

Global Ports Holding Plc

Trading statement for the twelve months ended 31 March 2024

Global Ports Holding Plc ("GPH" or "Group"), the world's largest independent cruise port operator, today issues a trading update for the 12 month period from 1 April 2023 to 31 March 2024 (the "Reporting Period").

<u>Key Financials & KPIs¹</u>	12 months ended 31-Mar-24	12 months ended 31-Mar-23	YoY change (%)	3 months ended 31-Mar-24	3 months ended 31-Mar-23
Passengers (m) ²	13.4	9.2	46%	3.24	2.43
Total Revenue (\$m)	193.6	213.6	-9%	42.4	39.7
Adjusted Revenue (\$m)³	172.7	117.2	47%	36.9	25.0
Segmental EBITDA (\$m)⁴	115.4	80.0	44%	22.5	16.1
Adjusted EBITDA (\$m)⁵	106.9	72.7	47%	19.3	13.5
Segmental EBITDA Margin (%)	66.8%	68.3%		60.9%	64.5%
Adjusted EBITDA Margin (%)	61.9%	62.0%		52.2%	54.2%
	31-Mar-24	31-Mar-23			
Gross Debt (IFRS) (\$m)	897.5	672.4		33%	
Gross Debt ex IFRS 16 Leases (\$m)	835.5	612.3		36%	
Net Debt ex IFRS 16 Leases (\$m)	674.5	494.0		37%	
Cash and Cash Equivalents (\$m)	161.0	118.3		36%	

Notes

1. All \$ refers to United States Dollar unless otherwise stated
2. Passenger numbers refer to consolidated; hence it excludes equity accounted ports La Goulette, Lisbon, Singapore, Venice and Vigo.
3. Adjusted Revenue is calculated as Total Revenue excluding IFRIC-12 construction revenue
4. Segmental EBITDA includes the EBITDA from all consolidated ports and the pro-rata Net Profit of equity-accounted associates La Goulette, Lisbon, Singapore, Venice and Vigo and the contribution from management agreements
5. Adjusted EBITDA calculated as Segmental EBITDA less unallocated (holding company) expenses

Mehmet Kutman, Co-Founder, Chief Executive Office and Chairman, said:

"The 2024 Reporting Period was one of significant achievement for Global Ports Holding. We successfully expanded our cruise port network, completed our largest-ever investment project, and increased our shareholding at a number of key ports. In addition, we strengthened our balance sheet through a successful investment-graded issuance of secured private placement notes and extended the concession length at a number of ports.

We have started the 2024 cruise season strongly and we are well positioned to be a key enabler and beneficiary of the cruise industry's continued growth and success in the years ahead."

Key Highlights

- GPH welcomed 13.4 million passengers across the consolidated port network in the Reporting Period, a 46% increase on the 2023 Reporting Period
- Adjusted Revenue for the Reporting Period was USD 172.7 million, a 47% increase on the USD 117.2 million in the prior Reporting Period

- Adjusted EBITDA rose 47% as well to USD 106.9 million, reflecting the positive impact of the higher passenger volumes and its impact on Adjusted Revenue
- We successfully completed a USD 187 million of investment-grade-rated long-term project financing for San Juan Cruise Port and took over cruise operations in the fourth quarter of the Group's financial year. Additionally, we added Bremerhaven Cruise Port to the network
- Based on the most recent call lists across our current consolidated and managed cruise port network, we forecast that we will welcome over 16 million passengers in the 2025 Reporting Period. Including equity-accounted ports, annual passenger volumes are expected to be nearly 20 million for the 2025 Reporting Period
- Shortly after the end of the Reporting Period:
 - Saint Lucia Cruise Port joined the network when operations commenced under a 30-year concession agreement
 - Signed and started operations under a 50-year concession agreement for Liverpool Cruise Port
 - Majority GPH-owned joint venture awarded a preferred bidder status for 15-year concession for Casablanca Cruise Port

Balance Sheet

At 31 March 2024, IFRS Gross Debt was USD 897.5 million (Ex IFRS-16 Leases Gross Debt: USD 835.5 million), compared to USD 672.4 million (Ex IFRS-16 Leases Gross Debt: USD 612.3 million) at 31 March 2023.

The main driver of the increase in Gross Debt were two bonds totalling USD 145 million of investment-grade long-term project financing for San Juan Cruise Port (additional bonds with a nominal value of USD 42 million were issued shortly after the end of the Reporting Period in form of forward committed bonds). USD 110 million was raised through the issuance of a Series A tax-exempt bonds due 2045, which has been placed in the US municipal bond market at an average coupon rate of 6.6%. USD 77 million was raised through the issuance of Series B bonds due 2039 to US institutional investors at a fixed coupon of 7.21%.

The bonds have received an investment-grade credit of BBB- from S&P. The Series A bond will fully amortize over 21 years, with a weighted average duration of c19 years. The Series B bond will fully amortize over 15 years, with a weighted average duration of c12 years.

Nassau Cruise Port successfully refinanced its local bond issued in June 2020. The refinancing resulted in an increase in the nominal outstanding amount to USD 145 million (from USD 134.4 million) and a reduction in the fixed coupon to 6.0% (from 8.0%), reducing the annual interest payment by USD 2.0 million. The maturity date of 2040 remains unchanged as does the principal repayment schedule which is ten equal annual payments from June 2031. The bond remains unsecured, and non-recourse to GPH or any other Group entity.

Net debt Ex IFRS-16 Leases was USD 674.5 million at the end of the Reporting Period compared to USD 494.0 million as at 31 March 2023. At 31 March 2024, GPH had cash and cash equivalents of USD 161.0 million, compared to USD 118.3 million at 31 March 2023 with the increase mainly due to the aforementioned bond issuance at San Juan Cruise Port.

Concession Extensions

At the start of the Reporting Period, GPH reached an agreement to extend its concession agreement for Ege Port, Kusadasi. The original concession agreement was due to expire in July 2033, but following this extension agreement, it will now expire in July 2052.

In exchange for extending the existing concession agreement, Ege Port has paid an upfront concession fee of TRY 725.4 million (USD 38 million at the then prevailing exchange rate). In addition, Ege Port has committed to invest up to a further 10% of the upfront concession fee within the next 5 years into improving and enhancing the cruise port and retail facilities at the port and will pay a variable concession fee equal to 5% of its gross revenues during the extension period starting after July 2033.

The up-front concession fee payment was financed by partial utilisation, shortly before the start of the Reporting Period, of the USD 75 million growth facility provided by Sixth Street. As part of the additional drawdown with Sixth

Street, GPH issued warrants to Sixth Street representing an additional 2.0% of GPH's fully diluted share capital (in addition to warrants issued at financial closing in July 2021 equivalent to 9.0% of GPH's fully diluted share capital).

The upfront concession fee was funded by a capital increase at Ege Port. This capital increase was provided by GPH only, and as a result, GPH's equity stake in Ege Port increased to 90.5% (from 72.5%).

Similar to the extension of Cagliari Cruise Port in 2023, our concession for Catania Cruise Port was extended by two years to 2028 without any cost to GPH as compensation for the Covid-19 pandemic period.

Issue of New Ordinary Shares

At the start of the Reporting Period, GPH had approximately USD 25 million in outstanding subordinated shareholder loans from its largest shareholder, Global Investment Holding ("GIH"). This long-term funding support was used to finance expansion projects and general corporate purposes.

During the Reporting Period, GPH issued 5,144,445 new ordinary shares of GBP 0.01 each to GIH at a price of 206.5358 pence per ordinary share in partial satisfaction of the debt owed to GIH equivalent to USD 13.8 million. These new ordinary shares represented approximately 8.2% of the company's issued share capital.

Shortly before the end of the Reporting Period, Sixth Street exercised warrants over an aggregate 8,395,118 new ordinary shares. Following this warrant exercise, the Company's issued share capital admitted to trading consisted of 76,433,126 ordinary shares of GBP 0.01 each.

Increases in ownership percentage at ports

During the Reporting Period, GPH purchased from the minority shareholder a 38% shareholding in Barcelona Port Investments S.L. (BPI), taking GPH's holding in BPI to 100%. The transaction terms are confidential, however, the purchase price was below USD 20 million, to refinance the transaction a new loan facility of EUR 15 million provided by a European bank was entered shortly before the end of the Reporting Period.

As a result of this transaction, GPH's indirect holding in Creuers De Port de Barcelona S.A (Creuers) has increased to 100%, which increases GPH's interest in both Barcelona Cruise Port and Malaga Cruise Port to 100% from 62%. In addition, GPH's effective interest in SATS-Creuers Cruise Services PTE. LTD (Singapore Cruise Port) has risen to 40% from 24.8% and the effective interest in Lisbon Cruise Port LD (Lisbon Cruise Port) has risen from 46.2% to 50%.

Operational Review

GPH welcomed a record number of cruise ships and passengers across its global operations in the 2024 Reporting Period and once again expanded its port network by adding several new cruise ports.

During the Reporting Period, we re-aligned the geographical reach of our reporting segments, with Kalundborg, Denmark and Bremerhaven, Germany moved to the new Central Med and Northern Europe reporting segment.

Americas

For most of the 2024 Reporting Period GPH's cruise operations in the Americas included the Company's two Caribbean ports, Nassau and Antigua, and Prince Rupert, Canada. San Juan Cruise Port joined the network for around six weeks before the end of the Reporting Period after reaching financial close on 14 February 2024, and Saint Lucia Cruise Port joined the network shortly after the end of the 2024 Reporting Period.

Trading in the Americas soared to new heights in the Reporting Period. Passenger volumes rose 34%, reaching 5.8 million, a substantial increase from the 4.4 million recorded in 2023, while call volumes rose a more modest 21%. This includes a small contribution from the partial operating period of San Juan Cruise Port during the Reporting Period of 258k passengers.

The 30-year concession for San Juan Cruise Port, Puerto Rico, began towards the end of the Reporting Period. Well positioned to be included in both Eastern Caribbean and Southern Caribbean itineraries and benefitting from its status as a US territory with good airport and hotel infrastructure, San Juan Cruise Port is an attractive homeport destination.

During an initial investment phase, GPH plans to invest in critical infrastructure repairs and upgrades, focusing on terminal buildings and walkways. San Juan Cruise Port handled 1.8 million unique passenger movements in 2019 and is expected to become GPH's third largest port.

During the Reporting Period, GPH made further progress with its expansion in the Americas region, signing a 30-year concession, with a 10-year extension option, for Saint Lucia Cruise Port. The port joined the network shortly after the end of the Reporting Period.

As part of the Saint Lucia Cruise Port concession, GPH is committed to substantial upgrades to the cruise port facilities, including expanding existing berths. Saint Lucia Cruise Port, which welcomed c800k passengers annually before the pandemic, is expected to experience a rise in passenger volumes to over 1 million in the medium term due to these enhancements.

West Med & Atlantic

GPH's West Med and Atlantic region includes Spanish ports Alicante, Barcelona, Fuerteventura, Lanzarote, Las Palmas, Malaga, Tarragona, and the equity pick-up contribution from Vigo, Lisbon and Singapore. Shortly after the end of the Reporting Period, GPH was awarded preferred bidder status for a 15-year concession agreement for Casablanca Cruise Port, Morocco.

Cruise activity in the West Med and Atlantic region experienced a strong rise in the 2024 Reporting Period, delivering a 31% rise in call volumes compared to the comparable 2023 Reporting Period, with passenger volumes rising an impressive 54% to 4.5 million. The comparable 2023 Reporting Period was partially impacted by pandemic-related restrictions. These restrictions had been fully removed by the end of calendar year 2022, helping to drive the strong improvement in the 2024 Reporting Period.

During the Reporting Period, GPH purchased a 38% holding in Barcelona Port Investments S.L., taking its holding to 100%. This transaction resulted in GPH's indirect holding in Creuers De Port de Barcelona S.A. increasing to 100%, raising GPH's interest in both Barcelona Cruise Port and Malaga Cruise Port to 100% from 62%. Additionally, GPH's effective interest in Singapore Cruise Port rose to 40% from 24.8% and its effective interest in Lisbon Cruise Port rose from 46.2% to 50%.

During the Reporting Period, we made significant progress with our investment in a new terminal building in Tarragona. The terminal, with a cafeteria, retail premises and offices, opened in June 2024. It has been designed and constructed with sustainability and eco-efficiency at the heart of the process. Extensive use of solar panels should ensure it is self-sustainable in terms of its energy needs, while environmentally friendly practices and technology will ensure efficient management of natural resources such as water.

Construction work at the terminals at both Las Palmas Cruise Port and Alicante Cruise Port began during the Reporting Period. For the partial financing of the capital expenditure at Las Palmas Cruise Port, a project finance loan facility provided by a major regional bank with a total facility amount of up to EUR 33.5 million and a tenor of 10 years (in addition to minor working capital and guarantee facilities) has reached financial closing in December 2023. The CAPEX facility is funding construction costs and transaction expenses and the drawdown will occur gradually as construction progresses.

Central Med & Northern Europe

Our Central Mediterranean region encompasses Valletta Cruise Port, Malta, GPH's four Italian ports (Cagliari, Catania, Crotone, and Taranto), Kalundborg, Denmark and the equity pick-up contribution from La Goulette, Tunisia, and Venice Cruise Port, Italy.

In the 2024 Reporting Period, cruise calls in this region experienced a modest 3% increase. However, passenger volumes surged 69% to 1.7 million, a significant increase from the 1.0 million passengers welcomed in the comparable Reporting Period and surpassing the pre-pandemic figure of 1.4 million in calendar year 2019.

This strong growth was primarily driven by the strong volumes and occupancy rates across the industry and the impact of pandemic related restrictions in the comparable Reporting Period.

During the Reporting Period, GPH successfully extended its concession at Cagliari Cruise Port and Catania Cruise Port by an additional two years until 2029 and 2028 respectively.

GPH secured a 10-year port concession agreement with a potential 5-year extension option for Bremerhaven Cruise Port, Germany, during the Reporting Period. The local authorities are currently investing multimillion Euros in the port's cruise facilities and piers, which are poised for expansion and renewal. GPH is expected to assume port operations in the first quarter of the 2025 calendar year.

Shortly after the end of the Reporting Period, GPH signed a 50-year concession agreement Liverpool Cruise Port, UK.

In Malta the project to bring shore power to five cruise ship quays at Valletta Cruise Port was completed during the Reporting Period. This initiative, funded by Infrastructure Malta and Transport Malta, is one of the first in the Mediterranean and will help reduce harmful emissions from cruise ships by up to 90%. GPH hopes this project will act as a blueprint for other destinations and stakeholders as our ports and the cruise industry moves to a more sustainable future.

East Med & Adriatic

GPH's East Med & Adriatic operations include the flagship Turkish port Ege Port, as well as Bodrum Cruise Port, Türkiye and Zadar Cruise Port, Croatia.

In the East Mediterranean and Adriatic region, cruise calls increased 6% and passenger volumes rose 43% during the year. This increase brought passenger volumes to 1.3 million, a substantial increase from the less than 600,000 passengers handled in 2019. Ege Port's continued success has been instrumental in driving this growth, solidifying its position as the premier cruise port in Turkey.

During the Reporting Period, GPH agreed to extend its concession agreement for Ege Port in Kusadasi, adding 19 years to the concession period, which now ends in July 2052. As part of this agreement, Ege Port paid an upfront concession fee of TRY 725.4 million (USD 38 million at the then prevailing exchange rate). Additionally, Ege Port committed to investing an amount equivalent to 10% of the upfront concession fee within the next five years to enhance the port's cruise port and retail facilities.

A capital increase was implemented at Ege Port to fund the upfront concession fee, with GPH providing the necessary funds. This capital increase led to GPH increasing its equity stake in Ege Port to 90.5%, up from 72.5%.

Other

GPH's "Other" reporting segment encompasses various operations, including our commercial port, Port of Adria in Montenegro, our management agreement for Ha Long Cruise Port in Vietnam, and contributions from our Ancillary Port Services businesses.

GPH's Ancillary Port Services encompass services such as stevedoring and waste removal, as well as Destination and Shoreside Services, Area & Terminal management services and Crew Services.

Port of Adria, GPH's sole commercial port, demonstrated strong performance throughout the Reporting Period. The Company's Board continues to actively explore various options regarding Port of Adria, including the possibility of its sale.

Outlook

Based on call lists across our consolidated and managed cruise port network, we expect to welcome over 16 million passengers in the upcoming 2025 Reporting Period. Including equity-accounted ports, annual passenger volumes are expected to be nearly 20 million for the 2025 Reporting Period.

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