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

16 June 2023

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 2020 to 2022 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 2023 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 web sites 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,

Vincent E Rizzo
Director

FINANCIAL ANALYSIS SUMMARY

Update 2023

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.

16 June 2023

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List of Abbreviations

BOT	Build, Operate and Transfer agreement entered between IC Cesme Marina Yatirim, Turizm vs Isletmeleri Anonim Sirketi ("**IC Cesme**") and the Turkish Ministry of Transportation, which agreement expires in 2067
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 2020, 2021 and 2022 and forecasts for financial year ending 31 December 2023.

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

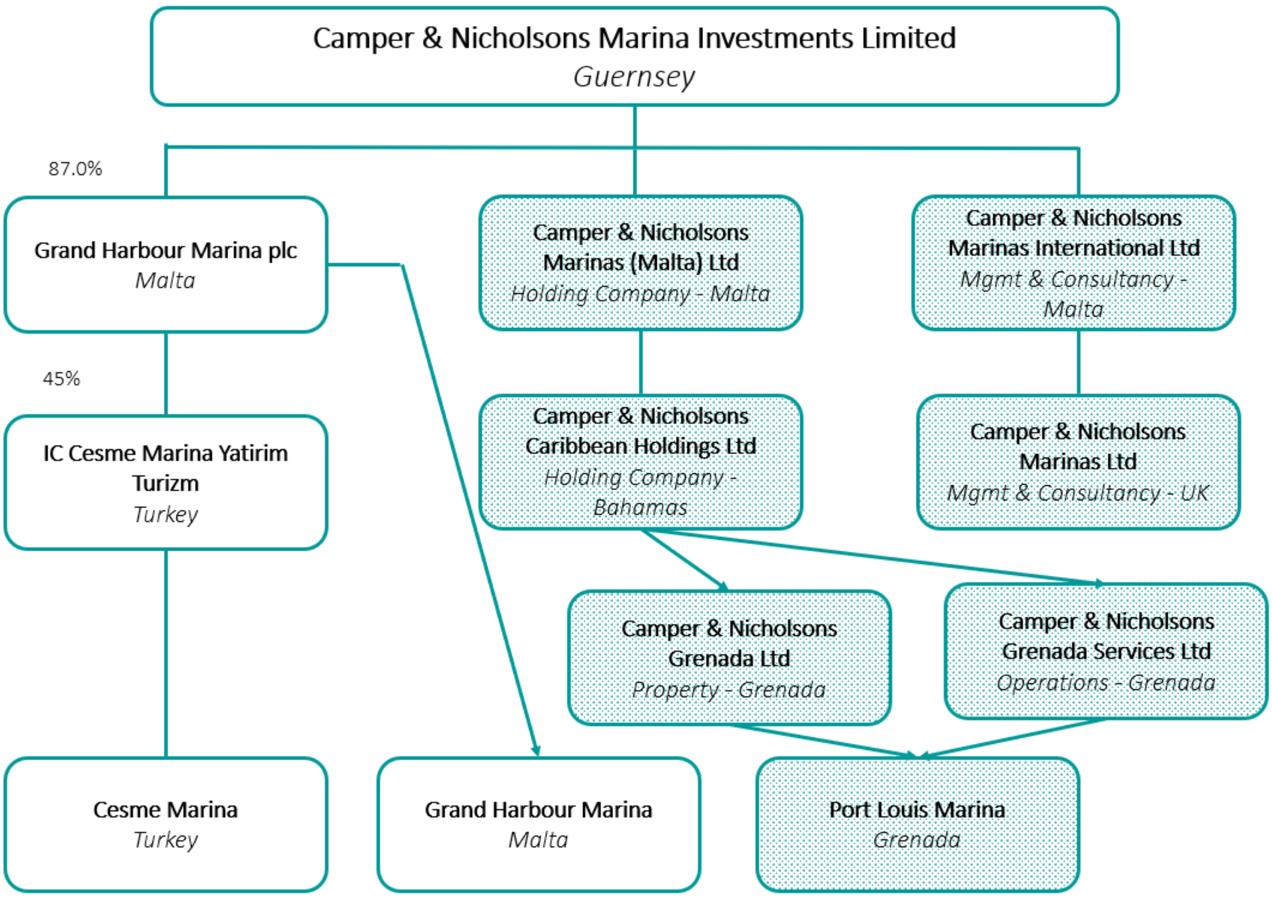
FAS dated 13 June 2022

1. INTRODUCTION

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

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 super-yachts. 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 in the Caribbean, Turkey and Malta, with the consultancy business being based in the United Kingdom.

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 two individuals who are also directors 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
Mr Victor Lap-Lik Chu	Non-Executive Director
Mr Tarcisio Barbara	Independent Non-Executive Director *(appointed on 28 June 2022)*
Ms Elizabeth Ka-Yee Kan	Chief Executive Officer and Executive Director

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 FY2022

GHM had cash pledged in favour of IC Cesme's lender ("**Isbank**"), in proportion of its shareholding in the Turkish marina, for an amount of €2.8 million as at the end of FY2021. Such funds were held by the parent, CNMIL. During FY2022, these funds were principally utilised by IC Cesme in the repayment of its bank borrowings as requested by Isbank. In parallel, two loan agreements were constituted in favour of GHM with CNML for an amount of €2.7 million. The amount is repayable in tranches between 2023 and 2028 and carries an interest of 5% per annum (refer to Note 20 of the 2022 annual report).

There have been no further material developments in FY2022. 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, 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 IC Cesme;
- investment in debt securities; and
- loans receivable from related parties: CNMIL (parent company) and CNML.

The table below summarises the value of GHM's major assets for each of FY2020, FY2021 and FY2022.

Assets	***2020*** €'000	***2021*** €'000	*2022* €'000
Property, plant and equipment	*4,831*	*4,565*	*4,243*
Right of Use Assets	*5,403*	*5,260*	*5,133*
45% Equity interest in IC Cesme	*1,302*	*714*	*3,648*
Investment in Debt Securities	*5,894*	*5,806*	*4,474*
Loans Receivable from related parties	*6,172*	*5,916*	*5,481*
Other Assets[1]	*3,847*	*4,081*	*5,763*
Total Assets	***27,449***	***26,342***	***28,742***

EQUITY INTEREST IN IC CESME

The table below summarises the value of total assets and the 45% equity interest in IC Cesme as a percentage of total assets for each of FY2020, FY2021 and FY2022.

Year	*Total Assets* €'000	45% Equity interest in IC Cesme €'000	IC Cesme *as a % of Total Assets*
2020	*27,449*	*1,302*	*4.74%*
2021	*26,342*	*714*	*2.71%*
2022	***28,742***	***3,648***	***12.69%***

INDEPENDENT VALUATIONS

CBRE, the company that is tasked with valuing the marina investments of GHM, valued the marina in Malta at €23.91 million as at 31 December 2020, while that of the Turkish marina had been revised to €15.7 million as at 31 December 2021. No valuations were carried out in relation to the financial year ended 31 December 2022.

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

Loans Receivable from Related Parties

The table below summarises the value of total assets and the loans receivable from related parties for FY2020, FY2021 and FY2022.

Year	*Total Assets* €'000	*Loans Receivable from related parties* €'000	*Loans Receivable from related parties as a % of Total Assets*
2020	*27,449*	*6,172*	*22.49%*
2021	*26,342*	*5,916*	*22.46%*
2022	***28,742***	***5,481***	***19.07%***

Cash and Investments

As at the end of FY2022, the Company had a cash balance of €4.0 million (FY2021: €2.5 million). Furthermore, GHM had €4.5 million (FY2021: €5.8 million) of investments which in the main consisted of debt securities listed on the local stock exchange.

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 2021, the register had 8,631 vessels[2]. This reflects a net increase of 463 vessels over 2020, with the majority of this increase consisting of superyachts (756 out of the 960 new vessel registrations). This makes the Malta flag register the largest European flag and the 6th largest in the world, 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. Malta has been described as the "…jurisdiction of choice and of the leaders in the sector…"[3]

[2] *National Statistics Office (2022) Transport Statistics 2022 (Reference Year 2021). Available at: https://nso.gov.mt/wp-content/uploads/Transport-publication2022.pdf [Accessed: 09 May 2023].*

[3] *Transport Malta (2021) T-21: The Transport Malta Quarterly Publication. Available at: https://www.transport.gov.mt/transport-malta/t-21-publication-4496 [Accessed: 02 May 2022]*

Marina	Location	Marina Operator	No. of Berths
Grand Harbour Marina	*Vittoriosa Wharf*	*Grand Harbour Marina Plc*	*2*60
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	742
Gardens Marina	Gzira	Gardens Marina Ltd	126
Roland Marina	Ta' Xbiex	S&D Yachts	147
Portomaso Marina	St. Julian's	Boatcare Trading Ltd	130
Dock 1	Cospicua	Transport Malta	20
Marina di Valletta	Haywharf, Pieta'	Consortium between Marina di Varazze S.r.l, Arrigo Group, Joinwell furniture and Tal-Maghtab Construction	281
Royal Malta Yacht Club (seasonal)	Ta’ Xbiex	Royal Malta Yacht Club	60

Source: [1] *National Statistics Office (2022) Transport Statistics 2022 (Reference Year 2021). Available at: https://nso.gov.mt/wp-content/uploads/Transport-publication2022.pdf [Accessed: 09 May 2023]*

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 (further information on each of the main marinas in Malta in the table above) which are sheltered in neat creeks that offer protection from harsh weather conditions. Moreover, several local marinas provide various ancillary services including water and electricity supplies, fuel bunkering, wireless broadband, car parking facilities, shipyard services, towage, pilots, and other related services.

The Yacht and Superyacht Sector

In recent years, Malta has put in place specific legislation that takes into consideration the distinctive requirements of the local yacht and superyacht industry, and that also tries to make the process of registering private and commercial yachts under the Malta Flag an attractive and competitive proposition. Furthermore, the yacht and superyacht industry in Malta offers a complete range of services and facilities which include, deep natural harbours, state of the art marinas, extensive refit and repair facilities, a multitude of support shore services and infrastructure, a cluster of local and international operators and service providers together with bunkering operations and supplies. This is complemented by several attractive solutions including temporary importation procedure, VAT-efficient finance leasing structures and certification of commercial yachts.

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 FY2023.

NOTES TO THE FORECASTS

The forecasts for FY2023 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) the Group will continue to enjoy the confidence of its customers, suppliers and its bankers throughout the period under consideration;

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

iv) the loans to related parties and investment in corporate debt securities are predicted to remain in place;

v) IC Cesme Marina will continue being impacted by the volatility of the Turkish Lira. Given the continued depreciation in the Turkish Lira since the start of 2022, management have cautiously assumed a positive contribution of €0.1 million from its investment in IC Cesme, which excludes any hyperinflationary adjustment as that applied in FY2022, which, given its nature, is impossible to forecast; and

vi) 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:

for the year ended 31 December	*Actual* FY2020 *€'000*	*Actual* FY2021 *€'000*	*Actual* FY2022 *€'000*	*Forecast* FY2023 *€'000*
Berthing income	3,116	2,845	3,096	3,144
Ancillary Revenue	982	776	806	844
Total GHM revenue	**4,098**	**3,621**	**3,902**	**3,988**

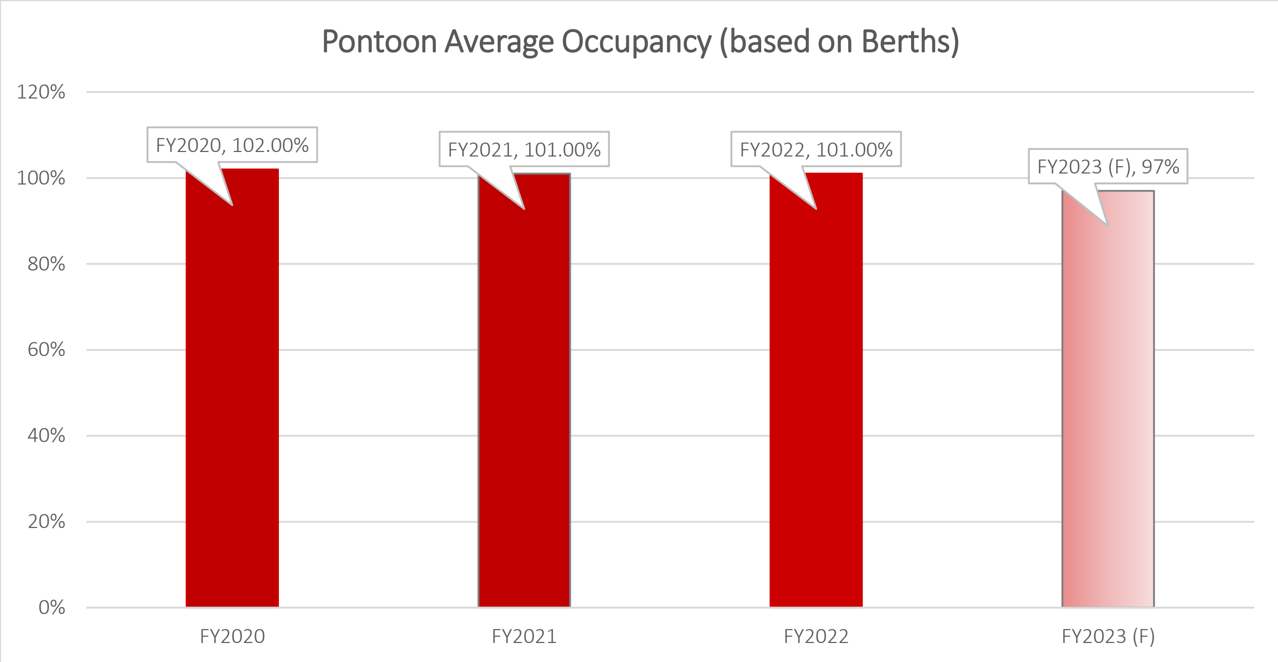
As illustrated in the table above, berthing income comprises the most significant revenue stream, representing 79.3% of total revenue in FY2022 (FY2021: 78.6%). The other revenue stream relates to the provision of ancillary services such as water and electricity to the various vessels berthed at the Marina.

During FY2023, the split in revenue generated by the Company is expected to remain unchanged on the assumption that the occupancy at the Marina is anticipated to be only marginally different to that experienced in FY2022, as explained in further detail below.

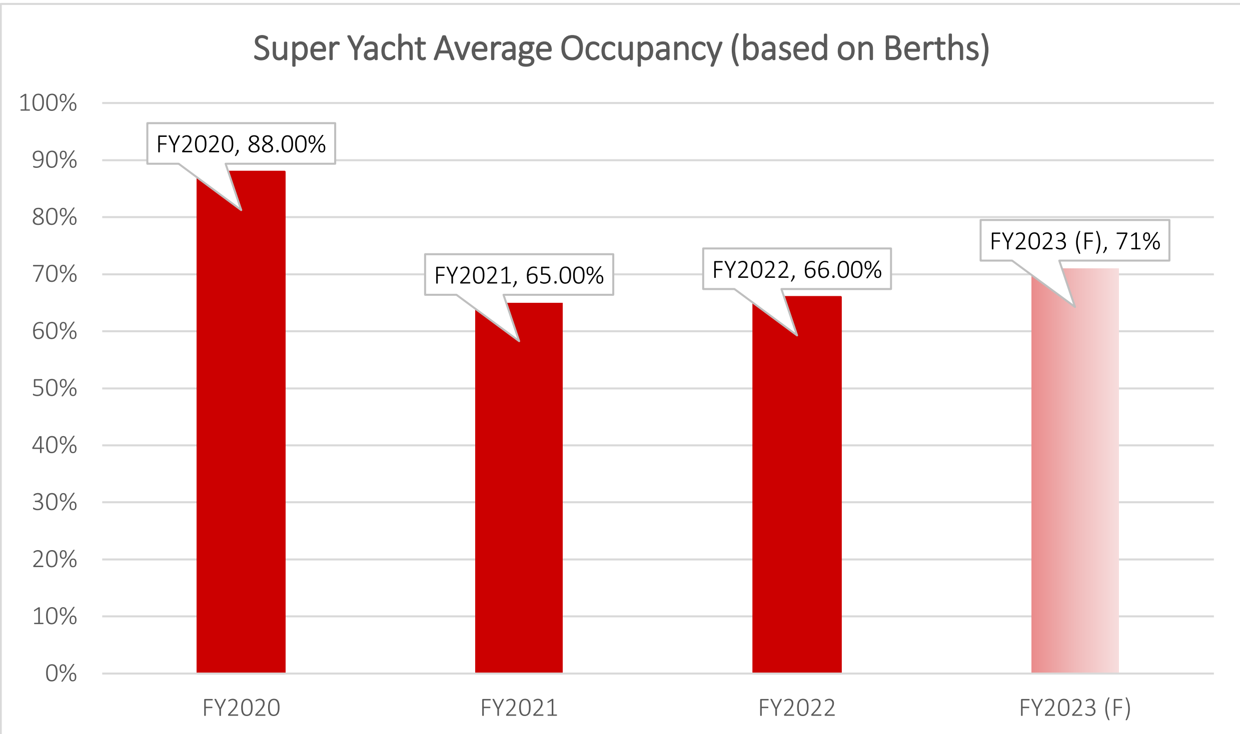
A. Berthing Income (Pontoons and Superyachts)

Following the disruption for the Marina in view of the effects of COVID-19 and the restrictive travel measures that adversely impacted the Group's business levels in FY2020 and FY2021, revenue for FY2022 improved to €3.9 million from €3.6 million in FY2021, consisting primarily of income generated from berthing services. In fact, for FY2022, the Company reported a pick-up in superyacht traffic compared to both FY2020 and FY2021 (during FY2020, the ports were closed and while occupancy in terms of berth nights was high because the superyachts berthed could not leave, there were no new superyachts visiting – this started picking up again in FY2022).

Average occupancy achieved during FY2022 remained relatively stable for pontoons when compared to earlier periods, whilst that for superyachts increased, from 2021 levels, albeit marginally, as can be seen from the charts below:



Pontoon berths stood at 232 during FY2022. Occupancy levels (based on berth nights) was in excess of 100% in each of the years between FY2020 and FY2022, 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 sales 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 56.7% of total berthing income during FY2022 (FY2021: 60.3%).

Meanwhile, the distribution of income by subscription type is skewed towards annual berthing, which represented 54.5% of the Company's berthing income in FY2022 (FY2021: 59.1%). During FY2022, pontoon and superyacht annual contracts generated €1.8 million in revenue (FY2021: €1.7 million). 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 FY2022 increased to just under €1 million, representing a 31.8% increase when compared to FY2021 which stood at €0.7 million, largely reflecting the increased superyachts traffic experienced at the Marina.

For FY2023, management expects that average occupancy at the pontoons to be below that of FY2022, at 97%, while an increase in superyacht average occupancy is anticipated, from 66% in FY2022 to 71% during FY2023.

B. Revenue from Ancillary Services

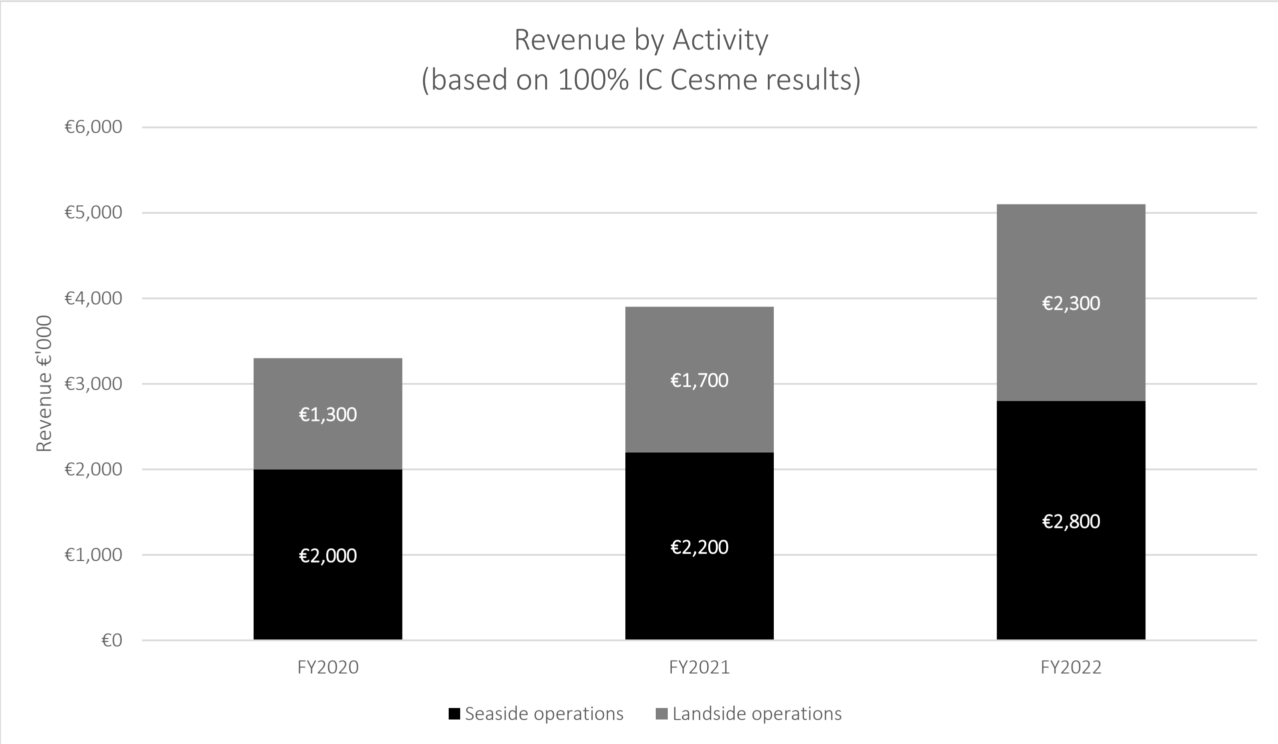
In view of the increased incidence of seasonal and visiting vessels, income from ancillary services increased marginally to €0.81 million (FY2021: €0.77 million). In line with the expectation that seasonal and visiting vessels are to increase in FY2023, when compared to FY2022, management are envisaging a further increase in ancillary revenue to €0.84 million.

7.2 IC Cesme Operations

Review FY2022

Revenues for the Turkish marina operations, in which GHM holds a 45% stake, amounted to €5.1 million, of which €2.3 million reflects the share attributable to the Group. 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 FY2022 comprised 54.9% and 45.1% of total revenue, respectively.

Following the increase in revenue experienced in FY2021 (18.2% increase over FY2020 to €3.9 million), IC Cesme recorded a further increase of 30.8% in revenue during FY2022 largely reflecting improved performance on both seaside and landside revenues. Seaside revenues were higher, mostly in view of the increase in berthing rates, while landside revenues, registered an improvement on the back of price increases of products by the tenants having revenue-based rental contracts, improved terms on fixed-rental contract renewals with a number of other tenants and an increase in utility revenues as a result of an exponential increase in utility cost of sales. Landside occupancy remained steady at 98% in FY2022.



IC Cesme reported that 96 boats left the marina during FY2022, while attracting 78 new boats as well as a number of returning seasonal customers.

Political and economic uncertainties within the region persisted throughout the year under review with these factors contributing to a further 66.3% reduction in the yearly average value of the Turkish Lira against the Euro, reflecting a record inflation rate for the past 25 years at an average of 72.3%.

During the same period, operating expenses at the Turkish operation increased to €2.8 million from €1.7 million a year earlier. This increase was largely the result of higher operator fees in view of the increased revenue and to a lesser extent increased energy costs. This increase in expenses was netted off by the increase in revenue and led to an EBITDA of €2.3 million, which was marginally higher than that of FY2021.

In FY2022, for the first time, IC Cesme recognised a hyperinflationary adjustment of €3.5 million in terms of IAS 29[4], which led to a profit before tax of €4.5 million (FY2021: loss of €2.6 million).

[4] *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.*

Forecasts for FY2023

As inflation in Turkey remains high, berthing tariffs, which are quoted in local currency, are also expected to be adjusted to reflect this, which in turn is expected to push revenue for FY2023 up. Occupancy is also expected to improve, which will also help in increasing revenues for the marina.

On the costs side, increases are expected, reflecting inflationary pressures, while foreign exchange losses are expected to persist on Euro-denominated loans, as the EUR/TL rate is forecast to continue depreciating.

Contribution from IC Cesme to GHM's bottom line is expected to be €0.11 million. While this seems to be substantially lower than the contribution in FY2022, when excluding the hyperinflation adjustment in FY2022 the resultant effect on GHM's profitability in FY2022 would have been a share of loss of €0.26 million, implying that an improvement of €0.37 million is expected in FY2023.

7.3 Consolidated Income Statement

	ACTUAL	ACTUAL	ACTUAL	FORECAST
for the year ended 31 December	**2020**	**2021**	**2022**	**2023**
	€'000	*€'000*	*€'000*	*€'000*
Revenue	4,098	3,621	3,902	3,988
Operating Costs	(2,044)	(1,945)	(2,305)	(2,335)
EBITDA	**2,054**	**1,676**	**1,597**	**1,653**
Depreciation and amortisation	(387)	(419)	(419)	(429)
Results from operating activities	**1,667**	**1,257**	**1,178**	**1,224**
Impairment (loss) / reversal on financial assets	(4)	(98)	15	(182)
Finance income	261	329	412	430
Finance costs	(1,118)	(1,090)	(1,113)	(1,091)
Net finance costs	(861)	(859)	(686)	(843)
Share of Profit of equity-accounted investees, net of tax	(862)	(889)	1,334	112
Profit before tax	**(56)**	**(491)**	**1,826**	**493**
Tax expense	(334)	(293)	(268)	(200)
Profit after tax	**(390)**	**(784)**	**1,558**	**293**

FY2022 REVIEW

Revenues in FY2022 increased by just under 8% to €3.9 million when compared to the €3.6 million in FY2021, on the back of increased superyacht traffic visiting the Marina.

Meanwhile, operating expenses increased substantially to €2.3 million, which is more than 18% higher than that of FY2021. Apart from the increase in direct costs as a result of the higher revenue, the other main increase consisted of net asset write-offs of €0.16 million, primarily related to assets in the course of construction (€0.14 million) – in connection with the marina reconfiguration project.

As a result, earnings before interest, tax, depreciation and amortisation (EBITDA) contracted by 4.7% to €1.6 million, and after accounting for depreciation charges of €0.4 million (at the same level of FY2021), the Company's operating profit was €1.2 million (FY2021: €1.3 million).

Net finance costs came in lower in FY2022 at €0.7 million (FY2021: €0.9 million), supported by a higher level of finance income received during the year and by the fact that the Company did not need to take impairment losses on its financial assets as was the case in FY2021.

During FY2022, as referred to earlier in this document, the Company recognised a share of profit in its investment in IC Cesme of €1.3 million, primarily after applying the hyperinflationary adjustment contemplated by IAS29 aimed at somewhat "normalising" the results from the Turkish operation as the country experienced hyperinflation during the financial year[5]. This contributed to the recovery of the Company from the losses reported in the past couple of years, with profit after tax at €1.6 million.

FORECASTS FOR FY2023

The forecasts for FY2023 have been based on the same level of occupancy as that of FY2022, in general. The Company is envisaging a shift in occupancy, where berthing at pontoons is expected to be a little lower than that of FY2022, while experiencing a higher incidence of traffic from superyachts, pushing occupancy from 66% in FY2022 to 71% in FY2023. Operating costs are expected to be higher, reflecting increases in staff costs and marketing. Meanwhile, for FY2023, the Company expects a higher incidence of impairments on its fixed assets which are expected to be written off. Finance income and costs are not expected to be materially different from those in FY2022, while the share of profit from IC Cesme is expected to be €0.1 million (excluding any hyperinflation adjustment which had pushed FY2022's result of the Turkish marina higher). Overall, net profit for the year is expected at €0.3 million.

[5] *In their report, the Company's independent auditors Deloitte, explain the rationale behind the application of IAS 29 adjustment, it being a key audit matter, which includes the following assessment:*

"Levels of inflation in Turkey have been high for some time, with significant monthly increases from December 2021 to date resulting in inflation indices exceeding 100 per cent on a three year cumulative basis. This is considered one of the characteristics of hyperinflation as per International Accounting Standard 29 - Financial Reporting in Hyperinflationary Economies ("IAS 29")."

Earnings per Share

The Company's earnings per share ratios based on the three historical financial years and the forecast results for FY2023 and shares in issue amounting to 20 million, work out as follows:

	FY2020 (A)	FY2021 (A)	FY2022 (A)	FY2023 (F)
EPS *(Net profit / Number of Shares in issue)*	€(0.020)	€(0.039)	€0.078	€0.015
Dividend Cover *(EPS / Dividend paid per share)*	N/A	N/A	2.36x	0.85x

The Company incurred losses in FY2020 and FY2021, primarily as a result of the share of losses from IC Cesme, where the foreign exchange losses of the Turkish operator wiped out the otherwise positive performance of GHM. This resulted in a negative EPS as indicated above. Such trend would have persisted in FY2022, had it not been for the hyperinflation adjustment which reversed the losses incurred at IC Cesme. Indeed, for FY2022, the Company registered a profit of €1.6 million, which translates into EPS of €0.078 per share. During FY2022, the Company declared and paid a dividend of €0.66 million. As such, the dividend cover is that of 2.36 times.

Based on an expected net profit of €0.3 million for FY2023, EPS should amount to €0.015 per share. On 2 May 2023, the Company declared an interim dividend of €0.01716 (net) per share, which results in a dividend cover of 0.85 times based on the results expected for FY2023. The interim dividend was subsequently paid on 30 May 2023.

7.4 Consolidated Cash Flow Statement

	ACTUAL	ACTUAL	ACTUAL	FORECAST
for the year ended 31 December	2020	2021	2022	2023
	€'000	*€'000*	*€'000*	*€'000*
Net cash from / (used for) operating activities	289	358	215	(90)
Net cash (used for) / from investing activities	(2,751)	653	2,066	144
Free Cash Flow	**(2,462)**	**1,011**	**2,281**	**54**
Net cash used for financing activities	(63)	(74)	(717)	(403)
Net movements in cash and cash equivalents	**(2,525)**	**937**	**1,564**	**(349)**
Cash and cash equivalents at beginning of the year	4,053	1,528	2,465	4,029
Cash and cash equivalents at end of year	**1,528**	**2,465**	**4,029**	**3,680**

FY2022 Review

GHM's cash balances by the end of FY2022 was 63.4% higher than that as at the end of FY2021, at €4 million. Cashflows from operations were lower than those of FY2021, in line with the increased level of operations, which increased the trade receivables and resulted in additional payments of trade payables.

During FY2022, GHM sold the equivalent of €1.2 million of corporate debt securities, received interest amounting to €0.3 million from the portfolio of debt securities held during the year, and received payment of principal (€0.5 million) and interest (€0.2 million) on balances due from its related parties. This was partially netted off by the acquisition of PPE to the tune of €0.1 million, thereby resulting in a net cash inflow from investing activities of €2.1 million.

Free cash flow for the year was €2.3 million, and after netting off €0.7 million of cashflows used in financing activities, principally made up of dividends and payment of lease liabilities, resulted in a positive net cash flow position for GHM of €1.6 million. Adding on the opening cash balances brought forward from FY2021, GHM's cash and cash equivalents at the end of FY2022 stood at just over €4 million.

Forecasts for FY2023

The lower level of profitability expected for FY2023 will result in a negative cash flow related to operations, of €0.1 million. Cash flows from investing activities are expected to feature €0.5 million in capital expenditure which will be offset by the interest receivable from the corporate debt portfolio as well as the related party loans and the scheduled capital repayments of the same related party loans. Cash flows used in financing activities reflect the lease liability payments due to be made during the year. As such, the balance of cash and equivalents at the end of the year is not expected to be materially different from that of FY2022 at €4 million.

7.5 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December	ACTUAL 2020 €'000	ACTUAL 2021 €'000	ACTUAL 2022 €'000	FORECAST 2023 €'000
ASSETS				
Property, plant and equipment	4,831	4,565	4,243	4,309
Deferred costs	482	482	478	471
Right of Use Asset	5,403	5,260	5,133	4,808
Net Investment lease receivable	3	1	0	166
Equity-accounted investee	1,302	714	3,648	3,760
Other Investments	5,894	5,806	4,474	4,815
Loan to Parent Company	4,242	2,668	5,173	4,172
Total non-current assets	**22,157**	**19,496**	**23,149**	**22,501**
Loan to Parent Company	1,930	3,248	308	1,168
Trade and other receivables	1,834	1,132	1,254	1,182
Cash and cash equivalents	1,528	2,466	4,031	3,680
Total current assets	**5,292**	**6,846**	**5,593**	**6,030**
Total assets	**27,449**	**26,342**	**28,742**	**28,531**
LIABILITIES				
Lease Liability	6,020	6,159	6,217	6,201
Borrowings	14,713	14,751	14,790	14,832
Deferred tax liabilities	993	921	790	656
Total non-current liabilities	**21,726**	**21,831**	**21,797**	**21,689**
Lease Liability	153	22	12	12
Borrowings		1	2	-
Taxation Payable	491	100	0	(32)
Trade and other payables	1,406	1,200	1,452	1,549
Contract Liabilities	1,124	1,043	1,033	917
Total current liabilities	**3,174**	**2,366**	**2,499**	**2,446**
Total liabilities	**24,900**	**24,197**	**24,296**	**24,135**
EQUITY				
Share capital	2,400	2,400	2,400	2,400
Reserves	(319)	61	(126)	(126)
Retained earnings	468	(316)	2,172	2,122
Total equity	**2,549**	**2,145**	**4,446**	**4,396**
Total equity and liabilities	**27,449**	**26,342**	**28,742**	**28,531**

FY2022 Review

Total assets increased by €2.4 million to €28.7 million by the end of FY2022 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 hyperinflationary adjustment.

This increase was reflected also in GHM's total equity, which increased from €2.1 million as at the end of FY2021 to €4.4 million at the end of FY2022, 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 €10.8 million from €12.3 million a year earlier.

	ACTUAL	ACTUAL	ACTUAL	FORECAST
for the year ended 31 December	**2020**	**2021**	**2022**	**2023**
	€'000	*€'000*	*€'000*	*€'000*
Borrowings (non-current)	14,713	14,751	14,790	14,832
Borrowings (current)	-	1	2	-
Total Borrowings	**14,713**	**14,752**	**14,792**	**14,832**
Cash and cash equivalents	1,528	2,466	4,031	3,680
Net Debt	**13,185**	**12,286**	**10,761**	**11,152**

Forecasts for FY2023

The Company's financial position as at the end of FY2023 is expected to be similar to that at the end of FY2022, reflecting the expected performance of the Group in FY2023 and the cash flows made during the year.

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.

for the year ended 31 December	*ACTUAL* FY2020	*ACTUAL* FY2021	*ACTUAL* FY2022	*FORECAST* FY2023
EBITDA margin *(EBITDA / Revenue)*	50.1%	46.3%	40.9%	41.4%
Operating Profit margin *(Operating Profit / Revenue)*	40.7%	34.7%	30.2%	30.7%
Net Profit margin *(Profit for the period / Revenue)*	n/a	n/a	39.9%	7.3%
Return on Equity *(Profit attributable to owners of the Company / Average Equity attributable to owners of the Company)*	n/a	n/a	47.3%	6.6%
Return on Capital Employed *(Profit for the period / Average Capital Employed)*	n/a	n/a	8.6%	1.5%
Return on Assets *(Profit for the period / Average Assets)*	n/a	n/a	5.7%	1.0%

GHM's EBITDA and Operating Profit margins for FY2022 were marginally weaker than those of FY2021 as the improved level of revenue was offset by the higher increase in the Group's operational cost base. Meanwhile, as the Company registered a significant improvement in the profit from IC Cesme, following the adjustment necessary in view of the hyperinflation Turkey has experienced during the year, the Company's net profit improved substantially when compared to that of FY2021 (when the company registered a loss), with the respective ratios turning positive for the first time in the three-year historic figures included above.

While revenues from the Marina operations are expected to improve marginally in FY2023, the Company has not included a hyperinflationary adjustment for its equity-accounted investment in its Turkish associate for FY2023 given the volatile nature and high degree of uncertainty of the factors upon which such an estimate would need to be based. As such, while the operational profitability ratios are expected to improve, those related to net profit are expected to be weaker in this regard when compared to the corresponding metrics for FY2022.

Liquidity Ratios

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

for the year ended 31 December	ACTUAL 2020	ACTUAL 2021	ACTUAL 2022	FORECAST 2023
Current Ratio *(Current Assets / Current Liabilities)*	1.7x	2.9x	2.2x	2.5x
Cash Ratio *(Cash & cash equivalents / Current Liabilities)*	0.5x	1.0x	1.6x	1.5x

As GHM's receivable from its parent shifted from current to longer-term, current assets balances as at the end of FY2022 were lower and as such, the Company's current ratio was lower, albeit still in a strong position, with current assets covering more than twice the amount of outstanding current liabilities as at the end of the year.

Meanwhile, in view of the improved cash balances as described in further detail in earlier parts of this report, the cash ratio improved from one time to 1.6 times coverage of current liabilities.

This strong liquidity situation is expected to persist in FY2023, with improvements to the current ratio as current assets include a receivable from the parent which comes due in less than 12 months from the year-end of FY2023 and thus shifting from non-current assets to current assets in terms of classification.

SOLVENCY RATIOS

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

	ACTUAL	ACTUAL	ACTUAL	FORECAST
for the year ended 31 December	2020	2021	2022	2023
Interest Coverage ratio *(EBITDA / Net finance costs)*	2.4x	2.0x	2.3x	2.0x
Gearing Ratio (1) *(Net debt / Total Equity)*	5.2x	5.7x	2.4x	2.5x
Gearing Ratio (2) *[Net debt / (Net debt plus Equity)]*	83.8%	85.1%	70.8%	71.7%
Net Debt to EBITDA *(Net Debt / EBITDA)*	6.4x	7.3x	6.7x	6.8x

The lower net finance cost for the year was a result of higher returns on the Company's investment portfolio and loans it gave to its parent company, which generated additional finance income for GHM. This completely offset the effect of lower EBITDA with interest coverage coming in higher than that of FY2021 at 2.3 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. Net debt to EBITDA was also aided by the cash balances available at the end of the year, at 6.7 times (FY2021: 7.3 times).

In FY2023, these ratios are expected to be largely aligned to the results obtained for FY2022, albeit gearing, on a net debt basis, is expected to be marginally higher as the Company is planning to utilise its cash balances to pay an interim dividend and settle other expenditure of a capital nature.

9. Variance Analysis

	ACTUAL	FORECAST	*VARIANCE*
for the year ended 31 December	**2022**	**2022**	*%*
	€'000	*€'000*	
Revenue	3,902	3,518	*10.9%*
Operating Costs	(2,305)	(2,045)	*12.7%*
EBITDA	**1,597**	**1,473**	*8.4%*
Depreciation and amortisation	(419)	(437)	*-4.0%*
Results from operating activities	**1,178**	**1,036**	*13.7%*
Impairment loss on financial assets	15	-	*n/a*
Finance income	412	348	*18.4%*
Finance costs	(1,113)	(1,101)	*1.1%*
Net finance costs	(686)	(753)	*(8.9%)*
Share of Profit of equity-accounted investees, net of tax	1,334	(217)	
Profit before tax	**1,826**	**66**	
Tax income / (expense)	(268)	(147)	*82.0%*
Profit / (loss) after tax	**1,558**	**(81)**	

As explained in earlier parts of this report, FY2022 was characterised by: a) improved performance which generated higher revenues than FY2021; b) higher operating costs; c) lower net finance costs; and d) the hyperinflationary adjustment to the results of IC Cesme. These have also led to substantial variances identified above. The Company exceeded its originally expected revenues of €3.52 million on the back of the higher-than-expected occurrence of superyacht activity at the marina. Nevertheless, this was also met with higher-than-expected operating costs, and as a result, EBITDA was only 8% higher than that anticipated a year ago.

Finance income was also higher than anticipated and this led to a lower net finance cost for the year. 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 had prudently assumed a loss for FY2022 in its projections, however, following the hyperinflationary adjustment adopted in their financial statements in terms of IAS 29, the Turkish marina operator contributed a positive €1.3 million (net of tax).

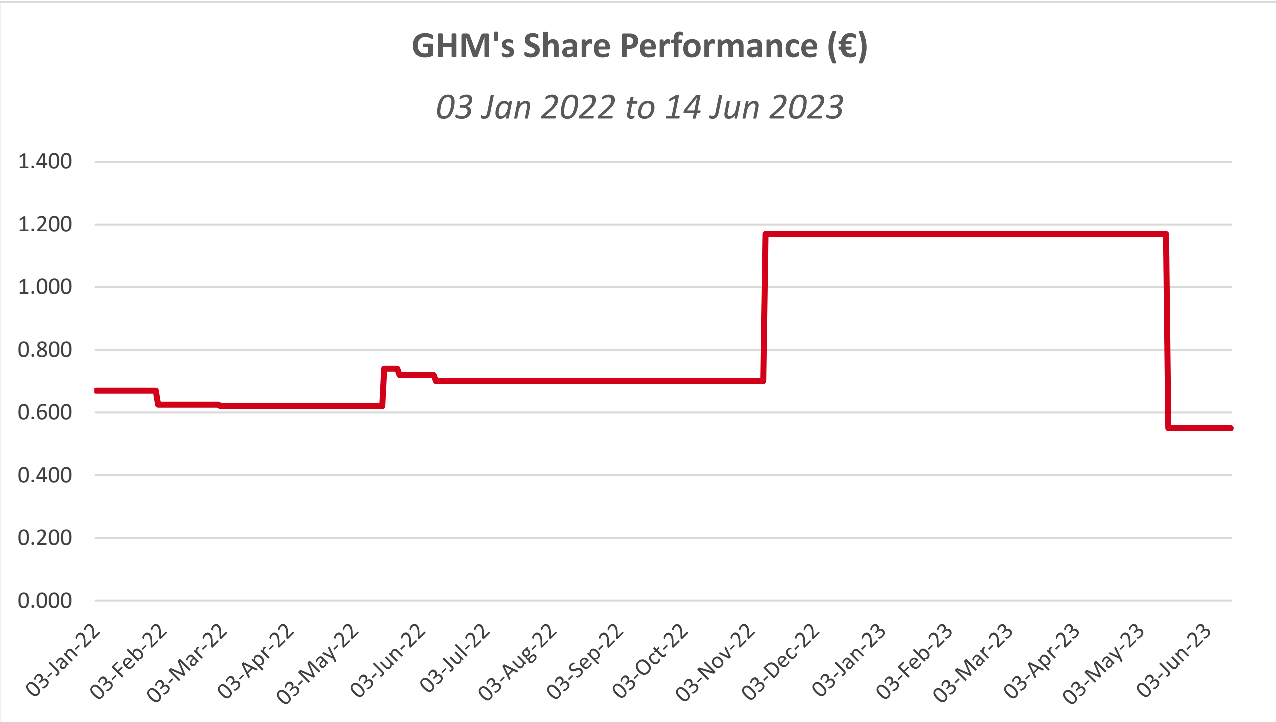
Such variances led to a higher tax charge and a higher net profit, as the Company closed off FY2022 at €1.6 million as opposed to the loss of €81,000 that was forecast.

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 2022:	€1.170
Lowest Price in 2022:	€0.620
Current Price*:	€0.550

*(*as at 14 June 2023)*



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

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:

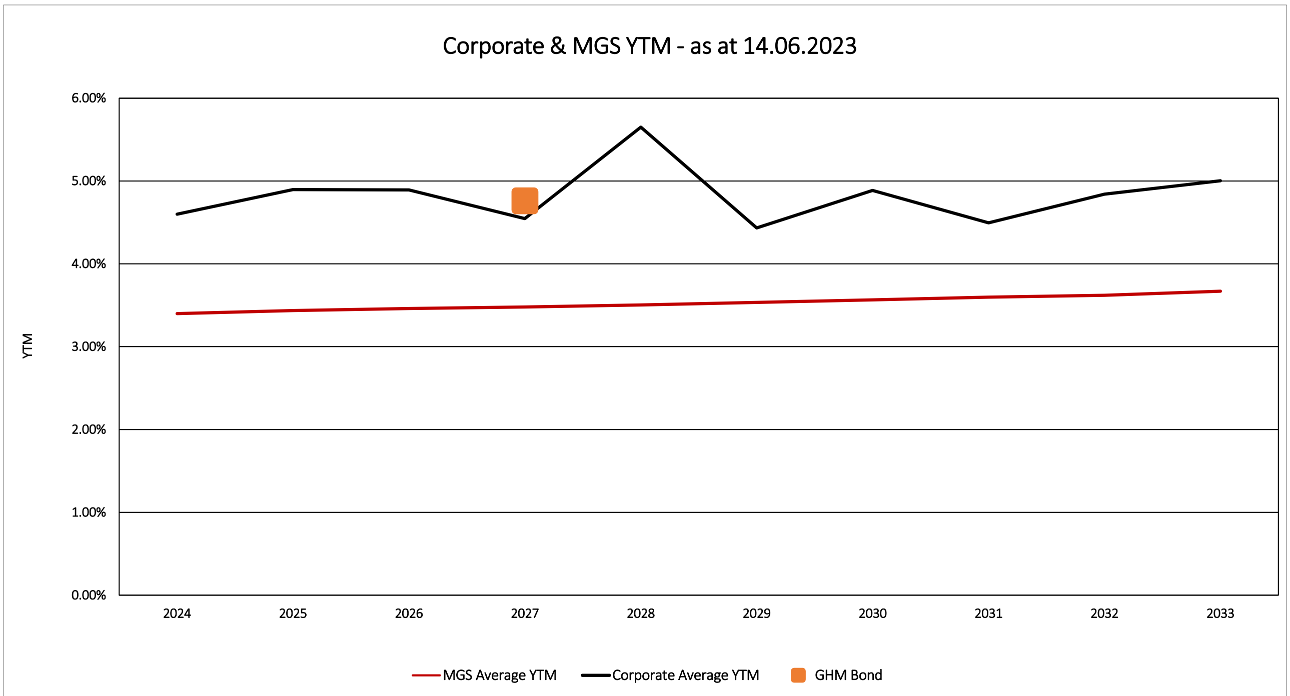
Bond Details	Outstanding Amount (€)	Gearing Ratio*	Net Debt to EBITDA (times)	Interest Cover** (times)	YTM (as at 14.06.2023)
4.00% Eden Finance plc 2027	40,000,000	24.7%	5.19	4.24	4.84%
3.75% Tumas Investments plc 2027	25,000,000	19.7%	1.99	6.35	4.57%
3.5% Simonds Farsons Cisk plc 2027	20,000,000	9.6%	0.56	19.34	2.99%
3.75% Virtu Finance plc 2027	25,000,000	49.3%	10.29	2.94	4.50%
4.50% GHM plc 2027	**15,000,000**	70.8%	6.73	2.28	4.76%

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 14 June 2023.



At a coupon of 4.50% per annum, the GHM Bond 2027 currently yields 4.76%, which is approximately 128 basis points over the average yield to maturity of Malta Government Stock (MGS) maturing in 2027 and at a premium of approximately 22 basis points over the average yield to maturity of corporate bonds maturing in 2027 (data correct as at 14 June 2023).

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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