Cad. No:193-2 Sisli Istanbul, Turkey;
<b>Group</b>	the group of companies of which the Issuer and the Guarantor form part, as illustrated in section 6 of this Registration Document;
<b>Guarantee</b>	the joint and several suretyship of the Guarantor undertaking to guarantee the due and punctual performance of the Issuer's payment obligations under the Bond Issue. A copy of the Guarantee including a description of the nature, scope and terms of the Guarantee is appended to the Securities Note as Annex I thereof;
<b>Guarantor</b>	Global Ports Holding plc, a public limited liability company registered under the laws of England and Wales with company registration number 10629250 and having its registered office at 3rd Floor, 34 Brook Street, London, England W1K 5DN;
<b>Issuer</b>	GPH Malta Finance p.l.c., a public limited liability company registered under the laws of Malta with company registration number C 103534 and having its registered office at 45, 46 Pinto Wharf, Floriana FRN 1913, Malta;

<b>Malta Financial Services Authority or MFSA</b>	the Malta Financial Services Authority, established in terms of the Malta Financial Services Authority Act (Cap. 330 of the laws of Malta), being the competent authority to approve prospectuses of any offer of securities to the public in Malta in terms of the FMA;
<b>Malta Stock Exchange or MSE</b>	Malta Stock Exchange p.l.c., as originally constituted in terms of the FMA with company registration number C 42525 and having its registered office at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta;
<b>Manager and Registrar</b>	Bank of Valletta p.l.c., a public limited liability company registered in Malta, with company registration number C 2833 and having its registered office at 58, Zachary Street, Valletta VLT 1130, Malta;
<b>Memorandum and Articles of Association</b>	the memorandum and articles of association of the Issuer in force at the time of publication of the Prospectus in the form as registered with the Registrar of Companies at the Malta Business Registry. The terms <b>"Memorandum"</b> , <b>"Articles"</b> and <b>"Articles of Association"</b> shall be construed accordingly;
<b>MSE Bye-Laws</b>	the bye-laws issued by the MSE;
<b>Official List</b>	the list prepared and published by the MSE as its official list in accordance with the MSE Bye-Laws;
<b>Prospectus</b>	collectively, the Registration Document, the Securities Note and the Summary;
<b>Prospectus Regulation</b>	Regulation (EU) No. 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, as amended from time to time, and as supplemented in accordance with the provisions of Commission Delegated Regulation No. 2019/979 and Commission Delegated Regulation No. 2019/980 issued thereunder, as may be amended from time to time;
<b>Redemption Date</b>	with respect to the Bonds, 10 March, 2030;
<b>Registration Document</b>	this document in its entirety issued by the Issuer in respect of the Bond Issue, dated 1 February, 2023, forming part of the Prospectus;
<b>Securities Note</b>	the securities note issued by the Issuer in respect of the Bond Issue, dated 1 February, 2023, forming part of the Prospectus;
<b>Sponsor</b>	M.Z. Investment Services Limited, a private limited liability company registered in Malta, with company registration number C 23936 and having its registered office at 61, M.Z. House, St. Rita Street, Rabat RBT 1523, Malta, licensed by the MFSA and member of the MSE;
<b>Summary</b>	the summary issued by the Issuer dated 1 February, 2023, forming part of the Prospectus; and
<b>USD</b>	the lawful currency of the United States of America.

Unless it appears otherwise from the context:

- a. words importing the singular shall include the plural and *vice versa*;
- b. words importing the masculine gender shall include the feminine gender and *vice versa*;
- c. the word "may" shall be construed as permissive and the word "shall" shall be construed as imperative;
- d. all references in this Registration Document to "Malta" shall be construed as defined in Article 124 (1) of the Constitution of Malta;
- e. any phrase introduced by the terms "including", "include", "in particular" or any similar expression is illustrative only and does not limit the sense of the words preceding those terms; and
- f. any reference to a law, legislative act, and, or other legislation shall mean that particular law, legislative act and, or legislation as in force at the date of this Registration Document.

## 2. RISK FACTORS

AN INVESTMENT IN THE BONDS INVOLVES CERTAIN RISKS INCLUDING THOSE DESCRIBED BELOW. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER WITH THEIR OWN FINANCIAL AND OTHER PROFESSIONAL ADVISERS, THE FOLLOWING RISK FACTORS AND OTHER INVESTMENT CONSIDERATIONS AS WELL AS ALL THE OTHER INFORMATION CONTAINED IN THIS PROSPECTUS, BEFORE MAKING ANY INVESTMENT DECISION WITH RESPECT TO THE ISSUER. SOME OF THESE RISKS ARE SUBJECT TO CONTINGENCIES WHICH MAY OR MAY NOT OCCUR AND NEITHER THE ISSUER, NOR THE GUARANTOR, IS IN A POSITION TO EXPRESS A VIEW ON THE LIKELIHOOD OF ANY SUCH CONTINGENCIES OCCURRING.

THE RISK FACTORS BELOW HAVE BEEN CATEGORISED UNDER TWO MAIN CATEGORIES, ACCORDING TO WHETHER THE RISK FACTORS RELATE TO: (I) THE ISSUER PER SE; OR (II) THE GUARANTOR AND THE BUSINESS SEGMENTS WITHIN WHICH THE GROUP OPERATES. IN TURN, CATEGORY (II) HAS BEEN SUB-CATEGORISED INTO RISKS: (A) RELATING TO THE BUSINESS OF THE GROUP IN GENERAL; (B) SPECIFIC TO THE GROUP'S OPERATIONS; AND (C) SPECIFIC TO THE GROUP'S INVESTMENTS AND STRATEGY.

THE RISK FACTOR FIRST APPEARING UNDER EACH CATEGORY CONSTITUTES THAT RISK FACTOR WHICH THE DIRECTORS HAVE ASSESSED TO BE THE MOST MATERIAL RISK FACTOR UNDER SUCH CATEGORY AS AT THE DATE OF THIS REGISTRATION DOCUMENT. IN MAKING THIS ASSESSMENT OF MATERIALITY, THE DIRECTORS HAVE EVALUATED THE COMBINATION OF: (I) THE PROBABILITY THAT THE RISK FACTOR OCCURS; AND (II) THE EXPECTED MAGNITUDE OF THE ADVERSE EFFECT ON THE FINANCIAL CONDITION AND PERFORMANCE OF THE ISSUER, OR THE GUARANTOR, IF THE RISK FACTOR WERE TO MATERIALISE.

IF ANY OF THE RISKS DESCRIBED BELOW WERE TO MATERIALISE, THEY COULD HAVE A SERIOUS ADVERSE EFFECT ON THE ISSUER'S AND, OR THE GUARANTOR'S FINANCIAL RESULTS, FINANCIAL CONDITION, OPERATIONAL PERFORMANCE, BUSINESS AND, OR TRADING PROSPECTS, AS WELL AS THE ABILITY OF THE ISSUER TO FULFIL ITS OBLIGATIONS UNDER THE SECURITIES ISSUED BY IT FROM TIME TO TIME, AND, OR THE ABILITY OF THE GUARANTOR TO FULFIL ITS OBLIGATIONS UNDER THE GUARANTEE. THE RISKS AND UNCERTAINTIES DISCUSSED BELOW ARE THOSE IDENTIFIED AS SUCH BY THE DIRECTORS AS AT THE DATE OF THIS REGISTRATION DOCUMENT, BUT THESE RISKS AND UNCERTAINTIES MAY NOT BE THE ONLY ONES THAT THE ISSUER AND, OR THE GUARANTOR FACES OR COULD FACE. ADDITIONAL RISKS AND UNCERTAINTIES, INCLUDING THOSE WHICH THE ISSUER'S DIRECTORS ARE NOT CURRENTLY AWARE OF, MAY WELL RESULT IN A MATERIAL ADVERSE IMPACT ON THE ISSUER'S AND, OR THE GUARANTOR'S FINANCIAL RESULTS, FINANCIAL CONDITION, OPERATIONAL PERFORMANCE, BUSINESS AND, OR TRADING PROSPECTS, AND ON THE ABILITY OF THE ISSUER TO FULFIL ITS OBLIGATIONS UNDER THE BONDS AND, OR ON THE ABILITY OF THE GUARANTOR TO FULFIL ITS OBLIGATIONS UNDER THE GUARANTEE. IN ADDITION, PROSPECTIVE INVESTORS OUGHT TO BE AWARE THAT RISK MAY BE AMPLIFIED DUE TO A COMBINATION OF RISK FACTORS.

THE PROSPECTUS, THE DOCUMENTATION INCORPORATED BY REFERENCE HEREIN AND, OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH BONDS ISSUED BY THE ISSUER:

- (I) IS NOT INTENDED TO PROVIDE THE BASIS FOR ANY CREDIT OR OTHER EVALUATION;
- (II) IS NOT AND SHOULD NOT BE CONSIDERED AS A RECOMMENDATION BY THE ISSUER AND, OR THE GUARANTOR, THEIR RESPECTIVE DIRECTORS, ANY OF THE ADVISERS LISTED IN SECTION 4.1 BELOW, OR ANY OF THE AUTHORISED FINANCIAL INTERMEDIARIES THAT ANY RECIPIENT OF THIS PROSPECTUS, THE DOCUMENTATION INCORPORATED BY REFERENCE HEREIN, OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION THEREWITH, SHOULD PURCHASE THE BONDS ISSUED BY THE ISSUER (AND THEREFORE PROSPECTIVE INVESTORS SHOULD MAKE THEIR OWN EVALUATION OF ALL RISK FACTORS, AND SHOULD CONSIDER ALL OTHER SECTIONS IN THIS REGISTRATION DOCUMENT); AND
- (III) CONTAIN STATEMENTS THAT ARE, OR MAY BE DEEMED TO BE, "FORWARD-LOOKING STATEMENTS".



## 2.1 FORWARD-LOOKING STATEMENTS

Forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believes”, “estimates”, “forecasts”, “projects”, “anticipates”, “expects”, “envisages”, “intends”, “may”, “will”, or “should” or, in each case, their negative or other variations or comparable terminology. These forward-looking statements relate to matters that are not historical facts. They appear in a number of places within the Prospectus and include statements regarding the intentions, beliefs or current expectations of the Issuer’s and, or the Guarantor’s directors, amongst other things, the Issuer’s and, or the Guarantor’s strategy and business plans, financial condition and performance, results of operations, liquidity, prospects, investments, and the markets in which they operate.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may, or may not occur, in the future. Forward-looking statements are subject to numerous assumptions, risks and uncertainties. Many of these assumptions, risks and uncertainties are beyond the Issuer’s and Guarantor’s control. Forward-looking statements are not guarantees of future performance and should therefore not be construed as such. The Issuer’s and, or the Guarantor’s actual operational results, financial condition and performance, and trading prospects may differ materially from the impression created by the forward-looking statements contained in the Prospectus. In addition, even if the operational results, financial condition and performance, and trading prospects of the Issuer and, or the Guarantor are consistent with the forward-looking statements contained in the Prospectus, those results or developments may not be indicative of results or developments in subsequent periods. Important factors that may cause these differences include, but are not limited to, those factors identified under this section 2 of this Registration Document and elsewhere in the Prospectus. There can be no assurance that (i) the Group has correctly measured or identified all of the factors affecting its business or the extent of their likely impact, (ii) the publicly available information with respect to these factors on which the Group’s analysis is based is complete or accurate, (iii) the Group’s analysis is correct or (iv) the Group’s strategy, which is based in part on this analysis, will be successful. No attempt has been made by the Group to verify the forward-looking statements in this Prospectus. No representation is made that any of these statements, projections or forecasts will come to pass or that any forecasted result will be achieved. Where, in any forward-looking statement, the Group expresses an expectation or belief as to future results or events, such expectation or belief is expressed in good faith and believed to have a reasonable basis, but there can be no assurance that the expectation or belief will result or be achieved or accomplished.

All forward-looking statements contained in this Registration Document are made only as at the date hereof. Subject to applicable legal and regulatory obligations, the Issuer, the Guarantor, and their respective directors expressly disclaim any obligations to update or revise any forward-looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

## 2.2 RISKS RELATING TO THE ISSUER

### 2.2.1 ISSUER’S DEPENDENCE ON THE GUARANTOR AND ITS BUSINESS

The Issuer is a finance company, with one of its purposes being that of financing or re-financing the funding requirements of the business of the Group, particularly that of the Guarantor. In this respect, the Issuer is mainly dependent on the business prospects of the Guarantor, and consequently, the operating results of the Guarantor have a direct effect on the Issuer’s financial position and performance, and as such the risks intrinsic in the business and operations of the Guarantor shall have a direct effect on the ability of the Issuer to meet its obligations in respect of principal and interest under the Bonds when due.

As a majority of its assets will consist of receivables due in respect of loans to the Guarantor, the Issuer is largely dependent, including for the purpose of servicing interest payments on the Bonds and the repayment of the principal on the maturity date, on receipt of interest and capital repayments from the Guarantor. The interest and capital repayments to be effected by the Guarantor in favour of the Issuer are subject to certain risks. More specifically, the ability of the Guarantor to effect loan repayments will depend on its respective cash flows and earnings, which may be restricted or affected by changes in applicable laws and regulations, by the terms of agreements to which they are or may become party (including the indenture governing existing indebtedness), or by other factors beyond the control of the Issuer. The occurrence of any such factors could in turn negatively affect the ability of the Issuer to meet its obligations in respect of the repayment of principal and interest under the Bonds punctually when due.

## **2.3 RISKS RELATING TO THE GUARANTOR AND THE BUSINESS OF THE GROUP**

### **2.3.1 RISKS RELATING TO THE BUSINESS OF THE GROUP IN GENERAL**

#### **2.3.1.1 EPIDEMICS AND NATURAL DISASTERS**

The Group's operations are exposed to the inherent risk of incidents affecting some countries or destinations within its operations. This can include natural catastrophes such as earthquakes, floods, wildfires, hurricanes or tsunamis or outbreaks of disease such as the Covid-19 pandemic. Certain areas in which the Group currently operates or into which it may further expand, including in particular the Caribbean, are located in regions at high risk of damage from adverse weather patterns or other natural disasters, which could cause damage to, or otherwise materially disrupt, the Group's cruise port operations. The spread of Covid-19 and the recent developments surrounding the global pandemic had material adverse effects on all aspects of the Group's business. A resurgence in the pandemic could similarly have an adverse effect on the Group's operational results, financial position and performance, and trading prospects.

#### **2.3.1.2 THE RIGHTS ALLOWING THE GROUP TO OPERATE ITS PORTS COULD BE TERMINATED BEFORE THEY EXPIRE**

The Group operates most of its ports under long-term concession agreements, with the relevant owner of the port. The length of concessions varies and the Group's concession agreements are granted for a fixed term. Even if the Group maintains full compliance with its concession or management agreements and local and national laws and regulations, its concessions can be terminated before they expire in certain exceptional circumstances. These include national emergencies, such as natural disasters, wars, conflicts, pandemics, disruptions of public order or other governmental actions that curtail fundamental rights and obligations. Any such early termination of the Group's concession or management agreements may have a material adverse effect on the Group's business, results of operations and prospects.

#### **2.3.1.3 THE GROUP IS SUBJECT TO AN INCREASINGLY COMPLEX REGULATORY ENVIRONMENT AND CHANGES MAY NEGATIVELY AFFECT ITS BUSINESS**

In addition to complying with the terms of its concession agreements and related licences and permits, the Group must satisfy a range of legal requirements, including corporate, maritime, customs, antitrust, administrative, property and environmental laws and regulations, under the jurisdiction of various regulators. Although the Group seeks to continue to comply with all relevant laws, regulations and the terms of its concession agreements, licences and permits, to the extent it is not able to do so, it could be subject to significant administrative or civil penalties, including:

- the imposition of fines, penalties and criminal sanctions for wilful violations;
- increased regulatory scrutiny;
- suspension of activities at a port;
- reputational damage to the Group's brand;
- default under financing agreements;
- judgments for damages, which may not be covered by insurance or in excess of insurance cover;
- termination of, or increased premiums on, insurance policies;
- difficulties attracting cruise ships or passengers and other guests to the Group's terminals;
- difficulty in recruiting and retaining personnel, particularly where any non-compliance relates to matters affecting its employees; and
- the representatives, directors or managers of the relevant Group company being subject to a fine.

#### **2.3.1.4 REPUTATIONAL RISK DUE TO FRAUD AND BRIBERY**

The Group's business entails numerous interactions with government authorities, including port authorities, health, safety, and environment authorities, labour and tax authorities and customs and immigration authorities. Furthermore, the Group operates in some countries where corruption is endemic. The Group has a zero-tolerance policy on corruption of any sort. In addition to being illegal, it can potentially harm the Group's business and reputation, for example, by excluding the Group from Public Private Partnership (PPP) tenders. Any such payments may be deemed to violate anti-corruption laws applicable to the Group, exposing the Group to potential civil and criminal penalties as well as reputational damage that could have a material adverse effect on the Group's business, results of operations and financial condition.

### **2.3.1.5 CYBER-SECURITY AND DATA PRIVACY**

As a complex global organization, there is a risk that the Group falls victim to increasingly sophisticated cyberattacks aimed at disrupting the Group's information assets by circumventing confidentiality, integrity or availability controls.

### **2.3.2 RISKS SPECIFIC TO THE GROUP'S OPERATIONS**

In addition to the risk factor disclosures identified in section 2.3.1 above, the following risks specific to the Group's operations apply:

#### **2.3.2.1 DEMAND FOR CRUISE PORT SERVICES IS SENSITIVE TO MACROECONOMIC CONDITIONS**

The Group's financial performance is affected by the macroeconomic environment. The Group's cruise port operations depend on visiting cruise passengers principally from developed countries, particularly the U.S., the UK and Germany. Economic uncertainty and the spending power of these passengers are influenced by factors beyond the Group's control, including local and global economic conditions, employment and discretionary income, and tax or interest rate fluctuations. These factors may impact the demand for cruises and cruise passengers' spending and may negatively affect the Group's revenue and profitability.

#### **2.3.2.2 DEMAND FOR CRUISE PORT SERVICES CAN BE INFLUENCED BY TRENDS AND PERCEPTIONS BEYOND THE GROUP'S CONTROL**

Factors outside the Group's control may negatively affect passenger demand for cruise holidays. Examples include events that cause consumers to perceive that cruise travel is unsafe or undesirable, such as:

- political or social unrest or terrorist incidents;
- the spread of contagious diseases;
- the availability and pricing of other forms of travel or factors affecting the cost of cruise travel, including fuel and currency fluctuations;
- changes in visa or other requirements that make travel more difficult or expensive; and
- pandemic related travel restrictions.

The Group believes that the demand for cruising and other forms of leisure travel is primarily affected by passenger perceptions of safety. Accordingly, actual or perceived security issues, political or economic instability, terrorism, war and similar events may decrease demand for the Group's cruise ports, particularly if they affect:

- countries where the Group operates its ports;
- countries of destination ports in cruise itineraries that include the Group's ports, and
- the major source markets (primarily the US, UK and Germany).

These factors may impact the demand for cruises port services and may negatively affect the Group's revenue and profitability.

### **2.3.3 RISKS RELATING TO THE GROUP'S INVESTMENTS AND STRATEGY**

In addition to the risk factor disclosures identified in section 2.3.1 and section 2.3.2 above, the following risks specific to the Group's investments and strategy apply:

#### **2.3.3.1 THE GROUP IS EXPOSED TO RISKS RELATED TO INTEGRATING NEW PORTS**

In recent years, the Group has completed a number of cruise and commercial port acquisitions primarily around the Mediterranean basin. The Group intends to make further port acquisitions in the future. Growth by acquisition involves risks that could adversely affect the Group's operating results, including the substantial amount of management time that may be diverted from operations to pursue and complete port acquisitions. Acquisitions may expose the Group to operational challenges and various risks, including:

- the successful integration of newly acquired businesses with existing operations;
- adapting the Group's management controls and corporate governance structures to its increased scale;
- the successful centralisation of shared resources of new port acquisitions, such as marketing, finance, treasury and IT, into the existing Group structure;
- maintaining, expanding or developing relationships with its customers, suppliers, contractors, lenders and other third parties, including any joint venture partners and individual port concession right grantors;
- maintaining, expanding or developing relationships with employees of newly acquired concessions, including retaining key employees, hiring and training new personnel or implementing headcount reductions;
- compliance with any additional regulatory requirements applicable to acquired ports; and
- funding cash flow shortages that may occur if anticipated revenues are not realised or are delayed, whether by general economic or market conditions or unforeseen internal difficulties.

#### **2.3.3.2 THE RISKS OF ADDITIONAL INDEBTEDNESS**

The Group presently has a material amount of debt, and it may incur additional debt beyond the current level of indebtedness for the purposes of funding certain port investments or concession extensions. Such additional debt could have an adverse effect on the Group's leverage ratio and financial stability.

Additionally, a substantial portion of the cash flow generated from the Group's operations is utilised to repay its debt obligations pursuant to financial covenants to which it is subject. This gives rise to a reduction in the amount of cash which would otherwise be available for funding of the Group's working capital, capital expenditure, and other general corporate costs.

## **3 PERSONS RESPONSIBLE AND STATEMENT OF APPROVAL**

### **3.1 PERSONS RESPONSIBLE**

The directors of the Issuer are the persons responsible for the information contained in this Registration Document. To the best of the knowledge and belief of the directors of the Issuer (who have all taken reasonable care to ensure such is the case), the information contained in this Registration Document is in accordance with the facts and does not omit anything likely to affect the import of such information. The directors of the Issuer accept responsibility accordingly.

### **3.2 STATEMENT OF APPROVAL**

This Registration Document has been approved by the MFSA as the competent authority in Malta for the purposes of the Prospectus Regulation. The MFSA has only approved this Registration Document as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation and such approval should not be considered as an endorsement of the Issuer or the Guarantor (as the subjects of this Registration Document).

## 4 ADVISERS AND STATUTORY AUDITORS

### 4.1 ADVISERS

<b>LEGAL COUNSEL</b>	<b>Camilleri Preziosi</b> Level 3, Valletta Buildings, South Street, Valletta VLT 1103, Malta
<b>SPONSOR</b>	<b>M.Z. Investment Services Limited</b> 61, M.Z. House, St Rita Street, Rabat RBT 1523, Malta
<b>MANAGER &amp; REGISTRAR</b>	<b>Bank of Valletta p.l.c.</b> 58, Zachary Street Valletta VLT 1130, Malta

The services of the Issuer's advisers in respect of this Prospectus are limited to the specific matters upon which they have been consulted. There may be other matters that would have a bearing on the Issuer or an investment in the Bonds upon which the Issuer's advisers have not been consulted. The Issuer's advisers do not undertake to monitor the compliance by the Issuer with its obligations as described in this Prospectus, nor do they monitor the Issuer's activities for compliance with applicable laws. Additionally the Issuer's advisers have relied and continue to rely upon information furnished to them by the Issuer, the Guarantor and their respective directors, and have not investigated or verified, nor will they investigate or verify the accuracy and completeness of information set out herein concerning the Issuer and, or the Guarantor, the Issuer's service providers or any other parties involved in the Bond Issue (including all of their respective affiliates, directors, officers, employees and agents). Moreover, the Issuer's legal counsel and the other advisers accept no responsibility for any description of matters in this Prospectus that relate to, and any issues arising from, any applicable law that is not Maltese law.

### 4.2 STATUTORY AUDITORS OF THE ISSUER AND THE GUARANTOR

#### 4.2.1 THE ISSUER

**PKF Malta Limited**  
15, Level 3, Mannarino Road,  
Birkirkara, BKR 9080,  
Malta

PKF Malta Limited is a firm of certified public accountants holding a warrant to practice the profession of accountant in terms of the Accountancy Profession Act (Cap. 281 of the laws of Malta). The Accountancy Board registration number of PKF Malta Limited is AB/2/19/01.

The Issuer was set up on 18 October, 2022 and, since incorporation up until the date of this Registration Document, no financial statements have been prepared.

#### 4.2.2 THE GUARANTOR

**PKF Littlejohn LLP**  
15, Westferry Circus,  
Canary Wharf,  
London E14 4HD,  
United Kingdom

The annual consolidated financial statements of the Group for the financial year ended 31 March, 2022, have been audited by PKF Littlejohn LLP. PKF Littlejohn LLP is a firm of chartered accountants and a registered audit firm in the UK, whose recognised supervisory body is the Institute of Chartered Accountants in England & Wales (ICAEW). The ICAEW registration number of PKF Littlejohn LLP is C002139029.

The Group's consolidated financial statements for the 15 month period ended 31 March, 2021 and the financial year ended 31 December, 2019, have been audited by KPMG LLP, Statutory Auditor and Chartered Accountants, 15, Canada Square, London, E14 5GL, United Kingdom KPMG LLP's audit registration number is 9188307.

Following a competitive tender process led by the Guarantor's audit and risk committee on 1 March 2022,, the Guarantor's board of directors approved the appointment of PKF Littlejohn LLP as external auditor of the Group for the financial year ended 31 March, 2022. At the annual general meeting of the Guarantor held on 20 September 2022, PKF Littlejohn LLP was re-appointed as the Guarantor's auditor in respect of the financial year beginning 1 April 2022.

## 5 INFORMATION ABOUT THE ISSUER AND THE GUARANTOR

### 5.1 GENERAL INFORMATION ABOUT THE ISSUER

<b>LEGAL AND COMMERCIAL NAME</b>	GPH Malta Finance p.l.c.
<b>REGISTERED ADDRESS</b>	45, 46 Pinto Wharf, Floriana FRN 1913, Malta
<b>PLACE OF REGISTRATION AND DOMICILE</b>	Malta
<b>REGISTRATION NUMBER</b>	C 103534
<b>LEGAL ENTITY IDENTIFIER ('LEI')</b>	2138001JPU17DTYN3W62
<b>DATE OF REGISTRATION</b>	18 October, 2022
<b>LEGAL FORM</b>	The Issuer is lawfully existing and registered as a public limited liability company in terms of the Act
<b>TELEPHONE NUMBER</b>	+356 25673000
<b>EMAIL</b>	gphmaltafinance@globalportsholding.com
<b>WEBSITE</b>	<a href="http://gphmaltafinance.com/">http://gphmaltafinance.com/</a>

Unless it is specifically stated herein that particular information is incorporated by reference into this Prospectus, the contents of the Issuer's website or any other website directly or indirectly linked to the Issuer's website, or any other website referred to herein, do not form part of the Prospectus. Accordingly, no reliance ought to be made by any investor on any information or other data contained in such website as a basis for a decision to invest in the Bonds.

### 5.2 GENERAL INFORMATION ABOUT THE GUARANTOR

<b>LEGAL AND COMMERCIAL NAME</b>	Global Ports Holding Plc
<b>REGISTERED ADDRESS</b>	3rd Floor, 34 Brook Street, London, W1K 5DN, England
<b>PLACE OF REGISTRATION AND DOMICILE</b>	UK
<b>REGISTRATION NUMBER</b>	10629250
<b>LEGAL ENTITY IDENTIFIER ('LEI')</b>	213800BMNG6351VR5X06
<b>DATE OF REGISTRATION</b>	20 February, 2017
<b>LEGAL FORM</b>	Public limited liability company
<b>TELEPHONE NUMBER</b>	+ 44 203 911 2315
<b>EMAIL</b>	info@globalportsholding.com
<b>WEBSITE</b>	<a href="https://www.globalportsholding.com/">https://www.globalportsholding.com/</a>

Unless it is specifically stated herein that particular information is incorporated by reference into this Prospectus, the contents of the Guarantor's website or any other website directly or indirectly linked to the Guarantor's website, or any other website referred to herein, do not form part of the Prospectus. Accordingly, no reliance ought to be made by any investor on any information or other data contained in such website as a basis for a decision to invest in the Bonds.

### 5.3 HISTORICAL BACKGROUND OF THE GROUP

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 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.

The Group's core business segments have historically been bifurcated into cruise operations and commercial operations.

Since its incorporation in 2004, the Group has achieved the following milestones:

- **2003** - A sister company of the Group, Ege Ticaret Ltd. Şti., acquired an interest in Ege Cruise Port. The interest was transferred to the Group on 6 July, 2005.
- **2006** - The Group acquired a 40% stake in Port Akdeniz, (Antalya).
- **2008** - The Group acquired a controlling interest in Bodrum Cruise Port.
- **2010** - The Group acquired the remaining stake in Port Akdeniz, (Antalya).
- **2013** - The Group acquired a non-controlling interest in Barcelona Cruise Port through BPI; Barcelona Cruise Port holds interests in both Málaga Cruise Port and Singapore Cruise Port. Additionally, on 23 July, 2013, the Group won the tender for the repair, financing, operation, maintenance and transfer of port of Adria and the right to acquire a majority of the shares in Port of Adria-Bar, which were transferred to the Group on 30 December, 2013.
- **2014** - BPI acquired an additional interest in Barcelona Cruise Port, which resulted in BPI obtaining control of Barcelona Cruise Port. The Group also increased its interest in BPI from a non-controlling interest to a controlling interest, thereby increasing its indirect interests in Málaga Cruise Port and Singapore Cruise Port. The Group, through a consortium, also acquired a non-controlling interest in Lisbon Cruise Port.
- **2015** - The Group completed the acquisition of a majority interest in Valletta Cruise Port.
- **2016** - The Group acquired indirect stake in Ravenna Cruise Port.
- **2016** - The Group, through a consortium, acquired a non-controlling interest in Venice Cruise Port. The Group also acquired indirect interests in Cagliari Cruise Port and Catania Cruise Port.
- **2017** - On 17 May, 2017, the initial public offering (IPO) of the Group was completed and, pursuant to a share exchange transaction, the Guarantor replaced Global Liman Isletmeleri A.S., an entity based in Turkey, as the Group's parent company. The shares of the Guarantor were listed on the London Stock Exchange.
- **2018** - The Group acquired a 100% interest in Zadar Cruise Port.
- **2019** - Nassau Cruise Port, in which the Group owns a 49% interest but has the power to assign five out of seven board members, entered into a concession agreement with the Bahamian government with respect to the Port of Nassau in The Bahamas. The Group also acquired a 100% interest in Antigua Cruise Port and, through its 50:50 joint venture with MSC, La Goulette Cruise Port. Additionally, through Global Ports Mediterranean, S.L., the Group entered into a 15-year management services agreement in respect of Ha Long Bay Cruise Port (Vietnam).
- **2020** - The Group acquired a further 20% interest in Málaga Cruise Port, following which it was wholly-owned by Barcelona Cruise Port.
- **2021** - The Group's significant commercial port activities in Port Akdeniz (Antalya) were sold at an enterprise value of USD 140 million to QTerminals.
- **2021/2022** - Despite the challenges of the Covid-19 pandemic to the cruise industry, the Group has added San Juan (Puerto Rico), Las Palmas (Spain), Arrecife (Spain) and Puerto del Rosario (Spain), Kalundborg Cruise Port (Denmark), Taranto (Italy), Crotona (Italy), Tarragona (Spain), and Vigo (Spain) into its cruise port portfolio. The Group has also signed a terminal operating agreement for Prince Rupert Cruise Port (Canada) and has been announced as preferred bidder for Alicante (Spain).

In July 2019, the Group had announced a strategic review process to explore ways to maximize 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 USD 140 million to QTerminals. The management of the Group is currently considering its options with respect to a possible disposition of 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.



## 5.4 RECENT INVESTMENTS

### **San Juan Cruise Port**

San Juan Cruise Port in Puerto Rico is the key cruise port related investments to which the Group is committed in the foreseeable future.

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 the 15 August, 2022 with the Puerto Rico Ports Authority for the San Juan Cruise Port, Puerto Rico. The port is 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 USD 75 million to the Puerto Rico Ports Authority. During an initial investment phase, the subsidiary will spend approximately USD 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 Covid-19 pandemic levels. In this phase, the subsidiary will invest an estimated USD 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 modernizing 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 financial 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"), has been announced as the preferred bidder for a 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 would 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, and pro rata investment of the Group for this renovation and refurbishment will amount to approximately Euro 2 million. The Guarantor expects to fund the investments for this project through the Bond proceeds.

## 5.5 ENVIRONMENTAL RESPONSIBILITY

The Group is committed to responsible business and works toward embedding sustainability into the core of its business strategy. The Group is aware of the environmental risks inherent within the business and is committed to managing and reducing the environmental footprint caused by its activities. Natural resources, water and energy consumption, emissions, dredging and impacts on marine ecosystems due to noise and vibration are the Group's material sustainability issues.

The Group has adopted a proactive environmental strategy for environmental risks, including air and water pollution, risks arising from the handling of hazardous waste and effluents, and natural disasters. The Group responds to these impacts and risks in a systematic and proactive manner in line with its environmental management systems. The Group conducts business in line with laws and regulations where the Group operates, international environmental standards and the Group's Environmental Policy and HSE Manual.





# 7 PRINCIPAL ACTIVITIES AND MARKETS OF THE ISSUER AND THE GUARANTOR

## 7.1 PRINCIPAL ACTIVITIES

The Issuer is a special purpose vehicle which has been incorporated for the purposes of this Bond Issue 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, and is accordingly economically dependent on the Guarantor, and other Group companies.

The Guarantor 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 twofold:- its cruise business operations, and those commercial.

### 7.1.1 CRUISE BUSINESS

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

1. **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 who make payment on their own behalf and on behalf of their passengers. 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 maximize 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.
2. **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 a well-defined cruise operating model that relies on four distinct pillars: (i) organisation; (ii) governance; (iii) functions; and (iv) technology. This operating model centralises the senior management of the operations of each port at the headquarters level and is based on operational and commercial synergies to promote maximum efficiency. There are significant differences between the operations of each of the Group's ports (including, for example, the terms of applicable concession or management agreements, or applicable local legislation) and, as a result, there is no one-size-fits-all operating model at the port level. Instead, the Group's operating model pillars are defined in each case in harmony with its integration agenda; that is, to identify and capitalise on potential synergies, service opportunities and operational efficiency. As such, while the Group's headquarters and individual port operations benefit from Group-wide synergies and sharing of best practices, the Group takes a bespoke approach to management and oversight of each individual port. This also enables the relevant Group company to remain local as well as global ("glocal") which is an important aspect to its role as the "gateway to destinations".

The Group has grown a diversified cruise portfolio of 26 cruise ports in 14 different countries spread across four continents as further described in section 7.2 of this Registration Document. The size and geographic diversity of the Group's operations help to insulate it from localized 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 strengthened, 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.

The Group has capitalised on its “first-mover” advantage - that is, its establishment as the world’s first operator of a global portfolio of cruise port terminals and the unique opportunities and synergies that come with managing such a global business - to achieve and maintain its market-leading position, which the Group’s management believes is due in part to the high investment thresholds and long construction lead times that would be required for competitors to establish comparable port operations, as well as lengthy procedures to obtain port licenses and relevant regulatory approvals.

The Group also believes that its market-leading position is further supported by its established ties with key strategic partners. The Group is a natural partner for other cruise lines and local stakeholders due to its reputation as a leading independent cruise port operator. The Group’s established strategic partners include (i) RCCL, with which it holds joint investments in Ege Cruise Port, BPI, Lisbon Cruise Port and Venice Investment; (ii) Setur, one of the leading tour and travel agencies in Turkey, with which it holds joint investments in Bodrum Cruise Port; (iii) Costa Crociere S.p.A., a subsidiary of Carnival Corporation, with which it holds joint investments in Venice Investment; and (iv) MSC, with which it holds joint investments in Venice Investment and Catania Cruise Port, and La Goulette Cruise Port in Tunisia.

The Group has a highly cash-generative business model that has been instrumental in its growth from a single port start-up in 2004 to the world’s largest independent cruise port operator today. Importantly, other than investments that may be required by the terms of the relevant concession, the Group’s cruise ports require only modest working capital and low annual maintenance capital expenditures, which allow it to adopt a disciplined approach to its investment-related costs and expenses and maximize cash generation. This is illustrated by the cash conversion ratios achieved by the Group in the periods prior to the onset of the Covid-19 pandemic: 67.5% for the year ended 31 December, 2019 and 82.2% in the year ended 31 December, 2018. To help optimize operating costs, the Group centralises shared services, which include treasury, finance, IT, human resources, procurement and legal. Labour-intensive activities, such as security and cleaning within the ports, are outsourced to third parties whom management believes can provide services at a lower cost, while offering the flexibility to vary service levels to match the Group’s passenger volumes.

## 7.1.2 COMMERCIAL BUSINESS

The Group’s commercial port handles cargo from two distinct categories:

1. **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.
2. **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 the Group’s 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. The cost of transporting by road to and from alternative ports can be prohibitive.

## 7.2 PRINCIPAL MARKETS

A key component of the Group's business model is expansion of its geographic footprint. The map below shows the location of the Group's cruise ports and commercial port as at the date hereof.



In addition to the commercial port in Montenegro, the Group has a diversified cruise portfolio of 26 cruise ports in 14 different countries spread across the following geographic regions over four continents:

1. **Western Mediterranean:** comprising Barcelona Cruise Port, Málaga Cruise Port, Lisbon Cruise Port, Las Palmas, Arrecife and Puerto del Rosario Cruise Ports (Fuerteventura), Tarragona Cruise Port, Valencia Cruise Port, Vigo Cruise Port, and Alicante Cruise Port;
2. **Central Mediterranean:** comprising Valletta Cruise Port, Venice Cruise Port, Cagliari Cruise Port, Catania Cruise Port, Crotone Cruise Port, Taranto Cruise Port and La Goulette Cruise Port;
3. **Eastern Mediterranean:** comprising Ege Cruise Port (Kuşadası), Bodrum Cruise Port, Zadar Cruise Port and Port of Adria-Bar;
4. **Northern Europe:** comprising Kalundborg Cruise Port;
5. **Americas:** comprising Antigua Cruise Port, Nassau Cruise Port, Prince Rupert and San Juan Cruise Port; and
6. **Asia Pacific:** comprising Singapore Cruise Port and Ha Long Bay Cruise Port.

The above include the cruise ports of Valencia (Spain) and Prince Rupert (Canada) which are yet to be operational but are to form part of the Group's network in the near future, but does not include the ports of San Juan (Puerto Rico) and Alicante (Spain) in respect of which the Group has signed a public-private partnership agreement, and has been announced as the preferred bidder, respectively.

A selection of the Group's current concession and management agreements and material terms thereof can be found below:

### 7.2.1 CONCESSION AGREEMENTS

The Group's concession framework includes long-term concessions which have, on average (with respect to the Group's consolidated ports), 23 years of cash generation ahead of them. The Group's management believes that the long-term nature of its concession arrangements provides the requisite flexibility within a defined regulatory framework to operate and develop its business.

### 7.2.1.1 THE FOLLOWING ARE DESCRIPTIONS OF THE MATERIAL TERMS OF SOME OF THE GROUP'S LONG-TERM CONCESSION AGREEMENTS RELATING TO ITS CORE PORTS:

#### (i) Barcelona Cruise Port

Barcelona Cruise Port holds a 100% interest in two 27-year port operation concessions and an annually-renewed authorisation of occupancy at the Port of Barcelona.

##### a) Adossat Agreement

The concession agreement for the Adossat wharf (comprised of Terminals A and B) terminates on 3 June, 2030. The concession rights to the Adossat wharf were granted by the Barcelona Port Authority under a concession contract dated 28 May, 2003, as subsequently amended (the "**Adossat Agreement**"). Under the port license granted on 29 July, 1999 by the Barcelona Port Authority, as subsequently amended (the "**Creuers Port License**"), Barcelona Cruise Port undertakes the management of port services related to the traffic of tourist cruises at the Port of Barcelona, as well as the development of commercial complementary activities corresponding to a seaport, in Adossat wharf in Barcelona for an operational period that terminates on 1 January, 2030.

The Adossat Agreement can be extended for three years provided that: (i) Barcelona Cruise Port has complied with all obligations set forth in the Adossat Agreement; and (ii) Barcelona Cruise Port continues to render port services on tourist cruises until the expiry of the extended term. Subject to these two conditions, the concession period can be extended to reach a total concession term of 30 years. Barcelona Cruise Port is liable for the maintenance of Adossat wharf Terminals A and B, as well as ensuring that port equipment is maintained in good repair and in operating condition throughout its concession period. After the expiry of the contractual period, the real estate and the integral parts of it shall be surrendered to the Barcelona Port Authority.

Under Article 82 of the Revised Text of State Harbours and Merchant Marine Law approved by Royal Legislative Decree 2/2011 (the "**Spanish Ports Law**"), Barcelona Cruise Port is entitled to apply for the extension of the Adossat Agreement period on the basis that such extension does not exceed half of the original concession term (*prórroga*). In accordance with Article 82, the Adossat Agreement could be extended provided that: (i) one third of the initial concession term has elapsed; and (ii) Barcelona Cruise Port makes a significant investment, which was not initially established in the Adossat Agreement as a requirement for granting the concession. In addition, the investment committed must: (a) be approved by the Barcelona Port Authority; and (b) exceed 20% of the initial investment's current value, as established in the Adossat Agreement.

In addition to the *prórroga* extension under Article 82, pursuant to the Transitory Provision 10 of the Spanish Ports Law ("**DT 10**"), Barcelona Cruise Port is eligible to extend the Adossat Agreement period for 10 years (*ampliación*) in return for a commitment to economically contribute to a port infrastructure investment project planned by Barcelona Port Authority (in the event of the extension of the concession). DT 10 allows those holding concessions granted under the previous regulations to apply for a term extension (*ampliación*) of a maximum of two-fifths of the concession's initial term provided that total life time of the concession does not exceed 50 years, subject to compliance with various conditions, including the provision of undertakings to make: (i) a new investment in the concession, (ii) an economic investment in the land-based port infrastructure to enhance to competitive position of the port, or (iii) a 20% reduction to the maximum tariffs included in the concessional title. The total amount of the concession holder's financial commitment cannot be less than the higher of (a) the difference in value, at the time of the application for extension, between the concession with and without the extension (this valuation must be performed by an independent expert appointed by the Port Authority at the expense of the concessionaire), and (b) 20% of the updated initial investment. The approval of any application is subject to a prior favourable report from the State Port Authority (*Puertos del Estado*).

##### b) WTC Agreement

Under the Creuers Port License, as subsequently amended (the "**WTC Agreement**"), the port rights for using the World Trade Centre wharf (the "**WTC Wharf**") comprising of Terminals N and S terminate on 1 January, 2027. Under the Creuers Port License, Barcelona Cruise Port undertakes the management of port services related to the traffic of tourist cruises at the Port of Barcelona, as well as the development of commercial complementary activities corresponding to a seaport, in WTC Wharf in Barcelona for an operational period that terminates on 1 January, 2027.



Barcelona Cruise Port is liable for the maintenance of WTC Wharf, as well as ensuring that port equipment is maintained in good repair and in operating condition throughout its concession period. After the expiry of the contractual period, the real estate and the integral parts of it shall be surrendered to the Barcelona Port Authority.

As for the Adossat wharf, in accordance with Article 82, Barcelona Cruise Port is entitled to apply for the extension of the WTC Agreement period on the basis that such extension does not exceed half of the original concession term (*prórroga*).

In addition, as for the Adossat wharf and pursuant to DT 10, Barcelona Cruise Port is eligible to extend the WTC Agreement for a period of 10 years (*ampliación*), in return for a commitment to economically contribute to a port infrastructure investment project planned by the Barcelona Port Authority in the event that the extension is granted. The approval of any application is subject to a prior favourable report from the State Port Authority (*Puertos del Estado*).

c) *Terminal C*

The operation rights for Terminal C at Adossat wharf are granted under an authorisation of occupation, which has been renewed annually for the last 16 years. The current port authority authorisation extends to 11 November, 2023 and the relevant member of the Group is discussing a two-year extension with the Barcelona Port Authority.

(ii) **Ege Cruise Port (Kuşadası)**

Ege Cruise Port entered into a 30-year Transfer of Operation Rights Agreement for the Port of Kuşadası (the **"Ege Cruise Port TOORA"**) on 2 July, 2003 with the Privatisation Administration and the TDI. The Guarantor, through a wholly owned subsidiary in Turkey, acquired 72.5% of the shares of Ege Cruise Port on 6 July, 2005 and on 15 September, 2006. The other shareholder of Ege Cruise Port is RCCL.

The agreement allows Ege Cruise Port to operate the Port of Kuşadası for a term of 30 years for a total consideration of USD 24.3 million, which has already been paid. Ege Cruise Port's operation rights extend to port facilities, infrastructure and facilities which are either owned by the state or were used by the TDI for operating the port, as well as the duty-free stores leased by the TDI.

Pursuant to the terms of the Ege Cruise Port TOORA, the TDI is entitled to hold one share in Ege Cruise Port and to nominate one of Ege Cruise Port's board members. The Guarantor appoints the remaining board members and otherwise controls all operational decisions associated with the port.

Ege Cruise Port does not have the right to transfer its operating rights to a third party. During the first five years of the concession term (which ended in July 2008), Ege Cruise Port's tariffs were subject to certain limits and exceeding those limits was subject to approval by the TDI. However, Ege Cruise Port is now able to determine the tariffs for its port services at its own discretion without the TDI's approval (apart from tariffs for services provided to Turkish military ships).

The Ege Cruise Port TOORA may be terminated if any party commits a breach of its terms and fails to cure that breach within 60 days of written notice; it also includes an unlimited indemnification obligation. In the event that the Ege Cruise Port TOORA expires or is terminated, any real property assets together with their fixtures at Ege Cruise Port must be returned to the TDI without charge and free of any encumbrances or liabilities in good operating condition. The agreement explicitly sets forth that Ege Cruise Port must hand over the facility at the end of the 30 year operation period and will not have a right to request an extension. The Group previously initiated legal proceedings relating to the extension of Ege Cruise Port's concession rights for the Port of Kuşadası, which were ultimately unsuccessful. Accordingly, upon expiration of the concession period in 2033, Ege Cruise Port will need to participate in the tender for a new concession term.

(iii) **Valletta Cruise Port**

On 22 November, 2001, the Government of Malta granted to Valletta Cruise Port a 65-year concession. The concession will expire on 21 November, 2066. Under this concession, Valletta Cruise Port operates and manages a cruise liner passenger terminal and an international ferry passenger terminal, as well as complementary leisure facilities.

A minimum annual ground rent is payable by Valletta Cruise Port to the Government of Malta. At the end of each 12-month period a reconciliation is carried out whereby the final payment for the preceding 12-month period is determined. This final payment will be the higher of: (i) the minimum guarantee, and (ii) the aggregate amount of (a) the minimum guarantee, which is 15% of all revenue derived from the rental of any buildings or facilities on the concession site for that 12-month period, plus (b) 10% of revenue derived from passenger and cruise liner operations (subject to the deduction of direct costs and services from the revenue upon which a 10% fee is payable).

The Government of Malta is entitled to terminate the agreement if: (i) three years' ground rent has not been paid or a sum equivalent is outstanding; (ii) Valletta Cruise Port ceases to hold the requisite license to operate cruise and ferry terminals granted by the Malta Maritime Authority; (iii) payments in respect of revenue from lettings and cruise liner and passenger operations are not made to the Government of Malta; or (iv) Valletta Cruise Port uses the concession site for a purpose other than to operate a cruise liner and ferry passenger terminal. Further, the Government of Malta has the right to re-take possession and full control of the concession site if Valletta Cruise Port ceases to operate cruise and ferry terminals from the concession site. Upon expiration or termination for whatever reason the land together with any improvements thereon shall transfer to the Government of Malta without any obligation on the part of the Government of Malta to pay any compensation to Valletta Cruise Port.

The concession does not make any provision for renewal. The Malta Maritime Authority has granted a license to operate an international cruise liner passenger terminal and an international sea ferry passenger terminal in Valletta for the duration of the grant.

#### **(iv) Antigua Cruise Port**

On 31 January, 2019, Antigua Cruise Port signed a concession agreement with the Government of Antigua and Barbuda, pursuant to which it was granted a 30-year concession over the passenger terminal area situated within the Port of Antigua. Effective from 23 October, 2019, Antigua Cruise Port has undertaken the operation and management of the cruise passenger terminal.

The Group's investment obligations under the concession agreement include, among other things, an upfront payment to settle a then-existing bond of the previous governmental entity managing the port, construction of a new mega-ship pier and investment into retail facilities. To partially finance the upfront payment and the construction of the new pier as well as transaction-related expenses, Antigua Cruise Port has entered into a facility agreement. The Group's cash equity contribution was fully-funded at closing of the concession agreement, which took place on 23 October, 2019. The new mega-ship pier is completed on Q1 of 2021, taking the number of berths at the port to five. This new pier represents a USD 30 million investment. The next area of focus is the uplift of the existing retail operations and the advancements of additional commercial and retail developments for up to USD 25 million investment.

A variable fee payment based on the number of passengers will be made to the Government of Antigua and Barbuda on a quarterly basis. From the 21st year of the concession, Antigua Cruise Port will also pay a share of its annual revenue annually to the Government of Antigua and Barbuda.

Antigua Cruise Port has limited authority to set and amend the tariffs. The concession agreement defines the maximum tariff charges until 2024. From 2024, tariff increases that exceed the total compound increase of the U.S. Consumer Price Index are subject to the approval of the Government of Antigua and Barbuda. The Government of Antigua and Barbuda and two major cruise lines using the port have also entered into protocols setting long-term passenger volume and, or tariff commitments, which are binding on Antigua Cruise Port.

If either party fails to cure any material breach of the concession agreement within 60 or 90 days, as applicable, the other party is entitled to terminate the concession agreement. The concession agreement may also be terminated upon the bankruptcy, insolvency or liquidation of Antigua Cruise Port or any equivalent or analogous proceeding or if the Government of Antigua and Barbuda withdraws or refuses to grant any approval required to perform under the concession agreement or takes any action that may adversely affect or impede, disturb or prevent Antigua Cruise Port from exercising its rights under the concession agreement. After expiration or termination of the concession agreement, the port facility will be handed back to the Government of Antigua and Barbuda.

#### **(v) Nassau Cruise Port**

On 28 August, 2019, Nassau Cruise Port signed a port operation and lease agreement with the Government of The Bahamas (the "**Nassau POLA**"), pursuant to which it was granted a 25-year concession over the passenger terminal area situated within the Port of Nassau. Nassau Cruise Port will undertake the operation and management of the cruise passenger terminal. The 25-year term will start from the construction end date which is expected to occur in May 2023 and may be subject to an extension of 15 years if agreed between Nassau Cruise Port and the Government of The Bahamas.

Pursuant to the terms of the Nassau POLA, Nassau Cruise Port will invest up to USD 250 million in developing the port and waterfront at the Port of Nassau, extending the berthing capacity of the existing piers and creating new experiences for visitors of the port. The construction phase began with the marine works in Q4 of 2020, and is currently expected to be completed by Q2 of 2022. The project will create recreational, entertainment, shopping and food and beverages spaces for Bahamians, tourists and other visitors, including a new terminal building, a waterfront park, amphitheatre, shops, restaurants, impact theatre and a Junkanoo museum. Nassau Cruise Port will design such spaces to mirror and be centred around Bahamian culture and rented to local artisans, entrepreneurs and merchants. The new Junkanoo museum will feature the costumes, artifacts and history of the traditional Bahamian culture. It is anticipated that the project will enhance the passenger arrival experience by, among other things, using trams to move cruise passengers quickly and efficiently from outer points to the arrivals area.

To finance the project, Nassau Cruise Port Ltd, an indirect subsidiary of the Guarantor, successfully raised USD 110 million in non-recourse financing from US-based investors in three tranches from June 2021 to November 2021. Nassau Cruise Port Ltd has issued two tranches of unsecured notes with a total nominal volume of USD 55 million pursuant to note purchase agreements dated 24 June, 2021 and 29 September, 2021. Notes have a fixed coupon of 5.29% and 5.42% respectively, payable semi-annually starting 31 December, 2021. Final maturity of the notes is 31 December, 2040 (amortising) and 31 December, 2031 (bullet repayment), respectively. On 22 November, 2021 Nassau Cruise Port Ltd has issued one additional tranches of unsecured notes with a nominal volume of USD 55 million pursuant, bearing a fixed interest rates of 7.50% (of which 1.25% can be paid in kind at the discretion of Nassau Cruise Port) maturing 31 December, 2029 (bullet repayment).

The above financing has supplemented the USD and BSD-denominated USD 134.4 million (equivalent) aggregate principal amount of 8.0% unsecured notes due 30 June, 2040, issued by Nassau Cruise Port Ltd with a first closing on 29 June 2020 (the "**Nassau Notes**"). Principal repayment of the Nassau Notes will occur in ten equal, annual instalments beginning in June 2031. The Nassau Notes are not secured and are not guaranteed.

A variable fee payment based on the number of passengers will be made to the Nassau Port Authority starting from the operations commencement date, with certain guaranteed payments to be made to the Government of The Bahamas irrespective of the number of passengers received. Accordingly, a minimum variable fee will be payable to the Nassau Port Authority in the amount of USD 2 million per annum, from the operations commencement date to the construction end date, and in the amount of USD 2.5 million per annum, from the construction end date until the end of the concession.

Nassau Cruise Port has limited authority to set and amend the tariffs. The Nassau POLA defines the minimum base rates for passenger facility charges and port facility charges. Tariff increases that exceed 5% per annum of previous year's tariff are subject to the approval of the Government of The Bahamas.

If either party fails to cure any material breach of the Nassau POLA within 90 days, the other party is entitled to terminate the Nassau POLA. The Nassau POLA may also be terminated upon the bankruptcy, insolvency or liquidation of Nassau Cruise Port or any equivalent or analogous proceeding, or if the Government of The Bahamas withdraws or refuses to grant any approval required to perform under the Nassau POLA or takes any action that may adversely affect or impede, disturb or prevent Nassau Cruise Port from exercising its rights under the Nassau POLA. After expiration or termination of the Nassau POLA, the port facility will be handed back to the Government of The Bahamas.

#### **(vi) Canary Islands Ports, including Las Palmas**

On 8 August, 2022 Global Ports Canary Islands S.L. (an 80:20 joint venture between the Guarantor and Sepcan S.L., a local service provider), has successfully been awarded the concession to operate three cruise ports in the Canary Islands: (a) Las Palmas de Gran Canaria; (b) Arrecife (Lanzarote); and (c) Puerto del Rosario in Fuerteventura. The concession for Las Palmas, the largest port among the three ports, is for a period of 40 years whereas the concessions for the other two ports are for 20 years each. Subsequently, the Group started operating the above-referred cruise ports by the end of October 2022.

The Guarantor took over operations of these three cruise ports in Q4 2022. The Group, through Global Ports Canary Islands S.L. will invest approximately Euro 40 million into constructing a new cruise terminal in Las Palmas and modular terminal facilities in Marmoles pier in Arrecife and Puerto del Rosario in Fuerteventura.

With respect to the debt financing of these projects, the Guarantor expects this to be obtained from local banks in Spain.



### **7.2.1.2 THE FOLLOWING ARE DESCRIPTIONS OF THE MATERIAL TERMS OF THE AGREEMENTS ENTERED INTO IN RESPECT OF THE CRUISE PORTS, ASIDE FROM SAN JUAN CRUISE PORT AND ALICANTE CRUISE PORT AS DESCRIBED IN SECTION 5.4 OF THIS REGISTRATION DOCUMENT, FOR WHICH INVESTMENT COMMITMENTS HAVE BEEN MADE BY THE GROUP:**

#### **(i) Kalundborg Cruise Port**

In 2021, the Guarantor, through a wholly-owned subsidiary, signed a 20-year lease agreement in respect of the cruise port in Kalundborg, Denmark, which was reflected in the Guarantor's results of operations with effect from 15 October, 2021. Kalundborg, the first North European cruise port in the Group's portfolio, is in the north-western region of Denmark and is just over one hour from Copenhagen city centre which creates a time saving and fuel-efficient alternative to Copenhagen Cruise Port.

As part of the lease agreement, the Group will invest up to Euro 6 million by the end of 2025 into a purpose-built cruise terminal for homeport operations.

#### **(ii) Tarragona Cruise Port**

In 2022, the Guarantor, through a wholly-owned subsidiary, acquired 12-year concession rights with a 6-year extension option in respect of the cruise port in Tarragona, Spain (the **"Port of Tarragona"**). In 2019, prior to the increase in berth capacity, Port of Tarragona welcomed 130k cruise passengers. Tarragona is situated less than an hour's drive from Barcelona airport and the recently completed investment into the port infrastructure and the planned new terminal will significantly improve the port's attractiveness for turnaround operations in the region.

In Q3 2021, a Euro 30m investment into the port infrastructure in the Port of Tarragona was completed by the Port Authority of Tarragona. This investment programme included a new cruise pier in the *"moll de balears"* which can now handle the world's largest cruise ships (Oasis class), while berth capacity has been doubled to four ships at any one time. In addition, the Port Authority of Tarragona has invested in the provision of shore power, which will significantly reduce the Co2 emissions from cruise ships while they are in port.

Under the terms of the agreement, the Group will invest up to Euro 5.5 million into building a new state of the art modular cruise terminal, which will utilise solar power to ensure the sustainable provision of the terminal's energy needs. The new terminal will provide cruise passengers with an improved port experience, including retail and F&B opportunities, while new coach and car parking facilities will significantly improve the ports transport infrastructure. The innovative modular design of the terminal will provide maximum flexibility to adapt the terminal to meet future capacity needs and to provide a vibrant and exciting event space in Tarragona.

### **7.2.1.3 THE FOLLOWING ARE DESCRIPTIONS OF THE MATERIAL TERMS OF THE AGREEMENTS ENTERED INTO IN RESPECT OF THE CRUISE PORTS FOR WHICH THE GROUP IS ALREADY PARTY TO EXISTING CONCESSIONS, AND WHICH THE GROUP IS PLANNING TO INVEST IN:**

#### **(i) Málaga Cruise Port**

Málaga Cruise Port holds a 100% interest in two 30 year-terminal operation concessions at Port of Málaga.

##### *a) Levante Agreement*

Under a concession contract granted on 9 July, 2008 (the **"Levante Agreement"**), executed by and between Málaga Cruise Port and the Málaga Port Authority, Málaga Cruise Port obtained an administrative concession to occupy the Levante terminal of the Port of Málaga for a 30-year period, terminating on 21 July, 2038. Málaga Cruise Port undertakes to provide cruise passenger services, terminal usage and luggage services, as well as undertake general maintenance of the Levante terminal. Málaga Cruise Port is responsible for ensuring that the port equipment is maintained in good repair and operating condition throughout the concession term.

The concession term can be extended for up to 15 years, in two terms of five and 10 additional years (extending the total concession period to 45 years), due to an amendment to the Levante Agreement approved by the Málaga Port Authority in its resolution dated 28 October, 2009. These extensions require (i) the approval of the Málaga Port Authority and (ii) Málaga Cruise Port to comply with all of the obligations set forth in the concession, with the ten-year extension also subject to a prior, mandatory and binding report issued by the State Port Authority (Puertos del Estado) or that the lapsing of one third of the concession's term.

b) *Palmeral Agreement*

Under the contract dated 11 December, 2011 (the **"Palmeral Agreement"**), executed by and between Málaga Cruise Port and the Málaga Port Authority, Málaga Cruise Port obtained an administrative concession to occupy and operate El Palmeral terminal at the Port of Málaga for a 30-year period terminating on 19 March, 2042. Málaga Cruise Port undertakes to provide cruise passenger services, terminal usage and luggage services, as well as undertake general maintenance of the El Palmeral terminal. Málaga Cruise Port is responsible for ensuring that the port equipment is maintained in good repair and operating condition throughout the concession term.

Málaga Cruise Port is entitled to apply for the extension of the Palmeral Agreement subject to the requirements established by Article 82.

**(ii) Cagliari Cruise Port**

The Cagliari Port Authority granted Cagliari Cruise Port a public concession for the occupancy and use of an area at the Port of Cagliari in order to build and manage, through provision of the relevant services, a cruise terminal in accordance with the business plan submitted in connection with the concession tender procedure. The construction of the new cruise terminal was completed in July 2016, and opened to the public in October 2016.

The concession agreement became effective on 1 January, 2013 and will expire on 31 December, 2027. In connection with the payment of concession fees under the concession agreement, Cagliari Cruise Port has provided appropriate performance guarantees and entered into appropriate insurance agreements. In respect of the services provided by Cagliari Cruise Port under the concession agreement, Cagliari Cruise Port is required to set appropriate tariffs for all users of the port and to inform the Cagliari Port Authority of such tariffs accordingly.

The concession agreement may be terminated in the event of non-compliance with its terms or the loss of the relevant licences required for Cagliari Cruise Port to conduct its business. In addition, as a public authority, the Cagliari Port Authority is entitled to revoke the concession agreement in the event of a loss of or change to certain relevant public interests.

**(iii) Catania Cruise Port**

The Catania Port Authority granted Catania Cruise Port with a concession for the provision of the port services at the cruise terminal using the existing terminal and a dedicated area at the Port of Catania. Catania Cruise Port is required to provide its services to any cruise operator in compliance with non-discrimination principles.

The concession agreement has been effective as of 13 June, 2011 and will expire on 12 June, 2026. In connection with the payment of concession fees under the concession agreement, Catania Cruise Port has provided appropriate performance guarantees and entered into appropriate insurance agreements.

The concession agreement may be terminated in the event of non-compliance with its terms or the loss of the relevant licences required for Catania Cruise Port to conduct its business. In addition, as a public authority, the Catania Port Authority is entitled to revoke the concession agreement in the event of a loss of or change to certain relevant public interests.

**(iv) Zadar Cruise Port**

On 12 September, 2018, Zadar Cruise Port signed a concession agreement with the Port of Zadar Authority for the Croatian operation rights at Gazenica cruise port for a concession term of 20 years, terminating in 2038. The concession includes cruise ship passenger port and terminal services, an international ferry terminal, roll-on roll-off services and vehicle and passenger services. It also contains a commercial area of 2,400m<sup>2</sup>, with leasable retail and office space.

The concession term may be extended based on the applicable regulations under the Concessions Act of Croatia. Under the concession, Zadar Cruise Port has the right to set the port rates for the embarking and disembarking of passengers, loading and unloading of luggage (including security examinations), security, reception, and directing of vehicles for loading and unloading. The maximum port rates are limited to the highest amount prescribed by the port authority, which shall be no less than the rates for the same or equivalent services in other ports in the Adriatic.

Pursuant to the terms of the concession, Zadar Cruise Port undertook to achieve certain passenger and vehicle traffic targets, and a failure to achieve such targets will give rise to the unilateral termination of the concession by the Port of Zadar Authority. Additionally, the Port of Zadar Authority may unilaterally terminate the concession if: (i) the actual passengers and vehicle traffic is twenty or more percentage points lower than planned; and (ii) the actual passengers and vehicle traffic for the relevant year and the following two immediately succeeding years is lower than planned. Prior to such termination, the Port of Zadar Authority may approve a cure period of up to 36 months for Zadar Cruise Port to achieve the agreed traffic figures. The Port of Zadar Authority may also terminate the concession due to public interest, as determined by the Croatian Parliament. In the event of such termination, Zadar Cruise Port shall be entitled to certain damages.

Zadar Cruise Port may terminate the concession due to certain failures of the Port of Zadar Authority, with damages to be agreed in a lump sum equal to triple the concession fee (after taxation) for the last three years prior to the calendar year in which the concession was terminated.

#### **(v) Taranto Cruise Port**

In 2020, the Guarantor, through a wholly-owned subsidiary, signed a 20-year concession agreement in respect of the cruise port in Taranto, Italy, which was reflected in the Guarantor's results of operations with effect from 5 May, 2021.

The cruise port infrastructure in Taranto is currently undergoing a state-funded, Euro 28 million investment programme, including building a new cruise terminal which is expected to be finalized in the near future.

Information about all other ports is readily available in the annual report for the financial year ended 31 March, 2022.

## **8 TREND INFORMATION**

### **8.1 KEY FINANCIALS AND PERFORMANCE INDICATORS**

Cruise passenger volumes for the 6-month period ended 30 September, 2022 (H1 FY2023) rose by 673% compared to the 6-month period ended 30 September, 2021 and were down just 14% compared to the same period in 2019. (Fiscal year 2023 (FY2023) of the Group covers the period from 1 April 2022 to 31 March 2023).

In the second quarter to 30 September, 2022 (Q2 FY2023), cruise passenger volumes were in line with the same period in 2019 and rose by close to 50% compared to Q1 FY2023. This strong growth in passenger volumes was mainly driven by the further easing of travel restrictions, particularly during the second quarter, higher cruise fleet deployment, a continued increase in occupancy levels, and the impact of seasonality. Occupancy levels continue to remain below pre-pandemic levels but have significantly and continuously risen since calendar year 2021.

Cruise calls across the Group's network in H1 FY2023 were up 674% compared to H1 FY2022 and up 15% compared to the 2019 pre-pandemic period.

As expected, in recent months, the Group experienced a strongly improving trend in call and passenger volumes on a like-for-like basis compared to 2019 levels. In Q3 FY2022 (October – December 2021), cruise calls and passenger numbers were 68% and 42% respectively of 2019 levels. The weaker recovery in passenger volumes reflected the impact of travel restrictions and the shorter than normal booking windows on occupancy rates. In Q4 FY2022 (January – March 2022), calls recovered strongly and were 99% of 2019 levels. However, passenger volumes remained low at just 48%. In Q1 FY2023 (April – June 2022), cruise calls rose to 114% of 2019 levels, driven by strong volumes at Nassau and Ege Port in particular, and passenger volumes increased to 71% of 2019 levels.

Throughout H1 FY2023 (April – September 2022), there was a significant improvement in occupancy rates as the first quarter progressed. In April, passenger volumes were 64% of 2019 levels, rising to 69% in May and 80% in June. This improving trend continued into the second quarter, with passenger volumes rising to 2019 levels while call volumes were 16% ahead of 2019 levels.

In the Group's commercial segment (Port of Adria), during H1 FY2023, total container volumes (TEUs) fell by 15% and general & bulk volumes rose by 45% compared to H1 FY2022.

Adjusted Revenue amounted to USD 64.1 million in H1 FY2023, an increase of 334% over the comparable period (H1 FY2022). Total consolidated revenues, including the impact of IFRIC-12 Construction revenues at Nassau Cruise Port, were USD 118.3 million compared to USD 61.1 million in H1 FY2022.

Segmental EBITDA for the 6-month period ended 31 September, 2022 was USD 44.0 million compared to USD 2.1 million in H1 FY2022. Adjusted EBITDA was USD 40.4 million compared to a loss of USD 0.5 million in the prior comparable period.

Cruise revenue in H1 FY2023 amounted to USD 60.0 million, an increase of 482% from USD 10.3 million in the prior comparable period. Passenger volumes grew in the reviewed period by 673% to 4.35 million from 0.56 million in H1 FY2022. Cruise EBITDA was USD 42.3 million compared to USD 0.3 million in the previous comparable period.

Total commercial revenues fell 8% from USD 4.4 million in H1 FY2022 to USD 4.1 million in H1 FY2023. Commercial EBITDA during the reviewed period amounted to USD 1.7 million (H1 FY2022: USD 1.8 million).

(Source: <https://www.londonstockexchange.com/news-article/GPH/interim-results-for-six-months-to-30-september-2022/15755120>)

## 8.2 SIGNIFICANT GROWTH

Since the end of the last reporting period to 31 March, 2022, the Group made substantial progress with its strategic plans to grow its cruise port network. Shortly after the financial year ended 31 March, 2022, the Group signed a 12-year concession agreement for Tarragona Cruise Port in Spain and began cruise operations at Vigo Cruise Port, Spain, in a 50/50 joint venture.

The Group successfully expanded its cruise port network into the Canary Islands, adding the ports of Las Palmas de Gran Canaria (40 years concession term), Arrecife, Lanzarote (20 years) and Puerto del Rosario, Fuerteventura (20 years). In 2019, these cruise ports handled 1.5 million cruise passenger movements.

The Group recently signed a 30-year concession for San Juan Cruise Port, Puerto Rico. This project will see a wholly-owned subsidiary of the Group invest USD 100 million on critical infrastructure repairs and upgrades of terminal buildings and walkways, in addition to an upfront payment of USD 75 million. A second investment phase, subject to certain pre-agreed criteria, will lead to an estimated USD 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.

San Juan Cruise Port is a strategically important port in the Caribbean cruise market, perfectly positioned to be included in both Eastern Caribbean and Southern Caribbean cruise itineraries. In addition, to its airport and hotel infrastructure, Puerto Rico is a US territory, which means it is an attractive homeport destination for Eastern and Southern Caribbean itineraries.

Another milestone was achieved when the Group signed a concession for its first cruise port in North America, a 10-year concession with a 10-year extension option for Prince Rupert Cruise Port, Canada.

## 8.3 BALANCE SHEET

At 30 September, 2022, IFRS gross debt was USD 599.0 million (Ex IFRS-16 Finance Leases Gross Debt: USD 541.7 million), compared to gross debt at 31 March 2022 of USD 598.6 million (Ex IFRS-16 Finance Leases Gross Debt: USD 534.7 million). Net debt Ex IFRS-16 finance leases was USD 462.2 million as at 30 September, 2022 compared to USD 435.0 million as at 31 March, 2022. At the end of September, 2022, the Group had consolidated cash and cash equivalents of USD 79.5 million, compared to USD 99.7 million at 31 March, 2022. The main driver for the increase in net debt and decrease in cash is the continued investment activity in Nassau Cruise Port.

## 8.4 OUTLOOK

Current trading remains in line with the Group's expectations. October traffic statistics shows stabilization over the second quarter of FY 2023, and slightly below compared to 2019 levels (-7% pax, +5% calls). October marks the end of season for the Mediterranean and high season starts at the Caribbean and Canary Islands in November, thus the Group expects to see the continuation of strong results over the coming months.

This strong recovery in the Group's ports has been driven in particular by the strong performance at Nassau and Ege Port, the Group's largest port in Turkey. However, all of the Group's reporting segments in cruise continue to experience an improvement in activity levels.

Despite the unprecedented nature of the Covid-19 crisis and its significant impact on the business of the Group, the Group has continued to grow the number of cruise ports in its network. Since the onset of the crisis, ten new cruise ports have been added to the Group's portfolio. By the end of FY 2023 reporting period, the Group's USD 250 million investment into Nassau Cruise Port will be near completion, which will position the Group well for further cruise port expansion.

## 9 ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

### 9.1 THE BOARD OF DIRECTORS OF THE ISSUER

As at the date of this Registration Document, the Board of Directors of the Issuer is composed of the following five directors:

NAME AND IDENTIFICATION DETAILS	DESIGNATION
<b>Mehmet Kutman</b> Turkish passport numbered: U24200501	Chairman
<b>Stephen Xuereb</b> Maltese identity card numbered: 189872M	Executive Director
<b>Ayşegül Bensel</b> Maltese passport numbered: 1319699	Non-Executive Director
<b>Jérôme Bernard Jean Auguste Bayle</b> French passport numbered: 17DH64874	Independent Non-Executive Director
<b>Taddeo Scerri</b> Maltese identity card numbered : 475055M	Independent Non-Executive Director

Jean Carl Farrugia, holder of Maltese identity card numbered 244176M, is the company secretary of the Issuer.

The business address of the directors and the company secretary is that of the Issuer.

### 9.2 CURRICULA VITAE OF DIRECTORS OF THE ISSUER

#### MEHMET KUTMAN

Mr. Kutman has been Chairman of the Guarantor since April 2017, being re-elected annually, and is Chairman and a founding shareholder of GIH. In addition to his active involvement in business development and project management for the Group on a transaction-by-transaction basis, Mr. Kutman is Chairman of the Boards of Directors of GPH Cruise Port Finance Ltd. ('GPH CPF'), Barcelona Cruise Port Creuers Terminals, Bodrum Cruise Port and Nassau Cruise Port, and former Chairman of the Board of Directors of GLL. He is a member of TUSIAD (Turkish Industry & Business Association) and DEIK (Foreign Economic Relations Board) and a former Director of Alarko REIT, a BIST – listed real estate investment trust. Prior to founding securities firm Global Menkul Değerler A.Ş. ('GMD') in 1990, Mr. Kutman was Project Manager at Net Holding A.Ş., a Turkish corporate group involved in tourism and related sectors, from 1989 to 1990. Between 1984 and 1989, he resided in the United States where he was Vice President of North Carolina National Bank, Sexton Roses Inc. and Philip Bush & Associates.

Mr. Kutman holds a BA (Hons.) degree from Boğaziçi University and an MBA degree from the University of Texas.

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## STEPHEN XUEREB

Stephen Xuereb was appointed Chief Operating Officer ('COO') of GPH in August 2016. He has been involved in the cruise industry since the inception of Valletta Cruise Port PLC in 2002, serving as its CFO until 2014 and subsequently as CEO. He was responsible for establishing the finance and administration function and overseeing the financing of the €37 million capital intensive project in Valletta Cruise Port, as well as playing an active role in developing the cruise line business and ancillary support services in Malta. Mr. Xuereb formed part of the core team during the IPO process and subsequent expansion and is responsible for the harmonization of operational processes and systems across the group as well as nurturing a culture of knowledge sharing for the continued development of the individual ports in terms of operational excellence and revenue maximization. Mr Xuereb sits on a number of Boards within the Group, most notably Global Ports Melita, Valletta Cruise Port Plc, Cruceros del Port de Barcelona, Cruceros Malaga, Lisbon Cruise Port, Venezia Investimenti SRL, Cagliari Cruise Port, Catania Cruise Terminal, Taranto Cruise Port, GPH Antigua Ltd, Goulette Cruise Holding Ltd, Goulette Shipping Cruise and Zadar Cruise Port amongst others. Prior to entering the Cruise sector, Mr Xuereb held positions in the audit and financial advisory sectors, as well as the retail, property and hospitality industries.

Mr. Xuereb is a qualified accountant and is a Fellow of the Chartered Institute of Accountants in Malta. He also holds an MBA degree from Henley Business School, University of Reading.

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## AYŞEGÜL BENSEL

Mrs. Bensel was first appointed to the Board on 12 April 2017 and has been re-elected annually. She is also a member of the Boards of Directors of GLI, GPH CPF, Barcelona Cruise Port Creuers Terminals, Valletta Cruise Port, Ege Port (Kuşadası), Bodrum Cruise Port, Nassau Cruise Port, Antigua Cruise Port and Global Ports Americas Holding Limited. Mrs. Bensel is a member of the Board of Directors of GIH and was Managing Director of its Real Estate Division and Chairperson of Pera REIT Company until 2020. Previously, until the sale of Global Hayat in 2005, Mrs. Bensel was Chairperson of its Board of Directors and its CEO. Mrs. Bensel was formerly a member of the Board of Directors of GMD where, between 1993 and 1999, she was Assistant Director and then Co-Director of Research. Prior to joining GMD as an equity research analyst in 1991, Mrs. Bensel was a manager in foreign exchange dealings in the Turkish banking sector. Mrs. Bensel is a member of the Guarantor's Remuneration Committee and its Nomination Committee.

Mrs. Bensel holds a BA degree in Business Administration and Finance from Hacettepe University, Ankara.

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## JÉRÔME BERNARD JEAN AUGUSTE BAYLE

Mr. Bayle was first appointed to the Board on 12 April 2017 and has been re-elected annually. He is also a member of the Board of Directors of GPH CPF. Over the course of 32 years, Mr. Bayle held top executive positions in various countries for Tetra Pak. As the former Managing Director of Tetra Pak Turkey, he was responsible for developing operations in Turkey, and regions including Central Asia and the Caucasus. He also worked in the Balkans. After retiring from Tetra Pak, Mr. Bayle established Magnetic North, a management consulting firm providing mentoring and consulting services to large multinational companies in the greater Middle East region, with particular emphasis on human resources, organisational processes and development. Mr. Bayle received numerous awards during his professional career and has been recognised for his many contributions to business and social organisations. Mr. Bayle is Chairman of the Guarantor's Nomination Committee, its Remuneration Committee and its Audit and Risk Committee.

Mr. Bayle holds a Master's degree in Business and Finance from France's Dauphine Université. He is also an alumnus of the Swiss Business School IMD.

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## TADDEO SCERRI

Mr. Scerri established a career in public practice first as an auditor and subsequently as a business advisor. During his 43 years' experience in this sector, most of which at partner level, he was in charge of large client accounts and local projects.

Under his leadership, MSD & Co, which was the representative office of Arthur Andersen, grew to be one of the five largest local audit firms. Subsequent to the winding down of Arthur Andersen, MSD & Co merged with EY to establish a firm that then was amongst the largest big four firms in Malta. At EY Mr. Scerri was the deputy managing partner in charge of the transaction advisory service lines.

In 2005, Mr. Scerri, together with other ex-EY partners, set up RSM Malta. Mr. Scerri occupied the post of Managing Partner of RSM Malta until his retirement in December, 2015.

Mr. Scerri acted as director of various entities in the public sector (including Kordin Grain Terminal Limited and Malta External Trade Corporation) as well as listed companies. He also served as chairman of the executive committee of a prominent local group involved in the leisure and tourist sector. Mr. Scerri was appointed director and chairman to the Audit Committee of Bank of Valletta plc in 2013 and chairman of the board in December 2016, retiring in May 2020. In 2018 Mr. Scerri was also appointed director of Mapfre Middlesea Insurance plc and was also a member of its Remuneration Committee and Audit Committee, a position he resigned from in 2022. Mr. Scerri is still serving as a consultant to a number of prestigious local groups.



### 9.3 THE BOARD OF DIRECTORS OF THE GUARANTOR

As at the date of this Registration Document, the Board of Directors of the Guarantor is composed of the following four directors:

NAME AND IDENTIFICATION DETAILS	DESIGNATION
<b>Mehmet Kutman</b> Turkish passport numbered: U24200501	Executive Chairman and CEO
<b>Ayşegül Bensele</b> Maltese passport numbered: 1319699	Non-Executive Vice Chairperson
<b>Jérôme Bernard Jean Auguste Bayle</b> French passport numbered: 17DH64874	Independent Non-Executive Director
<b>Ercan Nuri Ergül</b> Turkish passport numbered: U24263416	Non-Executive Director

Alison Mary Chilcott, holder of Canadian passport numbered: HB861062 is the company secretary of the Guarantor.

The business address of the directors is at Esentepe Mah. Buyukdere Cad. 193 Apt. Blok No: 193 Ic Kapi No: 2 34394 SiSli/Istanbul, Turkey and the company secretary's business address is that of the Guarantor.

### 9.4 CURRICULA VITAE OF DIRECTORS OF THE GUARANTOR

<b>MEHMET KUTMAN</b>	(Please refer to the curriculum vitae included in section 9.2 above)
<b>AYŞEGÜL BENSEL</b>	(Please refer to the curriculum vitae included in section 9.2 above)
<b>JÉRÔME BERNARD JEAN AUGUSTE BAYLE</b>	(Please refer to the curriculum vitae included in section 9.2 above)
<b>ERCAN NURI ERGÜL</b>	<p>Mr. Ergül was first appointed to the Board on 11 April, 2017 and has been re-elected annually. He is also a member of the Boards of Directors of GLI, GPH CPF, Global Ports Destination Services Ltd. ('GPDS') and Bodrum Cruise Port. Mr. Ergül has spent his career as a private equity and investment banking professional, beginning in the corporate credit group of Citibank in Turkey in 1993. Mr. Ergül is also involved in the management of a private equity fund with investments in Turkey and the Balkan countries. Mr. Ergül is a member of the Guarantor's Audit and Risk Committee.</p> <p>Mr. Ergül holds an undergraduate degree from the Middle East Technical University in Ankara, Turkey, and an MBA degree with a concentration in Finance from the University of Florida.</p>



## 9.5 SENIOR MANAGEMENT

The senior management of the Guarantor is composed of Mr. Mehmet Kutman (Chairman and Chief Executive Officer), Mr. Jan Fomferra (Chief Financial Officer), Mr. Stephen Xuereb (Chief Operating Officer), Dr. Ece Gürsoy (Chief Legal Officer) and Colin Murphy (Head of Business Development – Americas).

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**MEHMET KUTMAN** **Chairman and Chief Executive Officer (CEO)**

(Please refer to the curriculum vitae included in section 9.2 above)

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**JAN FOMFERRA** **Chief Financial Officer (CFO)**

Mr. Fomferra took up the position of CFO on 1 September, 2020. Since 2016, he had been Director of Corporate Finance at GIH, with responsibility for capital market and structured financing activities for the GIH group of companies as a whole. In that capacity, and in his previous role as Managing Director of Global Securities/IEG-Global, Mr. Fomferra was closely involved in all of the Guarantor's financing transactions, including the issuance of its Eurobond in 2014 and the IPO in 2017. Prior to joining the GIH group in 2012, Mr. Fomferra was Head of Structured Finance at Fresenius VAMED Germany, focusing on international healthcare Public Private Partnership projects in Europe. Previously, he was part of the corporate finance team at DB Mobility Logistics AG (Deutsche Bahn), working on project and capital market financings from 2009 to 2010. Mr. Fomferra started his career in investment banking, where he advised on international M&A and structured financing transactions from 2005 to 2009.

Mr. Fomferra holds an undergraduate degree in Economics from the Technical University of Berlin and an MSc. Degree and DiplomKaufmann from ESCP Business School.

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**STEPHEN XUEREB** **Chief Operating Officer (COO) and General Manager of Valetta Cruise Port**

(Please refer to the curriculum vitae included in section 9.2 above)

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**DR. ECE GÜRSOY** **Chief Legal Officer (CLO)**

Dr. Gürsoy, who was appointed CLO as of 15 January, 2018, established the Guarantor's centralised legal function which advises Group companies on various legal matters. Prior to joining the Guarantor, Dr. Gürsoy was CLO, company secretary and an Executive Director of Lightsource Renewable Energy Holdings Limited (currently LightsourceBP). Previously, she specialised in project finance, infrastructure, energy and private equity with the firms Dentons and White & Case. Dr. Gürsoy is a member of the Law Society of England and Wales and the Istanbul Bar Association. She is also a member of the Board of the Turkish British Chamber of Commerce and Industry, where she served as company secretary between 2015 and 2017, and is currently Vice Chairperson.

Dr. Gürsoy holds an LLB degree from Istanbul University Law School, a GDL degree from College of Law, London and an LPC degree from BPP Law School. She also holds an LLM degree in Corporate and Commercial law from the University of London and a PhD degree in European Competition Law from King's College London. Dr. Gürsoy has also completed the Financial Times London's Non-Executive Director Diploma programme.

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**COLIN MURPHY** **Head of Business Development – Americas (HoBD Americas)**

Mr. Murphy joined the Group as Regional Coordinator, Americas, in April 2017 and was appointed to his current position in June 2018. Previously, he had a 19-year career with Norwegian Cruise Line, where he managed several operational divisions including the Shore Excursion and Onboard Revenue functions which constituted approximately 30% of company revenues. More recently, Mr. Murphy was Senior Vice President, Destination and Strategic Development, at Norwegian Cruise Line Holdings, where he oversaw various port-related development projects, negotiated major port agreements and was responsible for government relations. Mr. Murphy has served as Chairman of the Operations Committee of Florida Caribbean Cruise Association and has been a member of CLIA's Global Ports Committee.

Mr. Murphy holds a degree in Business Administration from The Polytechnic of the South Bank in London.

## 9.6 POTENTIAL CONFLICTS OF INTEREST

As at the date of this Registration Document, the Issuer and the Guarantor have identified and managed the following roles which may give rise to conflicts of interest:

- Three directors of the Issuer, namely, Mehmet Kutman, Ayşegül Bensele and Jérôme Bernard Jean Auguste Bayle sit on the board of directors of the Guarantor, and as such are susceptible to conflicts between the potentially diverging interests of the two companies, particularly in connection with advances to be made by the Issuer to the Guarantor in undertaking new projects; and
- Mehmet Kutman, Ayşegül Bensele and Stephen Xuereb also sit on the board of directors of other members of the Group.

No private interests or duties unrelated to the Issuer or the Guarantor, as the case may be, have been disclosed by the management teams of the two companies which may or are likely to place any of them in conflict with any interests in, or duties towards, each other. In addition, in view of the lender-borrower relationship which is to arise between the Issuer and the Guarantor, there may be situations that could give rise to conflicts between the potentially diverging interests of the two entities. In these situations, the directors shall act in accordance with the majority decision of those directors who would not have a conflict in the situation and in line with any advice of outside legal counsel as may be necessary.

The Audit and Risk Committee of the Guarantor has the task of ensuring that any such potential conflicts of interest relating to the directors are handled in the best interests of the Issuer. In terms of the Act, any director who, in any way, whether directly or indirectly has an interest in a contract or a proposed contract or in any transaction or arrangement (whether or not constituting a contract) with the company whose board it sits on, is required to declare the nature of his or her interest at a meeting of such company's board of directors.

Save as stated above, there are no other identified conflicts of interest between the duties of the directors of the Issuer and, or the Guarantor and, or the members of the senior management team towards the Issuer, the Guarantor, and, or the Group and their private interests and, or other duties.

# 10 BOARD PRACTICES

## 10.1 BOARD COMMITTEE OF THE ISSUER

### 10.1.1 AUDIT COMMITTEE

The directors of the Issuer constituted the Audit Committee, the terms of reference of which shall be determined by the Board of Directors of the Issuer from time to time with the purpose of fulfilling the below-mentioned purposes. The Audit Committee shall report on its functions and make recommendations to the Board of Directors of the Issuer upon request, addressing matters falling within its remit as outlined in its terms of reference. Such report shall be made through the Chairperson of the committee.

#### *Role and responsibilities*

The Audit Committee's primary objective is to assist the Board of Directors in fulfilling its oversight responsibilities over the financial reporting processes, financial policies and internal control structure. The Audit Committee oversees the conduct of the external audit and acts to facilitate communication between the Board, management and the external auditors. The external auditors may be invited to attend the Audit Committee meetings. The Audit Committee reports directly to the Board.

The terms of reference of the Audit Committee include support to the Board in fulfilling its responsibilities, broadly for:

- (a) overseeing its financial reporting processes, its financial risk assessment and risk management practices, the audit process, its internal control structures, and its external audit activities;
- (b) maintaining communications on such matters between the Board, management and the external auditors; and
- (c) reviewing the effectiveness of the process for communicating applicable policies, laws and regulations, and the systems for monitoring compliance therewith.

The Board has set formal terms of establishment and the terms of reference of the Audit Committee which set out its composition, role and function, the parameters of its remit as well as the basis for the processes that it is required to comply with.

In addition, the Audit Committee has the role and function of evaluating any proposed transaction to be entered into by the Issuer and a related party to ensure that the execution of any such transaction is at arm's length, on a commercial basis and ultimately in the best interests of the Issuer.

Furthermore, the Audit Committee has the role of assessing any potential conflicts of interest between the duties of the Directors and their respective private interests or duties unrelated to the Issuer.

### *Meetings*

In accordance with its terms of reference, the Committee meets formally at least four times a year at appropriate times in the financial reporting and audit cycle and at such other times as the board or the chairman of the committee shall require. Outside of the formal meeting programme, the Committee chairman will maintain a dialogue with key individuals involved in the company's governance, including the board chairman, the chief executive, the finance director, the external audit lead partner and the head of internal audit.

### *Composition*

The Audit Committee is made up entirely of non-executive directors, the majority of whom are independent non-executive directors. Audit Committee members are appointed for a period of three years, unless terminated earlier by the Board. The Audit Committee is composed of Jérôme Bernard Jean Auguste Bayle (independent non-executive Director), Taddeo Scerri (independent non-executive Director) and Ayşegül Bensele (non-executive Director). Mr Taddeo Scerri is considered by the Board to be competent in accounting and, or auditing in terms of the Capital Markets Rules. Jérôme Bayle also occupies the post of Chairman of the Audit Committee. As Chairman of the Audit Committee, he is entrusted with reporting to the Board of Directors of the Issuer on the workings and findings of the Audit Committee.

## **10.2 BOARD COMMITTEES OF THE GUARANTOR**

The directors of the Guarantor constituted the following three specialised committees, namely, the Audit and Risk Committee, the Remuneration Committee and the Nomination Committee, the terms of reference of which shall be determined by the Board of Directors of the Guarantor from time to time with the purpose of fulfilling the below-mentioned purposes. Each committee shall report on its functions and make recommendations to the Board of Directors of the Guarantor upon request, addressing matters falling within its remit as outlined in its terms of reference. Such reports shall be made through the Chairperson of each committee.

### **10.2.1 AUDIT AND RISK COMMITTEE**

#### *Role and responsibilities*

The Audit and Risk Committee reviews the integrity of the financial information provided to shareholders, oversees the Guarantor's system of internal controls and risk management, directs the internal and external audit process, and monitors the process for compliance with relevant laws, regulations and policies.

The Audit and Risk Committee's key responsibilities include, but are not limited to:

- *Financial reporting:* monitoring and ensuring the integrity of the financial statements of the Guarantor, including its annual and half-yearly reports, interim management statements, preliminary results announcements and any other formal announcement relating to its financial performance, reviewing significant financial reporting issues and judgements which they contain having regard to matters communicated to it by the external and, or internal auditor.
- *Internal controls and risk management systems:* keeping under review the effectiveness of the Guarantor's internal financial controls and internal control and risk management systems, and reviewing and approving the statements to be included in the Annual Report concerning internal controls and risk management.
- *Internal audit:* assisting with the establishment of the internal audit function, including vetting candidates and approving the appointment of the Head of the Internal Audit Function; considering and approving the remit of the Internal Audit Function and ensuring that it has adequate resources and appropriate access to information to enable it to perform its function effectively and in accordance with the relevant professional standards, and that it will be free from management or other restrictions; and reviewing and assessing the annual internal audit plan.

- *External audit:* considering and making recommendations to the Board of Directors of the Guarantor, to be put to shareholders for approval at the annual general meeting, in relation to the appointment, re-appointment or removal of the Guarantor's external auditor; overseeing all aspects of the relationship with the external auditor, including assessing annually their independence and objectivity; meeting regularly with the external auditor; reviewing and approving the annual audit plan at the start of the audit cycle; monitoring the statutory audit of the annual and consolidated financial statements; reviewing the findings of the audit with the external auditor; and reviewing any representation letter(s) requested by the external auditor before they are signed by management. The Committee, on behalf of the Board of Directors of the Guarantor, will ensure that the relevant authorities are notified of the outcome of the statutory audit and explain how the statutory audit contributed to the integrity of financial reporting, and the roles of the Committee and the Board in that process.
- *Compliance, whistle-blowing and fraud:* reviewing the adequacy and security of the Group's arrangements for employees and contractors to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters, and ensuring that these arrangements allow proportionate and independent investigation of such matters and appropriate follow-up action; reviewing the Group's procedures for detecting fraud and systems and controls for ethical behaviour and the prevention of bribery and receiving reports on non-compliance; reviewing the adequacy and effectiveness of the Group's anti-money laundering systems and controls; and reviewing the adequacy and effectiveness of the Compliance Function.

#### *Meetings*

In accordance with its terms of reference, the Committee meets formally at least four times a year at appropriate times in the financial reporting and audit cycle and at such other times as the board or the chairman of the committee shall require. Outside of the formal meeting programme, the Committee chairman will maintain a dialogue with key individuals involved in the company's governance, including the board chairman, the chief executive, the finance director, the external audit lead partner and the head of internal audit.

#### *Composition*

The members of the Audit and Risk Committee are Jérôme Bernard Jean Auguste Bayle, who chairs the Committee, and Ercan Nuri Ergül. At the date of this Registration Document, there is one vacancy on the Committee. The current members of the Committee have sufficient recent and relevant financial expertise to participate and contribute competently as members of the Committee.

## **10.2.2 REMUNERATION COMMITTEE**

#### *Role and responsibilities*

The Remuneration Committee recommends and reviews the remuneration policy of the Group, ensuring that it is aligned to the long term success of the Guarantor, and oversees the level and structure of company-wide remuneration in order to include all Group employees. It also approves the remuneration and benefits of the Group CEO and the Executive Chairman of the Guarantor. The Human Resources Director meets regularly with the Chairman of the Remuneration Committee and attends meetings of that Committee.

The Committee's key areas of responsibility include, but are not limited to:

- recommending, monitoring (and, if necessary, vetoing) the level and structure of remuneration for all Group employees, including senior management;
- determining the structure and levels of remuneration for the Executive Chairman of the Guarantor, any future executive directors of the Guarantor and all Group employees at grades of C-level or higher; and
- preparing the annual remuneration report for approval by shareholders at the annual general meeting.

#### *Meetings*

In accordance with its Terms of Reference, the Committee meets formally at least twice a year.

#### *Composition*

The members of the Committee are Jérôme Bayle, who chairs the Committee, and Ayşegül Benseel.

### 10.2.3 NOMINATION COMMITTEE

The Nomination Committee's key responsibilities include, but are not limited to:

- *Structural review*: regularly reviewing the structure, size and composition of the board of directors of the Guarantor (including the skills, knowledge, independence and absence of conflicts of interest, experience and diversity of the Board) and making recommendations to the Board.
- *Succession planning*: giving consideration to succession planning for directors and other senior executives, taking into account the challenges and opportunities facing the Group and the skills, diversity and expertise needed on the board in the future.
- *Annual evaluation*: assisting the Chairman of the board to implement an annual evaluation process to assess the overall and individual performance of the board and its committees, and reviewing the results that relate to the composition of the Board and its committees.
- *Board candidates*: identifying and nominating, for the approval of the board, candidates to fill board vacancies as and when they arise. Also, as part of that process, reviewing any interest a candidate may have that conflict, or may conflict, with the interests of the Guarantor.
- *Recommendations*: making recommendations to the board, including concerning succession plans; membership of the Audit and Risk Committee and the Remuneration Committee in consultation with the Chairs of those committees; the re-election of directors by shareholders; any matters relating to the continuation in office of any Director at any time, including the suspension or termination of service of any future executive director as an employee of the Guarantor; and the appointment of any Director to executive or other office.

#### Meetings

In accordance with its Terms of Reference, the Committee meets formally at least once a year, however the Committee members also communicate informally between meetings.

#### Composition

The members of the Committee are Jérôme Bayle, who chairs the Committee, and Ayşegül Bensel.

## 10.3 COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS

### 10.3.1 THE ISSUER

Prior to the present Prospectus, the Issuer was not regulated by the Capital Markets Rules and accordingly was not required to comply with the Code of Principles of Good Corporate Governance forming part of the Capital Markets Rules (the "**Code**"). As a consequence of the Bond Issue, in accordance with the terms of the Capital Markets Rules, the Issuer is required to comply with the provisions of the Code. The Issuer declares its full support of the Code and undertakes to fully comply with the Code to the extent that this is considered complementary to the size, nature and operations of the Issuer. The Issuer is confident that the application thereof shall result in positive effects accruing to the Issuer.

Going forward, in view of the reporting structure adopted by the Code, the Issuer shall, on an annual basis in its annual report, explain the level of the Issuer's compliance with the principles of the Code, in line with the "comply or explain" philosophy of the Code, explaining the reasons for non-compliance, if any.

As at the date of this Registration Document, the Board considers the Issuer to be in compliance with the Code save for the following exceptions:

#### **Principle 4 (The Responsibilities of the Board) – Code Provision 4.2.7**

This Code provision recommends the development of a succession policy for the future composition of the Board of Directors. In the context of the appointment of directors being a matter reserved exclusively to the Issuer's shareholders (except where the need arises to fill a casual vacancy), considering that every director retires from office at the annual general meeting, the Issuer does not consider it feasible to have in place such a succession policy. However, the recommendation to have in place such a policy will be kept under review.

## **Principle 7 (Evaluation of the Board's performance) – Code Provision 7.1**

Under the present circumstances, the Board does not consider it necessary to appoint a committee to carry out a performance evaluation of its role, as the Board's performance is evaluated on an ongoing basis by, and is subject to the constant scrutiny of, the Board itself, the Issuer's shareholders, the market and the rules by which the Issuer is regulated as a listed company.

### **10.3.2 THE GUARANTOR**

The Guarantor is not a public company registered in Malta having securities admitted to trading on a regulated market operating in Malta, and accordingly, whilst it fully endorses the provisions of the Code set out in the Capital Markets Rules and implemented by the Issuer, it is not itself bound by such provisions. Notwithstanding the aforesaid, the Guarantor, being a public company whose securities are listed on the London Stock Exchange, complies with similar requirements to the provisions of the Code.

## **11 MAJOR SHAREHOLDERS**

### **11.1 THE ISSUER**

As at the date of this Registration Document, Global Ports Melita Limited (C 24361) holds 99.99% of the entire issued share capital of the Issuer, with the remaining 0.01% held by Ayşegül Bensele. In turn, the majority shareholder of the Issuer, Global Ports Melita Limited (C 24361) is wholly owned by Global Ports Europe B.V. (The Netherlands), which is ultimately owned by the Guarantor.

To the best of the Issuer's knowledge, there are no arrangements in place as at the date of this Registration Document the operation of which may at a subsequent date result in a change in control of the Issuer.

### **11.2 THE GUARANTOR**

As at the date of this Registration Document, GIH is the ultimate parent company of the Group. GIH has a 63.5% interest in the Guarantor, directly and through its wholly owned subsidiary Global Ports Holding B.V. ('GPH B.V.'), which is registered under a nominee.

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 remaining shares of the Guarantor are free-float shares traded at London Stock Exchange.

To the best of the Guarantor's knowledge, there are no arrangements in place as at the date of this Registration Document the operation of which may at a subsequent date result in a change in control of the Issuer.

## 12 FINANCIAL INFORMATION CONCERNING THE ISSUER'S AND THE GUARANTOR'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES

### 12.1 HISTORICAL FINANCIAL INFORMATION

The Issuer was registered and incorporated as a public limited liability company on 18 October, 2022 as a special purpose vehicle to act as the financing arm of the Guarantor. No financial statements have been prepared for the Issuer since incorporation up until the date of this Registration Document.

The following historical financial information of the Guarantor is extracted from the audited financial statements of the Guarantor for the financial years ended 31 December, 2019, 31 March, 2021 (15 months) and 31 March, 2022. The said financial statements, which are published on the Guarantor's website (<https://www.globalportsholding.com/annual-reports>) and are available for inspection at its registered office as set out in Section 5 of this Registration Document, shall be deemed to be incorporated by reference in, and form part of, this Prospectus. The Group's financial statements have been prepared in UK-adopted International accounting standards (IFRS) and with the requirements of the UK Companies Act 2006.

In this respect, the following table of cross-references sets out specific items set out in the documents above which are incorporated by reference:

GUARANTOR	PAGE NUMBER(S) IN ANNUAL REPORT		
	FINANCIAL YEAR ENDED 31 MARCH, 2022	THE 15-MONTH PERIOD ENDED 31 MARCH, 2021	FINANCIAL YEAR ENDED 31 DECEMBER, 2019
Independent Auditors' Report	119	120	122
Statement of Profit or Loss and other Comprehensive Income	126	130	130
Statement of Financial Position	127	131	131
Statement of Changes in Equity	128	132	132
Consolidated Cash Flow Statement	130	134	134
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As at the date of this Prospectus there has been no material adverse change in the prospects of the Guarantor since the date of the Guarantor's last published audited financial statements.

The tables and narrative included in this sub-section 12 contain certain alternative performance measures (as defined by the European Securities and Markets Authority (ESMA)), including Adjusted Revenue and Adjusted EBITDA, that the Group management and other competitors in the industry use. These non-International Financial Reporting Standards financial measures are presented as supplemental information as: (i) they represent measures that the Group believe may be relevant for certain investors, securities analysts and other parties in assessing the Group's operating and financial performance and may contribute to a fuller understanding of the cash generation capacity and the growth of the combined business; and (ii) they may be used by the Group's management as a basis for strategic planning and forecasting.

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

	Year ended 31 March 2022 (USD '000)	15 month period ended 31 March 2021 (USD '000)	Year ended 31 December 2019 (USD '000) Restated
Revenue	128,410	79,399	70,398
Cost of sales	(131,326)	(98,090)	(48,152)
<b>Gross (loss) / profit</b>	<b>(2,916)</b>	<b>(18,691)</b>	<b>22,246</b>
Other income	5,169	2,878	1,663
Selling and marketing expenses	(2,530)	(1,622)	(2,054)
Administrative expenses	(16,762)	(20,211)	(13,063)
Impairment loss on trade receivables and contract assets	--	(1,339)	(300)
Other expenses	(12,645)	(33,369)	(6,632)
<b>Operating (loss) / profit</b>	<b>(29,684)</b>	<b>(72,354)</b>	<b>1,860</b>
Finance income	25,071	30,047	7,274
Finance costs	(36,897)	(80,814)	(39,223)
<b>Net finance costs</b>	<b>(11,826)</b>	<b>(50,767)</b>	<b>(31,949)</b>
Share of (loss) / profit of equity-accounted investees	(2,425)	465	5,580
<b>Loss before tax</b>	<b>(43,935)</b>	<b>(122,656)</b>	<b>(24,509)</b>
Tax (expense) / income	(605)	15,061	(588)
<b>Loss from continuing operations</b>	<b>(44,540)</b>	<b>(107,595)</b>	<b>(25,097)</b>
Profit from discontinued operations	--	12,906	9,878
<b>Loss for the year / period</b>	<b>(44,540)</b>	<b>(94,689)</b>	<b>(15,219)</b>
Loss for the year / period attributable to:			
Owners of the Company	(35,992)	(80,313)	(18,558)
Non-controlling interests	(8,548)	(14,376)	3,339
	<b>(44,540)</b>	<b>(94,689)</b>	<b>(15,219)</b>
Other comprehensive (loss) / income, net of tax	(16,886)	19,041	(9,893)
<b>Total comprehensive loss for the period / year</b>	<b>(61,426)</b>	<b>(75,648)</b>	<b>(25,112)</b>
Loss for the year / period attributable to:			
Owners of the Company	(49,735)	(64,987)	(26,757)
Non-controlling interests	(11,691)	(10,661)	1,645
	<b>(61,426)</b>	<b>(75,648)</b>	<b>(25,112)</b>



## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at	31 March 2022 (USD '000)	31 March 2021 (USD '000)	31 December 2019 (USD '000)
<b>Non-current assets</b>			
Property and equipment	121,411	126,858	130,511
Intangible assets	410,971	331,910	424,618
Right of use assets	83,461	87,469	81,123
Investment property	2,038	2,198	2,139
Goodwill	13,483	13,485	13,485
Equity-accounted investments	14,073	18,776	26,637
Due from related parties	8,846	8,125	6,811
Deferred tax assets	6,604	11,137	2,179
Other non-current assets	2,375	2,638	4,577
	<b>663,262</b>	<b>602,596</b>	<b>692,080</b>
<b>Current assets</b>			
Trade and other receivables	21,148	26,162	31,022
Due from related parties	1,061	324	771
Other investments	55	63	71
Other current assets	25,406	12,371	3,916
Inventories	938	903	1,393
Prepaid taxes	314	238	1,846
Cash and cash equivalents	99,687	170,599	63,780
	<b>148,609</b>	<b>210,660</b>	<b>102,799</b>
<b>Total assets</b>	<b>811,871</b>	<b>813,256</b>	<b>794,879</b>
<b>Current liabilities</b>			
Loans and borrowings	75,998	295,200	62,691
Other financial liabilities	754	2,925	4,536
Trade and other payables	37,888	39,236	21,367
Due to related parties	486	1,253	1,317
Current tax liabilities	377	157	2,725
Provisions	9,483	7,640	2,043
	<b>124,986</b>	<b>346,411</b>	<b>94,679</b>
<b>Non-current liabilities</b>			
Loans and borrowings	522,590	253,734	390,299
Other financial liabilities	50,316	55,249	50,394
Trade and other payables	1,640	12	--
Due to related parties	3,000	--	--
Deferred tax liabilities	44,498	49,323	84,715
Provisions	13,997	21,221	18,175
Employee benefits	346	344	869
Derivative financial liabilities	101	399	485
	<b>636,488</b>	<b>380,282</b>	<b>544,937</b>
<b>Total liabilities</b>	<b>761,474</b>	<b>726,693</b>	<b>639,616</b>
<b>Net assets</b>	<b>50,397</b>	<b>86,563</b>	<b>155,263</b>
<b>Equity</b>			
Share capital	811	811	811
Legal reserves	6,014	6,014	13,144
Share based payment reserves	367	239	239
Hedging reserves	(43,328)	(41,951)	(220,029)
Translation reserves	46,462	58,779	213,715
Retained earnings	(48,192)	(12,151)	61,053
<b>Equity attributable to equity holders of the company</b>	<b>(37,866)</b>	<b>11,741</b>	<b>68,933</b>
Non-controlling interests	88,263	74,822	86,330
<b>Total equity</b>	<b>50,397</b>	<b>86,563</b>	<b>155,263</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS

	Year ended 31-Mar-22 (USD '000)	15 months period ended 31-Mar-21 (USD '000)	Year ended 31-Dec-19 (USD '000) Restated
<b>Cash flows from operating activities</b>			
Loss for the year / period	(44,540)	(94,689)	(15,219)
<b>Adjustments for:</b>			
Depreciation of Property, Plant and Equipment, Right of Use assets, and amortization expense	28,467	34,209	25,906
Impairment losses on intangible / tangible assets	–	3,941	–
Impairment losses on investments	–	8,410	–
Share of loss / (profit) of equity-accounted investees, net of tax	2,425	(465)	(5,580)
Gain on sale of discontinued operation, net of tax	–	(9,071)	–
Gain on disposal of property, plant and equipment	–	–	(17)
Finance costs (excluding foreign exchange differences)	29,301	36,867	23,645
Finance income (excluding foreign exchange differences)	(4,461)	(626)	(225)
Foreign exchange differences on finance costs and income, net of tax	(13,014)	14,526	6,006
Income tax expenses / (benefit)	605	(15,417)	588
Employment termination indemnity reserve	48	50	33
Equity settled share-based payment expenses	128	–	239
Provision charges	(3,174)	7,739	544
<b>Operating cash flow before changes in operating assets and liabilities</b>	<b>(4,215)</b>	<b>(14,526)</b>	<b>35,920</b>
Changes in:			
- trade and other receivables	6,708	5,922	(11,106)
- other current assets	533	3,480	(1,011)
- related party receivables	(1,005)	(397)	(6,619)
- other non-current assets	257	2,508	280
- trade and other payables	(9,656)	14,386	(10,645)
- related party payables	1,670	(65)	591
- post-employment benefits paid	(6)	(32)	(22)
- provisions	(686)	(1,350)	8,585
<b>Cash (used in) / generated by operations before benefit and tax payments</b>	<b>(6,400)</b>	<b>9,926</b>	<b>15,973</b>
Income taxes paid	(173)	(442)	(3,781)
<b>Net cash (used in) / generated from operating activities</b>	<b>(6,573)</b>	<b>9,484</b>	<b>12,192</b>
<b>Cash inflows from operating activities on discontinued operations</b>	<b>–</b>	<b>27,163</b>	<b>24,927</b>
<b>Investing activities</b>			
Acquisition of property plant and equipment	(5,434)	(27,913)	(12,757)
Acquisition of intangible assets	(89,199)	(56,557)	(8,110)
Acquisition of a lease asset	–	–	(21,000)
Proceeds from sale of property and equipment	30	392	33
Disposal of discontinued operation, net of cash disposed of	–	99,943	–
Bank interest received	190	153	147
Dividends from equity accounted investees	1,765	1,647	2,849
Proceeds from sale of other investments in FVTPL instruments	–	–	13,184
Investment in equity accounted investee	–	(570)	(61)
Acquisition of subsidiary, net of cash acquired	–	(2,816)	(5)
Advances given for fixed assets	(13,679)	(9,668)	–
<b>Net cash from investing activities</b>	<b>(106,327)</b>	<b>4,611</b>	<b>(25,720)</b>
<b>Cash used in investing activities of discontinued operations</b>	<b>–</b>	<b>(1,560)</b>	<b>(3,287)</b>
<b>Financing activities</b>			
Equity injection by minorities to subsidiaries	23,438	482	7
Dividends paid to equity owners	–	–	(29,225)
Dividends paid to NCIs	–	(237)	(5,062)
Interest paid	(36,424)	(31,545)	(26,164)
Proceeds from loans and borrowings	333,581	161,096	42,021
Repayment of borrowings	(274,511)	(52,318)	(16,864)
Payment of lease liabilities	(2,612)	(3,922)	(2,720)
<b>Net cash from financing activities</b>	<b>43,472</b>	<b>73,556</b>	<b>(38,007)</b>
<b>Cash used in financing activities of discontinued operations</b>	<b>–</b>	<b>(1,167)</b>	<b>17,242</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(69,428)</b>	<b>112,087</b>	<b>(12,653)</b>
Effect of foreign exchange rate changes on cash and cash equivalents	(1,484)	(5,268)	(3,396)
<b>Cash and cash equivalents at beginning of year</b>	<b>170,599</b>	<b>63,780</b>	<b>79,829</b>
<b>Cash and cash equivalents at end of year / period</b>	<b>99,687</b>	<b>170,599</b>	<b>63,780</b>

## INCOME STATEMENT

The Group generates its revenue from cruise and commercial port operations. As illustrated below, the Group generated total revenue of USD 128.4 million in FY2022, which includes the impact of IFRIC 12 construction revenue. Under IFRIC 12, *Service Concession Arrangements*, both revenue and expenditure relating to the construction activities under the service concession arrangement are recognized in the income statement, but have a minimal amount on gross profit, and no impact on the Group's cash generation. Hence Adjusted Revenue is a better indicator of the operating performance of the business.

### REVENUE BY OPERATIONS AND SERVICES

USD'000	Cruise			Commercial			Consolidated		
	FY2022	FY2021	FY2019	FY2022	FY2021	FY2019	FY2022	FY2021	FY2019
	12 Mths	15 Mths	12 Mths	12 Mths	15 Mths	12 Mths	12 Mths	15 Mths	12 Mths
Landing fees	19,910	9,257	42,297	-	-	-	19,910	9,257	42,297
Part service revenue	4,786	1,713	5,485	635	324	229	5,421	2,037	5,714
Container revenue	-	-	-	4,974	6,985	5,090	4,974	6,985	5,090
Cargo revenue	-	-	-	2,179	1,441	1,505	2,179	1,441	1,505
Others	7,048	6,502	15,264	777	568	528	7,825	7,070	15,792
- Rental income	3,836	4,106	6,610	608	480	513	4,444	4,586	7,123
- Income from duty free operations	1,091	376	4,001	-	-	-	1,091	376	4,001
- Other revenue	2,121	2,020	4,653	169	88	15	2,290	2,108	4,668
<b>Adjusted revenue</b>	<b>31,744</b>	<b>17,472</b>	<b>63,046</b>	<b>8,565</b>	<b>9,318</b>	<b>7,352</b>	<b>40,309</b>	<b>26,790</b>	<b>70,398</b>
IFRIC-12 Construction revenue	88,101	52,609	-	-	-	-	88,101	52,609	-
<b>Revenue as per audit FS</b>	<b>119,845</b>	<b>70,081</b>	<b>63,046</b>	<b>8,565</b>	<b>9,318</b>	<b>7,352</b>	<b>128,410</b>	<b>79,399</b>	<b>70,398</b>

The reporting period FY 2022 remained challenging, however as the second half progressed, the widespread easing of travel restrictions led to a significant increase in activity across the cruise industry. This was reflected in the Group's passenger numbers, with 1.8 million passengers welcomed in the second half compared to 0.6 million passengers in the first half of FY 2022. This strong growth was primarily driven by the easing of travel restrictions which coincided with the start of the main Caribbean cruise season, and overall in FY2022 the Group welcomed 2.4 million passengers.

As illustrated above, the Group's revenue is mainly driven by the cruise port operations, which comprises landing fees, port service revenue, duty free operations and rental income. Cruise operations are driven by the number of cruise passengers, the number of cruise ships calls and the ship's capacity. Hence, in FY2021, following the onset of the pandemic, Adjusted Revenue from Cruise Operations decreased from USD 63.0 million in FY2019 to USD 17.5 million in FY2021, as passengers decreased from 5.3 million in FY2019 to 1.3 million in FY2021. As travel restrictions began to ease globally, Adjusted Revenue recovered to USD 31.7 million in FY2022.

Despite the unprecedented nature of the Covid-19 crisis and its significant impact on the business of the Group, the Group has continued to grow the number of cruise ports in its network. In fact, the Group's portfolio increased from 15 cruise ports (excl. the commercial Port of Adria) as at 1 January, 2019, to 25 cruise ports (excl. the commercial Port of Adria) as at 31 August, 2022. During the FY 2022, GPH added the first cruise port in Northern Europe, signing a 20-year lease agreement for Kalundborg Cruise Port, Denmark and two further ports in Italy, signing a 20-year concession agreement for Taranto Cruise Port and a four-year renewable concession for Crotona Cruise Port. After the end of the Reporting Period (2022), the GPH network was expanded further with further cruise port operations in Spain, signing a 12-year concession agreement, with a six-year extension option, for Tarragona Cruise Port, and up to 40-year concession agreements for three cruise ports in Canary Island, a 30-year concession agreement in San Juan, Puerto Rico, as well as beginning cruise operations at Vigo Cruise Port through a 50/50 joint venture with a local partner.

The Group currently operates only one commercial port at the Port of Adria in Bar, Montenegro after it disposed its commercial operations at the Port Akdeniz in January 2021 (the financial results of Port Akdeniz is shown under the line 'Profit from discontinued operations'). The increase in commercial revenue from USD 7.4 million in FY2019 to USD 9.3 million in FY2021 was mainly driven by an increase in container revenue through increases in container volume / throughput (TEU).

Cost of sales consist of expenses directly related to the operations of cruise and commercial ports. Cost of sales in FY2021, excluding the impact of IFRIC 12, decreased by 34.8% when compared to FY2019. This is mainly due to the low operational gearing model adopted by the Group whereby most costs are of a variable nature and therefore fluctuate with cruise ship and cruise passenger volume. Hence, as passenger volumes decreased in FY2021 and FY2022, there was a corresponding decrease in personnel expenses, security expenses, and cost of inventories sold. As travel restrictions started to ease up in FY2022, and passenger volumes picked up, there was a corresponding increase in personnel expenses, security expenses, and cost of inventories sold, being the main components of cost of sales.

During FY2019, the Group generated a gross profit of 65.7% (excluding the impact of IFRIC 12). Whilst costs were curtailed because of the pandemic, the decrease in Adjusted Revenue outweighed the decrease in costs. Consequently, the Group generated a gross profit margin of 41.2% in FY2021, increasing to 52.0% in FY2022.

Administrative expenses which mainly include personnel and consultancy expenses remained stable over the historical period after normalizing FY2021 expenses for 12 months. Selling and marketing expenses, however, significantly decreased from USD 2.1 million in FY2019 to USD 1.6 million in FY2021 as a cost cutting measure following the onset of the pandemic but increased to USD 2.5 million in FY2022 following the resumption of the cruise activities.

The Group reported higher depreciation charges in FY2021, totaling USD 34.2 million (FY2019: USD 25.9 million) mainly due to: (i) a longer reporting period; and (ii) the investment at new port additions particularly the Nassau Cruise Port and Antigua Cruise Port. In FY2022, depreciation and amortization costs decreased, given that FY2022 represents a 12-month period, but were partially offset by higher depreciation and amortization following further investments made by the Group.

The Group's net finance costs were USD 11.8 million in FY2022 compared to USD 50.8 million in FY2021 (FY2019: USD 31.9 million). In addition to the impact of a shorter reporting period, the decrease was driven by a significant decline in non-cash foreign exchange losses.

The Group registered loss from continuing operations after tax of USD 44.5 million in FY2022, compared to USD 107.6 million loss reported in FY2021. After accounting for other comprehensive loss of USD 16.9 million (mainly made up of foreign currency translation differences), the Group's total comprehensive loss amounted to USD 61.4 million in FY2022.

## ADJUSTED EBITDA

USD'000	Cruise			Commercial (Port of Adria)			Consolidated		
	FY2022	FY2021	FY2019	FY2022	FY2021	FY2019	FY2022	FY2021	FY2019
	12 Mths	15 Mths	12 Mths	12 Mths	15 Mths	12 Mths	12 Mths	15 Mths	12 Mths
Total Revenue	119,806	70,081	63,046	8,604	9,318	7,352	128,410	79,399	70,398
IFRIC-12 Construction revenue	(88,101)	(52,609)	-	-	-	-	(88,101)	(52,609)	-
<b>Adjusted revenue</b>	<b>31,705</b>	<b>17,472</b>	<b>63,046</b>	<b>8,604</b>	<b>9,318</b>	<b>7,352</b>	<b>40,309</b>	<b>26,790</b>	<b>70,398</b>
Segmental EBITDA	9,544	(1,698)	44,364	3,396	2,852	1,708	12,940	1,154	46,072
Unallocated expenses							(5,930)	(7,879)	(6,426)
<b>Adjusted EBITDA</b>							<b>7,010</b>	<b>(6,725)</b>	<b>39,646</b>

Segmental EBITDA was USD 12.9 million in FY2022 compared to USD 1.2 million in FY2021 and Adjusted EBITDA, reflecting Cruise EBITDA and Commercial EBITDA less unallocated expenses, was USD 7.0 million compared to an EBITDA loss of USD 6.7 million in the prior reporting period.

This turnaround in financial performance was driven by the increase in cruise activity, particularly in the second half of FY2022 and the Group's continued control of costs as the Group's cruise operations are returning to normal operating conditions, while still falling behind the USD 39.6 million Adjusted EBITDA of FY2019 which was the latest full pre-pandemic reporting period. It is worthwhile noting that FY2019 does include only *circa* two months of contribution from Nassau Cruise Port and Antigua Cruise Port acquired towards the end of the FY2019 period.

## STATEMENT OF FINANCIAL POSITION

Non-current assets in the statement of financial position as at 31 March, 2022 amounted to USD 663.3 million (31 March 2021: USD 602.6 million). Material non-current assets include:

- Property, plant and equipment amounting to USD 121.4 million (31 March, 2021: USD 126.9 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 improvement;
- Intangible assets of USD 411.0 million (31 March, 2021: USD 331.9 million) consisting 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 USD 83.5 million (31 March, 2021: USD 87.5 million) accounted for in line with IFRS 16 Leases which relate to the annual payments to the Government on leased ports, for which the Group controls pricing.

Current assets as at 31 March, 2022 amounted to USD 148.6 million (31 March, 2021: USD 210.7 million) and primarily include trade and other receivables, prepayments and cash and cash equivalents. Current liabilities stood at USD 125.0 million (31 March, 2021: USD 346.4 million), made up mainly of bank loans, notes issued to finance the investments in the cruise port of Nassau, trade and other payables and provisions.

Non-current liabilities as at 31 March, 2022 amounted to USD 636.5 million (31 March, 2021: USD 380.3 million) and mainly include bank borrowings, notes issued to finance the investments in the cruise port of Nassau, finance lease obligations on account of IFRS 16, other financial liabilities in relation to contractual obligations to pay concession fees that are not variable but contractually or in substance fixed, deferred tax liabilities, and provisions. The key borrowings of the Group total USD 427.7 million as 31 March, 2022, or 80% of gross debt, which relates to two facilities, these being the Sixth Street facility (USD 187.1 million) and Nassau Notes (USD 240.6 million).

The equity value of the Group as at 31 March, 2022 totalled USD 50.4 million (31 March 2021: USD 86.6 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.

## CASH FLOWS

Since FY2019, the Group continued to expand its cruise port operations by acquiring additional concession agreements and investing in capital expenditures for port infrastructure expansions.

Operating cash flow in FY2022 was a negative USD 6.6 million, reflecting a change in working capital, which includes a cash outflow of USD 9.7 million due to changes in trade payables and prepayments in Nassau relating to progress of construction works. This was offset by the receipt of USD 11.5 million deferred consideration for the sale of Port Akdeniz (reduction in trade receivables).

Total capital expenditure, through acquisition of property and equipment as well as intangible assets of USD 200 million between FY2019 and FY2022. This includes:

- USD 154.3 million on Nassau Cruise Port (FY 2019: USD 7.9 million; FY2021: USD 56.8 million; FY2022: USD 89.6 million); and
- USD 24.1 million on Antigua Cruise Port (FY 2019: USD 7.7 million; FY2021: USD 16.0 million; FY2022: USD 0.4 million).

This was financed by the USD 110 million of new notes issued during FY2022 in Nassau, partially offset by the repayment of the USD 250 million Eurobond through the use of cash resources and the new secured loan from Sixth Street. Additionally, during the period under review, the Group also sold Port Akdeniz which generated proceeds of USD 99.9 million.

In light of the unprecedented level of disruption to global trade and the cruise industry and the associated uncertainty created by the spread of the Covid-19 pandemic, the Board decided to suspend full-year dividends in FY2021 and FY2022 until the situation became clearer.

## 12.2 INTERIM FINANCIALS FOR THE 6-MONTH PERIOD ENDED 30 SEPTEMBER, 2022

The following historical financial information of the Guarantor is extracted from the interim unaudited but reviewed consolidated financial statements of the Guarantor for the 6-month period ending 30 September, 2022. The said financial statements, which are published on the Guarantor's website (<https://www.globalportsholding.com/reports-presentations>) and are available for inspection at its registered office as set out in Section 5 of this Registration Document, shall be deemed to be incorporated by reference in, and form part of, this Prospectus. The Group's financial statements have been prepared in UK-adopted International accounting standards (IFRS) and with the requirements of the UK Companies Act 2006.

In this respect, the following table of cross-references sets out specific items set out in the documents above which are incorporated by reference:

<b>Guarantor</b>	<b>Page number(s) in interim condensed consolidated financial statements</b>
<b>Information incorporated by reference in this Registration Document</b>	<b>Interim financial information for the six months ended 30 September, 2022</b>
Statement of Profit or Loss and other Comprehensive Income	6
Statement of Financial Position	8
Statement of Changes in Equity	9
Consolidated Cash Flow Statement	12
Notes to the Consolidated Financial Statements	13

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

	6 months ended 30 September 2022 (USD '000)	6 months ended 30 September 2021 (USD '000)
Revenue	118,349	61,060
Cost of sales	(82,132)	(67,152)
<b>Gross profit/ (loss)</b>	<b>36,217</b>	<b>(6,092)</b>
Other income	1,478	1,269
Selling and marketing expenses	(1,476)	(874)
Administrative expenses	(8,761)	(7,076)
Impairment loss on trade receivables and contract assets	--	(407)
Other expenses	(5,548)	(5,293)
<b>Operating (loss) / profit</b>	<b>21,910</b>	<b>(18,473)</b>
Finance income	2,881	9,523
Finance costs	(30,381)	(20,110)
<b>Net finance costs</b>	<b>(27,500)</b>	<b>(10,587)</b>
Share of (loss) / profit of equity-accounted investees	1,232	(343)
<b>Loss before tax</b>	<b>(4,358)</b>	<b>(29,403)</b>
Tax expense	(2,942)	6,102
<b>Loss for the period</b>	<b>(7,300)</b>	<b>(23,301)</b>
Loss for the period attributable to:		
Owners of the company	(16,564)	(18,844)
Non-controlling interests	9,264	(4,457)
	<b>(7,300)</b>	<b>(23,301)</b>
Other comprehensive loss, net of tax	(16,769)	(2,245)
<b>Total comprehensive loss for the period</b>	<b>(24,069)</b>	<b>(25,546)</b>
Loss for the period attributable to:		
Owners of the company	(25,715)	(20,694)
Non-controlling interests	1,646	(4,852)
	<b>(24,069)</b>	<b>(25,546)</b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 30 September 2022 (USD '000)	As at 31 March 2022 (USD '000)
<b>Non-current assets</b>		
Property and equipment	110,067	121,411
Intangible assets	444,990	410,971
Right of use assets	76,356	83,461
Investment property	1,747	2,038
Goodwill	13,483	13,483
Equity-accounted investments	13,204	14,073
Due from related parties	8,182	8,846
Deferred tax assets	3,962	6,604
Other non-current assets	2,385	2,375
	<b>674,376</b>	<b>663,262</b>
<b>Current assets</b>		
Trade and other receivables	27,948	21,148
Due from related parties	373	1,061
Other investments	51	55
Other current assets	14,356	25,406
Inventories	873	938
Prepaid taxes	355	314
Cash and cash equivalents	79,484	99,687
	<b>123,440</b>	<b>148,609</b>
<b>Total assets</b>	<b>797,816</b>	<b>811,871</b>
<b>Current liabilities</b>		
Loans and borrowings	80,174	75,998
Other financial liabilities	396	754
Trade and other payables	47,483	37,888
Due to related parties	1,844	486
Current tax liabilities	748	377
Provisions	12,162	9,483
	<b>142,807</b>	<b>124,986</b>
<b>Non-current liabilities</b>		
Loans and borrowings	518,779	522,590
Other financial liabilities	50,064	50,316
Trade and other payables	1,435	1,640
Due to related parties	8,872	3,000
Deferred tax liabilities	39,064	44,498
Provisions	10,074	13,997
Employee benefits	409	346
Derivative financial liabilities	(16)	101
	<b>628,681</b>	<b>636,488</b>
<b>Total liabilities</b>	<b>771,488</b>	<b>761,474</b>
<b>Net assets</b>	<b>26,328</b>	<b>50,397</b>
<b>Equity</b>		
Share capital	811	811
Legal reserves	6,014	6,014
Share based payment reserves	367	367
Hedging reserves	(42,705)	(43,328)
Translation reserves	36,716	46,462
Retained earnings	(64,784)	(48,192)
<b>Equity attributable to equity holders of the company</b>	<b>(63,581)</b>	<b>(37,866)</b>
Non-controlling interests	89,909	88,263
<b>Total equity</b>	<b>26,328</b>	<b>50,397</b>



## CONSOLIDATED STATEMENT OF CASH FLOWS

	6 months ended 30 September 2022 (USD '000)	6 months ended 30 September 2021 (USD '000)
<b>Cash flows from operating activities</b>		
Loss for the period / year	(7,300)	(23,301)
<b>Adjustments for:</b>		
Depreciation of PPE and RoU assets and amortization expense	13,315	14,420
Gain on disposal of Property, plant, and equipment	(9)	--
Impairment losses on investments	666	--
Share of (profit) / loss of equity-accounted investees, net of tax	(1,232)	343
Finance costs (excluding foreign exchange differences)	20,536	16,916
Finance income (excluding foreign exchange differences)	(818)	(494)
Foreign exchange differences on finance costs and income, net of tax	7,782	(1,065)
Income tax expense / (benefit)	2,942	(5,909)
Employment termination indemnity reserve	99	26
Equity settled share-based payment expenses	--	--
Use of / (Charges to) provision	245	(744)
<b>Operating cash flow before changes in operating assets and liabilities</b>	<b>36,226</b>	<b>192</b>
Changes in:		
- trade and other receivables	(6,800)	(2,091)
- other current assets	(299)	(26,089)
- related party receivables	1,523	282
- other non-current assets	(13)	293
- trade and other payables	8,191	13,736
- related party payables	1,370	2,086
- provisions	(179)	--
- post-employment benefits paid	(13)	(1)
<b>Cash generated by operations before benefit and tax payments</b>	<b>40,006</b>	<b>(11,592)</b>
Income taxes paid	(867)	(173)
<b>Net cash generated from / (used in) operating activities</b>	<b>39,139</b>	<b>(11,765)</b>
<b>Investing activities</b>		
Acquisition of property and equipment	(1,679)	(3,895)
Acquisition of intangible assets	(53,627)	(46,392)
Proceeds from sale of property and equipment	--	3
Bank interest received	648	140
Dividends from equity accounted investees	--	1,765
Advances used / (given) for fixed assets	11,373	--
<b>Net cash used in investing activities</b>	<b>(43,285)</b>	<b>(48,379)</b>
<b>Financing activities</b>		
Equity injection by minorities to subsidiaries	--	--
Interest paid	(12,142)	(30,754)
Change in due to related parties	5,872	--
Proceeds from loans and borrowings	28,703	269,081
Repayments of borrowings	(30,032)	(263,104)
Repayments of lease liabilities	(885)	(798)
<b>Net cash (used in) / generated from financing activities</b>	<b>(8,484)</b>	<b>(25,575)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(12,630)</b>	<b>(85,719)</b>
Effect of foreign exchange rate changes on cash and cash equivalents	(7,573)	(2,264)
<b>Cash and cash equivalents at beginning of year</b>	<b>99,687</b>	<b>170,599</b>
<b>Cash and cash equivalents at end of period</b>	<b>79,484</b>	<b>82,616</b>

## INCOME STATEMENT CONSOLIDATED INCOME STATEMENT (6 MONTHS)

USD'000	6 months ended 30-Sept-22	6 months ended 30-Sept-21
Adjusted revenue	64,099	14,761
Adjusted cost of sales	(16,984)	(8,801)
<b>Adjusted gross profit</b>	<b>47,116</b>	<b>5,960</b>
Other income	1,478	1,269
Administrative expenses	(7,430)	(5,634)
Other expenses	(5,548)	(5,293)
Selling and marketing expenses	(1,476)	(874)
Impairment loss on trade receivables	-	(407)
Share of profit / (loss) of equity-accounted investees	1,232	(343)
Specific adjusting items	5,031	4,837
<b>Adjusted EBITDA</b>	<b>40,403</b>	<b>(485)</b>
IFRIC 12 Construction gross profit	1,085	926
Share of loss / (profit) of equity-accounted investees	(1,232)	343
Specific adjusting items	(5,031)	(4,837)
Depreciation and amortisation	(13,315)	(14,420)
<b>EBIT</b>	<b>21,910</b>	<b>(18,473)</b>

The global cruise industry continues to recover strongly from the Covid 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-Covid levels. In fact, Cruise passenger volumes rose by 673% for the six-month period ending 30 September, 2022 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.

Adjusted revenue (excluding IFRIC 12 revenue) totalled USD 64.1 million between April and September 2022, an increase of 334% on the USD 14.8 million reported in same period in 2021. This growth was driven by the impact of higher passenger volumes on the Group's cruise operations, resulting Adjusted cruise revenue to increase by 482% or USD 49.7 million.

As cruise activity increased, costs have risen principally due to increased activity across the Group's cruise operations and in cruise sector. However, continued tight control of costs allowed the Group to manage this increased activity with a lower cost base than before the pandemic. In fact gross profit margin increased from 40.4% in the six months ending 30 September, 2021 to 73.5% in the six months ending 30 September 2022. Furthermore, the Group generated Adjusted EBITDA of USD 40.4 million in the first half of FY2023 compared to a loss of USD 0.5 million in the same period in FY2022, hence generating an Adjusted EBITDA margin of 63.0% (2021: -3.3%).

Depreciation and amortisation costs were USD 13.3 million for the six months ending 30 September, 2022 (2021: USD 14.4 million). This decrease was driven by the impact of exchange rate movements on the depreciation for Euro denominated assets.

The group's net finance charge in the six months ending 30 September, 2022 were USD 27.5 million (2021: USD 10.6 million). This was driven by lower finance income due to lower other foreign exchange gains, the one-off gain on refinancing of the Eurobond and higher finance cost due to higher other foreign exchange losses.

The Group registered loss after tax of USD 7.3 million in six months ending 30 September, 2022 (2021: USD 23.3 million). After accounting for other comprehensive loss of USD 16.9 million, comprising principally foreign currency translation differences, the Group's total comprehensive loss amounted to USD 24.1 million.

## STATEMENT OF FINANCIAL POSITION

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

- Property, plant and equipment amounting to USD 110.1 million (31 March, 2022: USD 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 improvement;
- Intangible assets of USD 445.0 million (31 March, 2022: USD 411.0 million) consisting 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 USD 76.4 million (31 March, 2022: USD 83.5 million) accounted for in line with IFRS 16 Leases which relate to the annual payments to the Government on leased ports, for which the Group controls pricing.

Current assets as at 30 September, 2022 amounted to USD 123.4 million (31 March, 2022: USD 148.6 million) and primarily include trade and other receivables, prepayments and cash and cash equivalents. Current liabilities stood at USD 142.8 million (31 March, 2022: USD 125.0 million), made up mainly of bank loans, notes issued to finance the investments in the cruise port of Nassau, trade and other payables and provisions.

Non-current liabilities as at 30 September, 2022 amounted to USD 628.7 million (31 March, 2022: USD 636.5 million) and mainly include bank borrowings, notes issued to finance the investments in the cruise port of Nassau, finance lease obligations on account of IFRS 16, other financial liabilities in relation to contractual obligations to pay concession fees that are not variable but contractually or in substance fixed, deferred tax liabilities, and provisions.

The equity value of the Group as at 30 September, 2022 totalled USD 26.3 million (31 March, 2022: USD 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.

## CASH FLOWS

Operating cash flow in 6-month period to 30 September, 2022 was a positive USD 39.1 million, reflecting a positive EBITDA generation of the Group.

Total capital expenditure, through acquisition of property and equipment as well as intangible assets of USD 43.3 million principally related to the Nassau Cruise Port.

Capex was already financed by the USD 110 million of new notes issued during FY 2022 in Nassau, hence the Group has negative cashflows from financing activities relating to the interest payments.

## 12.3 LEGAL AND ARBITRATION PROCEEDINGS

Save as stated hereunder, there have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened or of which the Issuer and, or the Guarantor is aware) during the period covering 12 months prior to the date of the Prospectus which may have, or have had in the recent past, significant effects on the Issuer's and, or the Guarantor's financial position or profitability:

The Port of Adria-Bar (Montenegro) is a party to the disputes arising from the collective labour agreement executed with the union by Luka Bar AD (former employer or company), which was applicable to Luka Bar AD employees transferred to Port of Adria-Bar. The collective labour agreement has expired in 2010, before the Port was acquired by the Group under the name of Port of Adria-Bar. However, a number of lawsuits have been brought in connection to this collective labour agreement seeking (i) unpaid wages for periods before the handover of the Port to the Group, and (ii) alleged underpaid wages as of the start of 2014. On March 2017, the Supreme Court of Montenegro adopted a Standpoint in which it is ruled that collective labour agreement cannot be applied on rights, duties and responsibilities for employees of Port of Adria-Bar after 30 September, 2010. Although the Standpoint has established a precedent that has applied to the claims for the period after 30 September, 2010, there are various cases pending for claims related to the period of 1 October, 2009 – 30 September, 2010. In respect of the foregoing period of one year, the Port of Adria-Bar has applied to the Constitutional Court to question the alignment of the collective labour agreement with the Constitution, Labour Law and general collective agreement. The Port of Adria-Bar was notified that the application for initiating the procedure for reviewing the legality of the Collective Agreement has been rejected due to a procedural reason, without evaluating the arguments submitted. On 17 May, 2021, the Supreme Court dismissed Port of Adria's case and confirmed and accepted the applicability of the conflicting articles of the collective bargaining agreement in terms of employees' lawsuits for employees. As of 31 March 2022, the Group has allocated a provision expense of USD 655,000 for this lawsuit in its consolidated financial statements (31 March 2021: USD 3.076 million).

## 12.4 SIGNIFICANT CHANGE IN THE ISSUER'S AND, OR THE GUARANTOR'S FINANCIAL OR TRADING POSITION

There has been no material adverse change in the prospects of the Issuer and, or the Guarantor's since the date of publication of its latest audited financial statements nor has there been any significant change in the financial position of the Issuer and, or the Guarantor since the end of the last financial period for which financial information has been published to the date of this Registration Document.

# 13 ADDITIONAL INFORMATION

## 13.1 THE ISSUER

### 13.1.1. AUTHORISED AND ISSUED SHARE CAPITAL OF THE ISSUER

As at the date of this Registration Document, the authorised share capital of the Issuer is Euro 250,000.00 divided into 250,000 ordinary shares of a nominal value of Euro 1.00 each. The issued share capital of the Issuer is Euro 250,000.00 divided into 250,000 ordinary shares of a nominal value of Euro 1.00 each share which has been subscribed for, allotted and taken up as follows:

NAME AND ADDRESS OF SHAREHOLDER	NUMBER OF ORDINARY SHARES HELD
<b>Global Ports Melita Limited</b> C 24361 Level 0/A, Centris Business Gateway Triq is-Salib tal-Imrieהל Zone 3, Central Business District Birkirkara, CBD 3020 Malta	249,999 ordinary shares of Euro 1.00 each
<b>Ayşegül Benseel</b> Maltese passport numbered: 1319699 Etiler Mah. Tepecik Yolu SK. Buyukhanli Etiler, C BL., No: 34 C D:2 Etiler Besiktas Istanbul, Turkey	One ordinary share of Euro 1.00

### **13.1.2. MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE ISSUER**

The Memorandum and Articles of Association of the Issuer are registered with the Registrar of Companies at the Malta Business Registry. A full list of the objects for which the Issuer is established is set out in clause three of the Memorandum of Association. These objects include:

- (a) carry on the business of a finance company and in particular but without prejudice to the generality of the foregoing the financing or re-financing of the funding requirements of the business of the group of companies of which the Issuer forms part and, or of any company that is controlled, directly or indirectly, by the same person or persons as the Issuer;
- (b) to subscribe for, take, purchase, participate in or otherwise acquire, hold, manage, sell or otherwise dispose of, and deal in any manner whatsoever in, shares, stock, debentures, bonds, notes or other securities whatsoever solely for and on behalf of the Issuer, and options, warrants or other rights or interests whatsoever in any such securities of, and any interests whatsoever in, any company in any other part of the world as the Issuer may determine and in such manner, under such terms and conditions and for such consideration as the Issuer may think fit; and
- (c) to borrow and raise money in such manner as the Issuer may deem fit and in particular by the issue of bonds, debentures, commercial paper or other instruments creating or acknowledging indebtedness and to offer same to the public, and to secure the repayment of any money borrowed or raised and any interest payable thereon by the hypothecation or the creation of any other charge upon the whole or the part of the movable or immovable property of the Issuer, present and future.

## **13.2 THE GUARANTOR**

### **13.2.1. AUTHORISED AND ISSUED SHARE CAPITAL OF THE GUARANTOR**

As at the date of this Registration Document, the authorised and issued share capital of the Guarantor consists of 62,826,963 ordinary shares of a nominal value of GBP 0.01 each.

As at the date of this Registration Document, GIH is the ultimate parent company of the Group. GIH has a 63.5% interest in the Guarantor, directly and through its wholly owned subsidiary Global Ports Holding B.V. ('GPH B.V. '), which is registered under a nominee. 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.

### **13.2.2. ARTICLES OF ASSOCIATION OF THE GUARANTOR**

The Articles of Association of the Guarantor are registered with the Companies House of the UK.

## **14 MATERIAL CONTRACTS**

Except as disclosed, neither the Issuer, nor the Guarantor, or any of the other companies forming part of the Group, is party to any contract not being a contract entered into in the respective company's ordinary course of business, which could result in any member of the Group being under an obligation or entitlement that is material to the Issuer as at the date of this Registration Document.

## 15 THIRD PARTY INFORMATION AND STATEMENT BY EXPERTS

Save for the financial analysis summary, the Prospectus does not contain any statement or report attributed to any person as an expert.

The financial analysis summary has been included in the form and context in which it appears with the authorisation of the Sponsor, who has given and has not withdrawn its consent to the inclusion of such report herein. The author of the financial analysis summary is Mr Evan Mohnani, Senior Financial Advisor at M.Z. Investment Services Ltd.

The Issuer confirms that the financial analysis summary has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from the information contained therein, no facts have been omitted which render the reproduced information inaccurate or misleading.

## 16 DOCUMENTS AVAILABLE FOR INSPECTION

For the duration period of this Registration Document the following documents shall be available for inspection at the registered address of the Issuer:

- (a) the Memorandum and Articles of Association of the Issuer and the Guarantor;
- (b) the audited consolidated financial statements of the Guarantor for the financial year ended 31 March, 2022, the 15 month period ended 31 March, 2021, and the financial year ended 31 December, 2019;
- (c) the financial analysis summary prepared by the Sponsor dated 1 February, 2023;
- (d) the Guarantee; and
- (e) the interim unaudited but reviewed consolidated financial statements of the Guarantor.

Such documents are also available for inspection in electronic form on the Issuer's website at: <http://gphmaltafinance.com/>

The audited consolidated financial statements of the Guarantor referred to in (b) above and the interim unaudited but reviewed consolidated financial statements of the Guarantor referred to in (e) above are also incorporated by reference in the manner indicated in sections 12.1 and 12.2 of this Registration Document, respectively.

# SECURITIES NOTE

DATED 1 FEBRUARY, 2023

This document is a Securities Note issued in accordance with the provisions of Chapter 4 of the Capital Markets Rules issued by the MFSA and in accordance with the provisions of the Prospectus Regulation.

This Securities Note is being issued by:

## **GPH Malta Finance p.l.c.**

a public limited liability company registered under the laws of Malta with company registration number C 103534

with the joint and several guarantee of:

## **Global Ports Holding plc**

a public limited company registered under the laws of England and Wales with company registration number 10629250

**in respect of an issue of up to €25,000,000 6.25% unsecured bonds due 2030  
issued and redeemable at their nominal value (at €100 per Bond)**

ISIN MT0002731207

\* Prospective investors are to refer to the Guarantee contained in Annex I of this Securities Note and section 1 of the Registration Document for a description of the Guarantee. Reference should also be made to the sections entitled "Risk Factors" contained in the Registration Document and this Securities Note for a discussion of certain risk factors which should be considered by prospective investors in connection with the Bonds and the Guarantee.

**THIS SECURITIES NOTE HAS BEEN APPROVED BY THE MFSA, AS THE COMPETENT AUTHORITY UNDER THE PROSPECTUS REGULATION. THE MFSA HAS AUTHORISED THE ADMISSIBILITY OF THE BONDS AS LISTED FINANCIAL INSTRUMENTS. THIS MEANS THAT THE MFSA HAS ONLY APPROVED THIS SECURITIES NOTE AS MEETING THE STANDARDS OF COMPLETENESS, COMPREHENSIBILITY AND CONSISTENCY AS PRESCRIBED BY THE PROSPECTUS REGULATION. SUCH APPROVAL SHOULD NOT, HOWEVER, BE CONSIDERED AS AN ENDORSEMENT OF THE ISSUER, WHOSE BONDS ARE THE SUBJECT OF THIS SECURITIES NOTE. IN PROVIDING THIS AUTHORISATION, THE MFSA DOES NOT GIVE ANY CERTIFICATION REGARDING THE POTENTIAL RISKS IN INVESTING IN THE BONDS ISSUED BY THE ISSUER AND SUCH AUTHORISATION SHOULD NOT BE DEEMED, OR BE CONSTRUED, AS A REPRESENTATION OR WARRANTY AS TO THE SAFETY OF INVESTING IN THE BONDS.**

**THE MFSA ACCEPTS NO RESPONSIBILITY FOR THE CONTENTS OF THE PROSPECTUS, MAKES NO REPRESENTATIONS AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER, FOR ANY LOSS HOWSOEVER ARISING FROM, OR IN RELIANCE UPON, THE WHOLE OR ANY PART OF THE CONTENTS OF THE PROSPECTUS INCLUDING ANY LOSSES INCURRED BY INVESTING IN THE BONDS.**

**A PROSPECTIVE INVESTOR SHOULD ALWAYS SEEK FINANCIAL ADVICE BEFORE DECIDING TO INVEST IN THE BONDS. A PROSPECTIVE INVESTOR SHOULD BE AWARE OF THE POTENTIAL RISKS OF INVESTING IN THE BONDS AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION AND CONSULTATION WITH HIS OR HER OWN FINANCIAL ADVISER. A SUITABILITY TEST WILL BE REQUIRED TO BE CONDUCTED BY AUTHORISED FINANCIAL INTERMEDIARIES PRIOR TO THE SALE OF THE BONDS AND A PROSPECTIVE INVESTOR WHO FAILS THE SUITABILITY TEST WILL NOT BE ELIGIBLE TO INVEST IN THE BONDS.**



M Z I N V E S T M E N T S

**Sponsor**



Bank of Valletta

**Manager & Registrar**



CAMILLERI PREZIOSI  
ADVOCATES

**Legal Counsel**

APPROVED BY THE BOARD OF DIRECTORS

**Stephen Xuereb**

signing in his capacity as director of the Issuer and on behalf of  
Mehmet Kutman, Ayşegül Bensel, Jérôme Bernard Jean Auguste Bayle, and Taddeo Scerri

## IMPORTANT INFORMATION

THIS SECURITIES NOTE FORMS PART OF THE PROSPECTUS AND CONTAINS INFORMATION IN CONNECTION WITH AN ISSUE BY GPH MALTA FINANCE P.L.C. (C 103534) (THE **"ISSUER"**) OF UP TO €25,000,000 UNSECURED BONDS DUE 2030 HAVING A NOMINAL VALUE OF €100 PER BOND ISSUED AT PAR AND BEARING INTEREST AT THE RATE OF 6.25% PER ANNUM, PAYABLE ANNUALLY IN ARREARS ON 10 MARCH OF EACH YEAR UNTIL THE REDEMPTION DATE, AS APPLICABLE (THE **"BONDS"** OR THE **"BOND ISSUE"**).

A COPY OF THIS SECURITIES NOTE HAS BEEN SUBMITTED TO THE MFSA IN SATISFACTION OF THE CAPITAL MARKETS RULES, THE MSE IN SATISFACTION OF THE MSE BYE-LAWS AND THE REGISTRAR OF COMPANIES AT THE MALTA BUSINESS REGISTRY IN ACCORDANCE WITH THE ACT.

**THE MFSA ACCEPTS NO RESPONSIBILITY FOR THE CONTENTS OF THIS SECURITIES NOTE, MAKES NO REPRESENTATIONS AS TO THEIR ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM, OR IN RELIANCE UPON, THE WHOLE OR ANY PART OF THE CONTENTS OF THIS SECURITIES NOTE.**

THIS SECURITIES NOTE: (I) CONTAINS INFORMATION ABOUT THE BONDS IN ACCORDANCE WITH THE REQUIREMENTS OF THE CAPITAL MARKETS RULES, THE ACT AND THE PROSPECTUS REGULATION, AND SHOULD BE READ IN CONJUNCTION WITH THE LATEST REGISTRATION DOCUMENT ISSUED BY THE ISSUER FORMING PART OF THE PROSPECTUS; AND (II) SETS OUT THE CONTRACTUAL TERMS UNDER WHICH THE BONDS ARE BEING ISSUED, BY THE ISSUER, WHICH TERMS SHALL REMAIN BINDING.

NO PERSON HAS BEEN AUTHORISED BY THE ISSUER OR ITS DIRECTORS, OR THE ISSUER'S ADVISERS, TO ISSUE ANY ADVERTISEMENT OR TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS IN CONNECTION WITH THE BOND ISSUE OTHER THAN THOSE CONTAINED IN THIS SECURITIES NOTE AND IN THE DOCUMENTS REFERRED TO HEREIN, AND IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORISED BY THE ISSUER, ITS DIRECTORS, OR ITS ADVISERS.

IT IS THE RESPONSIBILITY OF ANY PERSON IN POSSESSION OF THIS SECURITIES NOTE AND ANY PERSON WISHING TO APPLY FOR THE BONDS TO INFORM THEMSELVES OF, AND TO OBSERVE AND COMPLY WITH, ALL APPLICABLE LAWS AND REGULATIONS OF ANY RELEVANT JURISDICTION. PROSPECTIVE INVESTORS IN THE BONDS SHOULD INFORM THEMSELVES AS TO THE LEGAL REQUIREMENTS OF APPLYING FOR ANY SUCH SECURITIES AND ANY APPLICABLE EXCHANGE CONTROL REQUIREMENTS AND TAXES IN THE COUNTRIES OF THEIR NATIONALITY, RESIDENCE AND, OR DOMICILE.

THE ISSUER HAS CONSENTED TO THE AUTHORISED FINANCIAL INTERMEDIARIES MAKING USE OF THIS SECURITIES NOTE IN CONNECTION WITH THEIR DISTRIBUTION AND PLACEMENT ACTIVITIES FOR THE SALE OF THE BONDS.

THE PROSPECTUS DOES NOT CONSTITUTE, AND MAY NOT BE USED FOR PURPOSES OF, AN OFFER OR INVITATION TO SUBSCRIBE FOR SECURITIES ISSUED BY THE ISSUER: (I) BY ANY PERSON IN ANY JURISDICTION IN WHICH SUCH OFFER OR INVITATION IS NOT AUTHORISED OR IN WHICH THE PERSON MAKING SUCH OFFER OR INVITATION IS NOT QUALIFIED TO DO SO; OR (II) TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR INVITATION. THE DISTRIBUTION OF THE PROSPECTUS IN CERTAIN JURISDICTIONS MAY BE RESTRICTED AND, ACCORDINGLY, PERSONS INTO WHOSE POSSESSION IT IS RECEIVED ARE REQUIRED TO INFORM THEMSELVES ABOUT, AND TO OBSERVE, SUCH RESTRICTIONS.

SAVE FOR THE ISSUE IN THE REPUBLIC OF MALTA, NO ACTION HAS BEEN, OR WILL BE, TAKEN BY THE ISSUER THAT WOULD PERMIT A PUBLIC OFFERING OF THE BONDS OR THE DISTRIBUTION OF THE PROSPECTUS (OR ANY PART THEREOF), OR ANY OFFERING MATERIAL, IN ANY COUNTRY OR JURISDICTION WHERE ACTION FOR THAT PURPOSE IS REQUIRED. ACCORDINGLY, NO BONDS MAY BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, AND NEITHER THIS PROSPECTUS NOR ANY ADVERTISEMENT OR OTHER OFFERING MATERIAL MAY BE DISTRIBUTED OR PUBLISHED IN ANY JURISDICTION, EXCEPT UNDER CIRCUMSTANCES THAT WILL RESULT IN COMPLIANCE WITH ANY APPLICABLE LAWS AND REGULATIONS. PERSONS INTO WHOSE POSSESSION THIS PROSPECTUS, OR ANY OTHER OFFERING MATERIAL MAY COME, MUST INFORM THEMSELVES ABOUT, AND OBSERVE, ANY SUCH RESTRICTIONS ON THE DISTRIBUTION OF THE PROSPECTUS AND THE OFFERING AND SALE OF THE BONDS.

THE PROSPECTUS AND THE OFFERING, SALE, OR DELIVERY OF ANY SECURITIES MAY NOT BE TAKEN AS AN IMPLICATION: (I) THAT THE INFORMATION CONTAINED IN THE PROSPECTUS IS ACCURATE AND COMPLETE SUBSEQUENT TO ITS DATE OF ISSUE; OR (II) THAT THERE HAS BEEN NO MATERIAL ADVERSE CHANGE IN THE FINANCIAL POSITION OF THE ISSUER SINCE SUCH DATE; OR (III) THAT ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE PROSPECTUS IS ACCURATE AT ANY TIME SUBSEQUENT TO THE DATE ON WHICH IT IS SUPPLIED OR, IF DIFFERENT, THE DATE INDICATED IN THE DOCUMENT CONTAINING THE SAME.



**THIS SECURITIES NOTE SHALL REMAIN VALID FOR A PERIOD OF 12 MONTHS FROM THE DATE HEREOF. FOLLOWING THE LAPSE OF THIS VALIDITY PERIOD, THE ISSUER IS NOT OBLIGED TO PUBLISH A SUPPLEMENT TO THIS SECURITIES NOTE IN THE EVENT OF SIGNIFICANT NEW FACTORS, MATERIAL MISTAKES OR MATERIAL INACCURACIES.**

ALL THE ADVISERS TO THE ISSUER AND THE GUARANTOR NAMED IN SECTION 4.1 OF THE REGISTRATION DOCUMENT HAVE ACTED, AND ARE ACTING, EXCLUSIVELY FOR THE ISSUER IN RELATION TO THE PROSPECTUS AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION TOWARDS ANY OTHER PERSON, AND WILL ACCORDINGLY NOT BE RESPONSIBLE TO ANY INVESTOR OR ANY OTHER PERSON WHOMSOEVER IN RELATION TO THE TRANSACTIONS PROPOSED IN THE PROSPECTUS.

**STATEMENTS MADE IN THIS SECURITIES NOTE ARE, EXCEPT WHERE OTHERWISE STATED, BASED ON THE LAW AND PRACTICE CURRENTLY IN FORCE IN MALTA AND ARE SUBJECT TO CHANGES THEREIN.**

UNLESS INCORPORATED BY REFERENCE IN THIS SECURITIES NOTE, THE CONTENTS OF THE ISSUER'S AND THE GUARANTOR'S WEBSITE OR ANY WEBSITE DIRECTLY OR INDIRECTLY LINKED TO THE ISSUER'S OR THE GUARANTOR'S WEBSITE DO NOT FORM PART OF THE PROSPECTUS. ACCORDINGLY, NO RELIANCE OUGHT TO BE MADE BY ANY INVESTOR ON ANY INFORMATION OR OTHER DATA CONTAINED IN SUCH WEBSITES AS THE BASIS FOR A DECISION TO INVEST IN THE BONDS.

**THE VALUE OF INVESTMENTS CAN GO UP OR DOWN AND PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE. PROSPECTIVE INVESTORS SHOULD BE AWARE OF THE POTENTIAL RISKS OF INVESTING IN THE BONDS, CAREFULLY CONSIDER ALL THE INFORMATION CONTAINED IN THE PROSPECTUS AS A WHOLE, AND CONSULT THEIR OWN FINANCIAL AND OTHER PROFESSIONAL ADVISERS BEFORE DECIDING TO MAKE AN INVESTMENT IN THE BONDS. A SUITABILITY TEST WILL BE REQUIRED TO BE CONDUCTED BY AUTHORISED FINANCIAL INTERMEDIARIES PRIOR TO THE SALE OF THE BONDS AND A PROSPECTIVE INVESTOR WHO FAILS THE SUITABILITY TEST WILL NOT BE ELIGIBLE TO INVEST IN THE BONDS.**

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# 1. DEFINITIONS

Words, expressions and capitalised terms used in this Securities Note shall, except where the context otherwise requires and except where otherwise defined herein, bear the same meaning as the meaning given to such words, expressions and capitalised terms as indicated in the Registration Document forming part of the Prospectus. Additionally, the following words and expressions as used in this Securities Note shall bear the following meanings whenever such words and expressions are used in their capitalised form, except where the context otherwise requires:

<b>Applicant(s)</b>	an applicant submitting an application for the Bonds through any Authorised Financial Intermediary, and any Authorised Financial Intermediary when subscribing for the Bonds for its own account or for the account of its customers;
<b>Application(s)</b>	the application to subscribe for the Bonds made by an Applicant(s) through any of the Authorised Financial Intermediaries;
<b>Bond Issue Price</b>	€100 per Bond;
<b>Bondholder(s)</b>	any holder(s) of Bonds from time to time, as evidenced by an electronic entry in the register of Bonds held by the CSD;
<b>Business Day</b>	any day between Monday and Friday (both days included) on which commercial banks in Malta settle payments and are open for normal banking business;
<b>COBR</b>	the conduct of business rulebook issued by the MFSA, as may be amended from time to time;
<b>CSD</b>	the Central Securities Depository of the MSE, having its address at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta;
<b>Interest Payment Date</b>	10 March of each year between and including each of the years 2024 and 2030, provided that if any such day is not a Business Day such Interest Payment Date will be carried over to the next following day that is a Business Day;
<b>Placement Agreement(s)</b>	the conditional placement agreement(s) which the Issuer shall enter into with Authorised Financial Intermediaries, pursuant to which each respective Authorised Financial Intermediary shall be conditionally bound to subscribe to such number of Bonds as indicated in their respective agreement(s);
<b>Placement Date</b>	12:00 hours on 3 March, 2023;
<b>Redemption Value</b>	means the nominal amount to be paid on the Redemption Date;
<b>Reserve</b>	has the meaning assigned to such term in section 5.14 of this Securities Note;
<b>Reserve Account</b>	has the meaning assigned to such term in section 5.14 of this Securities Note;
<b>Suitability Test</b>	the suitability test to be carried out in terms of the COBR; and
<b>Terms and Conditions</b>	the terms and conditions applicable to the Bonds as contained in section 6 of this Securities Note.

Unless it appears otherwise from the context:

- a. words importing the singular shall include the plural and *vice versa*;
- b. words importing the masculine gender shall include the feminine gender and *vice versa*;
- c. the word "may" shall be construed as permissive and the word "shall" shall be construed as imperative;
- d. all references in this Securities Note to "Malta" shall be construed as defined in Article 124 (1) of the Constitution of Malta;
- e. any phrase introduced by the terms "including", "include", "in particular" or any similar expression is illustrative only and does not limit the sense of the words preceding those terms; and
- f. any reference to a law, legislative act, and, or other legislation shall mean that particular law, legislative act and, or legislation as in force at the date of this Securities Note.

## 2. RISK FACTORS

**THE VALUE OF INVESTMENTS CAN GO UP OR DOWN AND PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE.**

**AN INVESTMENT IN THE BONDS INVOLVES CERTAIN RISKS INCLUDING THOSE DESCRIBED BELOW. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER WITH THEIR OWN FINANCIAL AND OTHER PROFESSIONAL ADVISERS, THE FOLLOWING RISK FACTORS AND OTHER INVESTMENT CONSIDERATIONS AS WELL AS ALL THE OTHER INFORMATION CONTAINED IN THIS PROSPECTUS, BEFORE MAKING ANY INVESTMENT DECISION WITH RESPECT TO THE BONDS. SOME OF THESE RISKS ARE SUBJECT TO CONTINGENCIES WHICH MAY OR MAY NOT OCCUR AND THE ISSUER IS NOT IN A POSITION TO EXPRESS A VIEW ON THE LIKELIHOOD OF ANY SUCH CONTINGENCIES OCCURRING.**

**THE RISK FACTORS BELOW HAVE BEEN CATEGORISED UNDER TWO MAIN CATEGORIES, ACCORDING TO WHETHER THE RISK FACTORS RELATE TO: (I) BONDS; OR (II) THE GUARANTEE.**

**THE RISK FACTOR FIRST APPEARING UNDER EACH CATEGORY CONSTITUTES THAT RISK FACTOR WHICH THE DIRECTORS HAVE ASSESSED TO BE THE MOST MATERIAL RISK FACTOR UNDER SUCH CATEGORY, AS AT THE DATE OF THIS SECURITIES NOTE. IN MAKING THIS ASSESSMENT OF MATERIALITY, THE DIRECTORS HAVE EVALUATED THE COMBINATION OF: (I) THE PROBABILITY THAT THE RISK FACTOR OCCURS; AND (II) THE EXPECTED MAGNITUDE OF THE ADVERSE EFFECT ON THE FINANCIAL CONDITION AND PERFORMANCE OF THE ISSUER, AND, OR THE GUARANTOR IF THE RISK FACTOR WERE TO MATERIALISE.**

**IF ANY OF THE RISKS DESCRIBED BELOW WERE TO MATERIALISE, THEY COULD HAVE A SERIOUS ADVERSE EFFECT ON THE BONDS. THE RISKS AND UNCERTAINTIES DISCUSSED BELOW ARE THOSE IDENTIFIED AS SUCH BY THE DIRECTORS AS AT THE DATE OF THIS SECURITIES NOTE, BUT THESE RISKS AND UNCERTAINTIES MAY NOT BE THE ONLY ONES THAT THE ISSUER FACES OR COULD FACE. ADDITIONAL RISKS AND UNCERTAINTIES, INCLUDING THOSE WHICH THE ISSUER'S DIRECTORS ARE NOT CURRENTLY AWARE OF, MAY WELL RESULT IN A MATERIAL ADVERSE IMPACT ON THE BONDS. IN ADDITION, PROSPECTIVE INVESTORS OUGHT TO BE AWARE THAT RISK MAY BE AMPLIFIED DUE TO A COMBINATION OF RISK FACTORS.**

**THE PROSPECTUS, THE DOCUMENTATION INCORPORATED BY REFERENCE HEREIN AND, OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH BONDS ISSUED BY THE ISSUER:**

- (I) **IS NOT INTENDED TO PROVIDE THE BASIS FOR ANY CREDIT OR OTHER EVALUATION;**
- (II) **IS NOT AND SHOULD NOT BE CONSIDERED AS A RECOMMENDATION BY THE ISSUER, AND, OR THE GUARANTOR, THEIR RESPECTIVE DIRECTORS, ANY OF THE ADVISERS LISTED IN SECTION 4.1 OF THE REGISTRATION DOCUMENT, OR ANY OF THE AUTHORISED FINANCIAL INTERMEDIARIES, THE DOCUMENTATION INCORPORATED BY REFERENCE HEREIN, OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION THEREWITH, THAT ANY RECIPIENT OF THIS PROSPECTUS SHOULD PURCHASE THE BONDS ISSUED BY THE ISSUER (AND THEREFORE PROSPECTIVE INVESTORS SHOULD MAKE THEIR OWN EVALUATION OF ALL RISK FACTORS, AND SHOULD CONSIDER ALL OTHER SECTIONS IN THIS SECURITIES NOTE); AND**
- (III) **CONTAIN STATEMENTS THAT ARE, OR MAY BE DEEMED TO BE, "FORWARD-LOOKING STATEMENTS".**

## 2.1 FORWARD-LOOKING STATEMENTS

Forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believes”, “estimates”, “forecasts”, “projects”, “anticipates”, “expects”, “envisages”, “intends”, “may”, “will”, or “should” or, in each case, their negative or other variations or comparable terminology. These forward-looking statements relate to matters that are not historical facts. They appear in a number of places within the Prospectus and include statements regarding the intentions, beliefs or current expectations of the Issuer’s and, or the Guarantor’s directors, amongst other things, the Issuer’s and, or the Guarantor’s strategy and business plans, financial condition and performance, results of operations, liquidity, prospects, investments, and the markets in which they operate.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may, or may not occur, in the future. Forward-looking statements are subject to numerous assumptions, risks and uncertainties. Many of these assumptions, risks and uncertainties are beyond the Issuer’s and the Guarantor’s control. Forward-looking statements are not guarantees of future performance and should therefore not be construed as such. The Issuer’s and, or the Guarantor’s actual operational results, financial condition and performance, and trading prospects may differ materially from the impression created by the forward-looking statements contained in the Prospectus. In addition, even if the operational results, financial condition and performance, and trading prospects of the Issuer and, or the Guarantor are consistent with the forward-looking statements contained in the Prospectus, those results or developments may not be indicative of results or developments in subsequent periods. Important factors that may cause these differences include, but are not limited to, those factors identified under this section 2 of this Securities Note and elsewhere in the Prospectus. There can be no assurance that: (i) the Issuer has correctly measured or identified all of the factors affecting the Bonds or the extent of their likely impact; (ii) the publicly available information with respect to these factors on which the Issuer’s analysis is based is complete or accurate; (iii) the Issuer’s analysis is correct; or (iv) the Issuer’s strategy, which is based in part on this analysis, will be successful. No attempt has been made by the Issuer to verify the forward-looking statements in this Prospectus. No representation is made that any of these statements, projections or forecasts will come to pass or that any forecasted result will be achieved. Where, in any forward-looking statement, the Issuer expresses an expectation or belief as to future results or events, such expectation or belief is expressed in good faith and believed to have a reasonable basis, but there can be no assurance that the expectation or belief will result or be achieved or accomplished.

All forward-looking statements contained in this Securities Note are made only as at the date hereof. Subject to applicable legal and regulatory obligations, the Issuer, the Guarantor, and their respective directors expressly disclaim any obligations to update or revise any forward-looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

## 2.2 RISKS SPECIFIC TO THE BONDS

### 2.2.1 NO PRIOR MARKET

Prior to the Bond Issue, there has been no public market, nor trading record for the Bonds within or outside Malta. Due to the absence of any prior market for the Bonds, there can be no assurance that the Bond Issue Price will correspond to the price at which the Bonds will trade in the market subsequent to the Bond Issue.

### 2.2.2 ORDERLY AND LIQUID MARKET

The existence of an orderly and liquid market for the Bonds depends on a number of factors, including the presence of willing buyers and sellers of the Bonds at any given time and the general economic conditions in the market in which the Bonds are traded. Such factors are dependent upon the individual decisions of investors and the general economic conditions of the market, over which the Issuer, and or Guarantor, has no control.

Accordingly, there can be no assurance that an active secondary market for the Bonds will develop, or, if it develops, that it will continue. Moreover, there can be no assurance that Bondholders will be able to sell the Bonds at or above the Bond Issue Price or at all.

### **2.2.3 FURTHER PUBLIC OFFERS**

No prediction can be made about the effect which any future public offerings of the Issuer's Bonds (including but not limited to the effects arising out of a change in the cash flow requirements of the Issuer or other commitments of the Issuer *vis-à-vis* the new security holders), or any takeover or merger activity involving the Issuer (including but not limited to a de-listing, in full or in part, of the Bonds), will have on the market price of the Bonds prevailing from time to time.

### **2.2.4 RANKING OF THE BONDS**

The Bonds, as and when issued and allotted, shall constitute the general, direct, unconditional and unsecured obligations of the Issuer and shall be guaranteed in respect of both the interest due and the principal amount under said Bonds by the Guarantor. The Bonds shall, at all times, rank *pari passu*, without any priority or preference among themselves and, save for such exceptions as may be provided by applicable law, without priority or preference to all present and future unsecured obligations of the Issuer. This means that any secured or privileged debts of the Issuer shall rank at all times ahead of the obligations of the Issuer under the Bonds, as a result of which the Bondholders may not be able to recover their investment in the Bonds in the case of insolvency or an equivalent situation, whether in full or in part. Furthermore, third-party security interests may be registered which will rank in priority to the Bonds against the assets of the Issuer, as the case may be, for so long as such security interests remain in effect. The high gearing of the Issuer increases the materiality of such risk.

### **2.2.5 SUBSEQUENT CHANGES IN INTEREST RATE AND POTENTIAL IMPACT OF INFLATION**

The Bonds are fixed rate debt securities. Investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the market value of the Bonds. Investors should be aware that because of the way yield is typically calculated by market participants, the price of fixed income securities (such as the Bonds) tends to move in a way that is inversely proportional to changes in interest rates. Accordingly, when prevailing market interest rates are rising, the prices that market participants will generally be willing to pay for the Bonds can be expected to decline. Conversely, if market interest rates are declining, secondary market prices for the Bonds can generally be expected to rise. Moreover, fixed rate debt securities with a longer period to maturity will tend to reflect a greater degree of secondary market price volatility relative to movements in market interest rates when compared to fixed rate debt securities with a shorter remaining lifespan.

The coupon payable on the Bonds is a nominal interest rate. The real interest rate is computed by subtracting inflation from the nominal interest rate, the result of which indicates the real return on the Bond coupons. In a period of high inflation, an investor's real return on the Bonds will be lower than the Bonds' nominal interest rate and thus undermine an investor's expected return. Furthermore, an increase in inflation may result in a decrease in the traded price of the Bonds on the secondary market.

### **2.2.6 DISCONTINUATION OF LISTING**

Even after the Bonds are admitted to trading on the MSE, the Issuer is required to remain in compliance with certain requirements relating to, *inter alia*, the free transferability, clearance and settlement of the Bonds, in order to remain a listed company in good standing. Moreover, the MFSA has the authority to suspend trading or listing of the Bonds if, *inter alia*, it comes to believe that such a suspension is required for the protection of investors or the integrity or reputation of the market. The MFSA may discontinue the listing of the Bonds on the MSE. Any such trading suspensions or listing revocations or discontinuations described above could have a material adverse effect on the liquidity and value of the Bonds.

### **2.2.7 AMENDMENTS TO THE TERMS AND CONDITIONS OF THE BONDS**

The Terms and Conditions of the Bonds contain provisions for calling meetings of Bondholders to consider matters affecting their interests generally. In the event that the Issuer wishes to amend any of the Terms and Conditions of the Bonds it shall call a meeting of Bondholders in accordance with the provisions of section 5.5 of this Securities Note. These provisions permit defined majorities to bind all Bondholders including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority.



## 2.3 RISKS SPECIFIC TO THE GUARANTEE

In view of the fact that the Bonds are being guaranteed by the Guarantor on a joint and several basis, the Bondholders shall be entitled to request the Guarantor to pay both the interest due and the principal amount under said Bonds if the Issuer fails to meet any amount when due in terms of the Prospectus. The Guarantee also entitles the Bondholders to take action against the Guarantor without having to first take action against the Issuer, if the Issuer fails to pay any sum payable by it to Bondholders pursuant to the Terms and Conditions of the said Bonds. The strength of this undertaking on the part of the Guarantor and, therefore, the level of recoverability by the Bondholders from the Guarantor of any amounts due under any of the Bonds, is dependent upon, and directly linked to, the financial position and solvency of the Guarantor. The risks relevant to the Guarantor are set out in detail in section 2.3 of the Registration Document.

**THE FOREGOING RISK FACTORS ARE NOT EXHAUSTIVE AND DO NOT PURPORT TO BE A COMPLETE LIST OF ALL OF THE RISKS AND CONSIDERATIONS INVOLVED IN INVESTING IN THE BONDS. IN PARTICULAR, THE ISSUER'S PERFORMANCE MAY BE AFFECTED BY CHANGES IN MARKET OR ECONOMIC CONDITIONS AS WELL AS LEGAL, REGULATORY AND TAX REQUIREMENTS APPLICABLE TO THE ISSUER AND, OR THE BONDS.**

# 3 PERSONS RESPONSIBLE, STATEMENT OF APPROVAL AND CONSENT FOR USE OF PROSPECTUS

## 3.1 PERSONS RESPONSIBLE

The directors of the Issuer are the persons responsible for the information contained in this Securities Note. To the best of the knowledge and belief of the directors of the Issuer (who have all taken reasonable care to ensure such is the case), the information contained in this Securities Note is in accordance with the facts and does not omit anything likely to affect the import of such information. The directors of the Issuer accept responsibility accordingly.

## 3.2 STATEMENT OF APPROVAL

This Securities Note has been approved by the MFSA as the competent authority in Malta for the purposes of the Prospectus Regulation. The MFSA has only approved this Securities Note as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation and such approval should not be considered as an endorsement of the Issuer or the quality of the Bonds (that are the subject of this Securities Note). Investors should make their own assessment as to the suitability of investing in the Bonds.

## 3.3 CONSENT FOR USE OF PROSPECTUS

For the purposes of any subscription for the Bonds through any of the Authorised Financial Intermediaries in terms of this Securities Note, and any subsequent resale, placement or other offering of Bonds by such Authorised Financial Intermediaries in circumstances where there is no exemption from the requirement to publish a prospectus under the Prospectus Regulation, the Issuer consents to the use of this Prospectus (and accepts responsibility for the information contained therein) with respect to any such subsequent resale, placement or other offering of Bonds, provided this is limited only:

- (i) in respect of the Bonds subscribed for through the Authorised Financial Intermediaries listed in Annex II of this Securities Note;
- (ii) to any resale or placement of the Bonds subscribed as aforesaid, taking place in Malta; and, or
- (iii) to any resale or placement of the Bonds taking place within the period of 60 days from the date of the Prospectus.

There are no other conditions attached to the consent given by the Issuer hereby which are relevant for the use of the Prospectus.

None of the Issuer, the Guarantor, the Sponsor, the Manager and Registrar or any of their respective advisers take any responsibility for any of the actions of any Authorised Financial Intermediary, including their compliance with applicable conduct of business rules or other local regulatory requirements or other securities law requirements in relation to a resale or placement of the Bonds.

Other than as set out above, neither the Issuer nor its advisers have authorised (nor do they authorise or consent to the use of this Prospectus in connection with) the making of any public offer of the Bonds by any person in any circumstances. Any such unauthorised offers are not made on behalf of the Issuer or the advisers and neither the Issuer nor the advisers have any responsibility or liability for the actions of any person making such offers.

Investors should enquire whether an intermediary is considered to be an Authorised Financial Intermediary in terms of the Prospectus. If the investor is in doubt as to whether it can rely on the Prospectus and, or who is responsible for its contents, it should obtain legal advice. No person has been authorised to give any information or to make any representation not contained in or inconsistent with this Prospectus. If given or made, it must not be relied upon as having been authorised by the Issuer or its advisers. The Issuer and the Guarantor do not accept responsibility for any information not contained in this Prospectus.

**In the event of a resale, placement or other offering of the Bonds by an Authorised Financial Intermediary, the Authorised Financial Intermediary shall be responsible to provide information to investors on the terms and conditions of the resale, placement or other offering at the time such is made.**

Any resale, placement or other offering of the Bonds to an investor by an Authorised Financial Intermediary will be made in accordance with any terms and other arrangements in place between such Authorised Financial Intermediary and such investor including as to price, allocations and settlement arrangements. Where such information is not contained in the Prospectus, it will be the responsibility of the relevant Authorised Financial Intermediary at the time of such resale, placement or other offering to provide the investor with that information and neither the Issuer nor its advisers have any responsibility or liability for such information.

**Any Authorised Financial Intermediary using this Prospectus in connection with a resale, placement or other offering of the Bonds subsequent to the Bond Issue shall, limitedly for the period of 60 days from the date of the Prospectus, publish on its website a notice to the effect that it is using this Prospectus for such resale, placement or other offering in accordance with the consent of the Issuer and the conditions attached thereto. The consent provided herein shall no longer apply following the lapse of such period.**

Any new information with respect to financial intermediaries unknown at the time of approval of this Securities Note will be made available by the Issuer through a company announcement which will be made available on the Issuer's website: <http://gphmaltafinance.com/>

## 4 ESSENTIAL INFORMATION ON THE BOND ISSUE

### 4.1 REASONS FOR THE ISSUE AND USE OF PROCEEDS

The aggregate proceeds from the Bond Issue, which net of Bond Issue expenses are expected to amount to approximately €24,250,000, is intended to be utilised by the Issuer for the following purposes:

- (a) an amount of approximately €22,000,000 shall be on-lent by the Issuer to selected members of the Group via the Guarantor for the purposes of financing, whether in whole or in part, the Group's investments which, as at the date of this Securities Note, have already been committed under the corresponding agreements entered into in respect of: the Canary Island cruise ports, including Las Palmas; the Tarragona Cruise Port; the Kalundborg Cruise Port and the Alicante Cruise Port (as described in sections 5.4 and 7.2.1 of the Registration Document); and
- (b) an amount of approximately €2,250,000 will be applied for general corporate funding purposes of the Group.

For the purposes of the uses specified above in paragraphs (a) and (b), the Issuer has entered into an intra-group facility agreement by and between the Issuer (as lender) and the Guarantor (as borrower) (the **"Principal Facility Agreement"**), which agreement is conditional upon the issue and allotment of the Bonds and the Bonds being admitted to the Official List. The Principal Facility Agreement shall be subject to the payment of interest at 7.4% per annum until the third anniversary of the Bond Issue and 8.0% per annum from thereon until the Redemption Date. The principal amounting to €24,250,000 shall be repayable as follows: an amount equivalent to 50% of the value of the Bonds admitted to listing shall be paid in line with the schedule of instalments referred to in Section 5.14 of this Securities Note with respect to the Reserve, and the remaining principal shall be paid on 28 February, 2030, that is, shortly prior to the Redemption Date.

The Guarantor shall in turn be entering into facility agreements with selected members of the Group to deploy the proceeds from the Bond Issue in the manner indicated above (the **"Subsidiary Facility Agreements"**). The terms of the Subsidiary Facility Agreements are set out in a template appended to the Principal Facility Agreement, which shall be applied by the Guarantor and the relevant member of the Group for the purposes of constituting the respective loans to be granted to such members of the Group. The Subsidiary Loan Agreements shall also be subject to the same terms as those to which the Principal Facility Agreement is subject.

In the event that the Bond Issue is not fully subscribed, the Issuer will proceed with the listing of the amount of Bonds subscribed for, and shall apply the net proceeds received without any order of priority as the Group will determine which projects or uses to apply Bond Issue proceeds so raised. Any residual amounts required by the Issuer for the purposes of the use specified in (a) above which shall not have been raised through the Bond Issue shall be financed from the Group's general cash flow and, or bank financing.

## 4.2 EXPENSES

Professional fees, and costs related to publicity, advertising, printing, listing, registration, sponsor, management, registrar fees, selling commission, and other miscellaneous expenses in connection with this Bond Issue are estimated not to exceed €750,000 in the aggregate. There is no particular order of priority with respect to such expenses. The expenses pertaining to the Bond Issue shall be borne exclusively by the Issuer.

## 4.3 INTEREST OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save for the subscription for Bonds by Authorised Financial Intermediaries, and any fees payable in connection with the Bond Issue to M. Z. Investment Services Ltd as Sponsor and Bank of Valletta p.l.c. as Manager and Registrar, in so far as the Issuer is aware, no person involved in the Bond Issue has an interest, conflicting or otherwise, material to the Bond Issue.

## 5 INFORMATION CONCERNING THE BONDS TO BE ISSUED AND ADMITTED TO TRADING

Each Bond shall be issued on the Terms and Conditions set out in this Securities Note and, by subscribing to or otherwise acquiring the Bonds, the Bondholders are deemed to have knowledge of all the terms and conditions of the Bonds hereafter described and to accept and be bound by the said terms and conditions.

### 5.1 ISSUE STATISTICS

<b>AMOUNT</b>	aggregate amount of up to €25,000,000;
<b>DENOMINATION</b>	Euro (€);
<b>BOND ISSUE PRICE</b>	at par (€100 per Bond);
<b>ISIN</b>	MT0002731207;
<b>MINIMUM AMOUNT PER SUBSCRIPTION</b>	minimum of €2,000 and in multiples of €100 thereafter;
<b>INTEREST</b>	6.25% per annum;
<b>PLACEMENT DATE</b>	12:00 hours on 3 March, 2023;
<b>ADMISSION TO LISTING AND TRADING</b>	the MFSA has approved the Bonds for admissibility to listing on the Official List of the MSE. Application has been made to the MSE for the Bonds to be listed and traded on its Official List;
<b>INTEREST PAYMENT DATE(S)</b>	10 March of each year between and including each of the years 2024 and 2030, provided that if any such day is not a Business Day such Interest Payment Date will be carried over to the next following day that is a Business Day;
<b>REDEMPTION DATE</b>	10 March, 2030;
<b>STATUS OF THE BONDS</b>	the Bonds shall constitute the general, direct, unconditional and unsecured obligations of the Issuer and shall be guaranteed in respect of both the interest due and the principal amount under said Bonds by the Guarantor. The Bonds shall, at all times, rank <i>pari passu</i> , without any priority or preference among themselves and, save for such exceptions as may be provided by applicable law, without priority or preference to all present and future unsecured obligations of the Issuer;
<b>GOVERNING LAW</b>	the Bonds are governed by and shall be construed in accordance with Maltese law; and
<b>JURISDICTION</b>	the Maltese Courts shall have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Bonds.

### 5.2 SUITABILITY OF INVESTMENT

Authorised Financial Intermediaries shall distribute the Bonds on an advisory basis only. Authorised Financial Intermediaries are therefore required to conduct a Suitability Test prior to selling the Bonds to prospective investors. This requirement shall also be applicable with regards to secondary trading. A prospective investor who fails the Suitability Test will not be eligible to invest in the bonds.

### 5.3 REGISTRATION, FORM AND TITLE

The Bonds will be issued in fully registered and dematerialised form and will be represented in uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer at the CSD.

There will be entered in such electronic register, the names, addresses, identification numbers (in the case of natural persons), registration numbers (in the case of legal persons) and MSE account numbers of the Bondholders together with particulars of the Bonds held by them. A copy of the Bondholder's entry in the CSD's electronic register will, at all reasonable times during business hours, be available for inspection by the Bondholder at the registered office of the Issuer. Title to the Bonds shall be evidenced by an entry in the electronic register of Bonds maintained by the CSD. The CSD will issue, upon a request by a Bondholder, a statement of holdings evidencing his or her entitlement to the Bonds held in the electronic register at the CSD.

Any person in whose name a Bond is registered may (to the fullest extent permitted by applicable law) be deemed and treated at all times, by all persons and for all purposes (including the making of any payments), as the absolute owner of such Bond. Title to the Bonds may be transferred as provided below under the heading "Transferability of the Bonds" in section 5.7 of this Securities Note.

### 5.4 RIGHTS ATTACHING TO THE BONDS

A Bondholder shall have such rights as are, pursuant to this Securities Note, attached to the Bonds, including:

- (a) the repayment of capital;
- (b) the payment of interest;
- (c) ranking with respect to other indebtedness of the Issuer in accordance with the provisions of section 5.6 below;
- (d) the right to attend, participate in and vote at meetings of Bondholders in accordance with the Terms and Conditions of the Bonds;
- (e) the right to seek recourse from the Guarantor pursuant to the Guarantee, in case of failure by the Issuer to pay any sum payable by it to the Bondholders pursuant to the Terms and Conditions of the Bonds detailed in this Securities Note; and
- (f) the enjoyment of all such other rights attached to the Bonds emanating from the Prospectus.

### 5.5 MEETINGS OF BONDHOLDERS

The Issuer may, from time to time, call meetings of Bondholders for the purpose of consultation with Bondholders or for the purpose of obtaining the consent thereof on matters which in terms of the Prospectus require the approval of a Bondholders' meeting.

A meeting of Bondholders shall be called by the directors of the Issuer by giving all Bondholders listed on the register of Bondholders as at a date being not more than 30 days preceding the date scheduled for the meeting, not less than 14 days' notice in writing. Said notice may be given by electronic mail, by post or by courier at the discretion of the Issuer, and shall set out the time, place and date set for the meeting and the matters to be discussed or decided thereat. Following a meeting of Bondholders held in accordance with the provisions contained hereunder, the Issuer shall, acting in accordance with the resolution(s) taken at the meeting, communicate to the Bondholders whether the necessary consent to the proposal made by the Issuer has been granted or withheld. Subject to having obtained the necessary approval by the Bondholders in accordance with the provisions of this section at a meeting called for that purpose as aforesaid, any such decision shall subsequently be given effect to by the Issuer.

Each Bond shall entitle the holder thereof to one vote. A meeting of Bondholders shall only validly and properly proceed to business if there is a quorum present at the commencement of the meeting. For this purpose at least two Bondholders present, in person or by proxy, representing not less than 50% in nominal value of the Bonds then in issue, shall constitute a quorum. If a quorum is not present within 30 minutes from the time scheduled for the commencement of the meeting as indicated on the notice convening same, the meeting shall stand adjourned to a place, date and time as shall be communicated by the directors of the Issuer to the Bondholders present at that meeting. The Issuer shall within two days from the date of the original meeting publish by way of a company announcement the date, time and place where the adjourned meeting is to be held. An adjourned meeting shall be held not earlier than seven days, and not later than 15 days, following the original meeting. At an adjourned meeting the number of Bondholders present, in person or by proxy, shall constitute a quorum and only the matters specified in the notice calling the original meeting shall be placed on the agenda of, and shall be discussed at, the adjourned meeting.

Any person who in accordance with the Memorandum and Articles of Association of the Issuer is to chair the annual general meetings of shareholders shall also chair meetings of Bondholders.

Once a quorum is declared present by the chairman of the meeting, the meeting may then proceed to business and address the matters set out in the notice convening the meeting. In the event of decisions being required at the meeting the directors or their representative shall present to the Bondholders the reasons why it is deemed necessary or desirable and appropriate that a particular decision is taken. The meeting shall allow reasonable and adequate time to Bondholders to present their views to the Issuer and the other Bondholders present at the meeting. The meeting shall then put the matter as proposed by the Issuer to a vote of the Bondholders present at the time at which the vote is being taken, and any Bondholders taken into account for the purpose of constituting a quorum who are no longer present for the taking of the vote shall not be taken into account for the purpose of such vote. The voting process shall be managed by the company secretary of the Issuer.

The proposal placed before a meeting of Bondholders shall only be considered approved if at least 65% in nominal value of the Bondholders present at the meeting at the time when the vote is being taken, in person or by proxy, shall have voted in favour of the proposal. A matter decided at a duly convened Bondholders' meeting is binding on all Bondholders irrespective of whether they are present or not.

Save for the above, the rules generally applicable to proceedings at general meetings of shareholders of the Issuer shall *mutatis mutandis* apply to meetings of Bondholders.

The amendment or waiver of any of the Terms and Conditions of the Bond Issue contained in this Securities Note may only be made with the approval of Bondholders at a meeting called and held for that purpose in accordance with the terms hereof.

## 5.6 RANKING OF THE BONDS

The Bonds, as and when issued and allotted, shall constitute the general, direct, unconditional and unsecured obligations of the Issuer and shall be guaranteed in respect of both the interest due and the principal amount under said Bonds by the Guarantor. The Bonds shall, at all times, rank *pari passu*, without any priority or preference among themselves and, save for such exceptions as may be provided by applicable law, without priority or preference to all present and future unsecured obligations of the Issuer. This means that any secured or privileged debts of the Issuer shall rank at all times ahead of the obligations of the Issuer under the Bonds, as a result of which the Bondholders may not be able to recover their investment in the Bonds in the case of insolvency or an equivalent situation, whether in full or in part. Furthermore, subject to the negative pledge clause set out in section 5.7 of this Securities Note, third-party security interests may be registered which will rank in priority to the Bonds against the assets of the Issuer, as the case may be, for so long as such security interests remain in effect.

## 5.7 NEGATIVE PLEDGE

The Issuer undertakes, for as long as any principal or interest under the Bonds or any of the Bonds remains outstanding, not to create or permit to subsist any Security Interest (as defined below), other than a Permitted Security Interest (as defined below) and the Reserve Account, upon the whole or any part of its present or future assets or revenues to secure any Financial Indebtedness (as defined below) of the Issuer, unless at the same time or prior thereto the Issuer's indebtedness under the Bonds and is secured equally and rateably therewith, and the instrument creating such Security Interest so provides.

**"Financial Indebtedness"** means any indebtedness in respect of: (A) monies borrowed; (B) any debenture, bond, note, loan stock or other security; (C) any acceptance credit; (D) the acquisition cost of any asset to the extent payable before or after the time of acquisition or possession by the party liable where the advance or deferred payment is arranged primarily as a method of raising finance for the acquisition of that asset; (E) leases entered into primarily as a method of raising finance for the acquisition of the asset leased; (F) amounts raised under any other transaction having the commercial effect of borrowing or raising of money; (G) any guarantee, indemnity or similar assurance against financial loss of any person;

**"Security Interest"** means any privilege, hypothec, pledge, lien, charge or other encumbrance or real right which grants rights of preference to a creditor over the assets of the Issuer;

**“Permitted Security Interest”** means: (A) any Security Interest arising by operation of law; (B) any Security Interest securing temporary bank loans or overdrafts in the ordinary course of business; (C) any other Security Interest (in addition to (A) and (B) above) securing Financial Indebtedness of the Issuer, in an aggregate outstanding amount not exceeding 80% of the difference between the value of the unencumbered assets of the Issuer and the aggregate principal amount of Bonds outstanding at the time; provided that the aggregate Security Interests referred to in (B) and (C) above do not result in the aggregate of the Reserve Account and the unencumbered assets of the Issuer being less than 106.25% of the aggregate principal amount of the Bonds still outstanding;

**“unencumbered assets”** means assets which are not subject to a Security Interest.

## 5.8 TRANSFERABILITY OF THE BONDS

The Bonds are freely transferable and, once admitted to the Official List, shall be transferable only in whole (i.e. in multiples of €100) in accordance with the rules and regulations of the MSE applicable from time to time.

The minimum subscription amount of €2,000 shall only be applicable on initial subscription of the Bonds. No minimum holding requirement shall be applicable once the Bonds are admitted to listing on the Official List of the MSE and commence trading thereafter, subject to trading in multiples of €100.

Any person becoming entitled to a Bond in consequence of the death or bankruptcy of a Bondholder may, upon such evidence being produced as may from time to time properly be required by the Issuer or the CSD, elect either to be registered himself as holder of the Bond or to have some person nominated by him registered as the transferee thereof. If the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the CSD a notice in writing signed by him stating that he so elects. If he shall elect to have another person registered he shall testify his election by transferring the Bond, or procuring the transfer of the Bond, in favour of that person.

All transfers and transmissions are subject in all cases to any pledge (duly constituted) of the Bonds and to any applicable laws and regulations.

The cost and expenses of effecting any registration of transfer or transmission, except for the expenses of delivery by any means other than regular mail (if any) and except, if the Issuer shall so require, the payment of a sum sufficient to cover any tax, duty or other governmental charge or insurance charges that may be imposed in relation thereto, will be borne by the transferee.

The Issuer will not register the transfer or transmission of Bonds for a period of 15 days preceding the due date for any payment of interest on the Bonds.

## 5.9 INTEREST

The Bonds shall bear interest from and including 10 March, 2023 at the rate of 6.25% per annum on the nominal value thereof, payable annually in arrears on each Interest Payment Date. The first interest payment will be effected on 10 March, 2024 (covering the period 10 March, 2023 to 9 March, 2024). Any Interest Payment Date which falls on a day other than a Business Day will be carried over to the next following day that is a Business Day.

When interest is required to be calculated for any period of less than a full year, it shall be calculated on the basis of a 360 day year consisting of 12 months of 30 days each, and in the case of an incomplete month, the number of days elapsed.

In terms of article 2156 of the Civil Code (Cap. 16 of the laws of Malta), the right of Bondholders to bring claims for payment of interest and repayment of the principal on the Bonds is barred by the lapse of five years.

## 5.10 YIELD

The gross yield calculated on the basis of the Interest, the Bond Issue Price and the Redemption Value of the Bonds at the Redemption Date shall be 6.25%.



## 5.11 PAYMENTS

Payment of the principal amount of Bonds will be made in Euro by the Issuer, to the person in whose name such Bonds are registered as at the close of business on the Redemption Date, with interest accrued up to (but excluding) the Redemption Date, by means of direct credit transfer into such bank account as the Bondholder may designate from time to time, provided such bank account is denominated in Euro. Such payment shall be effected within seven days of the Redemption Date. The Issuer shall not be responsible for any loss or delay in transmission or any charges related thereto. Upon payment of the Redemption Value the Bonds shall be redeemed and the appropriate entry made in the electronic register of the Bonds at the CSD.

In the case of Bonds held subject to usufruct, payment will be made against the joint instructions of all bare owners and usufructuaries. Before effecting payment, the Issuer and, or the CSD shall be entitled to request any legal documents deemed necessary concerning the entitlement of the bare owner(s) and the usufructuary(ies) to payment of the Bonds.

Payment of interest on the Bonds will be made to the person in whose name such Bonds is registered at the close of business 15 days prior to the Interest Payment Date, by means of a direct credit transfer into such bank account as the Bondholder may designate, from time to time, which is denominated in Euro. Such payment shall be effected within seven days of the Interest Payment Date. The Issuer shall not be responsible for any loss or delay in transmission or any charges related thereto.

All payments with respect to the Bonds are subject in all cases to any applicable fiscal or other laws and regulations prevailing in Malta. In particular, but without limitation, all payments of principal and interest by or on behalf of the Issuer in respect of the Bonds shall be made net of any amount which the Issuer is or may become compelled by law to deduct or withhold for or on account of any present or future taxes, duties, assessments or other government charges of whatsoever nature imposed, levied, collected, withheld or assessed by or within the Republic of Malta or any authority thereof or therein having power to tax.

Except for any charges which may be imposed by the Issuer or any remitting bank or payment institution in connection with the transmission of payments or transfer of funds, no commissions or expenses shall be charged by the Issuer to Bondholders in respect of such payments.

If, due to any problem encountered by the CSD, any remitting bank and, or payment institution, the Issuer cannot make a payment or repayment, such payment or repayment may be postponed until the problem has been resolved.

## 5.12 REDEMPTION AND PURCHASE

Unless previously purchased and cancelled, the Bonds will be redeemed at their nominal value (together with interest accrued to the date fixed for redemption) on the Redemption Date. In such a case the Issuer shall be discharged of any and all payment obligations under the Bonds upon payment made net of any withholding or other taxes due or which may be due under Maltese law and which are payable by the Bondholders.

All Bonds repurchased by the Issuer shall be cancelled forthwith and may not be reissued or re-sold.

## 5.13 EVENTS OF DEFAULT

The Bonds shall become immediately due and repayable at their principal amount, together with accrued interest, if any, if any of the following events ("**Events of Default**") shall occur:

- 5.13.1. the Issuer shall fail to pay any interest on any Bond when due and such failure shall continue for 60 days after written notice thereof shall have been given to the Issuer by any Bondholder; or
- 5.13.2. the Issuer shall fail to pay the principal amount on any Bond when due and such failure shall continue for 60 days after written notice thereof shall have been given to the Issuer by any Bondholder; or
- 5.13.3. the Issuer shall fail duly to perform or shall otherwise be in breach of any other material obligation contained in the Terms and Conditions of the Bonds and such failure shall continue for 60 days after written notice thereof shall have been given to the Issuer by any Bondholder; or
- 5.13.4. the Issuer shall fail to effect any of the scheduled instalments in the Reserve Account specified in section 5.14 of this Securities Note;



- 5.13.5. the Issuer shall breach the terms under which the Reserve Account is created, if applicable;
- 5.13.6. if any representation or warranty made or deemed to be made or repeated by or in respect of the Issuer or the Guarantor is or proves to have been incorrect in any material respect;
- 5.13.7. an order is made or resolution passed or other action taken for the dissolution, termination of existence, liquidation, winding-up or bankruptcy of the Issuer or the Guarantor; or
- 5.13.8. the Issuer stops or suspends payments (whether of principal or interest) with respect to all or any class of its respective debts or announces an intention to do so or ceases or threatens to cease to carry on its respective business or a substantial part of its respective business; or
- 5.13.9. the Issuer or the Guarantor is unable, or admits in writing its inability, to pay its debts as they fall due or otherwise becomes insolvent; or
- 5.13.10. any material indebtedness of the Issuer or the Guarantor is not paid when properly due or becomes properly due and payable or any creditor of the Issuer or the Guarantor (as the case may be) becomes entitled to declare any such material indebtedness properly due and payable prior to the date when it would otherwise have become properly due or any guarantee or indemnity of the Issuer or the Guarantor in respect of indebtedness is not honoured when properly due and called upon; PROVIDED THAT for the purposes of this provision, material indebtedness shall mean an amount exceeding €5,000,000; or
- 5.13.11. in terms of article 214(5) of the Act, a Court order or other judicial process is levied or enforced upon or sued out against any part of the property of the Issuer or the Guarantor and is not paid out, withdrawn or discharged within one month; or
- 5.13.12. if a judicial or provisional administrator is appointed upon the whole or any material part of the property of the Issuer or Guarantor; or
- 5.13.13. there shall have been entered against the Issuer or the Guarantor a final judgement by a court of competent jurisdiction from which no appeal may be or is made for the payment of money in excess of €5,000,000 or its equivalent and 90 days shall have passed since the date of entry of such judgement without its having been satisfied or stayed.

## 5.14 RESERVE

The Issuer hereby undertakes that as from the 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 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%
	<b>50%</b>

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 this Securities Note. 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 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 section 5.12 of this Securities Note; or
- (b) for investing in balanced and diversified portfolio of marketable and liquid assets as can reasonably be considered practicable by the Security Trustee in the then current 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 above.

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, as applicable, 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.

As from the first financial analysis summary to be published following the first instalment date referred to above, and in every financial analysis summary to be published on an annual basis thereafter, a yearly update on the composition of the Reserve will be provided.

## 5.15 AUTHORISATIONS AND APPROVALS

The Board of Directors of the Issuer authorised the Bond Issue pursuant to a board of directors' resolution passed on 27 January, 2023. The Guarantee being given by the Guarantor in respect of the Bonds has been authorised by a resolution of the board of directors of the Guarantor dated 27 January, 2023.

## 5.16 NOTICES

Notices will be mailed to Bondholders at their respective registered addresses and shall be deemed to have been served at the expiration of 24 hours after the letter containing the notice is posted, and in providing such service it shall be sufficient to prove that a prepaid letter containing such notice was properly addressed to such Bondholder at his or her registered address and posted.

## 5.17 FURTHER ISSUES

The Issuer may, from time to time, without the consent of the Bondholders, create and issue further debentures, debenture stock, bonds, loan notes, or any other debt securities, either having the same terms and conditions as any outstanding debt securities of any series (including the Bonds) and so that such further issue shall be consolidated and form a single series with the outstanding debt securities of the relevant series (including the Bonds), or upon such terms as the Issuer may determine at the time of their issue.

## 6 TERMS AND CONDITIONS OF THE BOND ISSUE

### 6.1 EXPECTED TIMETABLE OF THE BOND ISSUE

1	Placement Date	3 March, 2023
2	Commencement of interest on the Bonds	10 March, 2023
3	Announcement of basis of acceptance	10 March, 2023
4	Expected dispatch of allotment advices	17 March, 2023
5	Expected date of admission of the Bonds to listing	17 March, 2023
6	Expected date of commencement of trading in the Bonds	20 March, 2023

### 6.2 CONDITIONS TO WHICH THE BOND ISSUE IS SUBJECT

The following terms and conditions shall be read in conjunction with all the other terms and conditions relative to and regulating the contractual relationship created between the Issuer and the Guarantor on the one hand, and the Applicant on the other.

- 6.2.1. The issue and allotment of the Bonds is conditional upon the Bonds being admitted to the Official List. In the event that the aforementioned condition is not satisfied, any monies received by the Issuer pursuant to Placement Agreements will be returned without interest by direct credit into the Authorised Financial Intermediary's bank account as indicated by the Authorised Financial Intermediary on the relative Placement Agreement, for the eventual refund to the Applicant.
- 6.2.2. All Applications are to be lodged with any of the Authorised Financial Intermediaries listed in Annex II of this Securities Note together with payment of the full price of the Bonds applied for, in Euro. Payments may be made by cheque payable to the respective Authorised Financial Intermediary or by any other method of payment as accepted by the respective Authorised Financial Intermediary. In the event that a cheque accompanying an Application is not honoured on its first presentation, the Authorised Financial Intermediary reserves the right to invalidate the relative Application.
- 6.2.3. Pursuant to the Placement Agreements as described in more detail under section 6.4 below, Authorised Financial Intermediaries (either in their own names or in the names of underlying clients) will be required to provide details of Applicants representing the amount they have been allocated in terms of the respective Placement Agreement by completing a data file as provided by the Registrar by latest 14:00 hours on 8 March, 2023.
- 6.2.4. An Applicant applying for the Bonds is thereby confirming to the Issuer, the Registrar and the Authorised Financial Intermediary through whom the Application is made, as applicable, that the Applicant's remittance will be honoured on first presentation and agrees that, if such remittance is not so honoured on its first presentation, the Issuer and the Registrar reserve the right to invalidate the relative Application. Furthermore the Applicant will not be entitled to receive a registration advice or to be registered in the register of Bondholders, unless the Applicant makes payment in cleared funds and such consideration is accepted by the respective Authorised Financial Intermediary, Registrar and, or Issuer, as applicable, which acceptance shall be made in the Authorised Financial Intermediary, Registrar and, or Issuer's absolute discretion and may be on the basis that the Applicant indemnifies the Authorised Financial Intermediary, Registrar and, or Issuer against all costs, damages, losses, expenses and liabilities arising out of or in connection with the failure of the Applicant's remittance to be honoured on first presentation.
- 6.2.5. The contract created by the Issuer's acceptance of an Application shall be subject to all the terms and conditions set out in this Securities Note and the Memorandum and Articles of Association of the Issuer.
- 6.2.6. It is the responsibility of investors wishing to apply for the Bonds to inform themselves as to the legal requirements of so applying including any requirements relating to external transaction requirements in Malta and any exchange control in the countries of their nationality, residence or domicile.

- 6.2.7. If an Application is submitted on behalf of another person, whether legal or natural, the person submitting the Application will be deemed to have duly bound such other person on whose behalf the Application has been submitted. The person submitting such Application shall be deemed also to have given the confirmations, warranties and undertakings contained in these terms and conditions on their behalf. Such representative may be requested to submit the relative power of attorney, or resolution or a copy thereof duly certified by a lawyer or notary public if so required by the Authorised Financial Intermediary, the Issuer and the Registrar, but it shall not be the duty or responsibility of the Registrar or Issuer to ascertain that such representative is duly authorised to sign the Application. Furthermore, in cases where the decision to invest is taken by a third party authorised to transact on behalf of the Applicant (a **"decision maker"**) such as an individual that holds a power of attorney to trade on the Applicant's account or applications under a discretionary account, details of the decision maker need to be included in the relative panel of the Application.
- 6.2.8. In the case of joint Applications, reference to the Applicant in these terms and conditions is a reference to each of the joint Applicants, and liability therefor is joint and several. The person whose name shall be inserted in the field entitled "Applicant" on the Application, or first-named in the register of Bondholders shall, for all intents and purposes, be deemed to be such nominated person by all those joint holders whose names appear in the field entitled "Additional Applicants" in the Application or joint holders in the register, as the case may be. Such person shall, for all intents and purposes, be deemed to be the registered holder of the Bond(s) so held.
- 6.2.9. In the case of corporate Applicants or Applicants having separate legal personality, the Application must be signed by a person(s) authorised to sign and bind such Applicant. It shall not be incumbent on the Issuer or Registrar to verify whether the person or persons purporting to bind such an Applicant is or are in fact authorised. Applications by corporate Applicants have to include a valid legal entity identifier ("**LEI**") which must be unexpired. Applications without such information or without a valid LEI will not be accepted.
- 6.2.10. In respect of a Bond held subject to usufruct, the name of the bare owner and the usufructuary shall be entered in the register. The usufructuary shall, for all intents and purposes, be deemed *vis-à-vis* the Issuer to be the holder of the Bond(s) so held and shall have the right to receive interest on the Bond(s) and to vote at meetings of the Bondholders but shall not, during the continuance of the Bond(s), have the right to dispose of the Bond(s) so held without the consent of the bare owner, and shall not be entitled to the repayment of principal on the Bond (which shall be due to the bare owner). Furthermore, the signatures of both the bare owner and the usufructuary will be required in the respective Application.
- 6.2.11. Applications in the name and for the benefit of minors shall be allowed provided that the Applicant already holds an account with the MSE. Any Bonds allocated pursuant to such an Application shall be registered in the name of the minor as Bondholder, with interest and redemption monies payable to the parents or legal guardian(s) signing the Application until such time as the minor attains the age of 18 years, following which all interest and redemption monies shall be paid directly to the registered holder, provided that the Issuer has been duly notified in writing of the fact that the minor has attained the age of 18 years.
- 6.2.12. In the event that an Applicant has been allocated a number of Bonds which is less than the number of Bonds applied for, the Applicant shall receive the balance of the price of the Bonds applied for but not allocated, without interest, through the Authorised Financial Intermediary to such account as indicated by the Applicant at the Applicant's sole risk. The Issuer shall not be responsible for any charges, loss or delay arising in connection with such direct credit transfer.

6.2.13. By completing and delivering an Application, the Applicant:

- (a) accepts to be irrevocably contractually committed to acquire the number of Bonds allocated to such Applicant at the Bond Issue Price and, to the fullest extent permitted by law, accepts to be deemed to have agreed not to exercise any rights to rescind or terminate, or otherwise withdraw from, such commitment, such irrevocable offer to purchase, and pay the consideration for, the number of Bonds specified in the Application submitted by the Applicant (or any smaller number of Bonds for which the Application is accepted) at the Bond Issue Price (as applicable) being made subject to the provisions of the Prospectus, the Terms and Conditions, the Application and the Memorandum and Articles of Association of the Issuer;
- (b) agrees and acknowledges to have had the opportunity to read the Prospectus and to be deemed to have had notice of all information and representations concerning the Issuer and the issue of the Bonds contained therein;
- (c) warrants that the information submitted by the Applicant is true and correct in all respects. All Applications need to include a valid MSE account number in the name of the Applicant(s). Failure to include an MSE account number will result in the Application being cancelled by the Issuer (acting through the Registrar) and subscription monies will be returned by the Registrar to the respective Authorised Financial Intermediary for the eventual refund to the Applicant. In the event of a discrepancy between the personal details (including name and surname and the Applicant's address) appearing on the Application and those held by the MSE in relation to the MSE account number indicated on the Application, the details held by the MSE shall be deemed to be the correct details of the Applicant;
- (d) acknowledges the processing of any personal data for the purposes specified in the privacy notice published by the Issuer, which is available on the Issuer's website at <http://gphmaltafinance.com/>. The Applicant hereby acknowledges that the processing of personal data may validly take place, even without the Applicant's consent, in the circumstances set out in the GDPR and the Data Protection Act (Cap. 586 of the laws of Malta) ("**Data Protection Act**") and any applicable subsidiary legislation, as may be amended from time to time. The Applicant hereby confirms that he/she/it has been provided with and read the privacy notice;
- (e) authorises the Issuer (or its service providers, including the CSD and, or the Manager and Registrar) and, or the relevant Authorised Financial Intermediary, as applicable, to process the personal data that the Applicant provides, for all purposes necessary and subsequent to the Bond Issue applied for, in accordance with the GDPR and the Data Protection Act. The Applicant has the right to request access to, and rectification of, the personal data relating to him/her in relation to the Bond Issue. Any such requests must be made in writing and sent to the Issuer and sent to the CSD at the MSE. The requests must be signed by the Applicant to whom the personal data relates;
- (f) confirms that in making such Application no reliance was placed on any information or representation in relation to the Issuer or the issue of the Bonds other than what is contained in the Prospectus and accordingly agree(s) that no person responsible solely or jointly for the Prospectus or any part thereof will have any liability for any such other information or representation;
- (g) agrees that any refund of unallocated Application monies, will be paid by direct credit, without interest, at the Applicant's own risk, to the bank account as indicated in the Application Form. The Issuer shall not be responsible for any loss or delay in transmission or any charges in connection therewith;
- (h) warrants that the remittance will be honoured on first presentation and agrees that, if such remittance is not so honoured: (i) the Applicant will not be entitled to receive a registration advice or to be registered in respect of such Bonds, unless and until a payment is made in cleared funds and such payment is accepted by the respective Authorised Financial Intermediary or by the Issuer acting through the Registrar (which acceptance shall be made in its absolute discretion and may be on the basis that the Authorised Financial Intermediary or the Issuer acting through the Registrar is indemnified for all costs, damages, losses, expenses and liabilities arising out of, or in connection with, the failure of the Applicant's remittance to be honoured on first presentation at any time prior to unconditional acceptance by the Issuer acting through the Registrar of such late payment in respect of the Bonds); or (ii) the Issuer may, without prejudice to other rights, treat the agreement to allocate such Bonds as void and may allocate such Bonds to another person, in which case the Applicant will not be entitled to a refund or payment in respect of such Bonds (other than return of such late payment);

- (i) agrees that the registration advice and other documents and any monies returnable to the Applicant may be retained pending clearance of his/her remittance and any verification of identity as required by the Prevention of Money Laundering Act (Cap. 373 of the laws of Malta) and regulations made thereunder, and that such monies will not bear interest;
- (j) agrees to provide the Registrar and, or the Issuer, as the case may be, with any information which it or they may request in connection with the Application;
- (k) agrees that all Applications, acceptances of Applications and contracts resulting therefrom will be governed by, and construed, in accordance with Maltese law, and to submit to the jurisdiction of the Maltese courts, and agrees that nothing shall limit the right of the Issuer to bring any action, suit or proceedings arising out of or in connection with any such Applications, acceptance of Applications and contracts resulting therefrom in any manner permitted by law in any court of competent jurisdiction;
- (l) warrants that, where an Applicant signs and submits an Application on behalf of another person, the Applicant is duly authorized to do so and such other person will also be bound accordingly and will be deemed also to have given the confirmations, warranties and undertakings contained in the Terms and Conditions and accordingly will be deemed also to have given the confirmations, warranties and undertakings contained in the Terms and Conditions and undertake to submit his power of attorney or a copy thereto duly certified by a lawyer or notary public if so required by the Issuer or the Registrar;
- (m) warrants that where the Applicant is under the age of 18 years, or where an Application is being lodged in the name and for the benefit of a minor, the Applicant is the parent(s) or legal guardian(s) of the minor;
- (n) warrants, in connection with the Application, to have observed all applicable laws, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with his Application in any territory, has not acted fraudulently and, or in breach of any anti-corruption or anti-bribery regulations, and that the Applicant has not taken any action which will or may result in the Issuer or the Registrar acting in breach of the regulatory or legal requirements of any territory in connection with the issue of the Bond and, or his Application;
- (o) warrants, in connection with the Application, that it and, or any person on whose behalf the Application is being submitted, is not the subject of any sanctions administered by the Office of Foreign Assets Control of the US Department of the Treasury or the US. Department of State, the United Nations Security Council, the European Union, the Office of Financial Sanctions Implementation, or other relevant sanctions authority, or acting;
- (p) warrants that all applicable exchange control or other such regulations (including those relating to external transactions) have been duly and fully complied with;
- (q) represents that the Applicant is not a US person (as such term is defined in Regulation S under the Securities Act of 1933 of the United States of America, as amended) as well as not to be accepting the invitation set out in the Prospectus from within the US, its territories or its possessions, or any area subject to its jurisdiction or on behalf or for the account of anyone within the US or anyone who is a US person;
- (r) agrees that the advisers to the Bond Issue (listed in section 4.1 of the Registration Document) will owe the Applicant no duties or responsibilities concerning the Bonds;
- (s) agrees that all documents in connection with the issue of the Bonds will be sent at the Applicant's own risk and may be sent by post at the address (or, in the case of joint Applications, the address of the first named Applicant) as set out in the Application; and
- (t) renounces to any rights the Applicant may have to set off any amounts the Applicant may at any time owe the Issuer against any amount due under the terms of these Bonds.

6.2.14. For the purposes of the Prevention of Money Laundering and Funding of Terrorism Regulations (Subsidiary Legislation 373.01 of the laws of Malta), as amended from time to time, the Authorised Financial Intermediaries are under a duty to communicate, upon request, all information about clients as is mentioned in Articles 1.2(d) and 2.4 of the "Members' Code of Conduct" appended as Appendix 3.6 to Chapter 3 of the MSE Bye-Laws, irrespective of whether the said appointed Authorised Financial Intermediaries are MSE Members or not. Such information shall be held and controlled by the MSE in terms of the Data Protection Act and the GDPR, as may be amended from time to time, for the purposes and within the terms of the MSE Data Protection Policy as published from time to time.

- 6.2.15. It shall be incumbent on the respective Authorised Financial Intermediary to ascertain that all other applicable regulatory requirements relating to subscription of Bonds by an Applicant are complied with, including without limitation the obligation to comply with all applicable requirements set out in Regulation (EU) No. 600/2014 of the European Parliament and of the Council of 15 May, 2014 on markets in financial instruments and amending Regulation (EU) No. 648/2012 ("**MiFIR**"), as well as the applicable MFSA Rules for investment services providers.
- 6.2.16. By not later than 10 March 2023, the Issuer shall announce the result of the Bond Issue by means of a company announcement on the Issuer's website <http://gphmaltafinance.com/>
- 6.2.17. No person receiving a copy of the Prospectus or an Application in any territory other than Malta may treat the same as constituting an invitation or offer to such person, nor should such person in any event use such Application, unless, in the relevant territory, such an invitation or offer could lawfully be made to such person or such Application could lawfully be used without contravention of any registration or other legal requirements.
- 6.2.18. Subscription for Bonds by persons resident in, or who are citizens of, or who are domiciled in, or who have a registered address in, a jurisdiction other than Malta, may be affected by the law of the relevant jurisdiction. Those persons should consult their professional advisers (including tax and legal advisers) as to whether they require any governmental or other consents, or need to observe any other formalities, to enable them to subscribe for the Bonds. It is the responsibility of any person (including, without limitation, nominees, custodians, depositaries and trustees) outside Malta wishing to participate in the Bond Issue, to satisfy himself/herself/itself as to full observance of the applicable laws of any relevant jurisdiction, including, but not limited to, obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any transfer or other taxes (of any nature whatsoever) due in such territories. The Issuer shall not accept any responsibility for the non-compliance by any person of any applicable laws or regulations of foreign jurisdictions.
- 6.2.19. The Bonds have not been and will not be registered under the Securities Act of 1933 of the U.S. and accordingly may not be offered or sold within the U.S. or to or for the account or benefit of a U.S. person.

### **6.3 PLAN OF DISTRIBUTION AND ALLOTMENT**

The Bonds will be available for subscription by the Authorised Financial Intermediaries listed in Annex II of this Securities Note, pursuant to Placement Agreements to be entered into between such Authorised Financial Intermediaries, the Issuer and the Guarantor, as further detailed in section 6.4 of this Securities Note. In terms of said Placement Agreements, the Authorised Financial Intermediaries shall subscribe for Bonds either for their own account or for the account of underlying clients, including retail customers, subject to a minimum subscription amount of €2,000 in nominal value of Bonds and in multiples of €100 thereafter.

It is expected that an allotment advice will be dispatched to Applicants within five Business Days of the announcement of the allocation policy. The registration advice and other documents and any monies returnable to Applicants may be retained pending clearance of the remittance and any verification of identity as required by the Prevention of Money Laundering Act (Cap. 373 of the laws of Malta), and regulations made thereunder. Such monies shall not bear interest while retained as aforesaid.

Dealings in the Bonds shall not commence prior to the Bonds being admitted to the Official List.



## 6.4 PLACEMENT AGREEMENTS

The Issuer has reserved the full amount of the Bond Issue for subscription by Authorised Financial Intermediaries. The Issuer shall enter into Placement Agreements with Authorised Financial Intermediaries for the placement of the Bonds, pursuant to which Authorised Financial Intermediaries shall each conditionally be bound to subscribe to such number of Bonds as indicated in their respective Placement Agreements.

The Placement Agreements are conditional upon the Bonds being admitted to the Official List.

In terms of the Placement Agreements, the Authorised Financial Intermediaries shall subscribe for Bonds either for their own account or for the account of underlying clients, including retail customers, subject to a minimum subscription for each underlying client of €2,000 and in multiples of €100 thereafter.

Authorised Financial Intermediaries must effect payment to the Issuer for the Bonds subscribed to by not later than the Placement Date.

The Issuer acting through the Registrar shall confirm the amount allocated under each Placement Agreement by latest 16:00 hours on 6 March, 2023 and each Authorised Financial Intermediary shall be entitled to either:

- (a) distribute to the underlying customers any portion of the Bonds subscribed for upon commencement of trading; or
- (b) complete a data file representing the amount they have been allocated in terms of the respective Placement Agreement as provided by the Registrar by latest 12:00 hours on 8 March, 2023.

In the event that the Authorised Financial Intermediary has been allocated a lesser number of Bonds than the number indicated in its respective Placement Agreement, the amount paid in respect of such unsatisfied amount shall be credited to the Authorised Financial Intermediary's bank account indicated in the Placement Agreement by latest close of business on 7 March, 2023.

## 6.5 PRICING

The Bonds are being issued at par, that is, at €100 per Bond with the full amount payable upon subscription.

## 6.6 ALLOCATION POLICY

The full amount of the Bond Issue has been reserved for and shall be allocated to Authorised Financial Intermediaries in accordance with Placement Agreements, details of which can be found in section 6.4 of this Securities Note.

The Issuer shall announce the allocation policy for the allotment of Bonds through a company announcement available on the Issuer's website <http://gphmaltafinance.com/> by not later than 10 March, 2023.

## 6.7 ADMISSION TO TRADING

The MFSA has authorised the Bonds as admissible to listing pursuant to the Capital Markets Rules by virtue of a letter dated 1 February, 2023.

Application has been made to the MSE for the Bonds being issued pursuant to the Prospectus to be listed and traded on the Official List of the MSE.

The Bonds are expected to be admitted to the MSE with effect from 17 March, 2023 and trading is expected to commence on 20 March, 2023.



## 7 TAXATION

### 7.1 GENERAL

Investors and prospective investors are urged to seek professional advice as regards both Maltese and any foreign tax legislation which may be applicable to them in respect of the Bonds, including their acquisition, holding and disposal as well as any income or gains derived therefrom or made on their disposal. The following is a summary of the anticipated tax treatment applicable to Bondholders in so far as taxation in Malta is concerned. This information does not constitute legal or tax advice and is not, and does not purport to be, exhaustive.

The information below is based on an interpretation of tax law and practice relative to the applicable legislation, as known to the Issuer at the date of the Prospectus, in respect of a subject on which no official guidelines exist. Investors are reminded that tax law and practice and their interpretation as well as the levels of tax on the subject matter referred to in the preceding paragraph, may change from time to time.

This information is being given solely for the general information of investors. The precise implications for investors will depend, among other things, on their particular circumstances and on the classification of the Bonds from a Maltese tax perspective, and professional advice in this respect should be sought accordingly.

### 7.2 TAXATION ON INTEREST PAYABLE TO BONDHOLDERS

Interest payable in respect of the Bond to a recipient, as defined in terms of article 41(c) of the Income Tax Act (Cap. 123 of the laws of Malta) (the **"Income Tax Act"**) is subject to a 15% final withholding tax (10% in the case of certain types of collective investment schemes), unless the recipient elects to be paid the investment income without deduction of the final withholding tax. Bondholders who do not fall within the definition of a "recipient" do not qualify for the said rate and should seek advice on the taxation of such income as special rules may apply.

This withholding tax is considered as a final tax and a Maltese resident individual Bondholder is not obliged to declare the interest so received in his income tax return (to the extent that the interest is paid net of tax). No person shall be charged to further tax in respect of such income. Furthermore, such tax should not be available as a credit against the recipient's tax liability or for a refund, as the case may be, for the relevant year of assessment in Malta. The Issuer will render an account to the Maltese Commissioner for Revenue of all amounts so deducted, including the identity of the recipient.

In the case of a valid election made by an eligible Bondholder resident in Malta to receive the interest due without the deduction of final tax, interest will be paid gross and such person will be obliged to declare the interest so received in his Maltese income tax return and be subject to tax on such interest at the standard rates applicable to such Bondholder at that time. Additionally, in this latter case, the Issuer will advise the Maltese Commissioner for Revenue on an annual basis in respect of all interest paid gross and of the identity of all such recipients. Any such election made by a resident Bondholder at the time of subscription may be subsequently changed by giving notice in writing to the Issuer. Such election or revocation will be effective within the time limit set out in the Income Tax Act.

In terms of article 12(1)(c) of the Income Tax Act, Bondholders who are not resident in Malta satisfying the applicable conditions set out in the Income Tax Act, including but not limited to the condition that the Bondholder is not owned and controlled by, whether directly or indirectly, nor acts on behalf of an individual(s) who are ordinarily resident and domiciled in Malta, are not taxable in Malta on the interest received and will receive interest gross, subject to the requisite declaration or evidence being provided to the Issuer in terms of law.

### 7.3 TAXATION ON CAPITAL GAINS ON TRANSFER OF THE BONDS

On the assumption that the Bonds would not fall within the definition of "securities" in terms of article 5(1)(b) of the Income Tax Act, that is, *"shares and stocks and such like instrument that participate in any way in the profits of the company and whose return is not limited to a fixed rate of return"*, to the extent that the Bonds are held as capital assets by the Bondholder, no tax on capital gains is chargeable in respect of a transfer of the Bonds.

## 7.4 DUTY ON DOCUMENTS AND TRANSFERS

In terms of the Duty on Documents and Transfers Act (Cap. 364 of the laws of Malta) (the “**DDTA**”), duty is chargeable *inter alia* on the transfer or transmission *causa mortis* of marketable securities. A marketable security is defined in the said legislation as “*a holding of share capital in any company and any document representing the same*”.

Consequently, the Bonds should not be treated as constituting marketable securities within the meaning of the legislation and therefore, the transfer or transmission thereof should not be chargeable to duty.

Furthermore, even if the Bonds are considered to be treated as marketable securities for the purposes of the DDTA, in terms of article 50 of the FMA, as the Bonds constitute financial instruments of a company quoted on a regulated market, as is the MSE, redemptions and transfers of the Bonds should, in any case, be exempt from duty.

## 7.5 EXCHANGE OF INFORMATION

In terms of applicable Maltese legislation, the Issuer and, or its agents, are required to collect and forward certain information (including, but not limited to, information regarding payments made to certain Bondholders) to the Commissioner for Revenue. The Commissioner for Revenue will or may, in turn, automatically or on request, forward the information to other relevant tax authorities subject to certain conditions. Relevant legislation includes, but is not limited to:

- (a) the agreement between the Government of the United States of America and the Government of the Republic of Malta to Improve International Tax Compliance and to Implement FATCA – incorporated into Maltese law through Legal Notice 78 of 2014; and
- (b) the implementation of Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by Council Directive 2014/107/EU) which provides for the implementation of the regime known as the Common Reporting Standard – incorporated into Maltese law through Legal Notice 384 of 2015 entitled the Cooperation with Other Jurisdiction on Tax Matters (Amendment) Regulations, 2015.

Failure on the part of a Bondholder to provide the Issuer with the necessary information required for its compliance with applicable legislation, may have consequences on the Bondholder’s holding and, or may result in the Issuer having to report the Bondholder to the relevant tax authorities.

**INVESTORS AND PROSPECTIVE INVESTORS ARE URGED TO SEEK PROFESSIONAL ADVICE AS REGARDS BOTH MALTESE AND ANY FOREIGN TAX LEGISLATION APPLICABLE TO: (I) THE ACQUISITION, HOLDING AND DISPOSAL OF THE BONDS; (II) THE INTEREST PAYMENTS MADE BY THE ISSUER; AND (III) THE REPORTING BY THE ISSUER TO THE COMMISSIONER FOR REVENUE OF INFORMATION ON THE BONDHOLDERS AND ON PAYMENTS MADE TO THE BONDHOLDERS AND THE EXCHANGE OF SUCH INFORMATION BETWEEN MALTA AND RELEVANT FOREIGN TAX AUTHORITIES. THE TAX LEGISLATION OF THE INVESTOR’S COUNTRY OF DOMICILE AND OF THE ISSUER’S COUNTRY OF INCORPORATION (MALTA) MAY HAVE AN IMPACT ON THE INCOME RECEIVED FROM THE BONDS. THE ABOVE IS A SUMMARY OF THE ANTICIPATED TAX TREATMENT APPLICABLE TO THE BONDS AND TO BONDHOLDERS. THIS INFORMATION DOES NOT CONSTITUTE LEGAL OR TAX ADVICE AND REFERS ONLY TO BONDHOLDERS WHO DO NOT DEAL IN SECURITIES IN THE COURSE OF THEIR NORMAL TRADING ACTIVITY.**

## 8 ADDITIONAL INFORMATION

Save for the financial analysis summary annexed to this Securities Note as Annex III, the Prospectus does not contain any statement or report attributed to any person as an expert.

The financial analysis summary has been included in the form and context in which it appears with the authorisation of the Sponsor, who has given and has not withdrawn its consent to the inclusion of such report herein. The author of the financial analysis summary is Mr Evan Mohnani, Senior Financial Advisor at M.Z. Investment Services Ltd. M.Z. Investment Services Ltd does not have any material interest in the Issuer.

The Issuer confirms that the financial analysis summary has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from the information contained therein, no facts have been omitted which render the reproduced information inaccurate or misleading.

**ANNEX I**

**THE  
GUARANTEE**

30 January, 2023

To All Bondholders:

Reference is made to the issue by GPH Malta Finance p.l.c., a publicly limited liability company registered under the laws of Malta and bearing company registration number C 103534 (the **"Issuer"**) of up to €25,000,000 6.25% unsecured bonds 2030 (the **"Bonds"** or **"Bond Issue"**), pursuant to and subject to the terms and conditions contained in the Securities Note (as such term is defined hereunder) forming part of the Prospectus (as such term is defined hereunder).

Now, therefore, by virtue of the present, Global Ports Holding plc, a company registered under the laws of England and Wales and bearing company registration number 10629250 (the **"Guarantor"**) hereby unconditionally and irrevocably guarantees the due and punctual performance of all the obligations undertaken by the Issuer under the Bonds, and without prejudice to the generality of the foregoing, undertakes to pay any Indebtedness (as such term is defined hereunder) which shall become due and payable by the Issuer to Bondholders (hereinafter referred to as **"Guarantee"**).

It is a condition precedent for the issuance of the Bonds that, inter alia, the Guarantor executes and grants this Guarantee.

The Guarantor has agreed to the conclusion and execution of this Guarantee in favour of the Bondholders.

## 1. INTERPRETATION

In this Guarantee, unless the context otherwise requires:

- (a) terms and expressions defined in or construed for the purposes of the Prospectus shall have the same meanings or be construed in the same manner when used in this Guarantee, unless defined otherwise in this Guarantee;
- (b) **"Business Day"** means a day other than a Saturday, a Sunday or a statutory holiday in Malta and United Kingdom;
- (c) **"Event of Default"** shall have the same meaning as defined in section 5.13 of the Securities Note;
- (d) **"Indebtedness"** means any and all moneys, obligations and liabilities now or hereafter due, owing or incurred by the Issuer under the Bonds to the Bondholders in terms of the Prospectus, and in any and all cases whether for principal, interests, capitalised interests, charges, disbursements, or otherwise, and whether for actual or contingent liability;
- (e) **"Prospectus"** means the prospectus issued by the Issuer in respect of the Bond Issue, dated 1 February, 2023;
- (f) **"Securities Note"** means the securities note issued by the Issuer in respect of the Bond Issue, dated 1 February, 2023, forming part of the Prospectus; and
- (g) **"writing"** or **"in writing"** shall mean any method of visual representation and shall include facsimile transmissions, telexes and other such electronic methods.

## 2. TERMS OF THE GUARANTEE

### 2.1 COVENANT TO PAY

In satisfaction of the condition precedent for the issuance of the Bonds, and in consideration of the Bondholders acquiring the Bonds, the Guarantor, as primary obligor, hereby jointly and severally with the Issuer, unconditionally and irrevocably guarantees to each Bondholder the payment of, and undertakes on first written demand made in accordance with clause 8.2, to pay, any Indebtedness to the Bondholders, at any time due or owing under the Bonds on the occurrence of an Event of Default that is continuing in accordance with the Securities Note.

## 2.2 MAXIMUM LIABILITY

The amount due by the Guarantor to the Bondholders under this Guarantee shall be up to and not in excess of the aggregate of: (i) the amount of Bonds subscribed by Bondholders, which shall not exceed the maximum amount of €25,000,000; (ii) the interest due under the Bonds as at the date of payment under the Guarantee; and (iii) the reasonably incurred and properly documented costs and expenses up to €750,000 in aggregate incurred as at the date of payment under the Guarantee, relating to the enforcement of the Bondholders' rights against the Issuer and, or the Guarantor.

## 2.3 GUARANTOR'S OBLIGATIONS CONTINUING

The Guarantor's obligations under this Guarantee are and will remain in full force and effect by way of continuing security until no sum remains due or owing under the Bonds and the Indebtedness is fully repaid, and shall in no way be prejudiced or effected, nor shall it in any way be discharged or reduced by reason of:

- (a) the bankruptcy, insolvency or winding up of the Issuer; or
- (b) the incapacity or disability of the Issuer or any other person liable for any reason whatsoever; or
- (c) any change in the name, style, constitution, any amalgamation or reconstruction of either the Issuer, or any Guarantor; or
- (d) a Bondholder conceding any time or indulgence, or compounding with, discharging, releasing or varying the liability of the Issuer or any other person liable or renewing, determining, reducing, varying or increasing any accommodation or transaction or otherwise dealing with the same in any manner whatsoever or concurring in, accepting or in any way varying any compromise, composition, arrangement or settlement or omitting to claim or enforce or exact payment from the Issuer or any other person liable; or
- (e) any event, act or omission that might operate to exonerate the Guarantor without settlement in full of the Indebtedness towards the relevant Bondholder.

The Guarantor is hereby expressly consenting to any assignments and transfers made by the Issuer in accordance with the Prospectus and this without the need of any prior or subsequent notice to the Guarantor and without any prejudice to the rights of the Bondholders hereunder.

## 2.4 INDEMNITY

As a separate and independent stipulation, the Guarantor unconditionally and irrevocably agrees: (i) that any sum which, although expressed to be payable by the Issuer in terms of the Prospectus, is for any reason (whether or not now existing and whether or not now known or becoming known to the Issuer, the Guarantor, or any Bondholder) not recoverable from the Guarantor on the basis of this Guarantee will nevertheless be recoverable from it as if it were the sole principal debtor and will be paid by the Guarantor within a period of seven Business Days of first written demand; and (ii) as a primary obligation, to indemnify the Bondholders against any loss up to the amount claimed, subject to the limit set out in clause 2.2 paragraph (iii) above, suffered by the Bondholders as a result of any sum expressed to be payable by the Issuer in terms of the Prospectus or the Bonds not being paid on the date and otherwise in the manner specified in the Prospectus or any payment obligation of the Issuer under the Bonds not being, or becoming void, voidable or unenforceable for any reason (whether or not now existing and whether or not now known or becoming known to any Bondholder), the amount of that loss being the amount expressed to be payable by the Issuer in respect of the relevant sum.

### 3. WAIVER OF THE GUARANTOR'S RIGHTS AND THE GUARANTOR'S WARRANTIES

3.1 This Guarantee shall be liable for the full amount of the Indebtedness due from time to time. The liability of the Guarantor under this Guarantee shall be decreased from time to time to the extent, if any, that the Issuer or the Guarantor shall have made any irrevocable payment of the Indebtedness.

3.2 So long as any sum remains payable under this Guarantee or the Bond, and unless the Indebtedness has been paid in full, the Guarantor agrees that it will not, without the prior written consent of the Bondholders:

- (a) exercise any rights of subrogation, reimbursement and indemnity against the Issuer or any other person liable for the Indebtedness;
- (b) demand or accept repayment, in whole or in part, of any indebtedness now or hereafter due to the Guarantor either from the Issuer or from any other person liable for the Indebtedness or demand any collateral in respect of same or dispose of same;
- (c) take any step to enforce any right against the Issuer or any other person liable for the Indebtedness; and, or
- (d) claim any set-off or counter-claim against the Issuer or any other person liable for the Indebtedness nor shall the Guarantor claim or prove in competition with the Bondholders in the liquidation of the Issuer or any other person liable for the Indebtedness or benefit or share any payment from or in composition with the Issuer or any other person liable for the Indebtedness.

3.3 Subject to the overriding provisions of the Prospectus, until the Indebtedness has been paid in full, the Guarantor further agrees that:

- (a) if an Event of Default occurs, any sums which may be received by it from the Issuer or any person liable for the Indebtedness shall be held by it on trust exclusively for the Bondholders and shall be paid to the Bondholders immediately upon demand in writing or immediately after its receipt if such obligation arises from the documents executed by the Issuer in connection with the Prospectus;
- (b) all rights of relief and subrogation arising in favour of the Guarantor upon a partial payment to the Bondholders against the Issuer and any other person who may be liable for the Indebtedness, including any co-guarantors, shall be suspended; and, or
- (c) the Bondholders shall not be required to exhaust any remedy or remedies they may have against the Issuer or other persons who may be liable for the Indebtedness for the settlement of all the Indebtedness before claiming against the Guarantor under this Guarantee, which is to be construed as entirely independent from the relationship between the Issuer and the Bondholders and providing immediate recourse against the Guarantor. The Guarantor hereby waives any benefit of discussion or division which may be available under any applicable law.

### 4. SETTLEMENTS CONDITIONAL

Any release, discharge or settlement between the Guarantor and the Bondholders shall be conditional upon no security, disposition or payment to the Bondholders by the Issuer or the Guarantor or any other third party being liable to being void or set aside for any reason whatsoever and if, for any reason whatsoever, this condition is not fulfilled, such release, discharge or settlement shall be of no effect whatsoever and this Guarantee shall again come into force for all effects and purposes of law.

## 5. ADDITIONAL GUARANTEE

This Guarantee is to be construed as being in addition to, not instead of, and in no way prejudicing any other security or guarantee or indemnity which the Bondholders may now or hereafter hold from or on account of the Issuer. Moreover, the remedies provided in this Guarantee are cumulative and are not exclusive of any remedies provided by law.

## 6. BENEFIT OF THIS GUARANTEE AND NO ASSIGNMENT

6.1 This Guarantee is to be immediately binding upon the Guarantor for the benefit of the Bondholders and the liability hereunder is not subject to any conditions as to additional security being received by the Bondholders or otherwise.

6.2 The Guarantor shall not be entitled to assign or transfer any of its obligations under this Guarantee.

## 7. REPRESENTATIONS AND WARRANTIES

7.1 The Guarantor represents and warrants as at the date of this Guarantee that:

- (a) it is duly incorporated and validly existing under the laws of England and Wales and has the power to carry on its business;
- (b) it has power to grant this Guarantee and that all corporate action has been taken by the Guarantor in accordance with its deeds of constitution and the laws of its incorporation and regulation;
- (c) this Guarantee constitutes and contains valid and legally binding obligations of the Guarantor enforceable in accordance with its terms;
- (d) this Guarantee does not and will not constitute default with respect to or run counter to any law, by-law, articles of incorporation, statute, rule, regulation, judgment, decree or permit to which the Guarantor is or may be subject; or any agreement or other instrument to which the Guarantor is a party or is subject or by which it or any of its property is bound;
- (e) this Guarantee shall not result in or cause the creation or imposition of, or oblige the Guarantor to create any encumbrance on any of that Guarantor's undertakings, assets, rights or revenues;
- (f) save as stated in section 12.3 of the Registration Document, it is in no way engaged in any litigation, arbitration or administrative proceeding of a material nature and nor to the best of its knowledge, is it threatened with any such procedures;
- (g) the obligations of the Guarantor under this Guarantee rank at least *pari passu* with all other present and future unsecured indebtedness of the Guarantor with the exception of any obligations which are mandatorily preferred by law;
- (h) it is not in material breach of or in default that is continuing under any agreement relating to indebtedness to which it is a party or by which it may be bound; and
- (i) all the information tendered in connection with the negotiation and preparation of this Guarantee is accurate and true in all material respects and there has been no omission of any material facts.

7.2 As from the date of this Guarantee, until such time as the Indebtedness is paid in full to the Bondholders, and for as long as this Guarantee shall remain in force, the Guarantor shall hold true, good and valid all the representations and warranties given under this clause except for representations and warranties in limbs (f) and (h) which are given only as at the date of this Guarantee.

## 8. DEMANDS AND PAYMENTS

- 8.1 Any Indebtedness shall be due by the Guarantor under this Guarantee as a debt, which is certain, liquidated and due, and the Guarantor shall be jointly and severally obligated to pay such Indebtedness upon first written demand by a Bondholder, as such standing is evidenced by an electronic entry in the register of Bonds held by the CSD. All demands shall be sent to the address as is stated below in clause 9 as the same may be changed by notice in writing by one party to the other. Subject to clause 8.2 and 8.3 below, such payment shall be due on the seventh Business Day following the Bondholder's first written demand to the Guarantor to pay.
- 8.2 The demand shall be accompanied by a statement by the Bondholder representing that there exist, at the time of the demand, an Event of Default that is continuing pursuant to the terms of the Securities Note.
- 8.3 It is expressly agreed that the requirement of such statement is not a condition of liability of the Guarantor under this Guarantee and is entirely without prejudice to the on-demand nature of this Guarantee. The statement by the Bondholder of the amount due under this Guarantee shall be binding on the Guarantor and shall be conclusive evidence of the sum due, saving only failure to provide evidence of holding of Bonds by means of an electronic entry in the register of Bonds held by the CSD, and to the extent that such request for payment is made in accordance with clause 8.1 and clause 8.2 above. To the extent that such request for payment is made in accordance with clause 8.1 and clause 8.2 above, any disagreement by the Guarantor as to the contents of the statement shall not entitle the Guarantor to delay or interrupt the payment of the sum due under this Guarantee for any reason whatsoever.
- 8.4 All payments shall be made to the Bondholder without any withholding for taxes (and in so far as this obligation exists under any law the payment shall be grossed up by the amount of withholding) and without set-off for any amounts which may be then owing to the Guarantor by the Issuer or the Bondholders.

## 9. NOTICES

- 9.1 Any notice required to be given by any party hereto to the other party shall be deemed to have been validly served if sent by pre-paid registered letter through the post to such other party at the relevant address indicated herein or such other address as may from time to time be notified to the other party for this purpose.
- 9.2 Any notice so served shall be deemed to have been served, seven days after posting.
- 9.3 For the purposes of this Guarantee, the proper addresses and contact numbers of the parties are:

**Global Ports Holding plc**

Registered address: 34 Brook Street, 3rd Floor, London, W1K 5DN, England  
Attention: Chief Legal Officer

**GPH Malta Finance plc**

Registered address: 45, 46 Pinto Wharf, Floriana FRN 1913, Malta  
Attention: Executive Director

Provided that each party may at any time change such address or contact number by giving seven days' prior written notice to the other party.



## 10. APPLICABLE LAW AND JURISDICTION

- 10.1 This Guarantee shall be governed by and construed in accordance with Maltese law.
- 10.2 Any dispute, controversy or claim arising out of or relating to this Guarantee or as to the interpretation, validity, performance or breach thereof shall be referred to and finally resolved by arbitration under the UNCITRAL Rules of Arbitration in accordance with the provisions of Part V (International Arbitration) of the Arbitration Act, 1996. Any arbitration commenced pursuant to this clause shall take place in Malta and be administered by the Malta Arbitration Centre. The number of arbitrators shall be three, one arbitrator to be appointed by each of the Parties or, in default, by the Malta Arbitration Centre, whereas the third arbitrator shall be appointed by the first two arbitrators or, if they fail to agree on such an appointment, by the Malta Arbitration Centre. No appeal shall lie from any such award given.

THE ORIGINAL COPY HAS BEEN SIGNED BY

---

Mehmet Kutman  
Duly authorised, for and on behalf of  
**Global Ports Holdings plc**  
*Guarantor*

---

Stephen Xuereb  
Duly authorised, for and on behalf of  
**GPH Malta Finance plc**  
*Issuer*

# **ANNEX II**

# **AUTHORISED FINANCIAL INTERMEDIARIES**

## AUTHORISED FINANCIAL INTERMEDIARIES

NAME	ADDRESS	TELEPHONE
<b>APS Bank p.l.c.</b>	APS Centre, Tower Street, Birkirkara BKR 4012	25603404
<b>Bank of Valletta p.l.c.</b>	Premium Banking Centre, 475, Triq il-Kbira San Guzepp, St Venera SVR 1011	22751732
<b>Calamatta Cuschieri Investment Services Ltd</b>	Ewropa Business Centre, Triq Dun Karm, Birkirkara BKR 9034	25688688
<b>CiliaFormosa Financial Advisors Ltd</b>	Triq id-Delu, Mosta MST 3355	22260200
<b>Curmi &amp; Partners Ltd</b>	Finance House, Princess Elizabeth Street, Ta' Xbiex XBX 1102	21347331
<b>FINCO Treasury Management Ltd</b>	The Bastions, Office No 2, Emvin Cremona Street, Floriana FRN 1281	21220002
<b>Hogg Capital Investments Ltd</b>	NuBis Centre, Mosta Road, Lija LJA 9012	21322872
<b>Jesmond Mizzi Financial Advisors Ltd</b>	67 Level 3, South Street, Valletta VLT 1105	23265690
<b>Michael Grech Financial Investment Services Ltd</b>	The Brokerage, Level 0A, St Marta Street, Victoria, Gozo VCT 2550	22587000

<b>MZ Investment Services Ltd</b>	61, St. Rita Street, Rabat RBT 1523	21453739
<b>Rizzo, Farrugia &amp; Co (Stockbrokers) Ltd</b>	Airways House, Fourth Floor, High Street, Sliema SLM 1551	22583000
<b>Timberland Invest Ltd</b>	Aragon House Business Centre Dragonara Road, St Julian's STJ 3140	20908100

# **ANNEX III**

# **FINANCIAL ANALYSIS SUMMARY**

**Issuer**

GPH Malta Finance p.l.c.

**Guarantor**

Global Ports Holding plc



M Z I N V E S T M E N T S

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.

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

**MZ Investment Services Ltd**  
63, St Rita Street,  
Rabat RBT 1523,  
Malta  
Tel: 2145 3739

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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 €25,000,000 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 Bensele	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 Bensele	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

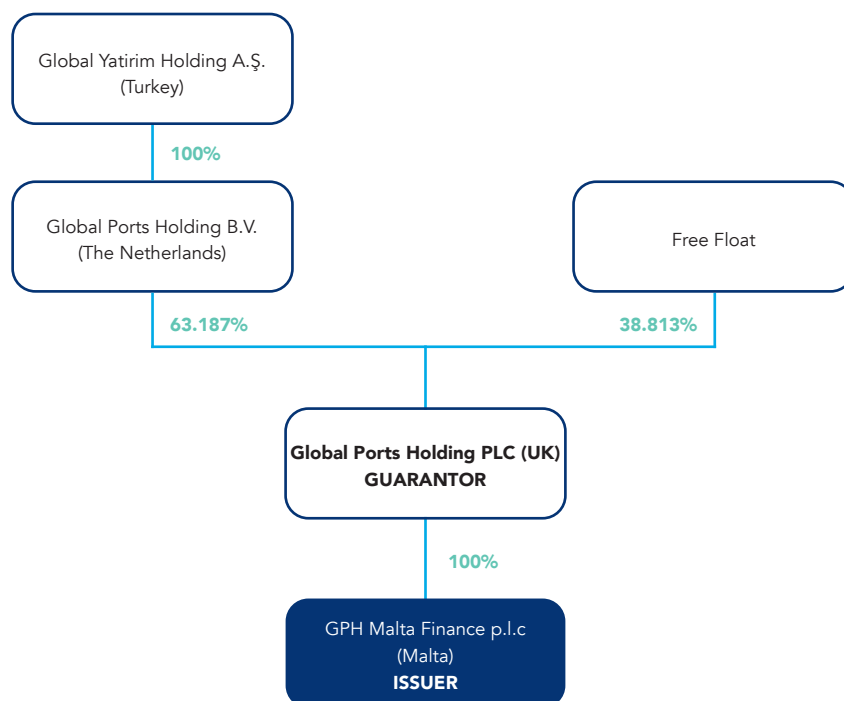
Mehmet Kutman	Executive Chairman and CEO
Jan Fomferra	Chief Financial Officer
Stephen Xuereb	Chief Operating Officer
Ece Gürsoy	Chief Legal Officer
Colin Murphy	Head of Business Development - Americas

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 Yatirim Holding A.Ş. ("GIH") is the ultimate parent company of the Group. GIH has a 63.187% 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**

<b>Name</b>	<b>Location</b>	<b>Operations</b>	<b>Effective Ownership (%)</b>	<b>Voting Power Held (%)</b>
<b>Subsidiaries</b>				
Ege Liman işletmeleri A.Ş. ('Ege Liman')	Aydin - Turkey	Port Operations	72.50	72.50
Bodrum Liman işletmeleri 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
<b>Equity-accounted Investments</b>				
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 Crotona, 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 Juan 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
	<b>661,925</b>	<b>563,104</b>	<b>628,534</b>

### 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	Country	2021		2022	
		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
		<b>330,001</b>		<b>409,589</b>	

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
		<b>18,776</b>	<b>14,073</b>

## 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.<sup>1</sup>

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.

<sup>1</sup> 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.<sup>2</sup>

## 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			NPC			ACP		
	2019	2021	2022	2019	2021	2022	2019	2021	2022	2019	2021	2022	2019	2021	2022
	Adjusted Revenue*	31,278	1,886	<b>6,210</b>	13,872	4,215	<b>6,333</b>	6,549	905	<b>1,504</b>	2,492	6,137	<b>12,168</b>	1,753	2,782
Segmental EBITDA*	20,461	(2,740)	<b>518</b>	8,027	2,054	<b>3,784</b>	4,590	(391)	<b>401</b>	1,808	432	<b>5,081</b>	1,169	627	<b>(37)</b>
Segmental EBITDA margin (%)	65%	-145%	<b>8%</b>	58%	49%	<b>60%</b>	70%	-43%	<b>27%</b>	73%	7%	<b>42%</b>	67%	23%	<b>-1%</b>

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	<b>2,979</b>	63,046	17,472	<b>31,744</b>	7,352	9,318	<b>8,565</b>	7,352	9,318	<b>8,565</b>	70,398	26,790
Segmental EBITDA*	8,309	(1,680)	<b>(203)</b>	44,364	(1,698)	<b>9,544</b>	1,708	2,852	<b>3,396</b>	1,708	2,852	<b>3,396</b>	46,072	1,154	<b>12,940</b>
Segmental EBITDA margin (%)	117%	-109%	<b>-7%</b>	70%	-10%	<b>30%</b>	23%	31%	<b>40%</b>	23%	31%	<b>40%</b>	65%	4%	<b>32%</b>

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

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



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	30 Sep'22 Unaudited
	\$'000	\$'000
Adjusted revenue*	14,761	64,099
Adjusted cost of sales	(7,359)	(15,652)
<b>Gross profit</b>	<b>7,402</b>	<b>48,447</b>
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
<b>Adjusted EBITDA*</b>	<b>(485)</b>	<b>40,403</b>
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)
<b>Loss before tax</b>	<b>(29,403)</b>	<b>(4,358)</b>
Taxation	6,102	(2,942)
<b>Loss from continuing operations</b>	<b>(23,301)</b>	<b>(7,300)</b>
Profit from discontinued operations	-	-
<b>Loss for the period</b>	<b>(23,301)</b>	<b>(7,300)</b>
<b>Other comprehensive income</b>		
Foreign currency translation differences	(686)	(17,364)
Losses on a hedge of a net investment	(990)	-
Other movements	(569)	595
<b>Other comprehensive loss, net of tax</b>	<b>(2,245)</b>	<b>(16,769)</b>
<b>Total comprehensive loss, net of tax</b>	<b>(25,546)</b>	<b>(24,069)</b>

\* 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 and 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 Unaudited \$'000	30 Sep'22 Unaudited \$'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
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
	<u>663,262</u>	<u>674,376</u>
<b>Current assets</b>		
Trade and other receivables	21,148	27,948
Other current assets	27,774	16,008
Cash and cash equivalents	99,687	79,484
	<u>148,609</u>	<u>123,440</u>
<b>Total assets</b>	<b>811,871</b>	<b>797,816</b>
<b>EQUITY</b>		
<b>Capital and reserves</b>		
Share capital	811	811
Reserves	9,515	392
Retained earnings	(48,192)	(64,784)
Non-controlling interest	88,263	89,909
	<u>50,397</u>	<u>26,328</u>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
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
	<u>636,488</u>	<u>628,681</u>
<b>Current liabilities</b>		
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
	<u>124,986</u>	<u>142,807</u>
	<b>761,474</b>	<b>771,488</b>
<b>Total equity and liabilities</b>	<b>811,871</b>	<b>797,816</b>

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	30 Sep'22 Unaudited
	\$'000	\$'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	-	-
<b>Net movement in cash and cash equivalents</b>	<b>(85,719)</b>	<b>(12,630)</b>
Effect of foreign exchange rate changes	(2,264)	(7,573)
Cash and cash equivalents at beginning of period	170,599	99,687
<b>Cash and cash equivalents at end of period</b>	<b>82,616</b>	<b>79,484</b>
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 18 month period ending 31 March 2024

	<b>Projection 18 months \$'000</b>
Finance income	2,632
Finance costs	(2,292)
Administrative expenses	(256)
<b>Profit before tax</b>	<b>84</b>
Taxation	(64)
<b>Profit for the period</b>	<b>20</b>

#### GPH Malta Finance p.l.c. Cash Flow Statement for the 18 month period ending 31 March 2024

	<b>Projection 18 months \$'000</b>
Net cash from operating activities	40
Net cash from investing activities	(26,675)
Net cash from financing activities	26,950
<b>Net movement in cash and cash equivalents</b>	<b>415</b>
Cash and cash equivalents at beginning of period	-
<b>Cash and cash equivalents at end of period</b>	<b>415</b>

	<b>Projection \$'000</b>
<b>ASSETS</b>	
<b>Non-current</b>	
Loans receivable from parent company	26,675
	<u>26,675</u>
<b>CURRENT</b>	
Receivables	658
Cash and cash equivalents	415
	<u>1,073</u>
<b>Total assets</b>	<b><u>27,748</u></b>
<b>EQUITY</b>	
<b>Capital and reserves</b>	
Called up share capital	275
Retained earnings	20
	<u>95</u>
<b>LIABILITIES</b>	
<b>Non-current</b>	
Bonds in issue	26,832
	<u>26,832</u>
<b>Current</b>	
Payables	621
	<u>621</u>
	<b><u>27,453</u></b>
<b>Total equity and liabilities</b>	<b><u>27,748</u></b>

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)
<b>Gross profit</b>	<b>46,226</b>	<b>11,040</b>	<b>20,947</b>	<b>75,806</b>	<b>117,391</b>
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
<b>Adjusted EBITDA*</b>	<b>39,646</b>	<b>(6,725)</b>	<b>7,010</b>	<b>57,214</b>	<b>102,327</b>
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)
<b>Profit/(loss) before tax</b>	<b>(24,509)</b>	<b>(122,656)</b>	<b>(43,935)</b>	<b>(11,586)</b>	<b>30,707</b>
Taxation	(588)	15,061	(605)	(3,300)	(6,484)
<b>Profit/(loss) from continuing operations</b>	<b>(25,097)</b>	<b>(107,595)</b>	<b>(44,540)</b>	<b>(14,886)</b>	<b>24,223</b>
Profit from discontinued operations	9,878	12,906	-	-	-
<b>Profit (loss) for the year</b>	<b>(15,219)</b>	<b>(94,689)</b>	<b>(44,540)</b>	<b>(14,886)</b>	<b>24,223</b>
<b>Other comprehensive income</b>					
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)	-	-
<b>Other comprehensive income/(loss), net of tax</b>	<b>(9,893)</b>	<b>19,041</b>	<b>(16,886)</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income/(loss), net of tax</b>	<b>(25,112)</b>	<b>(75,648)</b>	<b>(61,426)</b>	<b>(14,886)</b>	<b>24,223</b>

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

<b>Key Accounting Ratios</b>	<b>FY2019 Actual</b>	<b>FY2021 Actual</b>	<b>FY2022 Actual</b>	<b>FY2023 Projection</b>	<b>FY2024 Projection</b>
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 İşletmeleri ("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 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 the 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
<b>ASSETS</b>					
<b>Non-current assets</b>					
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
	<u>692,080</u>	<u>602,596</u>	<u>663,262</u>	<u>731,934</u>	<u>774,698</u>
<b>Current assets</b>					
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
	<u>102,799</u>	<u>210,660</u>	<u>148,609</u>	<u>96,583</u>	<u>94,085</u>
<b>Total assets</b>	<b><u>794,879</u></b>	<b><u>813,256</u></b>	<b><u>811,871</u></b>	<b><u>828,517</u></b>	<b><u>868,783</u></b>
<b>EQUITY</b>					
<b>Capital and reserves</b>					
Share capital					
Reserves	811	811	811	811	811
Retained earnings	7,069	23,081	9,515	8,188	8,182
Non-controlling interest	61,053	(12,151)	(48,192)	(76,982)	(77,607)
	<u>86,330</u>	<u>74,822</u>	<u>88,263</u>	<u>104,270</u>	<u>116,224</u>
	<b><u>155,263</u></b>	<b><u>86,563</u></b>	<b><u>50,397</u></b>	<b><u>36,287</u></b>	<b><u>47,610</u></b>
<b>LIABILITIES</b>					
<b>Non-current liabilities</b>					
Loans and borrowings					
Lease obligations	326,592	190,123	459,370	528,885	569,100
Other financial liabilities	63,707	63,611	63,220	99,186	95,747
Deferred tax liabilities and provisions	50,394	55,249	50,316	48,756	47,176
Other non-current liabilities	102,890	70,544	58,495	55,846	45,271
	<u>1,354</u>	<u>755</u>	<u>5,087</u>	<u>20,087</u>	<u>20,089</u>
	<u>544,937</u>	<u>380,282</u>	<u>636,488</u>	<u>752,760</u>	<u>777,383</u>
<b>Current liabilities</b>					
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	7,923
Other current liabilities	6,085	9,050	10,346	5,633	1,166
	<u>94,679</u>	<u>346,411</u>	<u>124,986</u>	<u>39,470</u>	<u>43,790</u>
	<b><u>639,616</u></b>	<b><u>726,693</u></b>	<b><u>761,474</u></b>	<b><u>792,230</u></b>	<b><u>821,173</u></b>
<b>Total equity and liabilities</b>	<b><u>794,879</u></b>	<b><u>813,256</u></b>	<b><u>811,871</u></b>	<b><u>828,517</u></b>	<b><u>868,783</u></b>

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

	<b>31 Dec'19 Actual Restated \$'000</b>	<b>31 Mar'21 Actual 15 months \$'000</b>	<b>31 Mar'22 Actual \$'000</b>	<b>31 Mar'23 Projection \$'000</b>	<b>31 Mar'24 Projection \$'000</b>
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)	-	-	-
<b>Net movement in cash and cash equivalents</b>	<b>(12,653)</b>	<b>112,087</b>	<b>(69,428)</b>	<b>(55,082)</b>	<b>(5,610)</b>
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
<b>Cash and cash equivalents at end of year</b>	<b>63,780</b>	<b>170,599</b>	<b>99,687</b>	<b>4,845</b>	<b>9,233</b>
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 <i>(Net debt ex-leases/Net debt ex-leases and shareholders' equity)</i>	68%	78%	90%	93%	92%
Gearing ratio 2 <i>(Net debt/Net debt and shareholders' equity)</i>	71%	81%	91%	94%	93%
Gearing ratio 3 (times) <i>(Net debt ex-leases/shareholders' equity)</i>	2.09	3.61	8.63	13.49	11.50
Gearing ratio 4 (times) <i>(Net debt ex-leases/Adjusted EBITDA ex-IFRS 16 accounting entries)</i>	8.90	-23.46	240.98	9.65	5.70
Leverage ratio (times) <i>(Total assets/Total equity)</i>	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	
			<b>531,569</b>	

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:

<b>Instalment Date</b>	<b>Percentage threshold of the value of the Bonds admitted to listing (%)</b>
23 January 2026	20%
23 January 2027	10%
23 January 2028	10%
23 January 2029	10%
	<b>50%</b>

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.

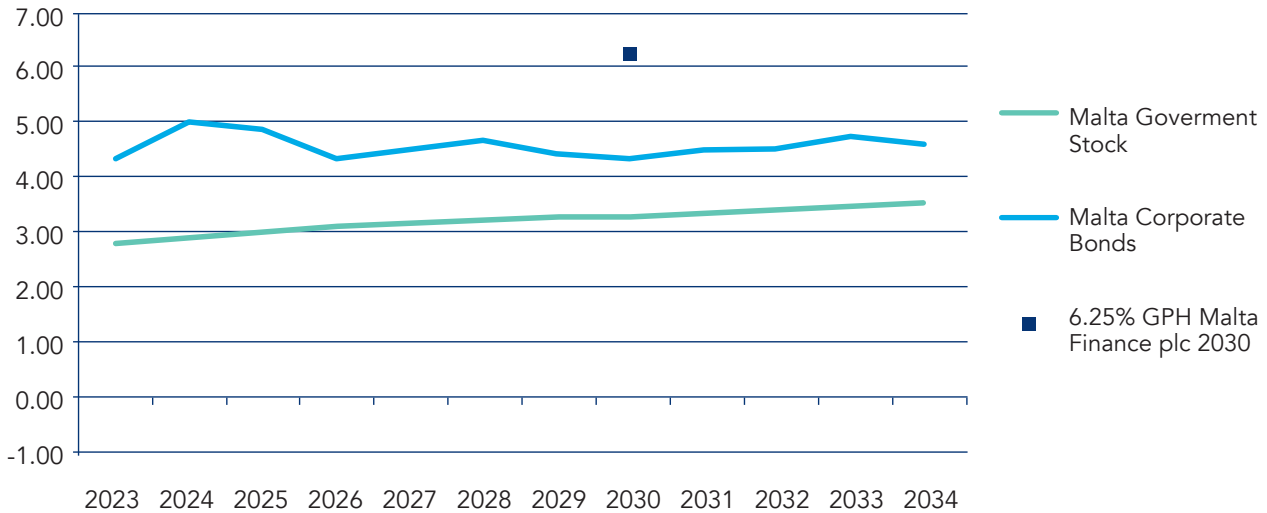
Comparative Analysis	Nominal Value (€)	Yield to Maturity (%)	Interest Cover (times)	Total Assets (€'000)	Net Asset Value (€'000)	Gearing Ratio (%)	Net Debt to EBITDA (times)
4.25% GAP Group plc Secured € 2023	8,349,900	5.28	14.81	112,173	21,575	60.31	2.68
5.30% United Finance Plc Unsecured € Bonds 2023	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
<b>6.25% GPH Malta Finance plc Unsecured € 2030</b>	<b>25,000,000</b>	<b>6.25</b>	<b>1.56</b>	<b>828,517</b>	<b>36,287</b>	<b>94.25</b>	<b>9.65</b>
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
<b>AVERAGE</b>		<b>4.66</b>	<b>8.15</b>			<b>49.85</b>	<b>7.02</b>

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

13 January 2023



### BOND YIELD TO MATURITY



Source: Malta Stock Exchange, Central Bank of Malta, MZ Investment Services Ltd.

13 January 2023

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
<ul style="list-style-type: none"> <li>The world's largest cruise port operator with established presence in the Mediterranean, Caribbean, Asia-Pacific and North America.</li> </ul>	<ul style="list-style-type: none"> <li>Significant contraction in EBITDA generation of cruise port management due to the devastating impact of COVID-19 pandemic on the cruise industry.</li> </ul>
<ul style="list-style-type: none"> <li>Strong pipeline of cruise port acquisitions and expansion opportunities within the existing cruise port portfolio.</li> </ul>	<ul style="list-style-type: none"> <li>Annual net losses adversely impacted the Group's equity level.</li> </ul>
<ul style="list-style-type: none"> <li>Strong recovery of passenger volumes during 2022 and cruise call reservations for 2023 above 2019.</li> </ul>	<ul style="list-style-type: none"> <li>High level of financial leverage mainly due to acquisitions and capital projects despite long-term funding structure.</li> </ul>
<ul style="list-style-type: none"> <li>Cruise industry's long-term drivers remain supportive of future growth.</li> </ul>	

## PART 5 EXPLANATORY DEFINITIONS

### INCOME STATEMENT

<b>Revenue</b>	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.
<b>Cost of sales</b>	Cost of sales comprises expenses directly attributable to the operations of the Group's cruise and commercial ports.
<b>Gross profit</b>	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.
<b>Share of results of equity-accounted investees</b>	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'.
<b>Profit after tax</b>	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

<b>Gross profit margin</b>	Gross profit margin is the difference between revenue and direct costs expressed as a percentage of total revenue.
<b>Operating profit margin</b>	Operating profit margin is operating income as a percentage of total revenue.
<b>Net profit margin</b>	Net profit margin is profit after tax achieved during the financial year expressed as a percentage of total revenue.

## EFFICIENCY RATIOS

<b>Return on equity</b>	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.
<b>Return on capital employed</b>	Return on capital employed (ROCE) indicates the efficiency and profitability of a company's capital investments, estimated by dividing operating profit by capital employed.
<b>Return on Assets</b>	Return on assets (ROA) is computed by dividing profit after tax by total assets.

## EQUITY RATIOS

<b>Earnings per share</b>	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.
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## CASH FLOW STATEMENT

<b>Cash flow from operating activities</b>	Cash generated from the principal revenue-producing activities (operation of cruise and commercial ports) of the Group.
<b>Cash flow from / (used in) investing activities</b>	Cash generated from / (used in) activities dealing with the acquisition and disposal of long-term assets and other investments of the Group.
<b>Cash flow from / (used in) financing activities</b>	Cash generated from / (used in) the activities that result in change in share capital and borrowings of the Group.

## BALANCE SHEET

<b>Non-current assets</b>	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.
<b>Current assets</b>	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.

<b>Current liabilities</b>	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.
<b>Non-current liabilities</b>	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.
<b>Net assets per share</b>	Total assets less total liabilities divided by the number of equity shares in issue.
<b>Total equity</b>	Total equity includes share capital, reserves and other equity components, retained earnings and minority interest.

## FINANCIAL STRENGTH RATIOS

<b>Liquidity ratio</b>	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.
<b>Interest cover</b>	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.
<b>Net debt to EBITDA</b>	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.
<b>Leverage ratio</b>	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.
<b>Gearing ratio</b>	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 losses, 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.