RIZZO FARRUGIA
YOUR INVESTMENT CONSULTANTS

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

13 June 2022

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 Listing Authority 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 2019 to 2021 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 2022 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 2022

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.

13 June 2022

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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;
CAGR	Compound annual growth rate;
CNMIL	Camper & Nicholsons Marina Investments Ltd;
CNML	Camper & Nicholsons Marinas Limited;
MGS	Malta Government Stock;
PA	Planning Authority; and
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 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 2019, 2020 and 2021 and forecasts for financial year ending 31 December 2022.

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

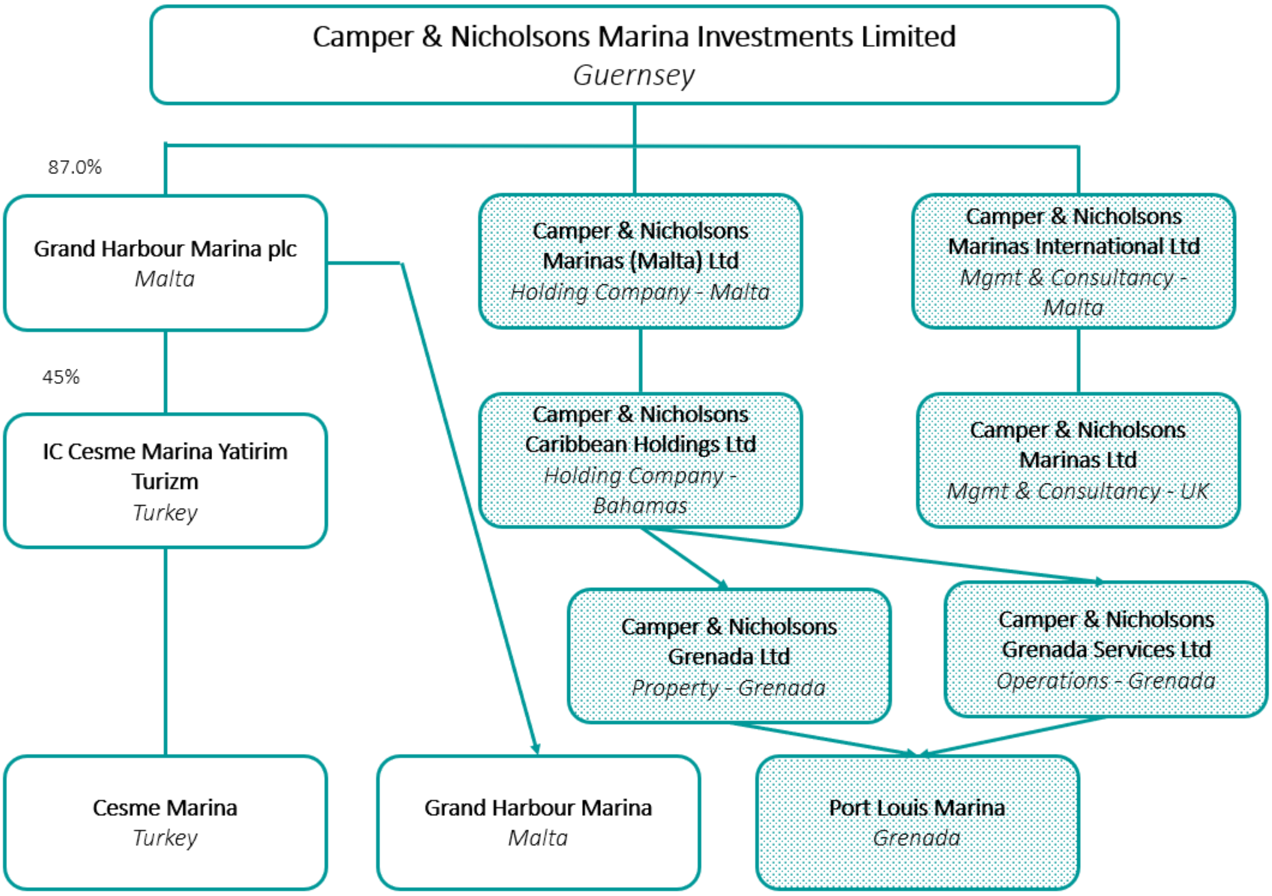
FAS dated 14 August 2020

FAS dated 01 June 2021

1. INTRODUCTION

GHM was established on 31 August 2000, as a private company under the Companies Act (Cap. 386 of the laws of Malta). In preparation of the initial public offering of the Company in 2007, the Company was converted into a public limited company and is currently duly registered and existing as a public company pursuant to the Companies Act (Cap. 386 of the laws of Malta).

The Company is a subsidiary of Camper & Nicholsons Marina Investments Limited ("**CNMIL**") which is registered in Guernsey. As at the date of this report, CNMIL holds 17,393,590 shares, equivalent to 86.97% of the Company's total issued share capital.



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 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 28 metres.
2. Visiting sail and power yachts over 28 metres which are principally foreign-owned.
3. Long-term licence-holding sail and power yachts over 28 metres which are also principally foreign-owned.

The Grand Harbour Marina

Currently the Company owns (under a 99-year sub-emphyteusis) and operates the Marina. Located in the waters of the Dockyard Creek in the Grand Harbour, the Marina is bordered by the three historical fortified cities of Vittoriosa, Senglea and Cospicua and is within a short drive of Malta's international airport. Furthermore, the Marina forms part of the Vittoriosa waterfront and is bordered by a variety of restaurants and bars.

The Marina comprises of *circa* 1,200 square metres of land area and *circa* 48,600 square metres of water area with a total capacity of 261 berths, of which 28 are superyacht berths. The pontoon berths are concrete-based, offering wide fairways and are equipped with water and electricity connections, which are directly linked to the marina management software system.

The Company strives to provide a safe environment for its customers and the Marina is, therefore, manned by berthing masters 24x7, aided by a network of CCTV cameras. GHM also provides its customers with various berthing utilities and related services, including, but not limited to, the provision of water, electricity, fuel, internet access, parking facilities, storage, concierge services, as well as the repair, refit and servicing of vessels and related equipment.

IC Cesme in Turkey

In 2011, the Company acquired a 45% beneficial interest in IC Cesme, with the remaining 55% shareholding held by a Turkish group named Ibrahim Cecen Investment Holding AS. The marina operated by IC Cesme is located one hour's drive from Turkey's third largest city Izmir and its international airport. The marina is held by IC Cesme under a build, operate and transfer (BOT) agreement with the Turkish Ministry of Transportation, which contract now expires in 2067. The marina comprises 394 berths with a total lettable area of *circa* 32,000 square metres along with an up-market marina village that contains 52 commercial units, which are let to individual tenants, typically on five-year leases. The landside units include food and beverage, retail outlets offering designer fashion boutiques, books and electronics stores, as well as a supermarket and office space. The marina was officially opened in 2010 and is fully operational.

Given the mismatch between the reporting currency of IC Cesme (Turkish Lira) with that of GHM (Euro), wide fluctuations in the conversion rate between the Turkish Lira and the Euro have notable consequences in the financial results of GHM. In October 2018, the Turkish government issued guidelines whereby companies such as IC Cesme had to start billing in Turkish Lira, which is expected to continue to have a negative effect on the conversion of these revenues in GHM's consolidated accounts, should the Turkish Lira weaken further.

In recent years, the Turkish Lira relative to the Euro has materially depreciated amid the continued political concerns in Turkey and the surrounding region as well as uncertainties related to the implementation of proper monetary policy by the Central Bank of Turkey. The decrease in the value of the Turkish Lira accelerated in 2021, with the currency shedding around 40% against the Euro as well as a further depreciation of around 17.5%[1] since the start of this year reflecting continued economic and political turmoil and ongoing uncertainties related to monetary policy in Turkey.

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 and 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.

[1] *Based on the Turkish Lira exchange rate against the euro as at 08 June 2022. Source: European Central Bank*

2. Governance & Senior Management

The Board of Directors

The current Board of GHM consists of four 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
Ms Elizabeth Ka-Yee Kan	Chief Executive Officer and Executive Director

The Board of Directors was re-appointed at the Company's Annual General Meeting, which was last held on 24 May 2021, in accordance with the Articles of Association of the Company. All members of the board will hold office up until the next Annual General Meeting scheduled for 28 June 2022.

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 FY2021

GHM

The business activity at the Grand Harbour Marina during FY2021 was further adversely impacted by the restrictions imposed by the local health authorities in connection with the COVID-19 pandemic. In fact, whilst annual contracts (for both pontoons and super yacht berths) were relatively stable, the Company registered a drop in revenue linked to short-term berthing as visiting and seasonal yachts shied away from Malta due to the requirements of the health authorities (including a request to present a recognised vaccination certificate, in the absence of such, a 14-day quarantine period would apply) and the uncertainty related to the potential imposition of further lockdown periods. Moreover, given the lower activity, GHM also registered a decline in revenue from ancillary services. As a result, GHM registered an overall decline of 11.6% in revenues to €3.6 million which also led to a 50% contraction in profit before tax to €0.4 million.

Furthermore, as was the case in the last nine years, the Company did not record any sale of superyacht berths during the year.

IC Cesme

The IC Cesme marina in Turkey reported improved performance on both seaside and landside revenues as business activity rebounded after the Turkish government lifted COVID-19 related limitations in June 2021. Nonetheless, landside revenues were still below pre-pandemic levels.

Despite the reported improvement in revenue, the overall profitability of the marina was dented by the further depreciation of the Turkish Lira as explained in section 1 above. Overall, in Euros, IC Cesme reported an 18.2% increase in revenues to €3.9 million. Nonetheless, the pre-tax loss at IC Cesme still widened to €2.6 million in FY2021 from €2.4 million in FY2020 largely reflecting the 38.9% increase in foreign exchange losses to €3.8 million, most of which relating to IC Cesme's Euro denominated loans which as at 31 December 2021 amounted to €6.7 million (2020: €9.2 million)

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 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[2],
- the 45% equity interest in the Turkish IC Cesme;
- financial instruments; and
- loans receivable from the parent company (CNMIL).

The table below summarises the value of GHM's major assets for each of FY2019, FY2020 and FY2021.

Assets	***2019*** €'000	***2020*** €'000	***2021*** €'000
Property, plant and equipment	*5,059*	*4,831*	*4,565*
Right of Use Assets	*5,150*	*5,403*	*5,260*
45% Equity interest in IC Cesme	*2,343*	*1,302*	*714*
Financial Instruments	*5,651*	*5,894*	*5,806*
Loans Receivables from parent company	*3,922*	*6,172*	*5,916*
Other Assets[3]	*6,037*	*3,847*	*4,081*
Total Assets	***28,162***[4]	***27,449***	***26,342***

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 FY2019, FY2020 and FY2021.

Year	*Total Assets* €'000	45% Equity interest in IC Cesme €'000	IC Cesme *as a % of Total Assets*
2019	*28,162*[4]	*2,343*[4]	*8.32%*[4]
2020	*27,449*	*1,302*	*4.74%*
2021	***26,342***	***714***	***2.71%***

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. Management opted not to undertake a valuation of the marina in

[2] *The recognition of leases started from FY2019 as a result of the adoption of IFRS16 – Leases.*
[3] *Other assets comprise: (i) Deferred costs on property, plant and equipment; (ii) Net investment lease receivable; (iii) Trade and other receivables and (iv) Cash and cash equivalents.*
[4] *Figure is restated as explained in Note 5.3 of the 2020 Annual Report of Grand Harbour Marina.*

Malta for 2021. Meanwhile, the valuation of the Turkish marina assets has been revised to €15.7 million as at 31 December 2021 (2020: €15.9 million). This reflected the negative impact of the sharp depreciation of the Turkish Lira (reflecting the prevailing economic and political challenges in Turkey) which offset the improved operating performance. In fact, in Turkish Lira, CBRE valued the IC Cesme marina at TRY230.3 million representing a 60.3% uplift on the value attributed in 2020 of TRY143.7 million on the back of the improvements recorded in the operating performance (in the local currency) of the Turkish marina and to a lower extent the high levels of inflation

Loans Receivable from CNMIL

The table below summarises the value of total assets and the loans receivable from CNMIL for FY2019, FY2020 and FY2021.

Year	*Total Assets* €'000	*Loans Receivable from CNMIL* €'000	*Loans Receivable from CNMIL as a % of Total Assets*
2019	*28,162*[5]	*3,922*	*13.93%*
2020	*27,449*	*6,172*	*22.49%*
2021	***26,342***	***5,916***	***22.46%***

Cash and Investments

As at the end of FY2021, the Company had a cash balance of €2.5 million (FY2020: €1.5 million). Furthermore, GHM had €5.8 million (FY2020: €5.9 million) of investments which in the main consisted of debt securities listed on the local stock exchange.

[5] *Figure is restated as explained in Note 5.3 of the 2020 Annual Report of Grand Harbour Marina.*

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. In fact, the register has 8,168 vessels[6] with total gross tonnage of circa 82 million[7]. 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…"[8]

Marina	Location	Marina Operator	No. of Pontoon Berths	No. of Superyacht Berths	Max Length (m)
Grand Harbour Marina	*Vittoriosa Wharf*	*Grand Harbour Marina Plc*	*233*	*28*	*100*
Kalkara Marina	Kalkara Wharf	Kalkara Marina Company Ltd	122	-	25
Laguna Marina	Valletta Waterfront	Mersenne Marinas Ltd	42	-	15
Manoel Island Yacht Marina	Manoel Island	Midi plc	205	*Data not available*	120
Mgarr Harbour Marina	Mgarr, Gozo	Harbour Management Ltd	253	8	60
Msida & Ta' Xbiex Marinas	Ta' Xbiex	Creek Developments Plc	720	-	22
Gardens Marina	Gzira	Gardens Marina Ltd	126	*Data not available*	50
Roland Marina	Ta' Xbiex	S&D Yachts	149	2	30
Portomaso Marina	St. Julian's	Boatcare Trading Ltd	140	-	30
Marina di Valletta	Haywharf, Pieta'	Consortium between Marina di Varazze S.r.l, Arrigo Group, Joinwell furniture and Tal-Maghtab Construction	274	-	30

Source: Yachting in Malta, 12th Edition 2017-2018; Transport Statistics 2021 (Reference Year: 2020) published by National Statistics Office; Websites of the marinas listed above; Management Information.

[6] *National Statistics Office (2022) Transport Statistics 2021 (Reference Year 2020). Available at: https://nso.gov.mt/en/nso/Media/Salient-Points-of-Publications/Documents/2022/Transport%20Statistics%202021/transport-2021.pdf [Accessed: 02 May 2022].*
[7] *UK Department of Transport (2022) World fleet registered vessels. Available at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1066672/fle0501.ods [Accessed: 02 May 2022].*
[8] *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]*

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.

By the end of September 2021, the number of superyachts flying the Malta flag reached almost 1,000 (registration of yachts over 24 metres in length) which also means that Malta has doubled its registered super yacht fleet over the past five years[9]. Furthermore, total pleasure yachts registered as a percentage of total registered vessels has continued to increase, extending the positive trend experienced in recent years.

[9] *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]*

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 FY2022.

NOTES TO THE FORECASTS

The forecasts for FY2022 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) GHM income from annual pontoon contracts will be lower in view of the residual impact of the complementary month awarded to all clients in this segment;

v) income from visiting superyachts, which was GHM's business segment worst hit by the pandemic during 2020 and 2021, will marginally improve in 2022;

vi) GHM is not expecting any significant wage subsidies in 2022;

vii) local marketing expenses restored to pre-pandemic levels;

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

ix) 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 negative contribution of €0.2 million from its investment in IC Cesme;

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

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* 2019 *€'000*	*Actual* 2020 *€'000*	*Actual* 2021 *€'000*	*Forecast* 2022 *€'000*
Berthing income	3,145	3,116	2,845	2,968
Ancillary Revenue	971	982	776	550
Total GHM revenue	**4,116**	**4,098**	**3,621**	**3,518**

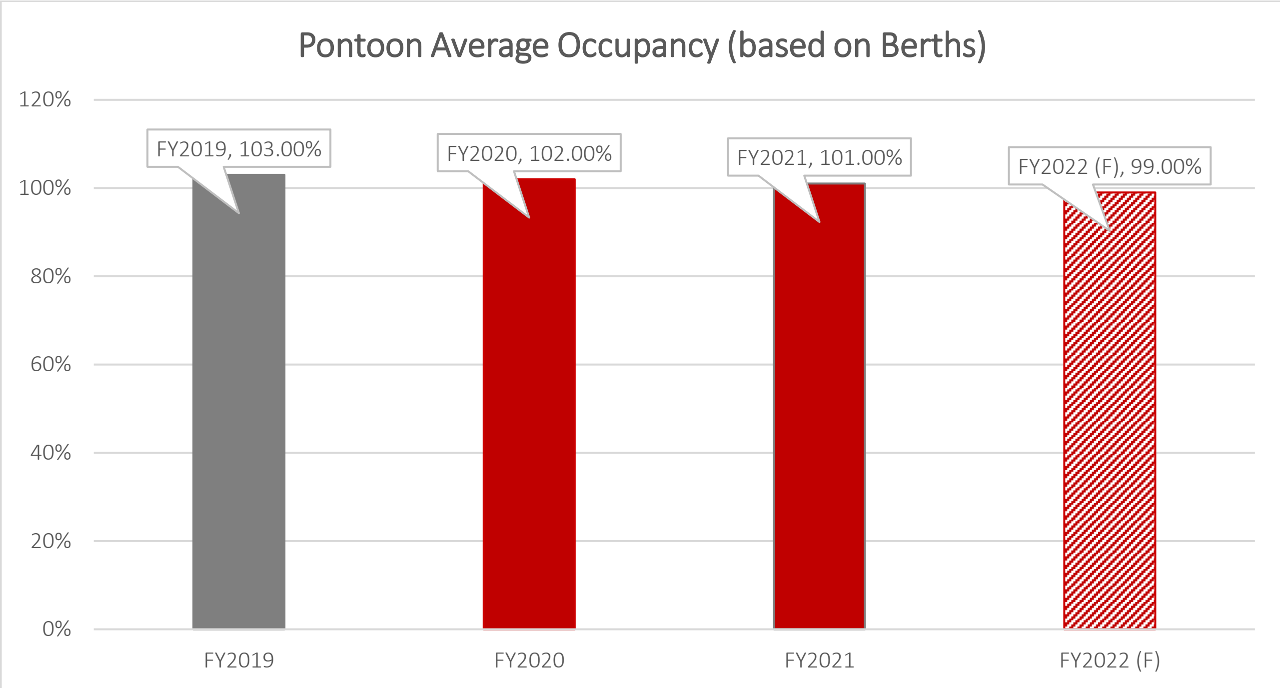
As illustrated in the table above, berthing income comprises the most significant revenue stream, representing 78.6% of total revenue in FY2021 (FY2020: 76.0%; FY2019: 76.4%). The other significant revenue stream relates to the provision of ancillary services such as water and electricity.

Going forward, it is expected that the pontoon and superyacht visitors' segment will start recovering towards pre-pandemic levels as reflected in the 4.3% projected increase in berthing income to just below €3 million. Meanwhile, ancillary revenue is still expected to contract by 29.1% to €0.6 million as the three largest superyachts (under long-term berthing contracts) are expected to be absent from the marina throughout 2022 and therefore demand for ancillary services, including water and electricity, will be lower.

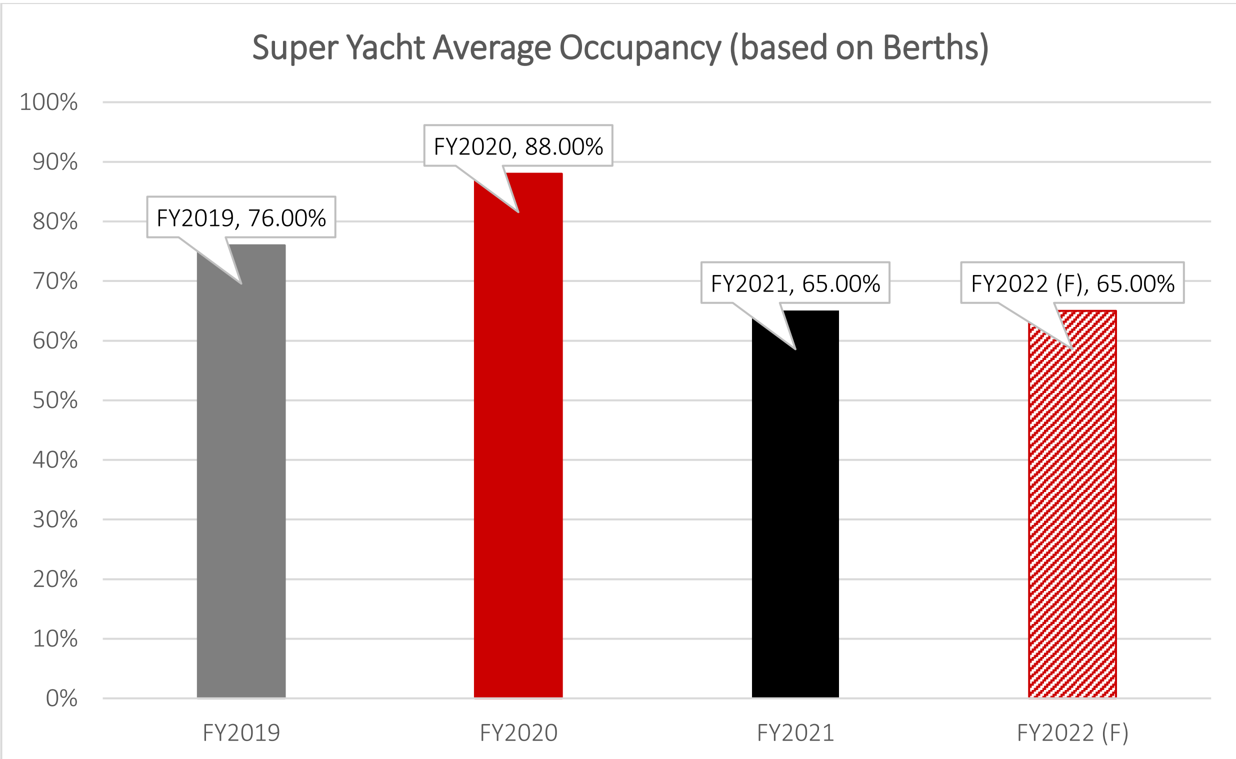
A. Berthing Income (Pontoons and Superyachts)

Berthing income contracted by 8.7% during FY2021 to €2.8 million from €3.1 million in FY2020. The decrease was mainly attributable to the numerous cancellations by superyacht visitors following the introduction of a requirement to present a recognised vaccination certificate upon entry to Malta and in the absence of such, a mandatory 14-day quarantine would apply. Moreover, the Company also experienced a drop in superyacht seasonal bookings due to the uncertainty related to the potential implementation of further lockdown periods.

Average occupancy achieved during FY2021 remained relatively stable for pontoons when compared to earlier periods, whilst that for superyachts decreased, as can be seen from the charts below:



Pontoon berths stood at 233 berths during FY2021. Occupancy levels (based on berth nights) was in excess of 100% in each of the years between FY2019 and FY2021, 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.

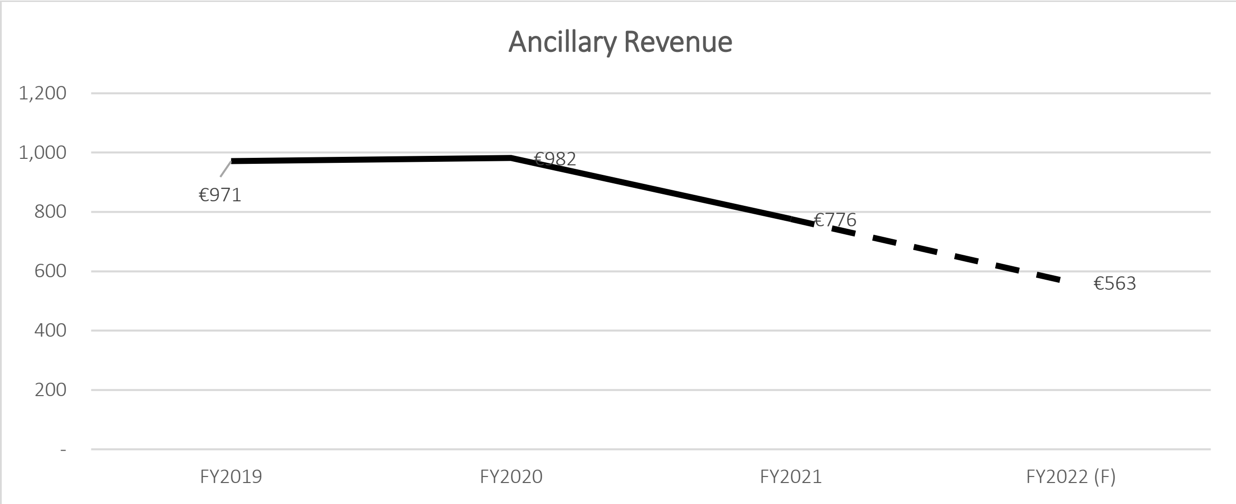
Berthing income is underpinned by a number of factors, ranging from subscription type (annual, seasonal, visitors), berth type (pontoon, superyacht) and vessel size. The sales mix over the historical period under review has shown that the majority of revenue by berth type has been that generated from the pontoons. In fact, pontoons comprised 71.2% of total berthing income during FY2021 (FY2020: 57.4%).

Meanwhile, the distribution of income by subscription type is skewed towards annual berthing, which represented 59.1% of the Company's berthing income in FY2021 (FY2020: 57.7%). During FY2021, pontoon and superyacht annual contracts generated €1.7 million in revenue (FY2020: €1.8 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 FY2021 amounted to €0.7 million, representing a 16.9% decrease when compared to FY2020, largely reflecting the lower number of yachts visiting the marina on the back of the onerous pandemic related requirements upheld by the local authorities as well as the uncertainties related to possible periods of lockdowns.

In FY2022, management is forecasting visiting vessels making use of the pontoons at the marina in Malta will further contract albeit marginally leading to a further drop in occupancy of around 2 percentage points. Meanwhile, superyacht visitors are expected to register an initial recovery following the adverse effects suffered in FY2020 and FY2021 although the level of visitors is still expected to remain below pre-pandemic levels. Nonetheless, this increase is expected to be offset by the lower number of berth nights being projected for berth owners in connection with three of the largest superyachts at the marina which are anticipated to be absent throughout the year.

B. Revenue from Ancillary Services

In view of the lower incidence of seasonal and visiting vessels, income from ancillary services contracted by almost 21% to €0.8 million compared to just below €1 million in FY2020. In FY2022, management are expecting a further 29.1% decline in ancillary revenue since three of the largest superyachts at the marina are expected to be absent throughout the year.



Values in €'000

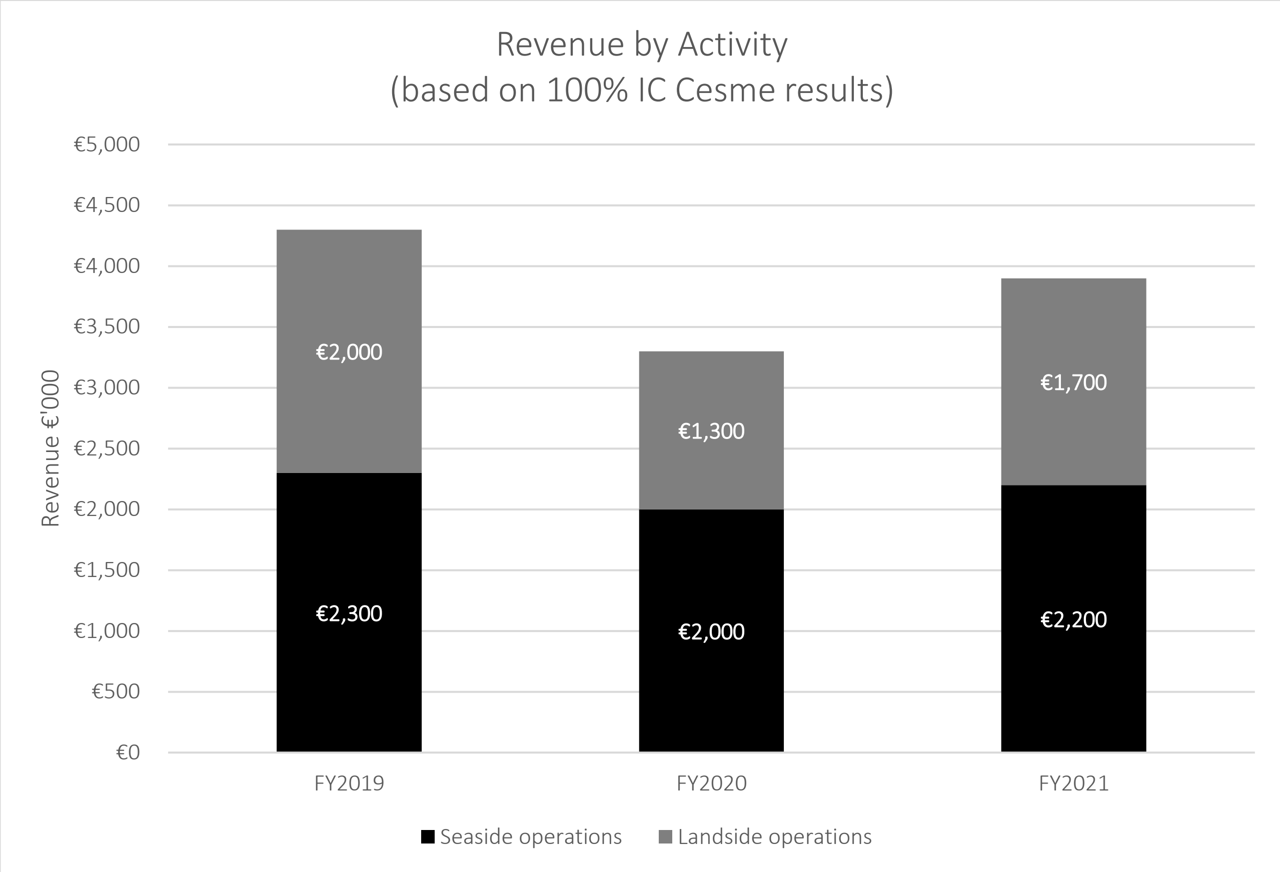
7.2 IC Cesme Operations

Review FY2021

IC Cesme, the Turkish marina operations in which GHM holds a 45% stake, generates its revenue from the provision of seaside operations (including berthing, the provision of utilities and related services such as technical assistance and boatyard facilities), and from landside operations (which include the rental of commercial units) which during FY2021 comprised 56.4% and 43.6% of total revenue, respectively.

IC Cesme recorded an 18.2% increase in revenue during FY2021 to €3.9 million from €3.3 million in FY2020 largely reflecting improved performance both at seaside and landside revenues particularly following the lifting of pandemic-related limitations in June 2021.

Landside revenues increased as the discounts granted during FY2020 were discontinued and turnover based tenants as well as other ancillary income including utilities, parking and advertisement improved in line with the pick-up in activity. Meanwhile, the retail properties remained almost fully occupied during the year.



On the seaside operations, during FY2021, management has continued its efforts to work with local boat owners to retain as many berth holders as possible whilst also attracting new boats. In fact, revenues from seaside operations improved by 10% in FY2021. Although a high turnover of clients at IC Cesme has persisted over recent years, the Company reported that, during FY2021, whilst 119 boats left the Turkish marina (primarily due to changing location or sale of the boat), the marina attracted 126 new boats, with over 39% being returning customers or customers converting from seasonal contracts. As at the end of FY2021, IC Cesme had 393 boats on annual contracts (FY2020: 386 boats), with a further 13 boats contracted on a seasonal basis (FY2020: 29).

Political and economic uncertainties within the region persisted throughout the year with these factors contributing to a further 40.2% reduction in the value of the Turkish Lira against the Euro which changed from 9.11 as the end of 2020 to 15.23 as at the close of 2021.

During the same period, operating expenses at the Turkish operation were largely unchanged at €1.7 million thereby leading to an earnings before interest, tax, depreciation and amortisation (EBITDA) figure of €2.2 million compared to €1.6 million in FY2020.

Review FY2022

During FY2022, IC Cesme is expected to continue experiencing strong berthing occupancy as well as an improved landside operation as only limited pandemic related restrictions are currently expected throughout the year. Nonetheless, the performance of IC Cesme is expected to be adversely impacted by rising costs some of which may not be fully passed on to clients. Moreover, the results of IC Cesme are expected to be also adversely impacted by a further deterioration in the Turkish Lira against the Euro. In fact, management are assuming a negative contribution of €0.2 million from its investment in IC Cesme

7.3 CONSOLIDATED INCOME STATEMENT

	Actual[10]	*Actual*	*Actual*	*Forecast*
for the year ended 31 December	2019	2020	2021	2022
	€'000	*€'000*	*€'000*	*€'000*
Revenue	4,116	4,098	3,621	3,518
Operating Costs	(2,438)	(2,047)	(1,945)	(2,045)
EBITDA	**1,678**	**2,051**	**1,676**	**1,473**
Depreciation and amortisation	(387)	(387)	(419)	(437)
Results from operating activities	**1,291**	**1,664**	**1,257**	**1,036**
Impairment loss on financial assets	-	-	(98)	-
Finance income	200	261	329	348
Finance costs	(1,096)	(1,119)	(1,090)	(1,101)
Net finance costs	(896)	(858)	(859)	(753)
Share of profit/(loss) of equity-accounted investees, net of tax	59	(862)	(889)	(217)
Profit/(loss) before tax	**454**	**(56)**	**(491)**	**66**
Tax expense	(243)	(334)	(293)	(147)
Profit/(loss) after tax	**211**	**(390)**	**(784)**	**(81)**

FY2021 REVIEW

Revenues in FY2021 contracted by 11.7% to €3.62 million compared to the level registered in FY2020. GHM's operations were still being adversely impacted by the pandemic related restrictions which led to a number of cancellations of superyacht visits as well as a lower incidence of superyacht seasonal bookings.

Meanwhile, operating expenses decreased by 5.0% to €1.95 million (FY2020: €2.05 million) largely reflecting the 20% drop in direct costs to €0.67 million on the back of the reduced business activity throughout FY2021. This was partially offset by the 32.3% rise in the wage bill from €0.45 million in FY2020 to €0.59 million in FY2021 on the back of a lower incidence of wage subsidies by government which amounted to €0.07 million compared in FY2021 compared to €0.18 million in FY2020.

As a result, earnings before interest tax, depreciation and amortisation (EBITDA) contracted by 18.3% from €2.05 million in FY2020 to €1.68 million in FY2021. After deducting a higher depreciation and amortisation charge of €0.42 million (FY2020: €0.39 million), the results from operating activities of GHM for FY2021 amounted to €1.26 million representing a 24.5% contraction from the €1.66 million registered in FY2020.

Net finance costs were relatively unchanged at €0.86 million including a €0.1 million impairment loss on financial assets in connection with the loans to its parent company pledge in favour of Isbank's subordinated

[10] *Figures for the financial year ended 31 December 2019 are restated as explained in Note 5.3 of the 2020 Annual Report of Grand Harbour Marina.*

loan to IC Cesme as a precautionary measure in view of the ongoing political uncertainty in Turkey. In relation to this, GHM may release the pledge to Isbank on behalf of IC Cesme in full settlement of the remaining outstanding subordinated loans later this year, in turn having the amounts under the pledge converted to loans receivable from IC Cesme.

On the other hand, in FY2021 the Company incurred a share of loss (net of tax) from its 45% equity investment in IC Cesme amounting to €0.89 million compared to the share of loss amounting to €0.86 million recorded in FY2020. Although the Turkish marina reported improved performances from both its seaside and landside operations, these were offset by the accelerated depreciation in the Turkish Lira against the Euro.

As a result, the share of loss from IC Cesme offset the profit earned from the marina in Malta, leading to an overall pre-tax loss of €0.49 million compared to the marginal pre-tax loss registered in FY2020.

Notwithstanding the Group's pre-tax loss, GHM still incurred a tax charge of €0.29 million (FY2020: €0.33 million). The recognition of a tax charge largely arises from interest costs related to borrowed funds which were earmarked for the Company's investment plans which are delayed due to matters outside GHM's control, as well as the fact that the share of loss from the investment in IC Cesme cannot be deducted for the tax base calculation.

Net loss for FY2021 amounted to €0.78 million, compared to the €0.39 million net loss reported in FY2020. The weaker bottom line reflects the weaker profitability of the marina in Malta.

FORECASTS FY2022

Looking ahead and following the removal of the pandemic related restrictions in Malta, management expects berthing revenues to improve by 4.3% to just under €3 million on the back of the expected rebound in the number of superyacht visits which should offset the further decline in visits from smaller vessels. Nonetheless, total revenues for FY2022 are expected to decline by 2.8% to €3.52 million as the increase in berthing revenues is expected to be more than offset by a decline in ancillary services as the three largest superyachts at the marina are expected to be absent during FY2022.

On the other hand, operating expenses are expected to increase by 5.1% to €2.05 million given that GHM is anticipating no further wage subsidies from the Government of Malta, marketing expenses to be restored to pre-pandemic levels and other costs may increase in line with higher levels of activity at the marina in Malta.

As a result, EBITDA is projected to contract by 12.1% from €1.68 million in FY2021 to €1.47 million in FY2022.

Meanwhile, net finance costs are expected to reduce by 12.3% to €0.75 million as no impairments on financial assets are being anticipated in contrast to the €0.1 million accounted for in FY2021.

Regarding IC Cesme, management continues to expect increased challenges given high local inflation and the uncertain international environment caused by a number of factors. Nevertheless, the Board of Directors indicated their commitment to continue to explore opportunities for growth and the continued backing of its major shareholder, Camper & Nicholsons Marina Investments Ltd, and the joint venture partners in Turkey, Ibrahim Cecen Investment Holding AS, should enable IC Cesme to strengthen its operating base.

Meanwhile, from a results perspective, IC Cesme Marina's performance is expected to gradually return closer to pre-Covid19 levels with the landside operations in particular, expected to continue improving over FY2021 given that only limited pandemic related restrictions are expected throughout FY2022. On the other hand, if the Turkish Lira continues to depreciate against the Euro as it has during the first five months of 2022, it will inevitably adversely impact the bottom line at year-end when the full year figures are translated into Euro. To this effect, the forecasted consolidated income statement has been prudently prepared based on the assumption of a further deterioration in Turkish Lira against the Euro from an average rate of 10.44 in 2021 to a forecast average rate of 16.11 in 2022. In fact, management are assuming a negative contribution of €0.22 million from its investment in IC Cesme which is, however, notably lower than the share of loss of €0.89 million registered in FY2021.

Overall, during FY2022, GHM is projecting a net loss of €0.08 million (FY2021: net loss of €0.78 million) as the projected profit from the Malta operation is expected to be offset by the further share of loss from the Group's investment in IC Cesme in Turkey.

Earnings per Share

The Company's earnings per share ratios based on the three historical financial years and the forecast results for FY2022 and shares in issue amounting to 20 million, work out as follows:

	FY2019 (A)	FY2020 (A)	FY2021 (A)	FY2022 (F)
EPS *(Net profit / Number of Shares in issue)*	€0.011	€(0.020)	€(0.039)	€(0.004)
Dividend Cover *(EPS / Dividend paid per share)*	N/A	N/A	N/A	N/A

Following the outbreak of the pandemic in early 2020, the Company incurred losses in FY2020 and FY2021 and is expected to incur a further loss in FY2022. As a result, the Company earnings per share have turned negative as from FY2020.

GHM did not declare any dividend during or with respect to FY2019, FY2020 and FY2021. On 16 May 2022, GHM announced that its Board of Directors resolved to pay out a net dividend of €0.66 million (€0.033 per share) to all shareholders as at close of trading on 19 May 2022. This dividend was paid on 30 May 2022. The dividend cover ratio could not be computed given the absence of a dividend payment and/or the negative earnings per share.

7.4 CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December	*Actual* 2019 *€'000*	*Actual* 2020 *€'000*	*Actual* 2021 *€'000*	*Forecast* 2022 *€'000*
Net cash from operating activities	1,266	593	358	570
Net cash used for investing activities	(5,210)	(2,775)	653	(102)
Free Cash Flow	(3,944)	(2,182)	1,011	468
Net cash used for financing activities	(327)	(343)	(74)	(736)
Net movements in cash and cash equivalents	**(4,271)**	**(2,525)**	**937**	**(268)**
Cash and cash equivalents at beginning of the year	8,324	4,053	1,528	2,465
Cash and cash equivalents at end of year	**4,053**	**1,528**	**2,465**	**2,197**

FY2021 REVIEW

By the end of FY2021, GHM's cash balance improved by 61.3% to €2.47 million (FY2020: €1.53 million). In view of the widened loss for the year, GHM's net cash flow from operating activities deteriorated further, notwithstanding the €0.14 million reduction in trade receivables as well as the repayment of a €0.5 million receivable from a related entity which only partially offset the higher tax payment of €0.76 million (FY2020: €0.26 million). Furthermore, GHM recorded an inflow of cash from investing activities which comprise interest received on corporate debt securities and loans to related parties as well as disposal of corporate debt securities on the Malta Stock Exchange. The cash inflows from operations and investing activities more than compensated for the cash outflows related to financing activities (primarily composed of payments related to lease liabilities).

FORECASTS FY2022

Net cash from operating activities is expected to improve by €0.21 million to €0.57 million in FY2022 on the back of the projected improvements in working capital. Meanwhile, cash used for investing and financing activities is projected to amount to €0.1 million (mainly relating to planned capital expenditure that will be partially offset by the interest to be received from investment in debt securities) and €0.7 million (mainly comprising the dividend payment and lease payments), respectively. Overall, the total cash balance of the Company is expected to decrease in FY2022 to €2.2 million.

7.5 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December	*Actual*[11] 2019 *€'000*	*Actual* 2020 *€'000*	*Actual* 2021 *€'000*	*Forecast* 2022 *€'000*
ASSETS				
Property, plant and equipment	5,059	4,831	4,565	4,680
Deferred costs	482	482	482	482
Right of use asset	5,150	5,403	5,260	5,120
Net Investment lease receivable	410	3	1	-
Equity-accounted investee	2,343	1,302	714	647
Investments in debt securities	5,651	5,894	5,806	5,742
Loan to Parent Company	1,235	4,242	2,668	2,567
Total non-current assets	**20,330**	**22,157**	**19,496**	**19,238**
Loan to Parent Company	2,687	1,930	3,248	3,248
Trade and other receivables	1,091	1,834	1,132	1,035
Cash at bank and in hand	4,054	1,528	2,466	2,197
Total current assets	**7,832**	**5,292**	**6,846**	**6,480**
Total assets	**28,162**	**27,449**	**26,342**	**25,718**
LIABILITIES				
Lease Liability	6,090	6,020	6,159	6,190
Borrowings	14,677	14,713	14,751	14,790
Deferred tax liabilities	1,149	993	921	797
Total non-current liabilities	**21,916**	**21,726**	**21,831**	**21,777**
Lease Liability	65	153	22	14
Borrowings	1	-	1	-
Taxation Payable / (Receivable)	263	491	100	(219)
Trade and other payables	1,527	1,406	1,200	1,512
Contract Liabilities	1,177	1,124	1,043	1,156
Total current liabilities	**3,033**	**3,174**	**2,366**	**2,465**
Total liabilities	**24,949**	**24,900**	**24,197**	**24,242**
EQUITY				
Share capital	2,400	2,400	2,400	2,400
Reserves	(93)	(319)	61	133
Retained earnings	906	468	(316)	(1,057)
Total equity	**3,213**	**2,549**	**2,145**	**1,476**
Total equity and liabilities	**28,162**	**27,449**	**26,342**	**25,718**

[11] *Figures for the financial year ended 31 December 2019 are restated as explained in Note 5.3 of the 2020 Annual Report of Grand Harbour Marina.*

FY2021 Review

The Company's total asset base stood at €26.34 million by the end of FY2021, representing a 4.0% drop from the value as at the end of FY2020 of €27.45 million. The contraction in total assets largely reflects the (i) reduction in trade receivables (including the repayment of a €0.5 million loan from a related party); (ii) the drop in the value of the Group's 45% shareholding in IC Cesme marina in Turkey following the loss incurred during FY2021; (iii) the reduction in the value of property, plant and equipment reflecting the depreciation charge for the year; and (iv) the reduction in the aggregate value of the loan to the parent company. These were only partially offset by the increase in the cash balance as explained in section 7.4 above.

On the liabilities side, the structure of the Company's funding remained largely unchanged (as indicated in the table below), consisting of €14.8 million of amortised bonds, which net of cash balances at the end of the year, resulted in net debt of €12.29 million (FY2020: €13.19 million). Moreover, GHM recognises €6.18 million worth of lease liabilities pertaining to upcoming lease payments on the right of use asset.

Total equity decreased by 15.8% to €2.15 million largely reflecting the contraction in retained earnings. Retained earnings fell from €0.47 million as at the end of FY2020 to a negative €0.32 million (therefore now representing accumulated losses) on the back of the loss incurred during the year.

as at 31 December	*Actual* **2019** *€'000*	*Actual* **2020** *€'000*	*Actual* **2021** *€'000*	*Forecast* **2022** *€'000*
Borrowings (non-current)	14,677	14,713	14,751	14,790
Borrowings (current)	1	-	1	-
Total Borrowings	**14,678**	**14,713**	**14,752**	**14,790**
Cash at bank and in hand	4,054	1,528	2,466	2,197
Net Debt	**10,624**	**13,185**	**12,286**	**12,593**

Forecasts FY2022

Currently, the Company does not envisage any material changes to its asset base as at the end of FY2022 with the exception of its cash balance which is expected to contract by 10.9% to €2.2 million largely reflecting the payment of the dividend. Similarly, total equity is expected to contract by 31.2% to €1.48 million on the back of the forecast loss in FY2022 as well as the dividend paid out in May 2022. Meanwhile, total liabilities are expected to be relatively unchanged at €24.2 million.

8. Ratios

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 FY2019	*Actual* FY2020	*Actual* FY2021	*Forecast* FY2022
EBITDA margin *(EBITDA / Revenue)*	40.8%	50.0%	46.3%	41.9%
Operating Profit margin *(Operating Profit / Revenue)*	31.4%	40.6%	34.7%	29.4%
Net Profit margin *(Profit for the period / Revenue)*	5.1%	N/A	N/A	N/A
Return on Equity *(Profit / Average Equity)*	6.2%	N/A	N/A	N/A
Return on Capital Employed *(Profit for the period / Average Capital Employed)*	1.2%	N/A	N/A	N/A
Return on Assets *(Profit for the period / Average Assets)*	0.8%	N/A	N/A	N/A

GHM's EBITDA margin for FY2021 weakened to 46.3% compared to 50.0% in FY2020 largely reflecting the lower reduction in the operating cost base of GHM (especially due to the lower wage subsidies received from the Government of Malta) than the contraction in revenue. Similarly, the operating profit margin dropped to 34.7% in FY2021 from 40.6% in FY2020. The other ratios listed cannot be computed given the net loss recorded in each of the financial years ended FY2020 and FY2021.

Going forward, both the EBITDA margin and operating profit margin are expected to decrease to 41.9% and 29.4% respectively as GHM is forecasting a drop in revenue, an increase in certain costs including marketing expenses and is not projecting any wage subsidies from the Government of Malta in FY2022. Meanwhile, in view of the projected net loss for FY2022, GHM is expected to register a negative return for the year and therefore the other profitability ratios cannot be computed.

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 FY2019	*Actual* FY2020	*Actual* FY2021	*Forecast* FY2022
Current Ratio *(Current Assets / Current Liabilities)*	2.6x	1.7x	2.9x	2.6x
Cash Ratio *(Cash & cash equivalents / Current Liabilities)*	1.3x	0.5x	1.0x	0.9x

In FY2021, the Company's current ratio, representing the amount of current assets available to settle short-term liabilities, improved to 2.9 times, after GHM's cash balance increased from €1.5 million in FY2020 to €2.5 million in FY2021 as explained in section 7.4. The Company's cash ratio also improved in FY2021 to 1.0 times.

In FY2022, both the current and cash ratio are expected to weaken in view of the decline in the cash balance primarily reflecting the dividend payment in FY2022.

Solvency Ratios

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

	Actual FY2019	*Actual* FY2020	*Actual* FY2021	*Forecast* FY2022
Interest Coverage ratio *(EBITDA / Net finance costs)*	1.9x	2.4x	2.0x	2.0x
Gearing Ratio (1) *(Net debt / Total Equity)*	3.3x	5.2x	5.7x	8.5x
Gearing Ratio (2) *[Net debt / (Net debt plus Equity)]*	76.8%	83.8%	85.1%	90.9%
Net Debt to EBITDA *(Net Debt / EBITDA)*	6.3x	6.4x	7.3x	8.6x

During FY2021, the Company's gearing ratio (1) weakened to 5.7 times reflecting the relatively larger decline in the equity base than in the level of net debt. Likewise, the gearing ratio (2) increased to 85.1% as at the end of FY2021 (FY2020: 83.8%) and Net Debt to EBITDA increased to 7.3 times largely reflecting the weakened EBITDA. This signifies that, based on the EBITDA of FY2021, the Group will require 7.3 years of EBITDA to pay back its net debt. Nonetheless, it is important to highlight that GHM owns €5.8 million worth of investments and a further €5.9 million in short-dated loans to the parent company. If these items were included in the calculation of net debt, GHM's net debt would amount to just €0.56 million and hence the above leverage ratios would be significantly stronger.

Given the contraction in EBITDA and marginal decline in net finance costs, GHM's interest coverage ratio dropped to 2.0 times in FY2021.

Going forward, net debt to EBITDA is expected to deteriorate to 8.6 times as net debt is expected to increase (which in turn is due to a lower cash balance as debt is unchanged) and EBITDA is projected to contract in FY2022. Gearing ratio (1) is also expected to increase to 8.5 times reflecting the combined impact of the forecasted increase in net debt and contraction in total equity. Similarly, gearing ratio (2) is anticipated to weaken in view of the further decline in GHM's equity base reflecting the anticipated net loss for FY2022 as well as the dividend paid out during the same year.

The forecast reductions in EBITDA and net finance costs should offset each other, thereby leading to a relatively unchanged interest coverage ratio in FY2022 of 2.0 times.

9. Variance Analysis

for the year ended 31 December	*Actual* 2021 *€'000*	*Forecast* 2021 *€'000*	*Variance* *%*
Revenue	3,621	3,835	-5.6%
Operating costs	(1,945)	(2,316)	-16.0%
EBITDA	**1,676**	**1,519**	**10.3%**
Depreciation and amortization	(419)	(433)	-3.2%
Results from operating activities	**1,257**	**1,086**	**15.7%**
Impairment loss on financial assets	(98)	-	N/A
Finance income	329	325	1.2%
Finance costs	(1,090)	(1,095)	-0.5%
Net finance costs	(859)	(770)	11.6%
Share of Profit of equity-accounted investees, net of tax	(889)	(710)	25.2%
Loss before tax	**(491)**	**(394)**	**24.6%**
Tax expense	(293)	(195)	50.3%
Loss after tax	**(784)**	**(589)**	**33.1%**

The revenue generated by Grand Harbour Marina plc during FY2021 was 5.6% lower than the forecasts set out in the 2021 FAS dated 01 June 2021 on the back of lower than anticipated berthing income as well as a lower than projected consumption of utilities. On the other hand, operating expenses were 16% lower than projected given the wage subsidies received from the Government of Malta which were not accounted for in the 2021 forecasts, lower direct costs as a consequence of the lower business activity and other savings achieved throughout the year that were not considered in the 2021 forecasts. Consequently, actual EBITDA surpassed the corresponding forecasted figure by 10.3%.

The variance related to depreciation is related to a lower level of capital expenditure than anticipated in the 2021 forecasts.

Meanwhile, net finance costs exceeded forecasts by 11.6% in view of the impairment loss on financial assets which was not accounted for in the 2021 forecasts.

The results account for a share of loss of €0.89 million from IC Cesme representing a higher loss than the €0.71 million forecast in the FAS produced last year reflecting the deeper-than-expected depreciation of the Turkish Lira.

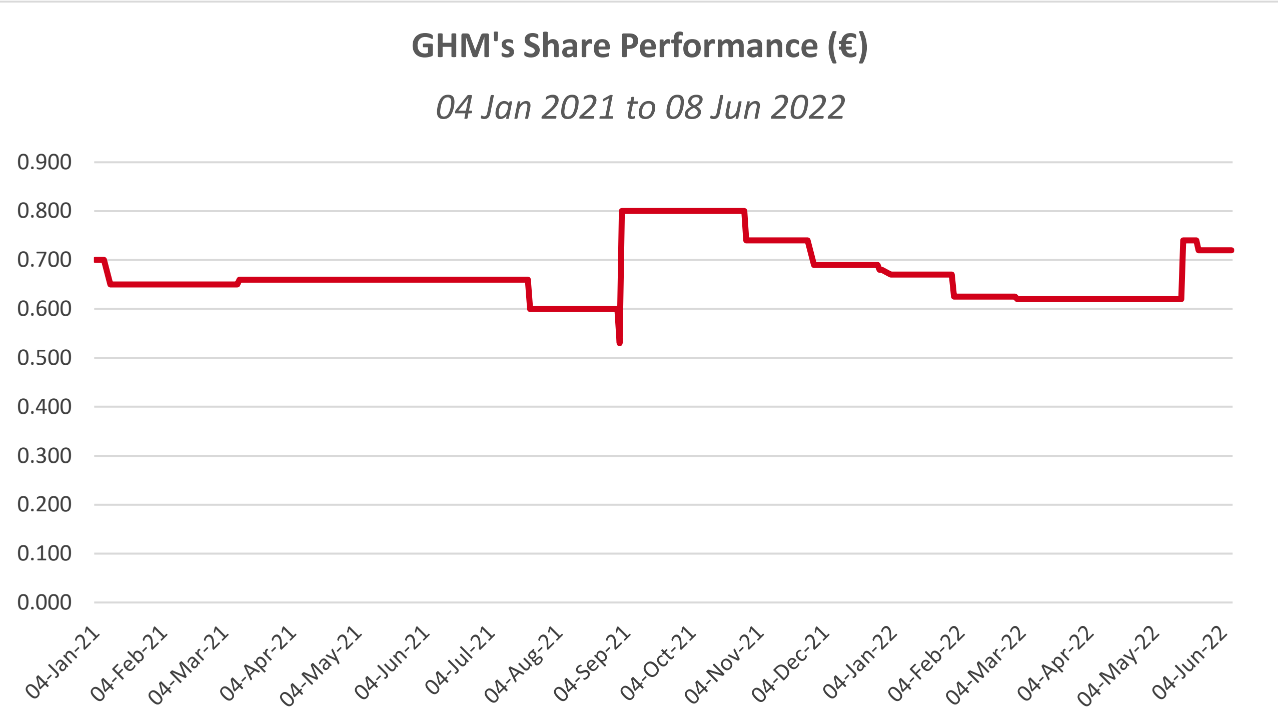
As a result, the Group posted a consolidated marginal pre-tax loss of €0.49 million, 24.6% higher than the projected figure published in the FAS produced last year. After accounting for a tax charge of €0.29 million (higher than the forecasted tax charge of €0.2 million on the back of a higher level of chargeable income), the loss after tax for FY2021 amounted to €0.78 million which is higher than the projected net loss of €0.59 million for the reasons described above.

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 2021:	€0.800
Lowest Price in 2021:	€0.530
Current Price*:	€0.720

*(*as at 08 June 2022)*



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:

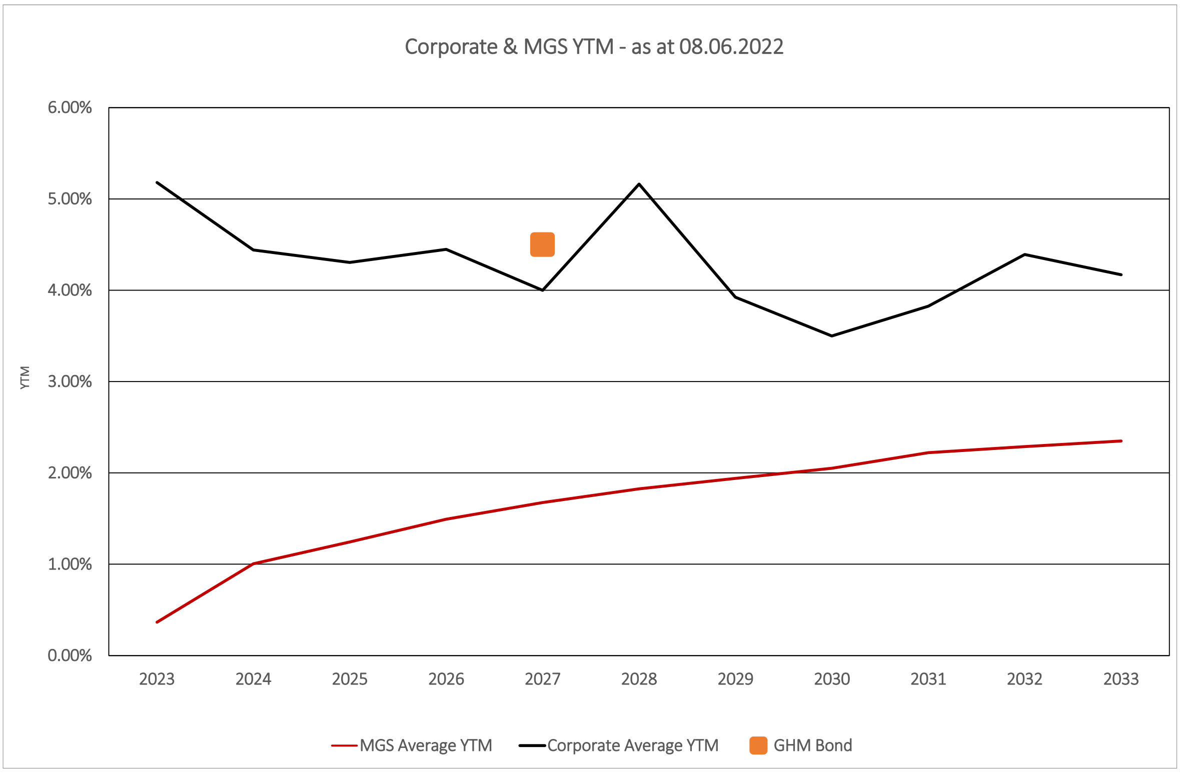
Bond Details	Outstanding Amount	Gearing Ratio*	Net Debt to EBITDA	Interest Cover**	YTM (as at 08.06.2022)
	(€)		*(times)*	*(times)*	
4.00% Eden Finance plc 2027	40,000,000	27.8%	5.72	3.63	3.64%
3.75% Tumas Investments plc 2027	25,000,000	19.7%	2.59	5.26	3.75%
3.5% Simonds Farsons Cisk plc 2027	20,000,000	7.4%	0.45	17.71	3.08%
3.75% Virtu Finance plc 2027	25,000,000	41.2%	31.78	0.72	3.44%
4.50% GHM plc 2027	**15,000,000**	85.1%	7.33	1.95	4.50%

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 08 June 2022.



At a coupon of 4.50% per annum, the GHM Bond 2027 currently yields 4.50%, which is approximately 282 basis points over the average yield to maturity of Malta Government Stock (MGS) maturing in 2027 and at a premium of approximately 50 basis points over the average yield to maturity of corporate bonds maturing in 2027 (data correct as at 8 June 2022).

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.
Normalisation	Normalisation is the process of removing non-recurring expenses or revenue from a financial metric like EBITDA, EBIT or earnings. Once earnings have been normalised, the resulting number represents the future earnings capacity that a buyer would expect from the business.
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 companies on loans advanced.
Finance Costs	Interest accrued on debt obligations.
Net Profit	The profit generated in one 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 the forthcoming financial year
Current Assets	Assets which are realisable within one year from the statement of financial position date.
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 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 operating profit 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 till 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.