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The Board of Directors
Grand Harbour Marina plc
Vittoriosa Wharf,
Vittoriosa, BRG 1721,
Malta

26 June 2024

Dear Sirs,

Grand Harbour Marina plc – Financial Analysis Summary (the **"Update FAS"**)

In accordance with your instructions and in line with the requirements of the MFSA Listing Policies, we have compiled the Update FAS set out on the following pages and which is being forwarded to you together with this letter.

The purpose of the Update FAS is that of summarising key financial data appertaining to Grand Harbour Marina p.l.c. (the "**Company**" or "**GHM**"). The data is derived from various sources or is based on our own computations as follows:

(a) historical financial data for the three years ended 31 December 2021 to 2023 has been extracted from the Company's audited statutory financial statements for the three years in question, as and when appropriate;

(b) the forecast data for the financial year ending 31 December 2024 has been provided by management of the Company;

(c) our commentary on the results of the Company and on the respective financial position is based on the explanations provided by the Company;

(d) the ratios quoted in this report have been computed by us applying the definitions as set out and defined within the Update FAS; and

(e) relevant financial data in respect of competitors as analysed in Part D has been extracted from public sources such as the websites of the companies concerned and the respective financial statements filed with the Registry of Companies.

The Update FAS is meant to assist potential investors by summarising the more important financial data of the Company. The Update FAS does not contain all data that is relevant to potential investors and is meant to complement, and not replace, financial and/or investment advice. The Update FAS does not constitute an endorsement by our firm of the securities of the Company and should not be interpreted as a recommendation to invest. We shall not accept any liability for any loss or damage arising out of the use of the Update FAS and no representation or warranty is provided in respect of the reliability of the information contained in this report. As with all investments, potential investors are encouraged to seek professional advice before investing.

Yours sincerely,

Christopher Mallia
Corporate Advisory Executive

GRAND HARBOUR MARINA
VITTORIOSA MALTA

FINANCIAL ANALYSIS SUMMARY

Update 2024

Prepared by Rizzo, Farrugia & Co (Stockbrokers) Ltd, in compliance with the Listing Policies issued by the Malta Financial Services Authority, dated 5 March 2013, as revised on 13 August 2021.

26 June 2024

RIZZO FARRUGIA
YOUR INVESTMENT CONSULTANTS

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List of Abbreviations

CNMIL	Camper & Nicholsons Marina Investments Ltd
CNML	Camper & Nicholsons Marinas Limited
MGS	Malta Government Stock
PPE	Property, Plant and Equipment

Important Information

Purpose of the Document

Grand Harbour Marina plc (the "**Company**", "**GHM**" or the "**Issuer**") issued €15 million 4.5% Unsecured Bonds 2027 pursuant to a prospectus dated 26 June 2017 (the "**Bond Issue**"). The prospectus included a Financial Analysis Summary ("**FAS**") in line with the requirements of the MFSA Listing Policies dated 5 March 2013 and last revised on 13 August 2021. The purpose of this report is to provide an update to the FAS (the **"Update FAS**") on the performance and on the financial position of the Company.

Sources of Information

The information that is presented has been collated from a number of sources, including the Company's website (https://en.cnmarinas.com/grand-harbour-marina/), feedback from management as well as the Company's audited Financial Statements for the years ended 31 December 2021, 2022 and 2023 and forecasts for financial year ending 31 December 2024.

Forecasts that are included in this document have been prepared and approved for publication by the directors of the Company, who undertake full responsibility for the assumptions on which these forecasts are based.

Wherever used, FYXXXX refers to financial year covering the period 1st January to 31st December. The financial information is being presented in thousands of Euro, unless otherwise stated, and has been rounded to the nearest thousand.

Previous FAS Issued

The Company has published the following FAS which are available on its website:

FAS dated 26 June 2017 (appended to the prospectus)

FAS dated 22 June 2018

FAS dated 27 May 2019

FAS dated 14 August 2020

FAS dated 01 June 2021

FAS dated 13 June 2022

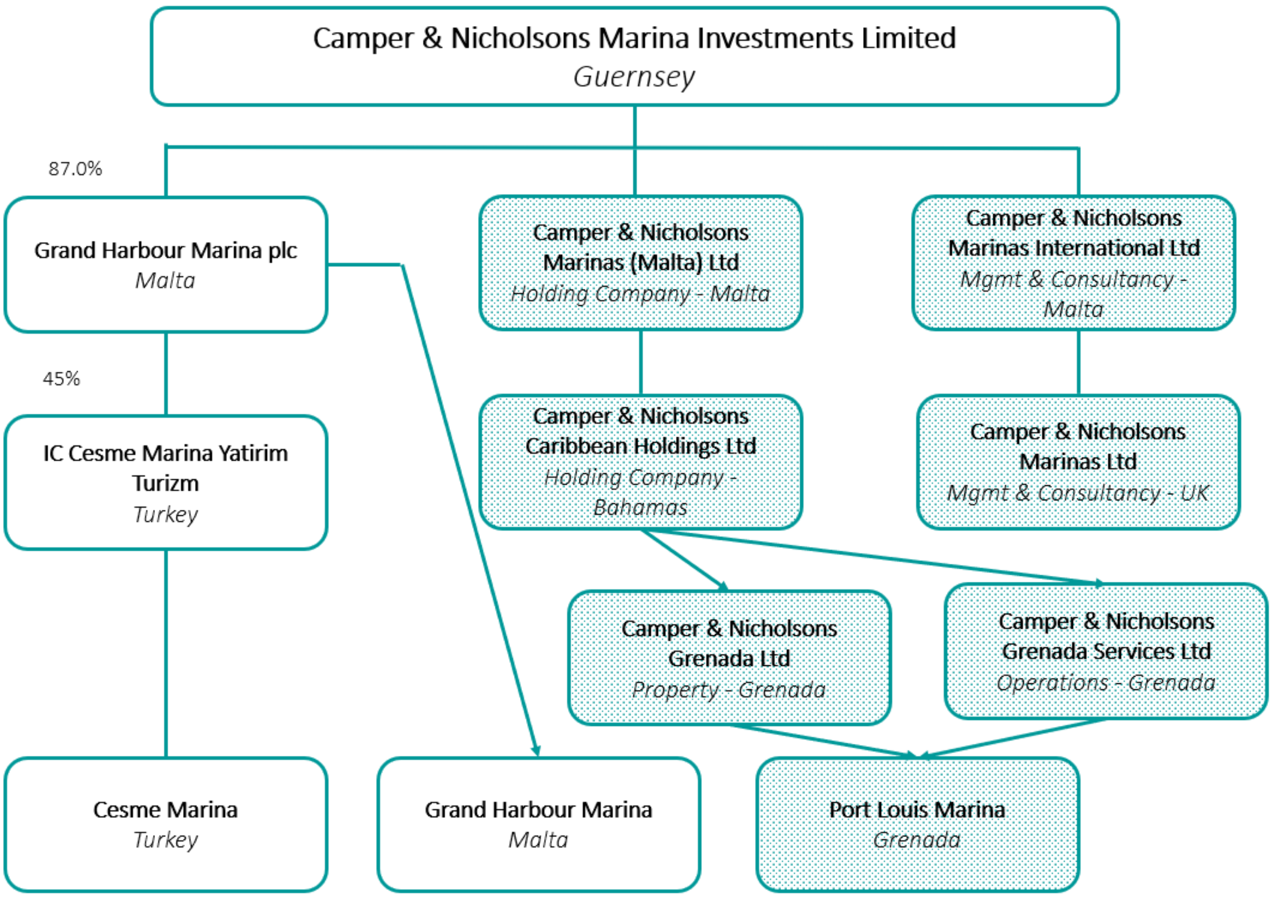
FAS dated 16 June 2023

1. INTRODUCTION

Established on 31 August 2000, the Company is a subsidiary of Camper & Nicholsons Marina Investments Limited ("**CNMIL**") which is registered in Guernsey while having a separate business registration in Hong Kong.

The principal activities of Grand Harbour Marina p.l.c. (C 26891) relate to the operation of the Grand Harbour Marina (the **"Marina"**), through which it provides berthing facilities and other quayside and marina related services to yachts, including superyachts. The principal activity of the Company is therefore, to seek prospective customers to berth their vessels within the facilities at the Marina and to service its existing customers by providing the high-quality ancillary services required by the yacht owners and their crews.

The Company currently owns the sub-emphyteusis to the Grand Harbour Marina in Vittoriosa, Malta and a 45% beneficial interest in IC Cesme Marina Yatirim, Turizm ve Isletmeleri Sirketi (**''IC Cesme''**), a company which owns and operates a marina in Turkey. The marinas are operated and managed in association with Camper & Nicholsons Marinas Limited (**''CNML''**), a company that is involved in the management and operation of marinas worldwide.



GHM's principal markets comprise local and foreign yacht owners seeking either long-term purchase of a home-port berth or annual, seasonal or short-term stays in Malta and can be largely divided into three segments as set out below:

1. annual and seasonal berth licences of foreign and Maltese owned sail and power yachts of less than 24 metres;
2. visiting sail and power yachts over 24 metres which are principally foreign-owned; and
3. long-term licence-holding sail and power yachts over 24 metres which are also principally foreign-owned.

Relationship between the Company and CNML

CNML provides a number of consultancy services to GHM and its affiliated company, IC Cesme, in relation to recruitment, operation, projects, sales and marketing and branding amongst others. CNML's connection with the yachting industry dates back as far as 1782, while its association with marinas is traceable to the early 1960's. It presently operates owned or partly-owned marinas in the Caribbean, Turkey and Malta, with the consultancy business provided to other third parties in different parts of the world.

GHM benefits from a services agreement with CNML which has its operational headquarters in London from where it carries out staff cover operations, human resources, business development, technical services, financial as well as sales and marketing functions. The benefits from the services agreement are principally the use of the Camper & Nicholsons brand and access to Camper & Nicholsons' resources. The relationship with CNML also allows GHM to benefit from its global network of contacts, its high-profile advertising programmes and its presence in the major international exhibitions.

CNML also has an active role in the implementation of GHM's policies and strategies, including its management. The Board of Directors of GHM includes one individual who is also a director of CNMIL as the parent company of GHM.

2. GOVERNANCE & SENIOR MANAGEMENT

THE BOARD OF DIRECTORS

The current Board of GHM consists of five directors who are entrusted with the overall strategic direction and management of the Company. The Board's mandate is to identify and execute new investment opportunities and obtain related funding. The Board is currently composed of the following Directors:

Members of the Board	
Mr Lawrence Zammit	Chairman, Independent Non-Executive Director
Mr Franco Azzopardi	Independent Non-Executive Director, Chairman of Audit Committee
Man-Yi Ho	Non-Executive Director *(appointed on 27 June 2023)*
Chi-Keung Ng	Non-Executive Director *(appointed on 27 June 2023)*
Ms Elizabeth Ka-Yee Kan	Chief Executive Officer and Executive Director

Victor Lap-Lik Chu resigned on 22 March 2024. Tze-Shun Fung and Yixin Zeng were appointed on 27 June 2023 and resigned on 22 March 2024. Tarcisio Barbara was not re-appointed to the Board, effective from 27 June 2023.

EXECUTIVE MANAGEMENT OF THE COMPANY

The senior management team is composed of the following individuals:

Senior Management	
Mr Jean Paul Saliba	Chief Financial Officer
Mr Andrew Farrugia	Chief Operating Officer
Mr Gordon Vassallo	General Manager

3. MATERIAL DEVELOPMENTS DURING FY2023

There have been no material developments in FY2023. The financial performance of GHM and IC Cesme is reported on in part B below.

4. VALUE OF GHM'S MAJOR ASSETS

The assets of the Company are predominantly made up of

- Property, Plant and Equipment ("**PPE**") relating to the berths and pontoons at the marina in Malta as well as improvements to leased property and distribution switchboards, owned motor vehicles, office equipment and assets in the course of construction;
- the Right of Use ("**RoU**") assets relating to the lease of water space, offices and warehouses;
- the 45% equity interest in the Turkish marina;
- investment in debt securities;
- loans receivable from related parties: CNMIL (parent company) and CNML; and
- cash and cash equivalents.

The table below summarises the value of GHM's major assets for each of FY2021, FY2022 and FY2023.

Assets	*2021* €'000	*2022* €'000	*2023* €'000
Property, plant and equipment	*4,565*	*4,243*	*4,057*
Right of Use Assets	*5,260*	*5,133*	*5,007*
45% Equity interest in IC Cesme	*714*	*3,648*	*5,728*
Investment in Debt Securities	*5,806*	*4,474*	*4,392*
Loans Receivable from related parties	*5,916*	*5,481*	*4,619*
Cash and cash equivalents	*2,466*	*4,031*	*5,181*
Other Assets[1]	*1,615*	*1,406*	*1,544*
Total Assets	***26,342***	***28,416***	***30,528***

INDEPENDENT VALUATIONS

No valuations were carried out on the marina in Malta and the Turkish marina in relation to the financial year ended 31 December 2023.

[1] *Other assets comprise: (i) Trade and other receivables; and (ii) Deferred costs on property, plant and equipment.*

5. The Maritime Sector in Malta

Malta is today a well-established maritime centre and its strategic position in the Mediterranean is considered as unique. Malta has been of vital importance in the maritime world, offering a complete range of international maritime services and other ancillary facilities. Over the past decades, building on its long and varied maritime tradition, Malta has also developed a very strong legal and regulatory platform that has enabled the Malta Flag to become a reputable international shipping register. As at end 2023, the register had over 9,500 vessels with a gross tonnage of just below 82 million.[2] An increase was also noted in the number of registration of superyachts of over 24 metres in length to over 1,100 of such vessels flying the Malta flag.[3]

Malta's flag register remains the largest European flag and the 7th largest in the world[4], and as such enjoys a certain level of power in international fora. The reputable flag ensures compliance with international and European standards and accompanied by the right balance of maritime services know-how, an efficient registration system and the fiscal advantages, has contributed to the success of the local maritime industry.

As a maritime nation, across the years Malta has also been successful in turning itself into a highly sought-after yachting location and has been hailed as a superb berthing place especially for the winter months due to the country's mild climate all year round.

Marina	Location	Marina Operator	No. of Berths
Grand Harbour Marina	*Vittoriosa Wharf*	*Grand Harbour Marina Plc*	260
Kalkara Marina	Kalkara Wharf	Kalkara Marina Company Ltd	131
Laguna Marina	Valletta Waterfront	Mersenne Marinas Ltd	123
Manoel Island Yacht Marina	Manoel Island	Midi plc	200
Mgarr Harbour Marina	Mgarr, Gozo	Harbour Management Ltd	282
Msida & Ta' Xbiex Marinas	Ta' Xbiex	Creek Developments Plc	759
Gardens Marina	Gzira	Gardens Marina Ltd	125
Roland Marina	Ta' Xbiex	S&D Yachts	149
Portomaso Marina	St. Julian's	Boatcare Trading Ltd	130
Dock 1	Cospicua	Transport Malta	21
Marina di Valletta	Haywharf, Pieta'	Consortium between Marina di Varazze S.r.l, Arrigo Group, Joinwell furniture and Tal-Maghtab Construction	281

Source: National Statistics Office (2023) Transport Statistics 2023 (Reference Year 2022). Available at: https://nso.gov.mt/wp-content/uploads/Transport-publication-2023.pdf [Accessed: 29 April 2024]

[2] *Newsbook - Malta's shipping registry keeps growing in size, but not in weight (Online Article dated 04 April 2024). Available at: https://newsbook.com.mt/en/maltas-shipping-registry-keeps-growing-in-size-but-not-in-weight/ [Accessed: 29 April 2024].*

[3] *Government of Malta – A strategic vision for the superyacht industry (November 2023). Available at: https://infrastructure.gov.mt/wp-content/uploads/2023/11/A-strategic-vision-for-the-superyacht-industry-1.pdf [Accessed: 29 April 2024]*

[4] *Seatrade Maritime - Liberia takes world's largest ship registry crown (Online Article dated 31/07/2023). Available at: https://www.seatrade-maritime.com/regulation/liberia-takes-worlds-largest-ship-registry-crown [Accessed: 29 April 2024].*

Malta's competitive cost structure has helped the island to compete with other marinas in the Mediterranean which, in turn, although they may be more fashionable are also often crowded and relatively expensive. Several marinas around Malta are situated within the island's natural inlets which are sheltered in neat creeks that offer protection from harsh weather conditions. Moreover, several local marinas, including GHM, provide various ancillary services including water and electricity supplies, fuel bunkering, wireless broadband, car parking facilities, shipyard services, towage, pilots, and other related services.

6. PREAMBLE

MARINA RECONFIGURATION EXERCISE

Approximately €3.5 million (equivalent to almost 24%) of the net proceeds from the 4.5% bond issued during 2017 were earmarked for reconfiguration of the marina at GHM. This was envisaged to take place in two phases. Approximately €0.8 million was planned to be invested in phase one, whilst the Company anticipated that the balance of €2.7 million would be invested in phase two. However, prior to investing in phase two the Board reserved the right to assess other possible investment opportunities.

Management has advised that while the process of obtaining the necessary permits for the phase one investment is taking longer than expected due to matters outside its control, it is still ongoing. To this effect, no incremental revenue from phase one of the reconfiguration has been forecast for FY2024.

NOTES TO THE FORECASTS

The forecasts for FY2024 have been based on a number of assumptions as listed below:

i) there will be no change to the existing activities provided through the Grand Harbour Marina and IC Cesme Marina;

ii) in view of the works that were recently carried out on the bridge leading to Fort St. Angelo, occupancy at Alpha berths (located adjacent to St. Angelo fort) during the first five months of the year was substantially restricted;

iii) the Group will continue to enjoy the confidence of its customers, suppliers and its bankers throughout the period under consideration;

iv) the Group will enjoy good relations with its employees and their representatives throughout the period under consideration;

v) some of the loans to related parties are due to mature during the year but the assumption is that an extension will be requested and approved;

vi) the investment in debt securities will remain in place;

vii) IC Cesme Marina will continue being impacted by the volatility of the Turkish Lira. Management has cautiously assumed a positive contribution of just under €2 million from its investment in IC Cesme as further tariff increases are planned to offset the continued deterioration of the Turkish Lira on the back of persistent hyperinflation, while overheads and net finance costs are expected to increase; and

viii) the bases and rates of taxation, both direct and indirect, will not change materially during the period under consideration.

7. Financial Statement Analysis – Historic and Forecasts

7.1 GHM - Revenue Analysis

The table below provides a breakdown of revenue for the periods under review:

	Actual FY2021 *€'000*	*Actual* FY2022 *€'000*	*Actual* FY2023 *€'000*	*Forecast* FY2024 *€'000*
Berthing income	2,845	3,096	3,329	3,253
Ancillary Revenue	776	806	1,006	809
Total GHM revenue	**3,621**	**3,902**	**4,335**	**4,062**

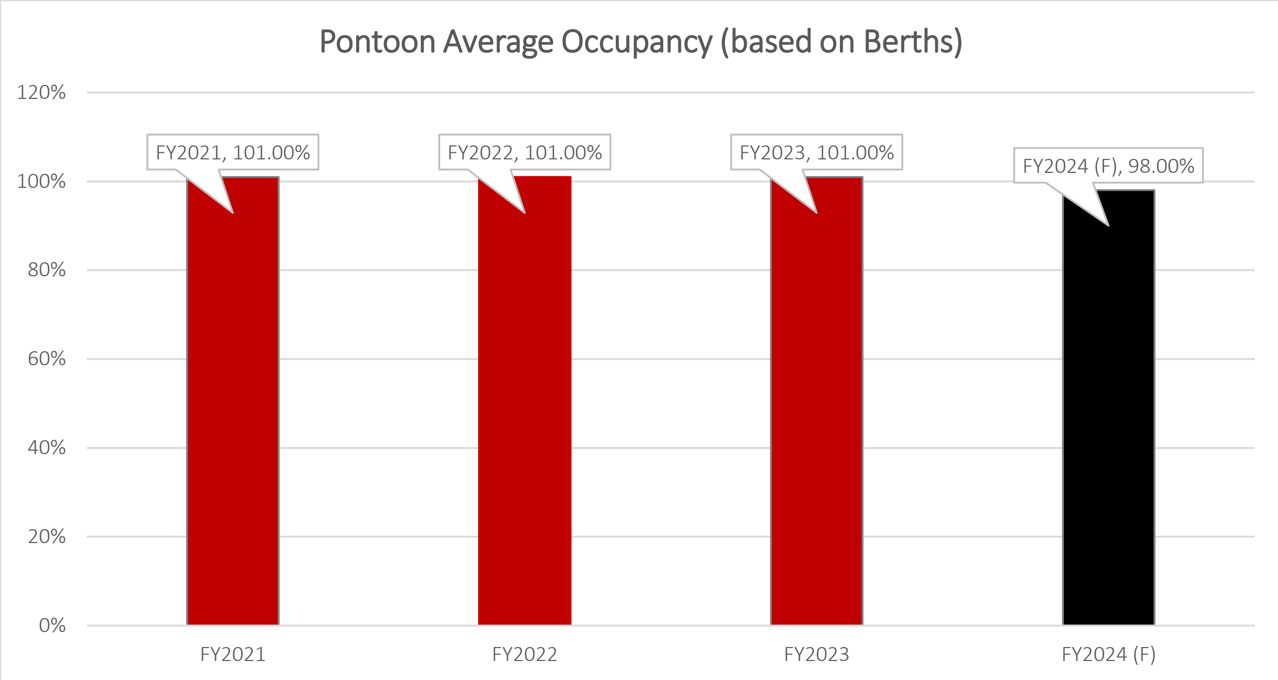
As illustrated in the table above, berthing income comprises the most significant revenue stream which historically represented more than 75% of the Company's total revenue. The other revenue stream relates to the provision of ancillary services such as water and electricity to the various vessels berthed at the Marina.

Revenues are anticipated to come down slightly in view of the expected drop in yearly occupancy from superyachts largely due to the works that have just recently been carried out on the bridge leading to Fort St. Angelo. Further details on the expected performance in the current financial year can be found below.

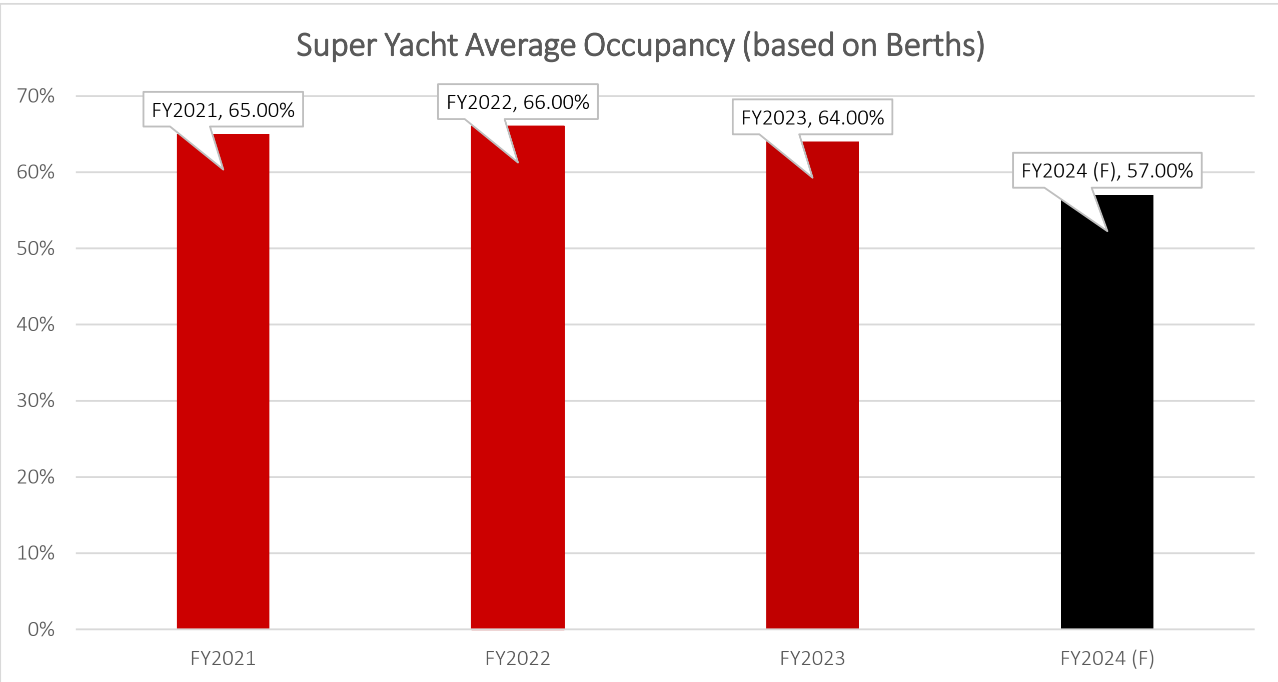
A. Berthing Income (Pontoons and Superyachts)

Berthing income for FY2023 improved further to €3.3 million from €3.1 million in FY2022, as the Company reported a sharp increase in superyacht visitor traffic compared to that of FY2022.

Nonetheless, average occupancy achieved during FY2023 remained relatively stable for pontoons when compared to earlier periods, whilst that for superyachts decreased, from FY2022 levels, albeit marginally, as can be seen from the charts below:



Pontoon berths stood at 232 during FY2023. Occupancy levels (based on berth nights) was in excess of 100% in each of the years between FY2021 and FY2023, representing berthing income generated by the Company during periods in which annual berth holders have vacated their berth.



The Company also derives berthing income from the rent of 28 superyacht berths, 14 of which had been previously sold to third parties on long-term arrangements, typically between 25 years and 45 years. During periods where such third parties are not utilising the said berths, GHM reserves the right to operate the berth spaces, subject to a revenue-sharing arrangement wherein typically 60% of berthing income is payable to the third-party owner. GHM also charges the said third party berth space owners an additional annual service charge to cover general administration and common area expenses incurred throughout the course of the year.

Berthing income is underpinned by a number of factors, ranging from subscription type (annual, seasonal, visitors), berth type (pontoon, superyacht) and vessel size. The revenue mix over the historical period under review has shown that the majority of revenue by berth type has been that generated from the pontoons. In fact, pontoons comprised 55.4% of total berthing income during FY2023 (FY2022: 56.7%).

Meanwhile, the distribution of income by subscription type is skewed towards annual berthing, which represented 50.9% of the Company's berthing income in FY2023 (FY2022: 54.7%). On the other hand, the berthing of superyachts is predominantly short-term in nature (visitor basis) and commands higher prices. Overall revenue from seasonal and visitor contracts with customers during FY2023 increased to €1.1 million, representing a 17.0% increase when compared to FY2022 which stood at just under €1 million, largely reflecting the increased superyachts traffic experienced at the Marina.

For FY2024, management is expecting average occupancy at the pontoons to be below that of FY2023, at 98%, and similarly forecasting a decrease in superyacht average occupancy, from 64% in FY2023 to 57% during FY2024 in view of the aforementioned works on the bridge leading to Fort St. Angelo.

B. REVENUE FROM ANCILLARY SERVICES

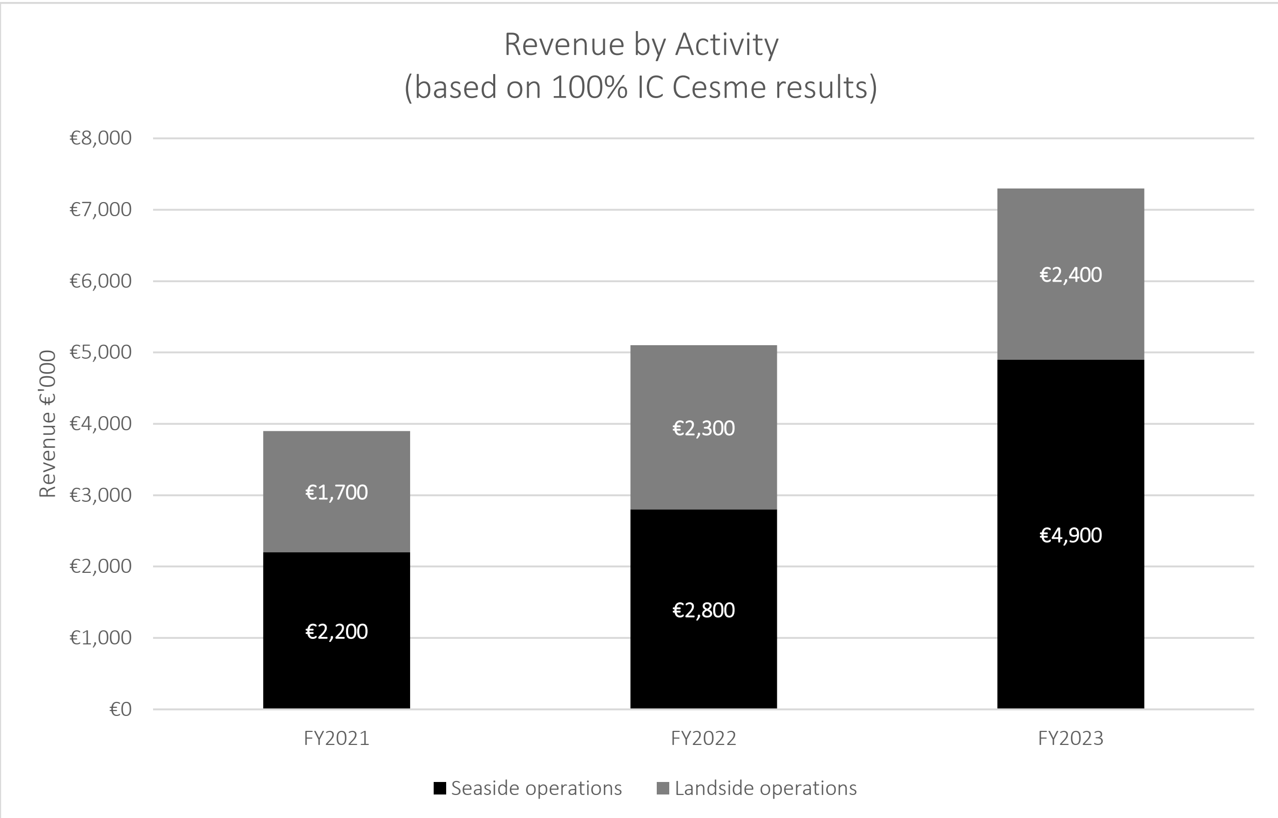
In view of the increased incidence of seasonal and visiting vessels during FY2023, income from ancillary services increased to €1 million (FY2022: €0.8 million). In line with the expectation that seasonal and visiting vessels are to decline in FY2024, when compared to FY2023, management are envisaging a reduction in ancillary revenue to €0.81 million.

7.2 IC CESME

REVIEW FY2023

Total revenue for the Turkish marina operations, in which GHM holds a 45% stake, amounted to €7.3 million, of which €3.3 million reflects the share attributable to GHM. IC Cesme generates its revenue from the provision of seaside operations (including berthing, utilities and related services such as technical assistance and boatyard facilities), and from landside operations (which include the rental of commercial units), which during FY2023 comprised 67.1% and 32.9% of total revenue, respectively.

IC Cesme recorded a further improvement of 43.1% in revenue during FY2023 largely reflecting the increased berthing prices which bolstered seaside revenues. The increase in berthing prices (charged in local currency) was partly due to the hyperinflation scenario prevailing in Turkey and in part due to the high demand experienced by IC Cesme which allowed the Turkish marina to raise prices over and above the rate of inflation (the steep increase in berthing tariffs was partly offset by the deterioration of the Turkish Lira upon converting the figures into Euro for consolidation purposes). Landside revenues only improved marginally to €2.4 million (FY2022: €2.3 million) reflecting the further impact of hyperinflation which was mostly offset by the continued weakness in the Turkish Lira upon consolidation in Euro. Landside occupancy was at 100% in FY2023.



IC Cesme reported that 113 boats left the marina during FY2023, while it attracted 99 new boats and a number of returning seasonal and visiting customers.

Political and economic uncertainties within the region persisted throughout the year under review, with these factors contributing to a further reduction of more than 60% in the yearly average value of the Turkish Lira against the Euro, reflecting a very high inflation rate at an average of 64.8% for FY2023.

During the same period, direct costs and operating expenses at the Turkish operation increased to €3.5 million from €2.8 million a year earlier. This increase was largely the result of higher operator fees in view of the increased revenue as well as increased energy costs. Nonetheless, given the higher increase in revenue, EBITDA still improved by 65.2% to €3.8 million.

After deducting depreciation, an IFRS16 related adjustment pertaining to leases, finance costs, foreign exchange losses and accounting for the hyperinflation adjustment (in terms of IAS 29[5]), IC Cesme registered a profit before tax of €4.5 million, unchanged from FY2022. However, after accounting for a tax credit of €1.4 million, as opposed to a tax charge of €1.5 million in FY2022, the company's net profit amounted to €5.9 million representing a marked improvement over the €3.0 million net profit registered in FY2022. This translated into a share profit for GHM of €2.6 million (FY2022: €1.3 million).

On the cash flow side, IC Cesme settled scheduled capital repayments on the shareholder loans (which were established in 2022) amounting to €0.3 million together with outstanding interest thereon at 5% per annum. At FY2023 year-end the remaining balance on the shareholder loans amounted to €5.4 million.

Forecasts for FY2024

As inflation in Turkey remains high, berthing tariffs, which are quoted in local currency, are also expected to be adjusted to reflect this. Nonetheless, in Euro terms, revenue is expected to remain stable in FY2024 as the anticipated deterioration in the Turkish Lira should offset any incremental revenues in local currency.

On the costs side, increases are expected in line with inflationary pressures and net finance costs are anticipated to increase on the back of a lower level of finance income, as deposits backed by the Turkish government mature, and finance costs related to Euro-denominated loans increase due to the expected deterioration in the Turkish Lira. Furthermore, as the EUR/TL rate is forecast to continue depreciating, foreign exchange losses are expected to persist on Euro-denominated loans, although their effect should be lower than in FY2023 given the scheduled repayments on such loans, which according to cash flow forecasts are expected to continue being honoured in a timely manner on a yearly basis through to full settlement in 2028.

Considering the anticipated stable revenues coupled with the rising costs, the contribution from IC Cesme to GHM's bottom line is expected to be just below €2 million, representing an almost 25% drop from the contribution recorded in FY2023.

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[5] *IAS 29 Financial Reporting in Hyperinflationary Economies applies where an entity's functional currency is that of a hyperinflationary economy. The standard requires the financial statements (and corresponding figures for previous periods) of an entity with a functional currency that is hyperinflationary to be restated for the changes in the general pricing power of the functional currency.*

7.3 Consolidated Income Statement

	ACTUAL	ACTUAL	ACTUAL	FORECAST
for the year ended 31 December	**2021**	**2022**	**2023**	**2024**
	€'000	*€'000*	*€'000*	*€'000*
Revenue	3,621	3,902	4,335	4,062
Operating Costs	(1,945)	(2,305)	(2,489)	(2,423)
EBITDA	**1,676**	**1,597**	**1,846**	**1,639**
Depreciation and amortisation	(419)	(419)	(407)	(458)
Results from operating activities	**1,257**	**1,178**	**1,439**	**1,181**
Impairment (loss) / reversal on financial assets	(98)	15	6	(41)
Finance income	329	412	412	451
Finance costs	(1,090)	(1,113)	(1,118)	(1,104)
Net finance costs	(859)	(686)	(700)	(694)
Share of (loss) / profit of equity-accounted investees, net of tax	(889)	1,334	2,627	1,974
(Loss) / Profit before tax	**(491)**	**1,826**	**3,366**	**2,461**
Tax expense	(293)	(268)	(458)	(196)
(Loss) / Profit after tax	**(784)**	**1,558**	**2,908**	**2,265**

FY2023 Review

Revenues in FY2023 increased by a further 11.1% to €4.3 million when compared to the €3.9 million generated in FY2022, largely reflecting the increased superyacht traffic visiting the Marina. Meanwhile, operating expenses increased by 8% to €2.5 million, reflecting also the increased business activity registered during FY2023.

As a result, earnings before interest, tax, depreciation and amortisation (EBITDA) improved by 15.6% to €1.8 million, and after accounting for depreciation of €0.4 million (at the same level of FY2022), the Company's operating profit amounted to €1.4 million (FY2022: €1.2 million).

Net finance costs were practically unchanged at €0.7 million in FY2023 (FY2022: €0.7 million).

During FY2023, as referred to earlier in this document, the Company recognised a share of profit from its investment in IC Cesme of €2.6 million which is materially higher than the €1.3 million recorded in FY2022.

Overall, GHM registered a pre-tax profit of €3.4 million, up from €1.8 million in FY2022. After accounting for a tax charge of €0.5 million (FY2022: €0.3 million), the Company's net profit amounted to €2.9 million, which compared to €1.6 million in FY2022 represents an improvement of 87%.

Forecasts for FY2024

The forecasts for FY2024 anticipate a 6.3% drop in revenue to €4.1 million since the occupancy on a number of superyacht berths located adjacent to Fort St. Angelo (known as Alpha berths) was substantially disrupted during the first five months of the year due to the works that were being carried out by third parties on the bridge leading to Fort St. Angelo. Moreover, as explained in section 7.1 above, GHM is also prudently assuming a three-percentage drop in occupancy across the pontoons.

The Company is also anticipating a marginal 2.7% decrease in operating costs to €2.4 million reflective of the lower activity anticipated at the marina in Malta. As a result, EBITDA is expected to amount to €1.6 million in FY2024 compared to €1.8 million in FY2023.

Depreciation is expected to be slightly higher, reflecting the capital expenditure envisaged for the current financial year, whilst net finance costs are projected to remain practically unchanged. Meanwhile, the share of profit from IC Cesme is anticipated to drop to just below €2 million (FY2023: €2.6 million) as explained in section 7.2 above.

Overall, pre-tax profit for FY2024 is projected at €2.5 million, down from €3.4 million in FY2023 on the back of the abovementioned combination of an expected drop in revenue and a lower contribution from the Turkish marina. After accounting for an anticipated tax charge of €0.2 million (FY2023: €0.5 million), the net profit is estimated to amount to €2.3 million (FY2023: €2.9 million).

Earnings per Share

The Company's earnings per share ratios based on the three historical financial years and the forecast results for FY2024 and shares in issue amounting to 20 million, work out as follows:

	FY2021 (A)	FY2022 (A)	FY2023 (A)	FY2024 (F)
EPS *(Net profit / Number of Shares in issue)*	€(0.039)	€0.078	€0.145	€0.113
Dividend Cover *(EPS / Dividend paid per share)*	N/A	2.36x	8.47x	6.60

The improved profits registered in FY2023 translated into a higher earnings per share of €0.145 (FY2022: €0.078). During FY2023, the Company declared and paid a net dividend of €0.34 million. As such, the dividend cover was that of 8.5 times.

Based on an expected net profit of €2.3 million for FY2024, EPS should amount to €0.113 per share. On 26 June 2024, the Company declared an interim dividend of €0.01716 (net) per share, which results in a dividend cover of 6.6 times based on the results expected for FY2024. The interim dividend will be paid on 15 July 2024.

7.4 Consolidated Cash Flow Statement

for the year ended 31 December	ACTUAL 2021 *€'000*	ACTUAL 2022 *€'000*	ACTUAL 2023 *€'000*	FORECAST 2024 *€'000*
Net cash from operating activities	358	215	479	419
Net cash from investing activities	653	2,066	1,184	124
Free Cash Flow	**1,011**	**2,281**	**1,663**	**543**
Net cash used for financing activities	(74)	(717)	(513)	(513)
Net movements in cash and cash equivalents	**937**	**1,564**	**1,150**	**30**
Cash and cash equivalents at beginning of the year	1,528	2,465	4,029	5,179
Cash and cash equivalents at end of year	**2,465**	**4,029**	**5,179**	**5,209**

FY2023 Review

GHM's cash balance by the end of FY2023 was 28.5% higher than that as at the end of FY2022, at €5.2 million. Cash flows from operating activities were higher than those of FY2022, in line with the increased level of operations.

Meanwhile cash flows from investing activities contracted by 42.7% to €1.2 million (FY2022: €2.1 million) since the sale of the equivalent of €1.2 million of corporate debt securities in FY2022 was not repeated during the year under review and which was only partially offset by the higher incidence of principal repayments, amounting to €0.8 million (FY2022: €0.5 million), received from related parties in line with the repayment terms of the loans thereto.

Free cash flow for the year was €1.7 million, and after netting off €0.5 million of cash flows used in financing activities, comprising dividends and payment of lease liabilities, resulted in a positive net cash flow for GHM of €1.2 million. Adding on the opening cash balances brought forward from the end of FY2022, GHM's cash and cash equivalents at the end of FY2023 stood at €5.2 million.

Forecasts for FY2024

In line with the anticipated decline in profitability for FY2024, GHM is expected to report marginally lower net cash flows from operating activities in FY2024 of €0.4 million. Meanwhile, cash flows from investing activities are expected to contract to €0.1 million on the back of a lower level of principal repayments of loans by related parties (in line with repayment schedule) and increased capital expenditure in relation to the Company's property, plant and equipment mainly comprising upgrades and/or replacement of GHM's utility-related infrastructure as well as pontoon and quay improvements. Cash flows used in financing activities reflect the lease liability payments due to be made during the year and the interim dividend that will be paid on 15 July 2024. As such, the balance of cash and equivalents at the end of the year is expected to improve marginally to €5.2 million.

7.5 Consolidated Statement of Financial Position

as at 31 December	ACTUAL 2021 €'000	ACTUAL 2022 €'000	ACTUAL 2023 €'000	FORECAST 2024 €'000
ASSETS				
Property, plant and equipment	4,565	4,243	4,057	4,407
Deferred costs	482	478	475	472
Right-of-use asset	5,260	5,133	5,007	4,861
Net Investment lease receivable	1	0	0	0
Equity-accounted investee	714	3,648	5,728	7,702
Other Investments	5,806	4,474	4,392	4,413
Loan to parent company	2,668	5,173	1,950	3,759
Total non-current assets	**19,496**	**23,149**	**21,609**	**25,614**
Loan to parent company	3,248	308	2,669	379
Trade and other receivables	1,132	928	1,069	1,173
Cash and cash equivalents	2,466	4,031	5,181	5,209
Total current assets	**6,846**	**5,267**	**8,919**	**6,761**
Total assets	**26,342**	**28,416**	**30,528**	**32,375**
LIABILITIES				
Lease liability	6,159	6,046	5,933	6,212
Borrowings	14,751	14,790	14,832	14,875
Deferred tax liabilities	921	790	769	557
Total non-current liabilities	**21,831**	**21,626**	**21,534**	**21,644**
Lease liability	22	12	9	9
Borrowings	1	2	2	0
Taxation Payable/ (overpaid)	100	0	63	(16)
Trade and other payables	1,200	1,297	1,409	2,398
Contract liabilities	1,043	1,033	1,041	909
Total current liabilities	**2,366**	**2,344**	**2,524**	**3,300**
Total liabilities	**24,197**	**23,970**	**24,058**	**24,944**
EQUITY				
Share capital	2,400	2,400	2,400	2,400
Reserves	61	(126)	(1,873)	(1,873)
Retained earnings	(316)	2,172	5,943	6,904
Total equity	**2,145**	**4,446**	**6,470**	**7,431**
Total equity and liabilities	**26,342**	**28,416**	**30,528**	**32,375**

FY2023 Review

Total assets increased by €1.8 million to €30.5 million by the end of FY2023 largely reflecting the uplift in the carrying value of the investment in IC Cesme on the back of the venture's improved profitability as well as the improved cash balances.

This increase was reflected also in GHM's total equity, which increased from €4.4 million as at the end of FY2022 to €6.5 million at the end of FY2023, with only negligible changes registered in the composition of the Company's liabilities for the year.

The Company's borrowing structure remained the same, although the improved level of cash balances improved the net debt position to €9.7 million from €10.8 million a year earlier.

	ACTUAL	ACTUAL	ACTUAL	FORECAST
for the year ended 31 December	**2021**	**2022**	**2023**	**2024**
	€'000	*€'000*	*€'000*	*€'000*
Borrowings (non-current)	14,751	14,790	14,832	14,875
Borrowings (current)	1	2	2	0
Total Borrowings	**14,752**	**14,792**	**14,834**	**14,875**
Cash and cash equivalents	2,466	4,031	5,181	5,209
Net Debt	**12,286**	**10,761**	**9,653**	**9,666**

Forecasts for FY2024

The Company's financial position is expected to improve further in FY2024. In fact, total assets are anticipated to increase by 6.1% to €32.4 million as the carrying value of the investment in IC Cesme is expected to once again increase on the back of the forecast profitability in FY2024, while the cash balance is forecast to marginally improve further. On the other hand, total liabilities are also expected to increase by 3.7% to €24.9 million reflecting the higher levels of trade payables. Total equity is forecast to improve by 14.9% to €7.4 million on the back of the expected profitability to be generated in FY2024 which will be partly offset be the declared interim dividend payment.

8. Ratios

Note: where the ratios were non-comparable because of a negative return or a negative result, the ratio has been recorded as 'n/a'.

Profitability Ratios

The below is a set of ratios prepared to assist in measuring a company's ability to generate profitable sales from its assets.

	ACTUAL FY2021	*ACTUAL* FY2022	*ACTUAL* FY2023	*FORECAST* FY2024
EBITDA margin *(EBITDA / Revenue)*	46.3%	40.9%	42.6%	40.3%
Operating Profit margin *(Operating Profit / Revenue)*	34.7%	30.2%	33.2%	29.1%
Net Profit margin *(Profit for the period / Revenue)*	n/a	39.9%	67.1%	55.8%
Return on Equity *(Profit attributable to owners of the Company / Average Equity attributable to owners of the Company)*	n/a	47.3%	53.3%	32.6%
Return on Capital Employed *(Profit for the period / Average Capital Employed)*	n/a	8.6%	14.4%	10.4%
Return on Assets *(Profit for the period / Average Assets)*	n/a	5.7%	9.9%	7.2%

GHM's profitability ratios all registered an improvement in FY2023 over FY2022 in line with the improved profitability of GHM for the year under review. Nonetheless, the EBITDA and Operating Profit margins for FY2023 were still weaker than those of FY2021, given the increases in the GHM's operational cost base over the two-year period.

As profitability is expected to contract in FY2024 (reflecting the impact of lower income), GHM's profitability ratios are anticipated to weaken in the current financial year.

Liquidity Ratios

The below is a set of ratios prepared to assist in measuring a Company's ability to meet its short-term obligations.

	ACTUAL FY2021	ACTUAL FY2022	ACTUAL FY2023	FORECAST FY2024
Current Ratio *(Current Assets / Current Liabilities)*	2.9x	2.3x	3.5x	2.1x
Cash Ratio *(Cash & cash equivalents / Current Liabilities)*	1.0x	1.7x	2.1x	1.6x

In view of the improved cash balances as well as the shift of the loan to its parent company from long-term to current assets, the level of current assets as at the end of FY2023 were higher and as such, the Company's current ratio trended upwards. Similarly, on the back of the improvements in cash balances, the cash ratio improved from 1.7 times to 2.1 times coverage of current liabilities.

This strong liquidity position is expected to persist in FY2024 although the cash ratio is anticipated to marginally ease to 1.6 times as the forecast increase in current liabilities (mainly reflecting an expected rise in trade payables) should offset the projected improvement in cash balances. Similarly, the current ratio is expected to weaken even more although this is largely related to the shift of the loan to parent company back to non-current assets as the loan is expected to be renewed.

SOLVENCY RATIOS

The below is a set of ratios prepared to assist in measuring a Company's ability to meet its debt obligations.

	ACTUAL FY2021	ACTUAL FY2022	ACTUAL FY2023	FORECAST FY2024
Interest Coverage ratio *(EBITDA / Net finance costs)*	2.0x	2.3x	2.6x	2.4x
Gearing Ratio (1) *(Net debt / Total Equity)*	5.7x	2.4x	1.5x	1.3x
Gearing Ratio (2) *[Net debt / (Net debt plus Equity)]*	85.1%	70.8%	59.9%	56.5%
Net Debt to EBITDA *(Net Debt / EBITDA)*	7.3x	6.7x	5.2x	5.9x

The improved EBITDA generated in FY2023 led to the strengthening of the interest coverage ratio in FY2023 to 2.6 times.

As explained earlier, while total debt remained largely unchanged, the higher level of cash balance led to a lower net debt position for the Company, and as such, led to improved gearing ratios. This was also aided by the improved retained earnings for the year on the back of improved profitability of the Company.

In FY2024, both the interest coverage ratio and the net debt to EBITDA ratio are expected to marginally weaken in line with the forecast decline in EBITDA. Meanwhile, the gearing ratios are anticipated to improve on the back of the forecast marginal increase in cash balances and strengthening equity base whilst maintaining the same debt levels.

9. Variance Analysis

	ACTUAL	FORECAST	*VARIANCE*
for the year ended 31 December	**2023**	**2023**	*%*
	€'000	*€'000*	
Revenue	4,335	3,988	8.7%
Operating Costs	(2,489)	(2,335)	6.6%
EBITDA	**1,846**	**1,653**	**11.7%**
Depreciation and amortisation	(407)	(429)	-5.1%
Results from operating activities	**1,439**	**1,224**	**17.6%**
Impairment profit / (loss) on financial assets	6	(182)	-103.3%
Finance income	412	430	-4.2%
Finance costs	(1,118)	(1,091)	2.5%
Net finance costs	(700)	(843)	-17.0%
Share of Profit of equity-accounted investees, net of tax	2,627	112	2245.5%
Profit before tax	**3,366**	**493**	**582.8%**
Tax expense	(458)	(200)	129.0%
Profit after tax	**2,908**	**293**	**892.5%**

As explained in earlier parts of this report, FY2023 was characterised by a higher-than-expected level of superyacht traffic visiting the Company's marina in Malta. This led to a higher revenue figure than expected as well as a corresponding increase in operational expenses which wasn't anticipated. Consequently, EBITDA and results from operating activities came in 11.7% and 17.6% respectively higher than projected.

Net finance costs were lower than expected as the projected impairment on the Company's fixed assets did not materialise in line with the decision to postpone the related replacement project.

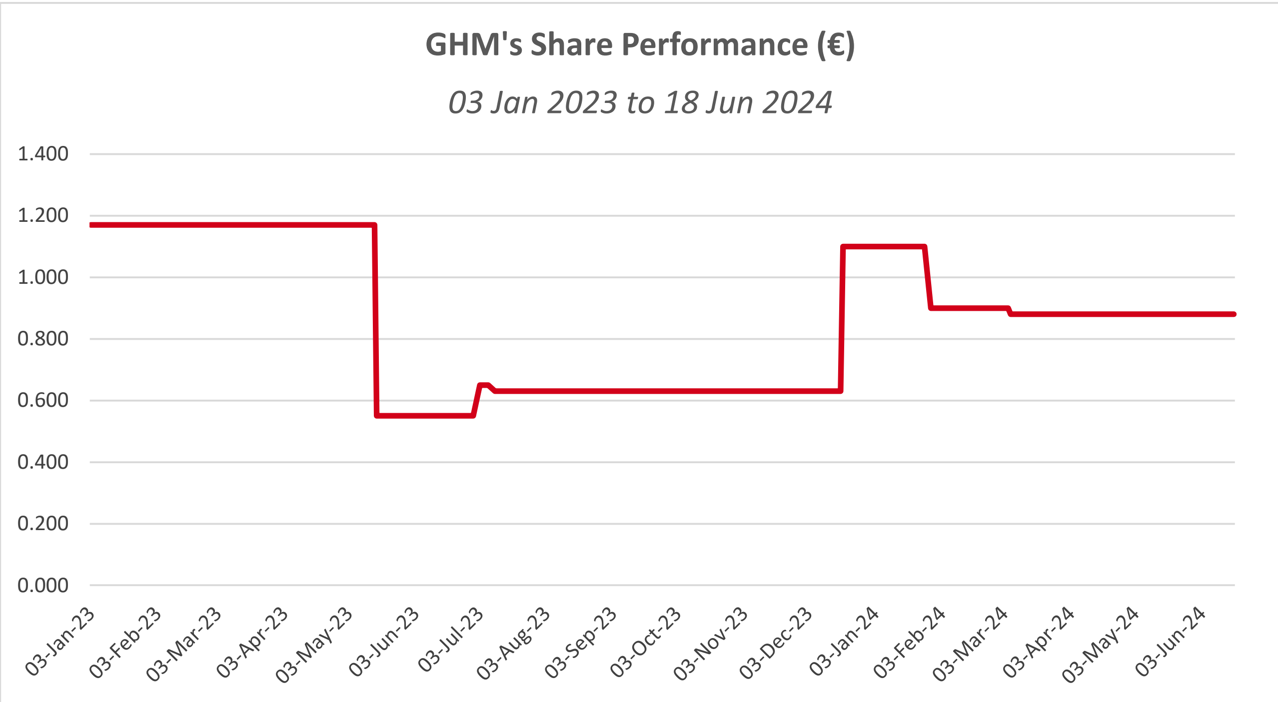
The biggest variance was in the share of profit of the equity-accounted investee, i.e. IC Cesme. Based on the way the Turkish Lira had been performing and the exchange losses resulting therefrom, the Company was prudent in its assumptions on the results attainable from its Turkish investment, and assumed a marginal return for FY2023 in its projections which excluded any hyperinflation adjustment as this is very difficult to predict. Moreover, the FY2023 forecasts did not include the hike in berthing rates as well as the tax credit actually registered in FY2023. As a result, the contribution of the Turkish marina came in at a €2.6 million (net of tax) as opposed to the projected €0.1 million.

Such variances led to a higher tax charge and a higher net profit, as the Company closed off FY2023 at €2.9 million in contrast to the projected €0.3 million.

Shares

GHM's shares have been listed on the Official List of the Malta Stock Exchange since the IPO in February 2007.

Issued Share Capital:	20,000,000 ordinary shares with a nominal value of €0.12 per share
ISIN:	MT0000320102
Highest Price in 2023:	€1.170
Lowest Price in 2023:	€0.550
Current Price*: *(*as at 18 June 2024)*	€0.880



Source: Rizzo, Farrugia & Co (Stockbrokers) Ltd

Debt Securities

GHM's listed debt securities comprise:

Bond:	€15 million 4.50% Unsecured Bonds 2027
ISIN:	MT0000321225
Redemption Date:	23 August 2027 at par
Prospectus Dated:	26 June 2017

PART D COMPARATIVES

The table below compares the Company and its bond issue to other listed debt on the local market having similar maturities. The comparative set includes local groups whose assets, strategy and level of operations vary significantly from those of the Company and are therefore not directly comparable. Nevertheless, the table below provides a sample of some comparatives of bonds with similar maturity:

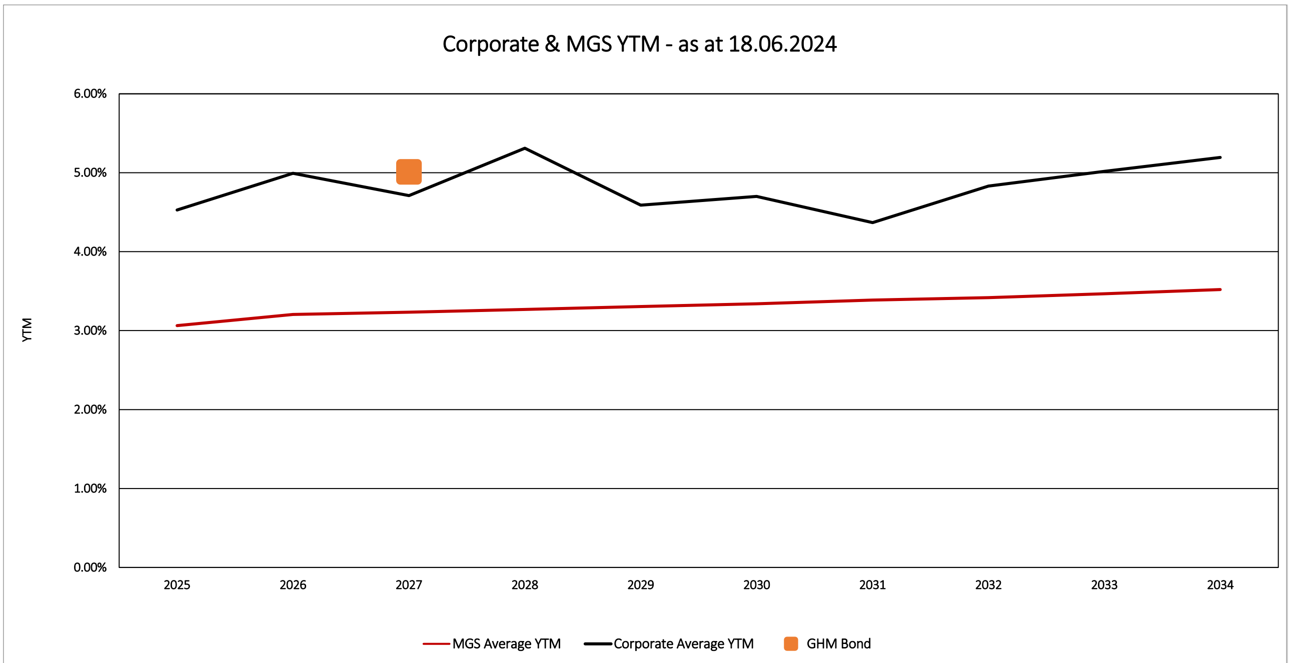
Bond Details	Outstanding Amount *(€)*	Gearing Ratio*	Net Debt to EBITDA *(times)*	Interest Cover** *(times)*	YTM (as at 18.06.2024)
4.00% Eden Finance plc 2027	40,000,000	25.3%	5.9	3.8	4.38%
3.75% Tumas Investments plc 2027	25,000,000	17.3%	1.4	9.2	6.34%
3.5% Simonds Farsons Cisk plc 2027	20,000,000	8.8%	0.6	19.7	3.17%
3.75% Virtu Finance plc 2027	25,000,000	43.3%	4.3	5.0	4.84%
4.50% GHM plc 2027	**15,000,000**	59.9%	5.2	2.6	5.01%

Source: Malta Stock Exchange, audited accounts of listed companies and/or guarantors (as applicable), Rizzo, Farrugia & Co (Stockbrokers) Ltd

**Gearing Ratio is calculated as: net debt / (net debt + equity)*

***Interest Cover is calculated as EBITDA / net finance cost*

The chart below shows the average yield to maturity of the GHM Bond 2027 compared to other corporate bonds listed on the Malta Stock Exchange and benchmarked against the Malta Government Stock yield curve as at 18 June 2024.



At a coupon of 4.50% per annum, the GHM Bond 2027 currently yields 5.01%, which is approximately 178 basis points over the average yield to maturity of Malta Government Stock (MGS) maturing in 2027 and at a premium of approximately 30 basis points over the average yield to maturity of corporate bonds maturing in 2027 (data correct as at 18 June 2024).

INCOME STATEMENT EXPLANATORY DEFINITIONS

Revenue	Total revenue generated by the company from its business activity during the financial year.
EBITDA	Earnings before interest, tax, depreciation and amortization, reflecting the company's earnings purely from operations.
Depreciation and Amortisation	An accounting charge to compensate for the reduction in the value of assets and the eventual cost to replace the asset when fully depreciated.
Operating Profit	Earnings from the company's core business functions calculated as EBITDA less depreciation and amortisation.
Finance Income	Interest earned on cash bank balances and from the intra-group loans advanced.
Finance Costs	Interest accrued on debt obligations.
Net Profit	The profit generated in the financial year.

CASH FLOW STATEMENT EXPLANATORY DEFINITIONS

Cash Flow from Operating Activities	The cash used or generated from the company's business activities.
Cash Flow from Investing Activities	The cash used or generated from the company's investments in new entities and acquisitions, or from the disposal of fixed assets.
Free Cash Flow (FCF)	FCF represents the amount of cash remaining from operations after deducting requirements related to investing activities.
Cash Flow from Financing Activities	The cash used or generated from financing activities including new borrowings, interest payments, repayment of borrowings and dividend payments.

STATEMENT OF FINANCIAL POSITION EXPLANATORY DEFINITIONS

Assets	What the company owns which can be further classified in Current and Non-Current Assets.
Non-Current Assets	Assets, full value of which will not be realised within one financial year.
Current Assets	Assets which are realisable within one financial year.

Liabilities	What the company owes, which can be further classified in Current and Non-Current Liabilities.
Current Liabilities	Obligations which are due within one financial year.
Non-Current Liabilities	Obligations which are due after more than one financial year.
Equity	Equity is calculated as assets less liabilities, representing the capital owned by the shareholders, retained earnings, and any reserves.

Profitability Ratios

EBITDA Margin	EBITDA achieved during the financial year as a percentage of total revenue.
Operating Profit Margin	Operating profit margin is operating profit achieved during the financial year expressed as a percentage of total revenue.
Net Profit Margin	Net profit margin is profit after tax achieved during the financial year expressed as a percentage of total revenue.
Return on Equity	Return on equity (ROE) measures the rate of return on the equity of the owners of issued share capital, computed by dividing profit after tax by equity.
Return on Capital Employed	Return on capital employed (ROCE) indicates the efficiency and profitability of a company's capital investments, estimated by dividing profit for the financial year by capital employed.
Return on Assets	This is computed by dividing profit after tax by total assets.

Liquidity Ratios

Current Ratio	The current ratio is a financial ratio that measures whether 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.
Cash Ratio	Cash ratio is the ratio of cash and cash equivalents of a company to its current liabilities. It measures the ability of a business to repay its current liabilities by only using its cash and cash equivalents and nothing else.

Solvency Ratios

Interest Coverage Ratio	This is calculated by dividing a company's EBITDA of one period by the company's net finance costs of the same period.

Gearing Ratio	The gearing ratio indicates the relative proportion of shareholders' equity and debt used to finance a company's assets and is calculated by dividing a company's net debt by net debt plus shareholders' equity.
Net Debt to EBITDA	This is the measurement of leverage calculated by dividing a company's interest-bearing borrowings net of any cash or cash equivalents by its EBITDA.

OTHER DEFINITIONS

Yield to Maturity	YTM is the rate of return expected on a bond which is held to maturity. It is essentially the internal rate of return on a bond and it equates the present value of bond future cash flows to its current market price.

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