

# **CRUISE YACHT UPPER HOLDCO LTD**

## **Financial Statements**

as of and for the year ended

**31 December 2024**

COMPANY REGISTRATION NUMBER: C 79710

# **Cruise Yacht Upper HoldCo Ltd**

Financial Statements as of and for the year ended 31 December 2024

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# Cruise Yacht Upper HoldCo Ltd

## Directors' Report

As of and for the Year ended 31 December 2024

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The Directors present their report on the audited separate financial statements of Cruise Yacht Upper HoldCo Ltd ("the Company") and the audited consolidated financial statements of the Group, of which the Company is the ultimate parent (together referred to as the "Group") as of and for the year ended 31 December 2024.

### Principal activities

The Group's main business is to build, own and operate luxury cruise yachts.

### Performance review

During the year under review, the Group reported an operating loss of 71.9m (2023: \$31.9m) and a loss before tax from continuing operations of \$160.0m (2023: \$85.9m).

During the year ended December 31, 2024, the Group registered a total comprehensive loss of \$176.2m that includes exchange rate differences of \$-15.6m (2023: total comprehensive loss of \$68.2m that includes non-recurring impairment losses of USD 7.2 million); excluding the said non-recurring item, the Group would have reported a total comprehensive loss of \$61m in 2023.

As of 31 December 2024, the Group performed an impairment assessment of Evrima and Ilma which did not result in an additional impairment expense.

At the reporting date, the Company reported net equity of \$504.6m (2023: \$492.6m) and the Group reported net equity of \$121.2m (2023: \$215.8m).

Up to and during 2024 as well as thereafter, the shareholder has continued to support the Company and the Group through the provision of equity contributions (up to date of this report \$697m) enabling the construction of two additional vessels in accordance with the business plan. The 2 vessels are financed by an ECA facility underwritten in 2022. The superyacht Ritz-Carlton Ilma was delivered in July 2024; while the superyacht Ritz-Carlton Luminara is under construction in 2024 with delivery planned for June 2025.

### Dividends

Due to accumulated losses, as at the reporting date, no dividends are available for distribution.

The Company's accumulated losses amounted to \$129.1m as at 31 December 2024 (2023: \$59.6m).

### Financial risk management

The Group reduces its exposure to financial risks by monitoring its level of debt and receivables from related parties. The Group's financial risk management is disclosed in Note 26 to the financial statements.

### Principle risks and uncertainties

Labor, health and safety, maritime and environmental regulations could affect operations. These risks are monitored closely by the Group, being aware of, and compliant with, legislation and regulations affecting its business.

### Subsequent events

There have been no significant subsequent events warranting adjustment or disclosure to the financial statements.

### Financial reporting framework

The Directors prepared the Company's separate and the Group's consolidated financial statements as of and for the year ended 31 December 2024 in accordance with International Financial Reporting Standards as adopted by the EU ("IFRS") and the Maltese Companies Act (Cap. 386).

### Directors

During the year ended 31 December 2024 and up to date of this report, Mr. Thomas Andrew Jagers, Mr James Joseph Murren, Mr Ernesto Fara and Mr Lukasz Walkowski were members of the Board of Directors. James Peter Van Steenkiste and Allen Joel Smith were appointed respectively on 1<sup>st</sup> July 2024 and 16<sup>th</sup> May 2024. Mr Karim Khairallah and Mrs Alison Endemano stepped down on 30<sup>th</sup> June 2024 and on 30<sup>th</sup> November 2024 respectively.

# Cruise Yacht Upper HoldCo Ltd

## Directors' Report

As of and for the Year ended 31 December 2024

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### Directors – continued

In accordance with the Company's Memorandum and Articles of Association, the present Directors remain in office until they resign or are removed from office.

### Branches

The Group has branches registered in the US, Spain, Malta and France. Cruise Yacht HoldCo Ltd has a branch registered in the US. Cruise Yacht OpCo Ltd also has a branch registered in the US. Cruise Yacht 1 Ltd has a branch registered in Spain. Next-Gen Cruises has a branch registered in the US and France. Next-Gen Cruise HoldCo Ltd has a branch registered in the US.

The Group registered a company in Monaco in May 2023 and in Australia in April 2024.

### Going concern

Cruise Yacht Upper HoldCo Ltd is the holding company of a Group of companies that is dedicated to building and operating cruise ships both from a technical and commercial as well as a hospitality perspective. The operating companies can operate the Ritz-Carlton Yacht Collection brand on the basis of royalty and license agreements with the Marriott Group and its affiliates. The overall future net results of the Group are dependent on the various group companies' implementation of the approved business plan.

The Group's Business Plan shows positive EBITDA and positive cash flow from 2026 (and positive net result from 2028). In order to implement its Business Plan, the Group has agreed to approximately \$1,564m in financing and ca. \$1,130m in capital injections (that shareholders to make available to the Group in the form of equity capital contribution) to support the budgeted capital expenditure on three vessels of ca. \$1,700m (of which \$1,565m has already been incurred as of 31 December 2024). About \$1,350m of the financing has already been drawdown, including the Nordic Bond issued in July 2024, while an additional \$180m is available as a line of credit managed by Credit Agricole as agent. In terms of capital, ca. \$630m was injected at the end of 2024, ca. \$63m was injected after the year end as at April 2025, and the remaining amount is forecast in the Business Plan.

Although the directors consider that the assumptions underlying the revised business plan are reasonable, there is a risk that the actual results could differ from the forecast results shown in the business plan. Based on the financial support received from shareholders to date, and their intention to support the Company in the future, the Directors continue to adopt the "going concern assumption" in preparing the Company's separate financial statements and the Group's consolidated financial statements.

At the same time, they acknowledge that the absence of contractual binding support represents a material uncertainty that may cast significant doubt about the Company's and the Group's ability to continue as a going concern. The Company and the Group, since the beginning of the business, are reliant on funding from the shareholders in order to continue as a going concern. The financial statements do not include the adjustments that would be necessary if the Company and the Group were unable to continue as a going concern.

### Auditors

The auditors, PricewaterhouseCoopers have expressed their willingness to remain in office and a resolution proposing their reappointment will be put before the members at the annual general meeting.

Approved and signed by the Board of Directors on 29 April 2025:



Thomas Andrew Jaggers  
Director



Lukasz Walkowski  
Director



# Cruise Yacht Upper HoldCo Ltd

As of and for the Year ended 31 December 2024

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## Statement of Directors' responsibilities

The Directors are required by the Maltese Companies Act (Cap. 386) to prepare financial statements in accordance with generally accepted accounting principles and practice which give a true and fair view of the state of the affairs of the Company and the Group as at the end of each reporting period and of the profit and loss for that period.

In preparing these financial statements, the Directors are responsible for:

- ensuring that the financial statements have been drawn up in accordance with International Financial Reporting Standards as adopted by the EU;
- selecting and applying consistently suitable accounting policies;
- making accounting judgements and estimates that are reasonable and prudent;
- accounting for income and charges relating to the accounting period on the accruals basis;
- ensuring that the financial statements are prepared on the going concern basis unless it is inappropriate to presume that the Company will continue in business as a going concern.
- report comparative figures corresponding to those of the preceding accounting period.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and the Group. The Directors are also responsible for designing, implementing and maintaining such internal control, as they deem necessary for the preparation of financial statements that are free from financial misstatements, whether due to fraud or error, and that comply with the Maltese Companies Act (Cap. 386). They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## Registered Office

Vault 14, Level 2,  
Valletta Waterfront  
Floriana FRN 1914  
Malta

# Cruise Yacht Upper HoldCo Ltd

## Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2024

	Notes	GROUP		COMPANY	
		Twelve months ended December 31,		Twelve months ended December 31,	
		2024	2023	2024	2023
		\$,000 USD	\$,000 USD	\$,000 USD	\$,000 USD
Cruise ticket revenues		182,488	129,279	-	-
Onboard and other revenues		14,696	10,559	-	-
<b>Total revenues</b>	5	<b>197,183</b>	<b>139,838</b>	<b>-</b>	<b>-</b>
Cost of sales	6.1	(156,325)	(111,966)	(3)	(382)
<b>Gross profit / (loss)</b>		<b>40,858</b>	<b>27,872</b>	<b>(3)</b>	<b>(382)</b>
Selling and administrative expenses	6.2	(112,723)	(50,165)	(237)	(1,801)
Impairment losses	11 & 15	-	(7,242)	-	-
Other operating income	7	589	16	170	-
Other operating expenses	7	(605)	(2,385)	-	-
<b>Operating loss</b>		<b>(71,880)</b>	<b>(31,904)</b>	<b>(70)</b>	<b>(2,183)</b>
Finance income		-	(2,700)	8,259	1,043
Finance expense		(88,161)	(51,269)	(77,376)	(12,311)
<b>Net finance expense</b>	8	<b>(88,161)</b>	<b>(53,969)</b>	<b>(69,117)</b>	<b>(11,268)</b>
<b>Loss before tax</b>		<b>(160,041)</b>	<b>(85,873)</b>	<b>(69,186)</b>	<b>(13,451)</b>
Income tax expense	9	(536)	(415)	(360)	-
<b>Loss for the year</b>		<b>(160,577)</b>	<b>(86,288)</b>	<b>(69,546)</b>	<b>(13,451)</b>
<b>Other comprehensive income</b>					
<b>Items that might be reclassified subsequently to profit or loss</b>					
Exchange differences on translating foreign operations	19.3	(15,616)	18,137	-	-
<b>Total other comprehensive (loss) / income</b>		<b>(15,616)</b>	<b>18,137</b>	<b>-</b>	<b>-</b>
<b>Net comprehensive loss for the year</b>		<b>(176,193)</b>	<b>(68,151)</b>	<b>(69,546)</b>	<b>(13,451)</b>

The accompanying notes on pages 11 to 51 form an integral part of these financial statements.

# Cruise Yacht Upper HoldCo Ltd

## Statement of Financial Position

For the year ended 31 December 2024

		GROUP		COMPANY	
		As of December 31,		As of December 31,	
		2024	2023	2024	2023
	Notes	\$,000 USD	\$,000 USD	\$,000 USD	\$,000 USD
<b>ASSETS</b>					
Property, plant and equipment	10	1,470,202	1,139,379	-	-
Right-of-use assets	10	7,848	4,296	-	-
Intangible assets	11	12,861	5,206	-	19
Investment in subsidiaries	12	-	-	29,185	29,184
Derivative financial asset	13	11,151	680	11,151	-
Other assets	14	50,073	4,443	19	20
<b>Non-current assets</b>		<b>1,552,135</b>	<b>1,154,004</b>	<b>40,355</b>	<b>29,223</b>
Inventory	15	9,870	5,650	-	-
Amounts due from related parties	27	-	-	765,657	593,093
Trade receivables	16	43,218	26,265	-	-
Other current assets	17	18,714	12,550	1,152	751
Cash and cash equivalents	18	99,034	32,261	36,339	15,084
<b>Current assets</b>		<b>170,835</b>	<b>76,726</b>	<b>803,148</b>	<b>608,928</b>
<b>Total assets</b>		<b>1,722,970</b>	<b>1,230,730</b>	<b>843,503</b>	<b>638,151</b>
<b>EQUITY</b>					
Share capital		643	557	643	557
Share premium		629,486	548,027	633,047	551,588
Accumulated losses		(428,125)	(268,838)	(129,107)	(59,561)
Translation reserve		(80,846)	(63,940)	-	-
<b>Total equity</b>	19	<b>121,158</b>	<b>215,806</b>	<b>504,583</b>	<b>492,584</b>
<b>LIABILITIES</b>					
Loans and borrowings	20	1,277,257	840,917	304,879	123,719
Lease liabilities	21	8,326	4,451	-	8
Contract liabilities	22	6,746	3,701	-	-
Derivative financial liability	23	14,261	20,600	14,261	20,600
Other non-current liabilities	24	29,654	18,141	-	-
<b>Non-current liabilities</b>		<b>1,336,244</b>	<b>887,810</b>	<b>319,140</b>	<b>144,327</b>
Trade and other payables	25	78,675	33,186	1,493	1,240
Contract liabilities	22	100,169	65,291	-	-
Amounts due to related parties	27	-	-	115	-
Tax liabilities		628	410	360	-
Loans and borrowings	20	85,665	28,045	17,812	-
Lease liabilities	21	431	182	-	-
<b>Current liabilities</b>		<b>265,568</b>	<b>127,114</b>	<b>19,780</b>	<b>1,240</b>
<b>Total liabilities</b>		<b>1,601,812</b>	<b>1,014,924</b>	<b>338,920</b>	<b>145,567</b>
<b>Total equity and liabilities</b>		<b>1,722,970</b>	<b>1,230,730</b>	<b>843,503</b>	<b>638,151</b>

The accompanying notes on pages 11 to 51 form an integral part of these financial statements.

# Cruise Yacht Upper HoldCo Ltd

## Statement of Changes in Equity

For the year ended 31 December 2024

The Group	Notes	Share capital \$,000 USD	Share premium \$,000 USD	Accumulated losses \$,000 USD	Translation reserve \$,000 USD	Total equity \$,000 USD
Balances at 1 January 2023		441	431,963	(181,823)	(82,804)	167,777
Loss for the period		-	-	(86,288)	-	(86,288)
Other comprehensive income		-	-	(727)	18,864	18,137
Total comprehensive income		-	-	(87,015)	18,864	(68,151)
Issue of Class A1 ordinary shares	19	116	116,064	-	-	116,180
<b>Balances at 31 December 2023</b>		<b>557</b>	<b>548,027</b>	<b>(268,838)</b>	<b>(63,940)</b>	<b>215,806</b>
Balances at 1 January 2024		557	548,027	(268,838)	(63,940)	215,806
Loss for the period		-	-	(160,577)	-	(160,577)
Other comprehensive income		-	-	1,290	(16,906)	(15,616)
Total comprehensive income		-	-	(159,287)	(16,906)	(176,193)
Transactions with owners of the Company:						
Issue of Class of ordinary shares	19	86	81,459	-	-	81,545
<b>Balances at 31 December 2024</b>		<b>643</b>	<b>629,486</b>	<b>(428,125)</b>	<b>(80,846)</b>	<b>121,158</b>

The accompanying notes on pages 11 to 51 form an integral part of these financial statements.

# Cruise Yacht Upper HoldCo Ltd

## Statement of Changes in Equity

For the year ended 31 December 2024

The Company	Notes	Share capital \$,000 USD	Share premium \$,000 USD	Accumulated losses \$,000 USD	Translation reserve \$,000 USD	Total equity \$,000 USD
Balances at 1 January 2023		441	435,524	(46,110)	-	215,641
Loss for the period		-	-	(13,451)	-	(13,451)
Total comprehensive income		-	-	(13,451)	-	(13,451)
Issue of Class A1 ordinary shares	19	116	116,064	-	-	116,180
<b>Balances at 31 December 2023</b>		<b>557</b>	<b>551,588</b>	<b>(59,561)</b>	<b>-</b>	<b>318,370</b>
Balances at 1 January 2024		557	551,588	(59,561)	-	492,584
Loss for the period		-	-	(69,546)	-	(69,546)
Total comprehensive income		-	-	(69,546)	-	(69,546)
Issue of Class of ordinary shares	19	86	81,459	-	-	81,545
<b>Balances at 31 December 2024</b>		<b>643</b>	<b>633,047</b>	<b>(129,107)</b>	<b>-</b>	<b>504,583</b>

The accompanying notes on pages 11 to 51 form an integral part of these financial statements.

# Cruise Yacht Upper HoldCo Ltd

## Statement of Cash Flows

For the year ended 31 December 2024

	Notes	GROUP		COMPANY	
		Twelve months ended December		Twelve months ended December	
		2024	2023	2024	2023
		\$,000 USD	\$,000 USD	\$,000 USD	\$,000 USD
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Loss for the year		(160,577)	(86,288)	(69,546)	(13,451)
Adjustments for:					
Derivative financial (assets) / liabilities	23	(11,001)	2,700	(11,001)	2,700
Net foreign exchange differences		14,104	4,670	5,879	2,381
Finance interest	8	80,129	45,457	48,887	21,058
Interests paid	8	(56,379)	(26,432)	(33,548)	(6,730)
Net loss on derivative instruments at fair value through profit or loss	7	530	2,405	-	-
Depreciation and amortisation	10 & 11	40,036	26,932	-	-
Taxation	9	536	415	-	-
Fair value adjustment on warrants	23	(6,339)	(2,700)	(6,339)	(2,700)
Impairment losses	11 & 15	-	7,242	-	-
		(98,961)	(25,600)	(65,668)	3,258
Changes in:					
Accounts receivable	16	(16,952)	(237)	-	-
Prepaid expenses and other receivables	17	(6,164)	(2,018)	(401)	(34)
Amounts due from related parties	26	-	-	(172,564)	(105,051)
Amounts due to related parties	26	-	-	115	(874)
Advance ticket sales	22	37,923	6,560	-	-
Key money	24	11,513	(228)	-	-
Payables and accrued expenses	25	12,366	(3,191)	613	(820)
Inventory	15	(4,220)	2,214	-	-
<b>NET CASH FLOWS (USED IN) / GENERATED FROM OPERATING ACTIVITIES</b>		(64,495)	(22,499)	(237,906)	(103,521)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Additions to property, plant and equipment	10	(347,263)	(364,854)	-	-
Additions to intangible assets	11	(9,143)	(2,704)	19	(19)
Additions to other long term assets	14	(45,630)	(4,196)	1	-
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		(402,036)	(371,754)	20	(19)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Proceeds from the issue of share capital and share premium	19	81,546	116,180	81,546	116,180
Repayment of borrowings	20	(129,522)	-	(122,402)	-
Proceeds from loans, net of transaction costs	20	581,498	274,102	300,000	-
<b>NET CASH FLOWS GENERATED FROM FINANCING ACTIVITIES</b>		533,522	390,282	259,144	116,180
Cash and cash equivalents at beginning of the year		32,261	35,738	15,084	2,171
Net (decrease) / increase in cash and cash equivalents		66,991	(3,971)	21,258	12,641
Effect of exchange fluctuations on cash held		(218)	495	(3)	272
<b>CASH AND CASH EQUIVALENTS AT 31 DECEMBER</b>	18	99,034	32,261	36,339	15,084

The accompanying notes on pages 11 to 51 form an integral part of these financial statements.

The exchange rates between the US Dollar and the Euro used in preparing these financial statements as at 31 December 2024 and 2023 were 1.0386 and 1.1036, respectively. The financial statements on pages 6 to 51 were approved and authorised for issue by the Board of Directors on 29 April 2025.



Thomas Andrew Jaggers  
Director



Lukasz Walkowski  
Director

# Cruise Yacht Upper HoldCo Ltd

## Notes to the Financial Statements

As of and for the Year ended 31 December 2024

### 1. Corporate information

The consolidated financial statements of Cruise Yacht Upper HoldCo Ltd and its subsidiaries ("the Group") for the year ended 31 December 2024 were authorised for issue in accordance with a resolution of the directors on 29 April 2025.

Cruise Yacht Upper HoldCo Ltd ("the Company" or the parent) is a private limited liability company incorporated and domiciled in Malta with registration number C79710. The Company's registered office is as reported at the end of the Directors' Report.

The Group's main business is to build, own and operate luxury cruise yachts. The Company's main business is to invest in subsidiaries that pursue the Group's objectives.

### 2. Basis of preparation

#### 2.1. Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the IASB and as endorsed by the EU and in accordance with the Maltese Companies Act (Cap.386).

#### Financial Results and State of Financial Affairs

During the year under review, the Company reported an operating loss of \$0.07m (2023: loss of \$2.2m) and a loss before tax of \$69.2m (2023: loss of \$13.5m) whilst the Group reported an operating loss of \$71.9m (2023: loss of \$31.9m) and a loss before tax of \$160.0m (2023: \$85.9m). The Group's current liabilities exceed current assets by \$94.8m (2023: \$50.4m) and the Company's current assets exceed current liabilities by \$783.4m (2023: \$591.3m).

During the year ended December 31, 2024, the Group, of which Cruise Yacht Upper HoldCo Ltd is the Parent, registered a total comprehensive loss of \$176.2m that does not include any non-recurring impairment loss (2023: total comprehensive loss of \$68.2m that includes impairment losses of \$ 7.2 m); excluding the said non-recurring item, the Group would have reported a total comprehensive loss of \$61m during the year ended December 31, 2023.

At the end of the year, the Group's consolidated net equity was positive at \$121.2m (2023: \$215.8m).

#### 2.1.1. Going Concern

These consolidated financial statements have been prepared on a going concern basis, which assumes that the Group and the Company will continue to operate in the foreseeable future.

#### Commitments & Financing agreements

- **Main commitments at the end of 2024**

In March 2022, the Group entered into an agreement for the construction of two Next Gen vessels (MV Ilma and MV Luminara) by Chantiers de l'Atlantique (France). MV Ilma was delivered in July 2024; while MV Luminara is still under construction at the end of 2024 with delivery planned for June 2025.

# Cruise Yacht Upper HoldCo Ltd

## Notes to the Financial Statements

As of and for the Year ended 31 December 2024

### **2.1.1. Going Concern – continued**

- **Financing and cash injections**

At the end of 2024, the total capital expenditure expected to be incurred for the construction of the 3 superyachts (MV Evrima, MV Ilma and MV Luminara) amounts to \$1,700m, of which \$1,565m has already been incurred as of 31 December 2024.

In order to finance the above commitments and the group operations, the group plans to subscribe to financing agreements (approx \$1,564m) and raise capital injections (approx \$1,130m), that shareholders plan to make available to the Group in the form of equity capital contribution.

The Group has been able to secure facilities of approximately \$1,564m through financing institutions as credit lines. As at the end of December 2024, \$300m from a Nordic bond was drawn down, \$318m from a Syndicated term loan facility and \$748m from the ECA credit facility. After the year end, a further \$36m was drawn down from the ECA credit facility as at April 2025.

In terms of capital injections, ca. \$630m was injected by shareholders at the end of 2024 and an additional amount of ca. \$63m was injected after the year end as at April 2025.

- **Liquidity and business plan**

#### **Geopolitical context**

In 2025, custom duties decisions taken by the US government already have a significant impact on the worldwide economy. At the date of this report, it is nevertheless currently impossible to assess the magnitude and include the effects, if any, of those decisions on the BP which sustains the going concern of the Group.

With regards to the impact of the post pandemic environment and Russia-Ukraine conflict, the luxury travel and cruise sector has shown great capacity for recovery in the post-pandemic period with return of occupancy rate levels and revenue in line with the results achieved in the pre-pandemic period.

The post pandemic environment is showing significant increases in the cost of materials and energy. The Company and the Group have no control on these factors and there is no certainty about the ability of operators to recharge future increases of costs to customers.

In relation to the development of the Russian-Ukrainian conflict, direct and indirect consequences of the war may impact entities, for instance, as a result of exposure to fluctuations in commodity prices and foreign exchange rates, as well as the possibility of a protracted economic downturn. The management assessment is that as the war continues and new sanctions are introduced the overall impact remains fluid and will not affect the Group's business and operations. This conclusion is supported by the successful start of operations of the vessels Evrima and Ilma.

The potential development of new areas of conflicts in the world should not affect the business, as assets could be easily repositioned on other routes should it be necessary.



# Cruise Yacht Upper HoldCo Ltd

## Notes to the Financial Statements

As of and for the Year ended 31 December 2024

### **2.1.1. Going Concern - continued**

#### **Business plan**

Since the Group and the Company are still in their start-up phase, the availability of financial resources to complete the construction of MV Luminara and to support Evrima and Ilma's operations until the achievement of a break-even position, is regularly assessed by the Directors. The Directors have prepared and approved the revised Group business plan for the years 2025-2030 on 26 March 2025 to reflect the impact of historical experience with regards to underachievement of preceeding business plan.

The above is therefore based on these main assumptions:

- Availability of financial resources to cover the planned capital expenditure, as reported in the previous section "MV Evrima and MV Ilma operations and new commissioning of the MV Luminara vessel" by obtaining additional capital from the shareholders and the use of ECA credit lines already committed by financing institutions.
- Ramp up of occupancy rates throughout the period 2025-2028, to reach standard average occupancy levels for luxury cruises (90%) as of 2029. Prices are maintained in line with the current performance.
- Expanded itineraries (Northern Europe and Asia-Pacific)
- Bunker prices are assumed to be constant other than growth due to assumed inflation.
- Interest rates are assumed to be as contractually agreed, plus a variable component estimated based on current forward curves.
- Final delivery of MV Luminara and start of cruise operations in June 2025. This increased capacity is expected to drive significant revenue growth.

The two following qualitative factors have to been taken into account when preparing the business plan:

- The successful delivery of the new vessel Ilma in July 2024, and the delivery of Luminara is on track, expected as planned in June 2025.
- Guest satisfaction is increasing voyage after voyage with scores now reaching 75 – 80% for both vessels.

The business plan approved by the BoD shows that the Group will report a loss position for the years 2025-2027 and will be profitable in 2028 with positive cash flows as of 2026, as a result of advance deposits to enable the repayment of the financial debts.

The Directors believe that the business plan assumptions are reasonable. Although, they remain confident that the revised business plan will be achieved at the same time anticipating that unpredictable shortfalls in cash generation, if any, will be compensated by the financial support provided by the shareholders.

At the date of approval of these financial statements, according to the revised business plan, to be able to continue as a going concern until 30 June 2026, the Group estimates that additional funding of 312m\$ is required from shareholders. Beyond that date, an additional funding of \$127m will be necessary according to the revised business plan. The Company and the Group are funded through capital investment from various shareholders. Without further funding from the shareholders, the Company and the Group will not be able to meet their liabilities as they fall due within twelve months following the date of these financial statements.

# Cruise Yacht Upper HoldCo Ltd

## Notes to the Financial Statements

As of and for the Year ended 31 December 2024

### **2.1.1. Going Concern - continued**

It is the clear intention of the shareholders to continue to fund the group for a period until at least June 30, 2026. However, the shareholders have not provided contractually binding commitments to do so.

### **Conclusion**

The Directors consider that it is reasonable to prepare the financial statements on a going concern basis, as the Company and the Group have sought and received written confirmation from the shareholders of their intention to continue to support the Company and the Group.

At the same time, they acknowledge that the absence of contractual binding support represents a material uncertainty that may cast significant doubt about the Company's and the Group's ability to continue as a going concern. The Company and the Group, since the beginning of the business, are reliant on funding from the shareholders in order to continue as a going concern. The financial statements do not include the adjustments that would be necessary if the Company and the Group were unable to continue as a going concern.

## **2.2. Basis of measurement**

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities (including derivative instruments) and certain classes of property, plant and equipment – measured at fair value or impaired amount.

## **2.3. Functional and presentation currency**

These consolidated financial statements are presented in United States Dollar ("\$"), which is the currency of the primary economic environment in which the Group operates ("the Group's functional currency"). All amounts have been disclosed in thousands and rounded to the nearest thousand, unless otherwise indicated.

## **2.4. Basis of consolidation**

### **2.4.1. Business combinations**

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. Consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on bargain purchase is recognised in the statement of profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issuance of debt or equity securities.

Consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in the statement of profit or loss.

### **2.4.2. Subsidiaries**

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

# Cruise Yacht Upper HoldCo Ltd

## Notes to the Financial Statements

As of and for the Year ended 31 December 2024

### 2.4.3. Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in the statement of profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

### 2.4.4. Transactions eliminated on consolidation

Intra-group balances and transactions are eliminated in preparing the consolidated financial statements.

### 2.4.5. Translation of foreign subsidiaries

Functional currencies of subsidiaries comprise the Euro (EUR) and United States Dollars (USD). The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet
- income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale. Fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities and translated at the closing rate.

## 2.5. Foreign currency transactions

Transactions denominated in foreign currencies are converted into the functional currency at exchange rates prevailing when they first qualify for recognition (generally, on the transactions' dates).

As to assets and liabilities existing at the reporting date:

- monetary assets and liabilities denominated in foreign currencies existing at the reporting date are translated at year-end exchange rates;
- non-monetary assets and liabilities that are measured at fair value in foreign currencies are translated at the exchange rate prevailing when the fair value was determined;
- non-monetary assets and liabilities that are measured at historical cost in foreign currencies are translated at the exchange rate prevailing at the transaction's date.

Any exchange differences arising on the settlement of monetary assets and liabilities, or on translating foreign currency denominated monetary assets and liabilities at the reporting date are recognised in profit or loss.

# Cruise Yacht Upper HoldCo Ltd

## Notes to the Financial Statements

As of and for the Year ended 31 December 2024

### 2.6. Basis of financial statements

#### New and amended standards

The Group has applied several amendments that became effective for annual reporting periods beginning on or after 1 January 2024, but do not have a material impact on the consolidated financial statements:

- Amendments to IAS 1 - "Classification of Liabilities as Current or Non-current and Non-current liabilities with covenants": The amendments made to IAS 1 Presentation of Financial Statements clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity's expectations or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). Covenants of loan arrangements will not affect classification of a liability as current or non-current at the reporting date if the entity must only comply with the covenants after the reporting date. However, if the entity must comply with a covenant either before or at the reporting date, this will affect the classification as current or non-current even if the covenant is only tested for compliance after the reporting date.
- Amendments to IFRS 16 – "Lease Liability in a Sale and Leaseback"; These amendments to IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognize any amount of the gain or loss that relates to the right of use it retains.
- Amendments to IAS 1 – Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants: The amendments made to IAS 1 Presentation of Financial Statements clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity's.

#### Impact of standards issued but not yet applied by the Group

In April 2024, the IASB issued a new Standard, IFRS 18, Presentation and Disclosure in Financial statements, which replaces IAS 1, Presentation of Financial Statements. The new Standard carries forward many requirements from IAS 1 unchanged. IFRS 18 is the culmination of the IASB's Primary Financial Statements project and introduces three sets of new requirements to improve companies' reporting of financial performance and give investors a better basis for analysing and comparing companies:

- improved comparability in the statement of profit or loss (income statement);
- enhanced transparency of management-defined performance measures;
- more useful grouping of information in the financial statements.

IFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted.

#### New standard IFRS 19, Subsidiaries without Public Accountability: Disclosures

IFRS 19 specifies the disclosure requirements an eligible subsidiary is permitted to apply instead of the disclosure requirements in other IFRS Accounting Standards (applicable for annual periods beginning on or after 1 January 2027 - Not yet indorsed for the use in the EU).

Amendment to IAS 21, Lack of Exchangeability, the amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not (applicable for annual periods beginning on or after 1 January 2025).

# Cruise Yacht Upper HoldCo Ltd

## Notes to the Financial Statements

As of and for the Year ended 31 December 2024

### ***Impact of standards issued but not yet applied by the Group - continued***

Amendments of IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments. The amendments address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9 Financial Instruments (applicable for annual periods beginning on or after 1 January 2026 – Not yet indorsed for the use in the EU).

Annual Improvements to IFRS Accounting Standards — The pronouncement comprises the following amendments: IFRS 1: Hedge accounting by a first-time adopter ; IFRS 7: Gain or loss on derecognition ; IFRS 7: Disclosure of deferred difference between fair value and transaction price ; IFRS 7: Introduction and credit risk disclosures ; IFRS 9: Lessee derecognition of lease liabilities ; IFRS 9: Transaction price ; IFRS 10: Determination of a 'de facto agent' ; IAS 7: Cost method. (applicable for annual periods beginning on or after 1 January 2026 - Not yet indorsed for the use in the EU).

The Group is currently assessing the impact on the new standards, amendments on the consolidated financial statements.

## **2.7. Use of estimates and judgements**

The preparation of the Group's financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Information about assumptions and estimation uncertainties at 31 December 2024 that have a significant risk of resulting in a material adjustment to the carrying amounts of recognised assets and liabilities is included in the following notes:

- Note 2.1 – *Basis of preparation*: estimates and assumptions supporting the going concern assessment underlying the preparation of the consolidated financial statements;
- Note 3.1.6 - *Derivative financial assets and liabilities*: Derivative financial instruments such as warrants and the embedded derivative included in the Nordic bonds are estimated through external independent valuation specialists.
- Note 3.10 – *Taxes*: Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies;
- Note 3.3 – *Property, Plant and equipment*: useful life and residual value estimates and judgment when estimating the period between drydocks;

# Cruise Yacht Upper HoldCo Ltd

## Notes to the Financial Statements

As of and for the Year ended 31 December 2024

### 2.7. Use of estimates and judgements - continued

- Note 3.3 – *Property, Plant and equipment*: fair value estimation in order to evaluate the existence of impairment losses on the fixed assets or to evaluate going concern. The Group estimates the fair value using a discounted cash flow model and market-based valuations through independent valuation specialists;
- Note 3.4 – *Intangible assets*: useful life estimates when estimating the period of the assets will be in use.
- Note 26.7 – *Commitments, contingencies and guarantees*: recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

## 3. Material accounting policies

The material accounting policies set out below have been applied consistently to all periods presented in these financial statements.

### 3.1. Financial instruments

The Group classifies non-derivative financial assets and financial liabilities as measured at amortised cost. A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### 3.1.1. Recognition and initial measurement

The Group initially recognises trade and other receivables at the origination date. All other financial assets and financial liabilities are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at Fair Value through Profit or Loss, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

#### 3.1.2. Financial assets – classification and subsequent measurement

The Group classifies its financial assets, comprising cash and cash equivalents and trade and other receivables, as measured at amortised cost. A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, these assets are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

# Cruise Yacht Upper HoldCo Ltd

## Notes to the Financial Statements

As of and for the Year ended 31 December 2024

### **3.1.2. Financial assets – classification and subsequent measurement - continued**

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost, trade receivables and contract assets, as well as on financial guaranteed contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

### **3.1.3. Financial liabilities – Classification, subsequent measurement and gains and losses**

Non-derivative financial liabilities include accrued expenses, trade and other payables and loans and borrowings. Any such financial liability is initially measured at fair value plus, in case of an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue.

Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial liabilities, in which case all affected financial liabilities are reclassified on the first day of the first reporting period following the change in business model.

### **3.1.4. Derecognition**

The Group derecognises a financial asset when (i) the contractual rights to the cash flows from the asset expire, (ii) it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or (iii) it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognised financial assets that is created or retained by the Group is recognised as a separate asset or liability.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid is recognised in profit or loss.

### **3.1.5. Offsetting**

Financial assets and financial liabilities are offset, and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

# Cruise Yacht Upper HoldCo Ltd

## Notes to the Financial Statements

As of and for the Year ended 31 December 2024

### 3.1.6. Derivative financial assets & liabilities

Derivative financial instruments (assets and liabilities) at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss. These include derivative assets which are currency swaps that the Group uses to hedge its exposure to foreign exchange rate arising from investment activities, and that are not accounted for under hedge accounting, the embedded derivative included in the Nordic bonds and derivative liabilities (warrants).

## 3.2. Net equity

Net Equity represents the residual interest in the Group's assets, after deducting its liabilities.

### 3.2.1. Share capital

Share capital represents the par value of amounts paid in when the Company's ordinary shares are issued. Incremental costs directly attributable to the issuance of ordinary shares are recognised as a deduction from equity. Dividends to ordinary shareholders are debited directly to equity and are recognised as liabilities in the period in which they are declared.

### 3.2.2. Shareholders' contribution

Contributions effected by the Company's and the Group's shareholders for which settlement is neither planned nor likely to occur in the foreseeable future, for which no interest is levied by the shareholders and that are not subject to any restrictions or the fulfilment of any conditions on the part of the Group are treated as equity rather than liabilities. Costs directly attributable to additional contributions by the Company's and the Group's shareholders are recognised as a deduction from the shareholders' contributions reserve.

### 3.2.3. Accumulated losses

Accumulated losses represent the cumulative residual amount of all undistributed earnings and uncovered losses since inception.

## 3.3. Property, Plant and equipment

### 3.3.1. Recognition and measurement

Items of plant and equipment that meet the Group's capital expenditure policy are measured at cost, less accumulated depreciation and any accumulated impairment losses. Cost includes expenditures directly attributable to the acquisition of the assets and to bringing them to a working condition intended for their use, including borrowing costs directly attributable to the acquisition, construction or production (in case of a qualifying asset).

Ships under construction include milestone payments for the construction of new ships, capitalised interests and borrowing costs, construction oversight costs and various owner supplied items. These amounts are not depreciated.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of plant and equipment.



# Cruise Yacht Upper HoldCo Ltd

## Notes to the Financial Statements

As of and for the Year ended 31 December 2024

### 3.3.1. Recognition and measurement - continued

Any gain or loss on disposal of an item of property, plant and equipment is recognised in the statement of profit or loss. Maintenance and repairs are expensed as incurred.

### 3.3.2. Subsequent expenditure

Expenditures on an asset incurred after its first capitalisation are themselves capitalised only if it is probable that the future economic benefits associated with the expenditures will flow to the Group (typically, in terms of higher revenue-earning capacity or better cost saving qualities). All other subsequent costs for repairs and maintenance are expensed in the statement of profit or loss as incurred.

### 3.3.3. Depreciation

We have estimated our ship's useful life at 30 years and residual value at 15% of all major components' cost, according to the market benchmark. Our ship's useful life and residual value estimates take into consideration the estimated weighted-average useful lives of the ships' major component systems, such as hull, superstructure, main electric, engines and cabins. We also take into consideration the impact of technological changes, historical useful lives of similarly built ships, long-term cruise and vacation market conditions and regulatory changes, including those related to the environment and climate change. We determine the residual value of our ships based on our long-term estimates of their resale value at the end of their useful life to us but before the end of their physical and economic lives to others, historical resale values of other cruise ships as well as our expectations of the long-term viability of the secondary cruise ship market.

Depreciation is computed using the straight-line method over the estimated useful life of the asset net of the 15% projected residual value and is presented as an offset to the original fixed assets' book value, resulting in a decreased net book value at year-end. Significant components of individual fixed assets are assessed and if a component has a useful life that is different from the remainder of that fixed asset, that component is depreciated separately. Depreciation commences when the fixed asset is available for its intended use.

The estimated useful lives for the Group's capital assets which are currently available for use are:

▪ Vessel construction	30 years
▪ Vessel improvements	3 -30 years
▪ Dry-dock costs	2-5 years
▪ Leasehold improvements	10 years
▪ Right-of-use asset	7 – 10 years
▪ Computer equipment	3 – 4 years
▪ Technical installations and machinery	5 – 10 years
▪ Other installations, equipment and furniture	5 – 10 years
▪ Other property, plant and equipment	5 – 8 years

Dry-dock costs primarily represent planned major ship repairs and maintenance activities which are incurred during the time the ship is taken out of service. We use the deferral method to account for drydocking costs. Under the deferral method, drydocking costs incurred are deferred and charged to expense on a straight-line basis over the period to the next scheduled drydock, which we estimate to be a period of thirty to sixty months.

# Cruise Yacht Upper HoldCo Ltd

## Notes to the Financial Statements

As of and for the Year ended 31 December 2024

### 3.3.3. Depreciation - continued

As the Group continues to grow its capital asset portfolio and expand capital asset categories, useful lives and residual values of assets are reviewed on a yearly basis (at financial year-end), if expectations differ from previous estimates, the changes are accounted for as a change in accounting estimate in accordance with IAS 8. At financial year-end, the director assesses whether there is any indication that an impairment could exist.

## 3.4. Intangible assets

### 3.4.1. Recognition and measurement

Intangible assets include the website, computer software and other operating systems that are acquired by the Group and have finite useful lives. Intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

Intangible assets also include project development costs in relation to future projects when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale;
- Its intention to complete and its ability and intention to use or sell the asset;
- How the asset will generate future economic benefits;
- The availability of resources to complete the asset;
- The ability to measure reliably the expenditure during development.

Project development costs are measured at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete, and the asset is available for use. It is amortised over the period of expected future benefit. During the period of development, the asset is tested for impairment annually.

A summary of the policies applied to the Group's intangible assets is, as follows:

	Useful lives	Amortisation method used	Internally generated or Acquired
Websites	Finite 5 years	Amortised on a straight-line basis over the period of expected future sales from the related project	Acquired
Computer software	Finite 3 years	Amortised on a straight-line basis over the licence period	Acquired
Other operating systems	Finite 5 years	Amortised on a straight-line basis over the licence period	Acquired
Development costs	Finite 5 years	Amortised on a straight-line basis over the period of expected future sales from the related project	Internally generated

# Cruise Yacht Upper HoldCo Ltd

## Notes to the Financial Statements

As of and for the Year ended 31 December 2024

### 3.5. Impairment

#### 3.5.1. Non-derivative financial assets

At each reporting date, the Group reviews the carrying amounts of its non-derivative financial assets to determine whether there is any indication of impairment. Particularly, it assesses whether financial assets presented at amortised cost are credit impaired. A financial asset is "credit impaired" when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Particularly, the Group considers a financial asset to be credit-impaired when the borrower is unlikely to settle its obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held).

The Group recognises loss allowances for Expected Credit Losses ("ECLs") on credit-impaired financial assets measured at amortised cost. ECLs are a probability weighted estimate of credit losses, measured as the present value of all cash shortfalls (i.e. the difference between the cash flows owed to the Company in application of the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset. As far as the time-horizon, the Group measures loss allowances at an amount equal to lifetime ECLs (ECLs that result from all possible default events over the expected life of a financial instrument), except for bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition, which are measured at 12-month ECLs.

Loss allowances for ECLs are recognised in the statement of profit and loss and presented as a deduction from the gross carrying amount of the credit-impaired financial asset, which is thus presented on a net basis. The gross carrying amount of a financial asset is instead written off when the Group has no reasonable expectations of receiving owed benefits from the financial asset, in their entirety or a portion thereof.

Interest on the impaired asset continues to be recognised. When an event occurring after the impairment was recognised causes the amount of impairment loss to decrease, the previously recognised impairment loss is reversed through the statement of profit or loss.

#### 3.5.2. Non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit ("CGU") is the higher of its fair value less costs to sell or its value in use.

Fair value less costs to sell ("FVLCS") refers to an amount obtainable from the sale of the asset or CGU in an arm's length transaction between knowledgeable, willing parties, less the costs associated with its disposal. Value in use is based on the estimated future cash flows from the asset or CGU, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. We treat each ship as a CGU.

# Cruise Yacht Upper HoldCo Ltd

## Notes to the Financial Statements

As of and for the Year ended 31 December 2024

### **3.5.2. Non-financial assets - continued**

When the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised in the statement of profit or loss and the carrying amount of the asset is reduced to its recoverable amount.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if (and to the extent that) there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the reinstated asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment losses been recognised.

### **3.6. Investments in subsidiaries**

Investments in subsidiaries are shown in the Company's separate statement of financial position at cost less any accumulated impairment losses. They are eliminated in the consolidated statement of financial position.

### **3.7. Revenues**

Most of the Group's revenues are derived from cruise contracts which are reported within Cruise ticket revenues in the consolidated statement of comprehensive income.

The Group's performance obligation under these contracts is to provide a cruise vacation in exchange for the ticket price.

The Group satisfies this performance obligation over the duration of each cruise and recognises revenue relating to the sale of cruise voyages in profit or loss in proportion to the state of completion of the cruise voyage, which is assessed by reference to the number of days completed as a proportion of total voyage days.

The Group offers to its guests, different cruise fare options. Cruise ticket prices generally include cruise fare and a broad array of onboard activities and amenities, as well as meals and entertainment.

Cruise revenues also include certain port fees, air and land transportation to and from the ship that guests choose to purchase from the Group, cancellation fees and sales of travel insurance.

Revenue from onboard sales of goods and/or services is recognised when control is transferred to the customers, that is when the customer benefits from the service. This includes the following:

- Food, Beverage & Tobacco sales
- Internet and communication services
- Full service spas
- Shore excursions
- Specialty restaurants
- Retail sales
- Art sales
- Laundry and dry-cleaning services

These goods and services are provided either directly by us or by independent concessionaires, from which we receive a percentage of their revenues.

# Cruise Yacht Upper HoldCo Ltd

## Notes to the Financial Statements

As of and for the Year ended 31 December 2024

### 3.7. Revenues - continued

In 2024, we earned 7% of our cruise revenues from onboard and other revenue goods and services (2023: 8%).

There is no loyalty points program; however, through royalty and license agreements with the Marriott Group and its affiliates, the guests can collect Marriott Bonvoy points from our cruises and may redeem their Marriott Bonvoy points with the Group. Redeemed points are deemed immaterial to the Group.

Upfront deposits represent unearned revenues from advance ticket sales for future voyages and are initially recorded as contract liabilities (please see below).

#### 3.7.1. Customer deposits and contract liabilities

The Group's payment terms require an upfront deposit of 25% to confirm a reservation, with the balance due prior to the cruise. Upfront deposits are initially recorded within contract liabilities when the right to the collection of the deposit arises. contract liabilities are to be subsequently recognized as revenues together with all associated direct costs and expenses over the voyage period.

Deposits are generally cancellable and refundable prior to sailing, but may be subject to penalties, depending on the timing of cancellation. Cancellation fees are to be recognised in Cruise tickets revenue.

#### 3.7.2. Contract receivables

The Group requires full payment from customers 150 days prior to their cruise. The Group has receivables from credit card merchants for cruise ticket purchases and goods and services sold to guests during cruises that are collected before, during or after the cruise voyage that are yet to be credited to the Group's bank account. These receivables are included within accounts receivable.

#### 3.7.3. Contract assets

Prepaid travel agent commissions are an incremental cost of obtaining contracts with customers that the Group recognises as an asset and includes within prepaid expenses and other current assets in the consolidated statement of financial position.

Prepaid travel agent commissions, as well as costs of air tickets, port taxes and fees that fulfil future performance obligations, are considered recoverable and are initially recorded as assets and then recognised in profit or loss evenly over the voyage sailing dates, concurrent with associated revenue.

#### 3.7.4. Key Money

The Group entered into a series of agreements with The Ritz-Carlton Hotel Company, L.L.C. (the "Hotel Partner") whereby the Group obtained the right to use the Hotel Partner's licensed trademarks in consideration for royalty payments. If the Group terminates this series of agreements prior to their fixed term, the Group has the obligation to return a portion of the Key Money pro-rata to the time still remaining in the fixed term.

Key Money is amortised in the statement of profit or loss as a reduction in Ritz-Carlton royalties and fees over the duration of the contract.

# Cruise Yacht Upper HoldCo Ltd

## Notes to the Financial Statements

As of and for the Year ended 31 December 2024

### 3.8. Employee benefits

#### 3.8.1. Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be reliably estimated.

#### 3.8.2. Defined contribution plans

As of 31 December 2024 and 31 December 2023, the Group has considered its obligations to be immaterial and therefore did not recognize any costs in the statement of profit or loss.

### 3.9. Finance income and expenses

The Group's finance income and expenses comprise realised and unrealised foreign exchange gains and losses on financial assets and financial liabilities (specific detail on foreign currency transactions is provided hereinafter). Finance expenses also include the interest unwinding of the lease liability using the effective interest method, expensed with the passing of time, as well as interest on bank loans.

Interest income or expense is recognised using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to (i) the gross carrying amount of the financial asset, or (ii) the amortised cost of the financial liability (bank loans and borrowings, leases,...).

### 3.10. Taxes

Current and deferred taxes are charged or credited to profit or loss, except when they relate to items charged or credited directly to equity, in which case the deferred tax is also dealt with in other comprehensive income or in equity, as appropriate.

Current taxes, which represent the amount of income taxes the Group expects to pay out, are based on taxable income for the year, which may differ from pre-tax income / (loss) as reported in the income statement. They are calculated using tax rates that have been enacted or substantively enacted by the end of the financial period in the countries where the Group operates.

Current tax assets and liabilities are offset when the Company has a legally enforceable right to offset the recognised amounts and intends to settle either on a net basis or simultaneously.

Companies subject to the Spain and Malta tonnage tax regime pay a corporate tax on a notional profit determined with reference to the net tonnage of qualifying ships. The requirements for a company to qualify for the Spain and Malta tonnage tax regime include, among other matters, being subject to Spain or Malta corporate income tax, operating qualifying ships that are strategically and commercially managed in Spain and Malta and fulfilling a seafarer training requirement to which Spain tonnage tax and Malta companies are subject.

# Cruise Yacht Upper HoldCo Ltd

## Notes to the Financial Statements

As of and for the Year ended 31 December 2024

### 3.10. Taxes - continued

Deferred taxes are calculated on temporary differences between the carrying value of recognised assets and liabilities and their corresponding tax base. Deferred tax liabilities are generally recognised as calculated whereas deferred tax assets are recognised to the extent that it is probable that taxable income will be available to offset them in the future years when the underlying temporary differences are expected to reverse. They are calculated at the tax rates that are expected to apply in said future years, based on tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to offset its current tax assets and liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend to settle current tax assets and liabilities either on a net basis or simultaneously, in each future period when significant amounts temporary differences are expected to reverse.

### 3.11. Determination of fair values

The Group measures financial instruments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability
- The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

# Cruise Yacht Upper HoldCo Ltd

## Notes to the Financial Statements

As of and for the Year ended 31 December 2024

### **3.11. Determination of fair values - continued**

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group's Management determines the policies and procedures for both recurring fair value measurement and for non-recurring measurement.

External valuers are involved for valuation of significant assets such as ships, bonds and significant liabilities, such as warrants. Involvement of external valuers is determined annually by Management and selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Management decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies. For this analysis, Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents. They also compare the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

When applicable, further information about the assumptions made in determining fair value is disclosed in the notes specific to that asset or liability.

### **3.12. Cash and cash equivalents**

Cash and cash equivalents in the statement of financial position comprise cash at banks and on hand. For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management. Credit card processors receivables, net of processing fees, not yet credited to the bank accounts at the reporting date are considered as cash equivalents if they are expected to be credited within one week after the reporting date.

### **3.13. Provisions**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.



# Cruise Yacht Upper HoldCo Ltd

## Notes to the Financial Statements

As of and for the Year ended 31 December 2024

### 3.14. Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Group classifies all other liabilities as non-current.

## 4. Group Operations

The Group does business in a single operational sector: the operation of luxury yacht cruises under the Ritz-Carlton Yacht Collection brand. Our President & Chief Financial Officer has been identified as the chief operating decision-maker and all significant operating decisions including the allocation of resources are based upon the analyses of the Group as one segment.

# Cruise Yacht Upper HoldCo Ltd

## Notes to the Financial Statements

As of and for the Year ended 31 December 2024

### 5. Revenues

#### 5.1. Disaggregated revenue information

	GROUP	
	Twelve months ended December 31,	
	2024	2023
	\$,000 USD	\$,000 USD
Cruise ticket revenues	182,488	129,279
Onboard revenue	13,980	10,436
Other revenue	715	123
<b>Total revenue</b>	<b>197,183</b>	<b>139,839</b>

	GROUP	
	Twelve months ended December 31,	
	2024	2023
	\$,000 USD	\$,000 USD
Miami Reservations	158,765	108,595
Malta Reservations	23,723	20,685
<b>Cruise ticket revenues by geographical market</b>	<b>182,488</b>	<b>129,279</b>

### 6. Cost of sales and selling and administrative expenses

#### 6.1. Cost of sales

	GROUP		COMPANY	
	Twelve months ended December 31,		Twelve months ended December 31,	
	2024	2023	2024	2023
	\$,000 USD	\$,000 USD	\$,000 USD	\$,000 USD
Personnel and related expenses	29,821	17,968	-	-
Commission, transportation & other related costs	54,621	42,559	-	-
Fuel	9,489	7,510	-	-
Ship maintenance	5,623	7,306	-	-
IT Services	4,752	2,830	-	-
Ship depreciation	37,624	25,244	-	-
Food and beverages	1,826	1,233	-	-
Other operating costs	12,567	7,317	3	382
	<b>156,325</b>	<b>111,966</b>	<b>3</b>	<b>382</b>

Commission, transportation & other related costs mainly comprise commissions for cruise bookings, ports costs and food and beverages included within the ticket price.

Other operating costs include marine insurance, Ritz-Carlton royalties and fees and other vessel running expenses. Ritz-Carlton royalties and fees are considered directly attributable to sales considering how the Group benefits from the Ritz-Carlton brand and the BonVoy program to generate revenue.

# Cruise Yacht Upper HoldCo Ltd

## Notes to the Financial Statements

As of and for the Year ended 31 December 2024

### 6.2. Selling and administrative expenses

	GROUP		COMPANY	
	Twelve months ended December 31,		Twelve months ended December 31.	
	2024	2023	2024	2023
	\$,000 USD	\$,000 USD	\$,000 USD	\$,000 USD
Personnel and related expenses	42,994	30,472	-	-
Professional consultants	3,653	4,414	1,090	1,207
Marketing expenses	54,305	9,116	-	-
Information technology expenses	6,054	2,991	-	-
Depreciation	2,412	1,183	-	-
Other general	3,305	1,989	873	1,281
Intercompany revenues	-	-	(1,983)	(311)
Intercompany expenses	-	-	257	2
	<b>112,723</b>	<b>50,165</b>	<b>237</b>	<b>2,179</b>

Intercompany revenues is made of costs recharged to other group companies

#### 6.2.1. Personnel expenses

Total personnel expenses, included in cost of sales and selling and administrative expenses amounted to \$72.8m (2023: \$48.4m) and entirely relate to short term employment benefits.

The average number of employees of the Group was 1080 (2023: 614) including 789 crew members (2023: 408) during the year ended 31 December 2024. The increase during the year is mainly due to the launch of Ilma.

Staff costs relating to employees working on the construction of vessels are being capitalised during the construction process. Capitalised personnel costs comprise \$4.0m and \$2.9m for the years ended 31 December 2024 and 2023, respectively.

#### 6.2.2. Audit expenses

During the year ended 31 December 2024, the Group's auditors charged USD 424k (exclusive of VAT) to the Group (2023: USD 331k) for auditing services rendered. These are presented above among "Professional consultants."

### 7. Other operating income and other operating expenses

	GROUP	
	Twelve months ended December 31,	
	2024	2023
	\$,000 USD	\$,000 USD
Gains on disposal of assets	-	16
Other (*)	589	-
<b>Total other operating income</b>	<b>589</b>	<b>16</b>
Fair value loss on derivative financial asset	605	2,405
Other	-	(20)
<b>Total other operating expenses</b>	<b>605</b>	<b>2,385</b>

(\*) Primarily related to non-cruise items, mainly refunds from insurance.

# Cruise Yacht Upper HoldCo Ltd

## Notes to the Financial Statements

As of and for the Year ended 31 December 2024

### 7. Other operating income and other operating expenses - continued

The Group entered into currency swap agreements in April 2022 for the construction of the Next-Gen vessels. As the Group does not apply hedge accounting, the fair value gains and losses are recorded in the financial result and the financial asset is presented under the line item "Derivative financial asset" in the statement of financial position. As at 31 December 2024, the Group recorded a fair value loss of \$0.5m (2023: \$2.4m).

### 8. Finance income and finance expenses

	GROUP		COMPANY	
	Twelve months ended December 31,		Twelve months ended December 31,	
	2024	2023	2024	2023
	\$,000 USD	\$,000 USD	\$,000 USD	\$,000 USD
Interest expense	(80,129)	(45,457)	(48,887)	(21,058)
Interest income	-	-	-	1,043
Fair value (loss) / gain on warrants	6,650	(2,700)	6,650	(2,700)
Foreign exchange (losses) / gains	(14,682)	(5,812)	(26,880)	11,447
<b>Net finance expense</b>	<b>(88,161)</b>	<b>(53,969)</b>	<b>(69,117)</b>	<b>(11,268)</b>

The amount of borrowing costs capitalised during the year ended 31 December 2024 was USD 21.9m (2023: USD 16.9m) which results in a weighted average capitalised interest rate of 4.3% (2023: 4.3%).

Interest expense increased in 2024 mainly due to Cacib loan interests recognized in the profit and loss after Ilma's delivery and the anticipated repayment of the Pik Toogle note.

Fair value (loss) / gain on warrants, please see note 23 Derivative financial liability

Please see the "Exposure to Currency Risk" paragraph for detail on balances denominated in foreign currencies, including a sensitivity analysis.

### 9. Taxation

#### 9.1. Tax situation

The Group derives its income/(loss) from the international operation of ships and is subject to corporate income taxes in countries where the Group has operations and subsidiaries.

Certain Group entities involved in ship management and ship-owning activities have elected to enter into the Spain and Malta tonnage tax regimes.

Group entities which are involved in the sale of cruises, marketing activities or in the provision of ship-related activities are subject to the taxation applicable in the specific country in which they operate.

Since the Group has operations in various countries that have different tax laws and rates, the effective tax rate on the consolidated statement of income may vary from year to year.

# Cruise Yacht Upper HoldCo Ltd

## Notes to the Financial Statements

As of and for the Year ended 31 December 2024

### 9.1. Tax situation - continued

Reconciliation of statutory and effective tax rates is as follows

	GROUP		COMPANY	
	Twelve months ended December 31,		Twelve months ended December 31,	
	2024	2023	2024	2023
	\$,000 USD	\$,000 USD	\$,000 USD	\$,000 USD
Group net income (loss) AFTER taxes per package	(160,577)	(86,288)	(69,546)	(13,451)
Current Income Tax per Package	536	415	360	0
Group net income (loss) BEFORE taxes per package	(160,041)	(85,872)	(69,186)	(13,451)
Income tax calculated at Corporate tax rate (Malta tax rate of 35%)	56,014	30,055	24,215	4,708
Effect of different tax rates in foreign countries	2,484	4,183	0	0
	35.00%	35.00%	35.00%	35.00%
Theoretical subsidiary income tax provision	58,498	34,238	24,215	4,708
Disallowed expenses according to Malta legislation	(104,242)	(47,728)	(17,071)	(7,769)
Effect of the difference between current income tax and tonnage tax applicable to some companies within the Group	72,799	30,863	0	0
Effect of unrecognized (tax assets) / tax liability	(27,286)	(18,042)	(7,144)	3,061
Other adjustment	(305)	253	(360)	0
Calculated Income Tax (current and deferred)	(536)	(415)	(360)	0
Current Income tax (expense) / profit for the year	(536)	(415)	(360)	0
Deferred Income tax (expense) / profit for the year	0	0	0	0
Calculated Income Tax (current and deferred)	(536)	(415)	(360)	0

The Group has tax losses of \$66.1m (2023: \$66.2m) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose.

Deferred tax assets have not been recognised in respect of these losses as they may not be used to offset taxable profits elsewhere in the Group, they have arisen in subsidiaries that have been loss-making for some time, and there are no other tax planning opportunities or other evidence of recoverability in the near future.

If the Group was able to recognise all unrecognised deferred tax assets, the total assets would increase by \$23.1m (2023: \$23.2m) applying the domestic rate applicable to the Group (35%).

### 9.2. Current and deferred tax charges

	GROUP		COMPANY	
	Twelve months ended December 31,		Twelve months ended December 31,	
	2024	2023	2024	2023
	\$,000 USD	\$,000 USD	\$,000 USD	\$,000 USD
Current tax charge	(536)	(415)	(360)	-
Income tax expense	(536)	(415)	(360)	-

# Cruise Yacht Upper HoldCo Ltd

## Notes to the Financial Statements

As of and for the Year ended 31 December 2024

### 10. Property, plant and equipment

#### 10.1. Property, plant and equipment, net

	Yachts	Yachts under construction	Furniture and fittings	GROUP Computer equipment	Leasehold improvements	Right-of-use asset	Total
	\$,000 USD	\$,000 USD	\$,000 USD	\$,000 USD	\$,000 USD	\$,000 USD	\$,000 USD
<b>Cost</b>							
At 1 January 2023	556,781	267,755	352	700	-	725	826,314
Additions	9,081	351,284	270	152	10	4,057	364,854
Currency translation effects	17,597	-	-	-	-	-	17,597
At 31 December 2023	583,459	619,039	623	852	10	4,782	1,208,765
<b>Accumulated depreciation</b>							
At 1 January 2023	(36,781)	-	(204)	(617)	-	(61)	(37,662)
Depreciation	(25,748)	-	(35)	(54)	(2)	(425)	(26,264)
Currency translation effects	(1,162)	-	-	-	-	-	(1,162)
At 31 December 2023	(63,691)	-	(239)	(671)	(2)	(486)	(65,088)
<b>Net Book Value</b>							
At 31 December 2023	519,768	619,039	384	181	8	4,296	1,143,677
<b>Cost</b>							
At 1 January 2024	583,459	619,039	623	852	10	4,782	1,208,765
Additions	6,963	390,711	494	208	13	4,260	402,649
Transfer	563,315	(563,315)	-	-	-	-	-
Currency translation effects	(34,371)	-	-	-	-	-	(34,371)
At 31 December 2024	1,119,366	446,435	1,117	1,060	23	9,042	1,577,043
<b>Accumulated depreciation</b>							
At 1 January 2024	(63,691)	-	(239)	(671)	(2)	(486)	(65,089)
Depreciation	(36,741)	-	(81)	(132)	-	(708)	(37,662)
Currency translation effects	3,758	-	-	-	-	-	3,758
At 31 December 2024	(96,674)	-	(320)	(803)	(2)	(1,194)	(98,993)
<b>Net Book Value</b>							
At 31 December 2024	1,022,692	446,435	797	257	21	7,848	1,478,050

The Evrima vessel started being depreciated in October 2022, date of its 1<sup>st</sup> voyage. Additions in 2024 and 2023 are mainly related to a series of enhancements made to the ship.

The Ilma vessel value at the delivery was \$563m, including \$154m of additions during the year. Ilma started to be depreciated in July 2024 with its delivery date. Other significant additions during the year relate to Luminara, vessel under construction for an amount of \$173m.

Capitalised costs include progress payments for the construction of the new vessels, as well as design and engineering fees, capitalised interest, construction oversight costs and various owner supplies items. Since the Group expects to derive future economic benefits from the yachts, costs incurred are being capitalised as yachts under construction. See note 8 for capitalized borrowing costs and note 6.2.1 for personnel costs.

# Cruise Yacht Upper HoldCo Ltd

## Notes to the Financial Statements

As of and for the Year ended 31 December 2024

### 10.2. Property, plant and equipment under construction, impairment consideration

At each balance sheet date, we review the carrying amounts of our ships to determine if there is any indication that these amounts have suffered an impairment loss. If such indication exists, the recoverable amount of the ships is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is the higher of fair value less cost to sell and value in use.

As part of this evaluation, we consider both internal and external indicators of potential impairment, in accordance with IAS 36. Indicators of possible impairment may include, but are not limited to, changes in the technological, market, economic, or legal environments in which we operate. We also assess whether any evidence suggests the obsolescence or physical damage of our ships, whether we have any plans to dispose of a ship before the end of its estimated useful life, and whether any evidence suggests that the economic performance of an asset was, or may become, lower than expected.

We also considered external factors as part of this assessment as the market in which we operate continues to grow. This strength is evidenced by, among other things:

- The number of cruise yachts which are planned to be delivered in the coming years,
- The increase in revenue and EBITDA of the main listed companies operating in the cruise industry between 2023 and 2024
- The increase in demand for luxury cruises.

On this basis, we determined that there were no indicators of impairment for two of our yachts (Ilma and Luminara) as of December 31, 2024. We have identified an internal indicator of potential impairment related to Evrima since 2024 actual performance was lower than projected in the 2023 business plan.

As a result, we assessed the recoverable amount of this ship, and on the basis of the fair value (independent brokers' valuations) being higher than the value in use, no impairment charge was recorded as of December 31, 2024.

# Cruise Yacht Upper HoldCo Ltd

## Notes to the Financial Statements

As of and for the Year ended 31 December 2024

### 11. Intangible assets

	Website	GROUP Other computer software	Project development costs	Total
	\$,000 USD	\$,000 USD	\$,000 USD	\$,000 USD
<b>Cost</b>				
<b>At 1 January 2023</b>	<b>2,130</b>	<b>5,196</b>	<b>1,270</b>	<b>8,597</b>
Additions	102	1,460	1,142	2,704
<b>At 31 December 2023</b>	<b>2,232</b>	<b>6,656</b>	<b>2,412</b>	<b>11,301</b>
<b>Accumulated amortisation</b>				
<b>At 1 January 2023</b>	<b>(1,666)</b>	<b>(1,498)</b>	<b>-</b>	<b>(3,164)</b>
Amortisation	(3)	(665)	-	(668)
Impairment	-	(1,593)	(670)	(2,263)
<b>At 31 December 2023</b>	<b>(1,669)</b>	<b>(3,756)</b>	<b>(670)</b>	<b>(6,095)</b>
<b>Net Book Value</b>				
<b>At 31 December 2023</b>	<b>563</b>	<b>2,900</b>	<b>1,742</b>	<b>5,206</b>
<b>Cost</b>				
<b>At 1 January 2024</b>	<b>2,232</b>	<b>6,656</b>	<b>2,412</b>	<b>11,300</b>
Additions	511	5,520	3,112	9,143
<b>At 31 December 2024</b>	<b>2,743</b>	<b>12,176</b>	<b>5,524</b>	<b>20,443</b>
<b>Accumulated amortisation</b>				
<b>At 1 January 2024</b>	<b>(1,669)</b>	<b>(3,756)</b>	<b>(670)</b>	<b>(6,095)</b>
Amortisation	(280)	(1,206)	-	(1,486)
<b>At 31 December 2024</b>	<b>(1,950)</b>	<b>(4,962)</b>	<b>(670)</b>	<b>(7,582)</b>
<b>Net Book Value</b>				
<b>At 31 December 2024</b>	<b>793</b>	<b>7,214</b>	<b>4,854</b>	<b>12,861</b>

The Group's website, computer software and other operating systems are amortised over 3–5 years.

Project development costs incurred in relation to the development of new assets are not amortised.

These costs will be transferred to future projects once these become operational.

As of 31 December 2024, the carrying values of the intangible assets have been reviewed as per IAS 36 and did not show indicators of impairment (in 2023: \$2.3m).

The additions primarily involve IT systems and software, including the implementation of new integrations between these systems.



# Cruise Yacht Upper HoldCo Ltd

## Notes to the Financial Statements

As of and for the Year ended 31 December 2024

### 12. Investment in subsidiaries

#### 12.1. Detail of carrying amounts and net equity of direct subsidiaries

	COMPANY As of December 31,					
	2024			2023		
	\$,000 USD			\$,000 USD		
	Carrying Value	Subsidiary's Net equity	Subsidiary's Net income/(loss)	Carrying Value	Subsidiary's Net equity	Subsidiary's Net income/(loss)
Cruise Yacht HoldCo Ltd	29,181	20,960	(798)	29,181	27,084	41
Next-Gen Cruise HoldCo Ltd	0.4	13,073	13,467	0.4	(209)	(184)
Dolce Cruise Management Ltd	3	(312)	11	2.6	(301)	(23)
Yacht Portfolio Ltd	0.4	(1,058)	(354)	0.4	(977)	273
The Air Portfolio, LLC	0.4	(65)	(70)	0.4	-	4
The Ritz-Carlton Yacht Collection Australia Pty Ltd	0.4	(18)	(17)	-	-	-
<b>Total Investment</b>	<b>29,185</b>			<b>29,184</b>		

#### 12.2. List of direct subsidiaries

Subsidiary	Registered office	Ownership interest in 2024 and 2023	Nature of business	Paid-up in 2024 and 2023
Cruise Yacht HoldCo Ltd	Vault 14, level 2, Valletta Waterfront, Floriana, FRN 1914, Malta	100%	Holding Company	20%
Next-Gen Cruise HoldCo Ltd	Vault 14, level 2, Valletta Waterfront, Floriana, FRN 1914, Malta	100%	Holding Company	100%
Dolce Cruise Management Ltd	Vault 14, level 2, Valletta Waterfront, Floriana, FRN 1914, Malta	100%	<i>Dormant</i>	20%
Yacht Portfolio Ltd	Vault 14, level 2, Valletta Waterfront, Floriana, FRN 1914, Malta	100%	<i>Dormant</i>	20%
The Air Portfolio, LLC	100 NE 3rd Ave, Suite 1100, Fort Lauderdale, FL 333	100%	Travel agency	n.a.
The Ritz-Carlton Yacht Collection Australia PTY Ltd	PO BOX 7016, Richmond Vic 3121, Australia	100%	Support services Company	100%

#### 12.3. List of indirect subsidiaries

Subsidiary	Registered office	Ownership interest in 2024 and 2023	Nature of business	Paid-up in 2024 and 2023
Cruise Yacht OpCo Ltd	Vault 14, level 2, Valletta Waterfront, Floriana, FRN 1914, Malta	100%	Cruise Operating Company	20%
Cruise Yacht 1 Ltd	Vault 14, level 2, Valletta Waterfront, Floriana, FRN 1914, Malta	100%	Yacht Owning Company	100%
Cruise Yacht 2 Ltd	Vault 14, level 2, Valletta Waterfront, Floriana, FRN 1914, Malta	100%	Yacht Owning Company – <i>Dormant</i>	20%
Cruise Yacht 3 Ltd	Vault 14, level 2, Valletta Waterfront, Floriana, FRN 1914, Malta	100%	Yacht Owning Company – <i>Dormant</i>	20%
Naviera Yacht I, SL	Villalba Hervas 9, 38002, Santa Cruz de Tenerife Isla Canaries, Spain	100%	Yacht Owning Company	100%
Next Gen Cruises Ltd	Vault 14, level 2, Valletta Waterfront, Floriana, FRN 1914, Malta	100%	Cruise Operating Company	20%

# Cruise Yacht Upper HoldCo Ltd

## Notes to the Financial Statements

As of and for the Year ended 31 December 2024

### 12.3. List of indirect subsidiaries - continued

Subsidiary	Registered office	Ownership interest in 2024 and 2023	Nature of business	Paid-up in 2024 and 2023
Next-Gen Yacht 1 Ltd	Vault 14, level 2, Valletta Waterfront, Floriana, FRN 1914, Malta	100%	Yacht Owning Company	20%
Next-Gen Yacht 2 Ltd	Vault 14, level 2, Valletta Waterfront, Floriana, FRN 1914, Malta	100%	Yacht Owning Company	20%
Next-Gen Yacht 3 Ltd	Vault 14, level 2, Valletta Waterfront, Floriana, FRN 1914, Malta	100%	Yacht Owning Company	20%
Next-Gen Yacht 4 Ltd	Vault 14, level 2, Valletta Waterfront, Floriana, FRN 1914, Malta	100%	Yacht Owning Company	20%
The Yacht Collection Monaco SAM	2 rue du Gabian, 98000 Monaco	100%	Support services Company	100%

The Yacht Collection Monaco SARL changed of legal form and was converted in SAM on the 15 July 2024. The Ritz-Carlton Yacht Collection Australia PTY Ltd was incorporated on the 19th April 2024.

### 13. Derivative financial asset

On 8 April 2022, the Group entered into currency swap agreements for the construction of the Next-Gen vessels for a total amount of \$12.5m. As the Group does not apply hedge accounting, the financial asset is presented under the line item "Derivative financial asset" in the statement of financial position. As at 31 December 2024, the Group recorded a fair value loss of \$0.7m (2023: \$2.4m), leaving a near-zero balance (2023: \$0.7m) in the statement of financial position.

On 5 July 2024, the Group and Company issued \$300m worth of bonds. The bonds are classified as a hybrid instrument and include an embedded derivative presented under the line "Derivative financial asset" in the statement of financial position. At the issuance date, the value of the financial instrument is valued at \$11.0m. As at 31 December 2024, the Group and Company recorded a fair value of gain of \$0.2m, leaving a balance of \$11.2m in the statement of financial position.

	At 31 December 2024	At issuance date
Risk-free rate	4.4%	4.3%
Asset volatility	31.4%	24.1%
Equity volatility	98.6%	147.5%
Maturity date in years	4	4.0
Implied Credit spread	527 bps	507 bps
<b>Fair value of Embedded Derivative in \$m</b>	<b>11.2</b>	<b>11.0</b>

### 14. Other assets

As of 31 December 2024, other assets amount to \$50.1m (2023: \$4.4m) and increased in 2024 mainly due to deposits issued for \$30.5m as a collateral of Amex deposits and to advance payments for \$15.2m made to Chantiers de l'Atlantique for future ships.

# Cruise Yacht Upper HoldCo Ltd

## Notes to the Financial Statements

As of and for the Year ended 31 December 2024

### 15. Inventory

	GROUP		COMPANY	
	As of December 31,		As of December 31,	
	2024	2023	2024	2023
	\$,000 USD	\$,000 USD	\$,000 USD	\$,000 USD
Hotel consumables, food & beverages, shops & merchandise	6,551	3,666	-	-
Fuel inventory	743	508	-	-
Spare parts	12,452	12,452	6,304	6,304
EU ETS allowances	673	-	-	-
Other inventory	733	306	-	-
<b>Total Inventory - Gross value</b>	<b>21,152</b>	<b>16,932</b>	<b>6,304</b>	<b>6,304</b>
Allowance for obsolete inventory	(11,282)	(11,282)	(6,304)	(6,304)
<b>Total Inventory - Net value</b>	<b>9,870</b>	<b>5,650</b>	<b>-</b>	<b>-</b>

During the year, the total inventory increased mainly due to the stock of the new operating ship Ilma and the acquisition of EU ETS allowances in accordance with the latest European regulations on carbon emissions. The allowance for obsolete inventory remains at \$11.3m as of December 31, 2024 (2023: \$11.3 million), as no further obsolescence has been identified (2023: \$5m).

### 16. Trade receivables

Trade receivables are shown net of an allowance for credit losses. As of 31 December 2024, trade receivables amount to \$43.2m (2023: \$26.3m). No allowance for credit losses has been recognised in the current year nor in the prior year.

The Group has agreements with a number of credit card processors that transact customer deposits related to cruise tickets. Certain of these agreements allow the credit card processors to request, under certain circumstances, a reserve fund in cash. Trade receivables include \$42.1m and \$25.6m due from credit card processors as of 31 December 2024 and 2023, respectively.

### 17. Other current assets

	GROUP		COMPANY	
	As of December 31,		As of December 31,	
	2024	2023	2024	2023
	\$,000 USD	\$,000 USD	\$,000 USD	\$,000 USD
Prepaid expenses	13,970	7,102	396	-
VAT receivables	3,788	4,769	91	64
Other current receivables	956	679	665	687
<b>Total other current assets</b>	<b>18,714</b>	<b>12,550</b>	<b>1,152</b>	<b>751</b>

### 18. Cash and cash equivalents

Cash and cash equivalents at a consolidated level comprise cash at bank and on hand and amount to \$99.0m (2023: \$28.2m). In 2023, credit card receivables of \$4.1m, net of processing fees, that were credited to bank accounts within one week after the reporting date were classified as cash and cash equivalents.

Cash and cash equivalents amount to \$36.3m at company level (2023: \$15.1m).

For a detailed analysis of changes from the prior year, please see the Statement of Cash Flows.

# Cruise Yacht Upper HoldCo Ltd

## Notes to the Financial Statements

As of and for the Year ended 31 December 2024

### 19. Share capital and reserves

#### 19.1. Share capital and share premium

Share category	As of December 31,								
	2024					2023			
	A1 shares	A2 shares	B shares	C shares	Total	A1 shares	A2 shares	B shares	Total
Voting rights	Full voting rights	No voting rights	Full voting rights, no share premium	No voting rights		Full voting rights	No voting rights	Full voting rights, no share premium	
Authorized shares of \$1 each	750,000	3,500	5,000	5,000	763,500	600,000	3,500	5,000	608,500
Issued shares - number	630,684	2,997	4,801	4,900	643,382	549,143	2,997	4,801	556,941
Ultimate Parent company	630,684	200	2,565	375	633,824	549,143	200	2,565	551,908
Management & Other	-	2,797	2,236	4,525	5,558	-	2,797	2,236	5,033
Issued shares - \$ value	630,684	2,997	4,801	4,900	643,382	549,143	2,997	4,801	556,941
Share premium of \$999 each - \$ value	630,053,316	2,994,003			633,047,319	548,593,857	2,994,003		551,587,860
Equity issuance costs					(3,561,247)				(3,561,247)
Net Share premium - \$ value					629,486,072				548,026,613

In the consolidated financial statements, additional paid-in capital is presented net of equity issuance costs amounting to \$3.6m as of 31 December 2024 (2023: \$3.6m), directly attributable to the issuance of shareholder contributions (particularly in the subsidiary Naviera).

#### 19.2. Accumulated losses

Accumulated losses represent the cumulative residual amount of all undistributed earnings and uncovered losses since inception.

#### 19.3. Translation reserve

Translation reserve is the exchange differences on translation of foreign operations, mostly relating to the translation of Naviera I S.L. that owns the Evrima yacht.

### 20. Loans and borrowings

#### 20.1 Overview loans and borrowings

	Interest rate	Initial Grant date	Maturity	Committed amount in \$,000	GROUP	
					As of December 31,	
					2024	2023
					\$,000 USD	\$,000 USD
Syndicated term loan facility - Tranche A	LIBOR + 1.6% margin	May-17	Oct-37	268,000	8,000	5,739
Syndicated term loan facility - Tranche B1	LIBOR + 1.6% margin	May-17	Oct-37	50,000	1,492	1,105
ECA Tranche 1	4.03%	Mar-22	May-36	454,320	37,860	21,201
ECA Tranche 2	4.03%	Mar-22	Jun-37	492,027	20,501	-
Nordic bonds	11.88%	Jul-24	Jul-28	300,000	17,812	-
<b>Total Current loans and borrowings as at 31 December</b>					<b>85,665</b>	<b>28,045</b>
Syndicated term loan facility - Tranche A	LIBOR + 1.6% margin	May-17	Oct-37	268,000	239,888	248,695
Syndicated term loan facility - Tranche B1	LIBOR + 1.6% margin	May-17	Oct-37	50,000	49,194	48,573
ECA Tranche 1	4.03%	Mar-22	May-36	454,320	408,589	278,406
ECA Tranche 2	4.03%	Mar-22	Jun-37	492,027	274,706	141,525
Nordic bonds	11.88%	Jul-24	Jul-28	300,000	304,879	-
Senior secured Pik Toggle Notes	12% / 13.5%	Apr-22	Apr-29	125,000	-	123,718
<b>Total Non-Current loans and borrowings as at 31 December</b>				<b>1,689,347</b>	<b>1,277,257</b>	<b>840,917</b>
<b>Total loans and borrowings as at 31 December</b>				<b>1,689,347</b>	<b>1,362,922</b>	<b>868,962</b>

# Cruise Yacht Upper HoldCo Ltd

## Notes to the Financial Statements

As of and for the Year ended 31 December 2024

### 20.1 Overview loans and borrowings - continued

	Interest rate	Initial Grant date	Maturity	Committed amount in \$,000	COMPANY	
					As of December 31,	
					2024	2023
					\$,000 USD	\$,000 USD
Nordic bonds	11.88%	Jul-24	Jul-28	300,000	17,812	-
Total Current loans and borrowings as at 31 December					17,812	-
Nordic bonds	11.88%	Jul-24	Jul-28	300,000	304,879	-
Senior secured PIK Toggle Notes	12%/13.5%	Apr-22	Apr-29	125,000	-	123,719
Total Non-Current loans and borrowings as at 31 December					300,000	123,719
Total loans and borrowings as at 31 December					300,000	123,719

Relating to the Evrima yacht, the Group secured a commitment from a syndicate of Spanish banks for a committed amount of \$318m. The term loan facility is denominated in U.S. Dollars and bears interest at 6-month London Interbank Offer Rate (LIBOR) plus a 1.60% margin. During the availability period – i.e. earlier of 36 months from inception of loan facility or the delivery of the yacht, the interest on the term loan was capitalised and added to the principal of the term loan.

The term loan facility has a repayment period of 12 years and a repayment schedule of 24 equal semi-annual repayments with no balloon payment at maturity. The repayment period started when the construction of the yacht was completed and delivered by the shipyard. The term loan is secured by first priority mortgage on the yacht.

The term loan facility contains financial covenants that take effect after four consecutive quarters post-delivery of the first yacht in October 2022, therefore from 2024 onwards the debt service coverage ratio covenant applies. However, prior to the reporting date, the bank approved and granted a requested waiver, covering the period up to and including December 31, 2024.

For Ilma and Luminara yachts, the Group secured a commitment from the French bank Credit Agricole CIB for a total of \$946m. The drawings are denominated in U.S. Dollars. Maturity of the loans are 12 years and a fixed interest rate of 4.03%. The repayment period starts when the construction of the yacht is completed and delivered by the shipyard.

In addition, in July 2024, the Group/Company issued \$300 million in secured bonds with a four-year maturity and a fixed interest rate of 11.88%. The proceeds were used to repay the existing Senior PIK Toggle Notes and to partially fund the remaining capital expenditures for the vessels, as well as for general corporate purposes.

The Group also incurred transaction costs of \$53.2m (2023: \$56.6m) to secure all of the above financings. These costs are presented as a reduction in each loan balance and are amortised over the life of the term loan based on the effective interest rate method. The amortised amounts are being capitalised in the cost of the vessels during the construction period.

# Cruise Yacht Upper HoldCo Ltd

## Notes to the Financial Statements

As of and for the Year ended 31 December 2024

### 20.2. Net debt reconciliation

	GROUP		COMPANY	
	As of December 31,		As of December 31,	
	2024	2023	2024	2023
	\$,000 USD	\$,000 USD	\$,000 USD	\$,000 USD
<b>Net debt reconciliation</b>				
Cash and cash equivalents	99,034	32,261	36,339	15,084
Loans and borrowings	(1,362,922)	(868,962)	(322,691)	(123,719)
Lease liabilities	(8,757)	(4,633)	-	(8)
<b>Net debt</b>	<b>(1,272,645)</b>	<b>(841,334)</b>	<b>(286,352)</b>	<b>(108,643)</b>

  

	GROUP			
	Cash and Cash equivalents	Loans and Borrowings	Lease liabilities	Net debt
<b>\$,000 USD</b>				
<b>Net debt at 1st Jan 2023</b>	<b>35,737</b>	<b>(573,627)</b>	<b>(684)</b>	<b>(538,574)</b>
<b>Cash flows</b>				
Proceed from loans and borrowings, net of transaction costs	-	(274,102)	-	(274,102)
Lease payments	-	-	273	273
Decrease in cash	(3,971)	-	-	(3,971)
<b>Non cash movements</b>				
New leases recognised	-	-	(4,222)	(4,222)
Capitalised interests	-	(16,895)	-	(16,895)
Accrued interests and debt issuance costs	-	(4,338)	-	(4,338)
Foreign exchange adj	495	-	-	495
<b>Net debt at 31 Dec 2023</b>	<b>32,261</b>	<b>(868,962)</b>	<b>(4,633)</b>	<b>(841,334)</b>
<b>Net debt at 1st Jan 2024</b>	<b>32,261</b>	<b>(868,962)</b>	<b>(4,633)</b>	<b>(841,334)</b>
<b>Cash flows</b>				
Proceed from loans and borrowings, net of transaction costs	-	(581,498)	-	(581,498)
Repayments of principal and interests	-	185,901	-	185,901
Lease payments	-	-	469	469
Increase in cash	66,992	-	-	66,992
<b>Non cash movements</b>				
New leases recognised	-	-	(4,593)	(4,593)
Embedded derivative at Issuance date	-	(11,000)	-	(11,000)
Capitalised interests	-	(21,947)	-	(21,947)
Accrued interests and debt issuance costs	-	(65,416)	-	(65,416)
Foreign exchange adj	(219)	-	-	(219)
<b>Net debt at 31 Dec 2024</b>	<b>99,034</b>	<b>(1,362,922)</b>	<b>(8,757)</b>	<b>(1,272,645)</b>

  

	COMPANY			
	Cash and Cash equivalents	Loans and Borrowings	Lease liabilities	Net debt
<b>\$,000 USD</b>				
<b>Net debt at 1st Jan 2023</b>	<b>2,171</b>	<b>(109,446)</b>	<b>-</b>	<b>(107,275)</b>
<b>Cash flows</b>				
Decrease in cash	12,641	-	-	12,641
<b>Non cash movements</b>				
New leases recognised	-	-	(8)	(8)
Capitalised interests	-	(11,387)	-	(11,387)
Accrued interests and debt issuance costs	-	(2,886)	-	(2,886)
Foreign exchange adj	272	-	-	272
<b>Net debt at 31 Dec 2023</b>	<b>15,084</b>	<b>(123,719)</b>	<b>(8)</b>	<b>(108,643)</b>
<b>Net debt at 1st Jan 2024</b>	<b>15,084</b>	<b>(123,719)</b>	<b>(8)</b>	<b>(108,643)</b>
<b>Cash flows</b>				
Proceed from loans and borrowings, net of transaction costs	-	(300,000)	-	(300,000)
Repayments of principal and interests	-	155,950	-	155,950
Lease payments	-	-	8	8
Increase in cash	21,259	-	-	21,259
<b>Non cash movements</b>				
Embedded derivative at Issuance date	-	(11,000)	-	(11,000)
Accrued interests and debt issuance costs	-	(43,922)	-	(43,922)
Foreign exchange adj	(4)	-	-	(4)
<b>Net debt at 31 Dec 2024</b>	<b>36,339</b>	<b>(322,691)</b>	<b>-</b>	<b>(286,352)</b>

# Cruise Yacht Upper HoldCo Ltd

## Notes to the Financial Statements

As of and for the Year ended 31 December 2024

### 21. Lease liabilities

#### The Group

In March 2022, the Group entered into a new lease agreement in respect of a long-term lease for an office situated at Vault 13-15, Valletta Waterfront, Floriana, FRN 1914, Malta, whose lease period commenced on 7 April 2022 and “naturally” terminates on 6 April 2030.

In April 2023, the Group entered into a new lease agreement in respect of a long-term lease for an office situated at 100 Northeast 3<sup>rd</sup> Avenue, Fort Lauderdale, Florida, USA whose lease period commenced on 7 April 2023 and “naturally” terminates on 6 February 2034.

In March 2024, the Group amended the lease agreement of the office situated at 100 Northeast 3<sup>rd</sup> Avenue, Fort Lauderdale, Florida, USA to expand the space term. The expansion space term commenced on 4 March 2024 and “naturally” terminates on 30 April 2035.

	GROUP	
	As of December 31,	
	2024	2023
	\$,000 USD	\$,000 USD
<b>Maturity analysis - contractual undiscounted cash flows</b>		
Less than one year	431	182
One to five years	3,040	1,777
More than five years	5,286	2,674
<b>Total undiscounted lease liabilities as at 31 December</b>	<b>8,757</b>	<b>4,633</b>
Current liability	431	182
Non-current liability	8,326	4,451
<b>Total undiscounted lease liabilities as at 31 December</b>	<b>8,757</b>	<b>4,633</b>

#### The Company

The Company was not party to any lease contracts during the years ended 31 December 2024 and 2023.

### 22. Contract Liabilities

#### 22.1. Customer deposits

	GROUP	
	As of December 31,	
	2024	2023
	\$,000 USD	\$,000 USD
Customer deposits	106,915	68,992
<b>Total contract liabilities</b>	<b>106,915</b>	<b>68,992</b>
Current liability	100,169	65,291
Non-current liability	6,746	3,701
<b>Total contract liabilities</b>	<b>106,915</b>	<b>68,992</b>

# Cruise Yacht Upper HoldCo Ltd

## Notes to the Financial Statements

As of and for the Year ended 31 December 2024

### 22.1. Customer deposits - continued

The accumulated amount of deposits for future cruises as at 31 December 2024 following refunds given during the year is \$106.9m (2023: \$69.0m). In accordance with the normal terms and conditions agreed upon with customers when booking future cruises, customers have the right to cancel their booking at any time prior to sailing date until 120 days prior to sailing. Starting from 12 days prior to sailing, depending on timing, a cancellation fee that can range up to 100% of the cruise fare may apply.

### 23. Derivative financial liability

On April 4, 2022, the Group raised \$125m in debt (Pik Toogle note). This debt has been fully repaid in July 2024. However, as part of this debt instrument, there are 21,521 warrants that can still be converted into the Group's Class A1 shares at an exercise price of \$1 per share. The warrants have an expiration date of April 4, 2029. The Warrant agreement includes a cash settlement clause. Therefore, the Group recognised a liability as at issuance date being April 4, 2022 based on the binomial approach.

At year-end, the fair value is re-assessed and the change in fair value of this liability is recognised in Finance income/expense.

The parameters used in the model are for each valuation date (4 April 2022, 31 December 2023 and 2024):

1. The equity value of 100% of the Group
2. The risk-free rate.
3. The volatility.
4. The maturity date

	At 31 December 2024	At 31 December 2023	At issuance date
Risk-free rate	4.40%	4.4%	4.0%
Volatility	147.5%	74%	37%
Maturity date in years	4	5.3	7.0
<b>Warrant liability in \$m</b>	<b>14.3</b>	<b>20.6</b>	<b>19.8</b>

### 24. Other non-current liabilities

#### Key Money

The Group entered into a series of agreements with The Ritz-Carlton Hotel Company, L.L.C. (the "Hotel Partner") whereby the Group obtained the right to use the Hotel Partner's licensed trademarks in consideration for royalty payments. The Hotel Partner agreed to contribute development funds amounting to \$18m toward the construction of the Group's first yacht, \$14m toward the construction of the Group's second yacht and \$14m toward the construction of the third yacht (the "Key Money"). If the Group terminates this series of agreements prior to their fixed term, the Group has the obligation to return a portion of the Key Money pro-rata to the time still remaining in the fixed term.

As of 31 December 2024, the Group had received the entire funds of \$18m for the first yacht and of \$14m for the second. For the third yacht, the Group has received \$2m.

Key Money is amortised in the statement of profit or loss as a reduction in Ritz-Carlton royalties and fees over the duration of the contract which for the year ended 31 December 2024 amounts to \$1.5m (2023: \$1.2m). Hence, the original liability is increased to \$29.6m (2023: \$18.1m). Accumulated amortisation as of 31 December 2024 amounts to \$4.3m (2023: \$2.8m).



# Cruise Yacht Upper HoldCo Ltd

## Notes to the Financial Statements

As of and for the Year ended 31 December 2024

### 25. Trade and other payables

	GROUP		COMPANY	
	As of December 31,		As of December 31,	
	2024	2023	2024	2023
	\$,000 USD	\$,000 USD	\$,000 USD	\$,000 USD
Trade payables	45,095	6,247	886	104
Other payables	33,538	26,939	607	1,136
Related parties	42	-	-	-
<b>Total trade and other payables</b>	<b>78,675</b>	<b>33,186</b>	<b>1,493</b>	<b>1,240</b>

Other payables mainly include accruals mainly related to operating costs such as vessel operating costs and administrative expenses.

### 26. Financial instruments – fair values and risk management

The Group has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these financial statements.

#### 26.1. Fair value

The management assessed that the fair values of cash and short-term deposits, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of the non-current loans and borrowings also approximate the carrying amount before the amortisation of transaction costs. The key financial assets and liabilities measured at fair value in the statement of financial position are grouped into the fair value hierarchy as follows:

	Date of valuation	GROUP				COMPANY			
		Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
		\$m USD	\$m USD	\$m USD	\$m USD	\$m USD	\$m USD	\$m USD	\$m USD
<b>As of 31 December 2024</b>									
<b>Assets measured at fair value</b>									
Derivative financial asset	31-Dec-24	11.2	-	-	11.2	11.2	-	-	11.2
<b>Liabilities measured at fair value</b>									
Equity warrants	31-Dec-24	14.3	-	-	14.3	14.3	-	-	14.3
<b>As of 31 December 2023</b>									
<b>Assets measured at fair value</b>									
Derivative financial asset	31-Dec-23	0.7	0.7	-	-	-	-	-	-
<b>Liabilities measured at fair value</b>									
Equity warrants	31-Dec-23	20.6	-	-	20.6	20.6	-	-	20.6

# Cruise Yacht Upper HoldCo Ltd

## Notes to the Financial Statements

As of and for the Year ended 31 December 2024

### 26.2. Risk management framework

The Group's Directors have overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

### 26.3. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally in relation to the Group's cash at bank, receivables from payments processors and receivables from the parent company. During the year ended 31 December 2024 the Group's and the Company's cash is placed with Caixabank, S.A. (with current Moody's / S&P ratings of A3/A), J.P. Morgan Chase (with current Moody's / S&P ratings of A1/A) and Crédit Agricole (current Moody's / S&P ratings of A1/A+). The Group has a concentration risk on its receivables from various credit card processors amounting to \$42.1m (2023: \$25.6m) as most of its cash flows are, as is standard for the industry, processed through credit cards. The credit risk is however deemed to be limited because the counterparties are deemed to be reputable institutions being mainly part of major financial institutions.

The Directors believes that amounts receivable from related and third parties are fully recoverable, and no impairment charges are necessary since the impact of an Expected Credit Loss (ECL) model on the Group and the Company's financial assets is assessed to be immaterial.

The Group has a concentration risk on its receivables from various credit card processors amounting to \$42.1m (2023: \$25.6m) as most of its cash flows are, as is standard for the industry, processed through credit cards. The credit risk is however deemed to be limited because the counterparties are deemed to be reputable institutions being mainly part of major financial institutions.

The carrying amount of financial assets at the reporting date represents the maximum credit exposure:

		GROUP		COMPANY	
		As of December 31,		As of December 31,	
		2024	2023	2024	2023
		\$,000 USD	\$,000 USD	\$,000 USD	\$,000 USD
Cash and cash equivalents	Note 18	99,034	32,261	36,339	15,084
Receivables from payment processors	Note 16	42,129	25,607	-	-
Other receivables	Notes 14 & 17	54,844	9,848	756	771
Amounts due from related parties	Note 27	-	-	765,657	593,093
		<u>196,007</u>	<u>67,716</u>	<u>802,752</u>	<u>608,948</u>

### 26.4. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. Liquidity is primarily managed through customer deposits and funding being provided and committed to by the shareholder.

# Cruise Yacht Upper HoldCo Ltd

## Notes to the Financial Statements

As of and for the Year ended 31 December 2024

### 26.4. Liquidity risk - continued

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include estimated interest payments.

GROUP		Carrying amounts	Contractual cash flows	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
As of 31 December 2024		\$,000 USD	\$,000 USD	\$,000 USD	\$,000 USD	\$,000 USD	\$,000 USD
Trade and other payables	Note 25	78,675	78,675	78,675	-	-	-
Lease liabilities	Note 21	8,757	10,909	852	1,087	3,548	5,422
Loans & borrowings	Note 20	1,362,922	2,051,931	157,736	171,348	773,831	949,016
Equity warrants	Note 23	14,261	14,261	-	-	-	14,261
		<b>1,464,616</b>	<b>2,155,776</b>	<b>237,263</b>	<b>172,435</b>	<b>777,379</b>	<b>968,699</b>
		Carrying amounts	Contractual cash flows	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
As of 31 December 2023		\$,000 USD	\$,000 USD	\$,000 USD	\$,000 USD	\$,000 USD	\$,000 USD
Trade and other payables	Note 25	33,186	33,186	33,186	-	-	-
Lease liabilities	Note 21	4,633	5,787	395	595	1,385	3,412
Loans & borrowings	Note 20	868,962	1,832,134	72,492	130,095	544,778	1,084,769
Equity warrants	Note 23	20,600	20,600	-	-	-	20,600
		<b>927,381</b>	<b>1,891,707</b>	<b>106,073</b>	<b>130,690</b>	<b>546,163</b>	<b>1,108,781</b>
COMPANY		Carrying amounts	Contractual cash flows	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
As of 31 December 2024		\$,000 USD	\$,000 USD	\$,000 USD	\$,000 USD	\$,000 USD	\$,000 USD
Trade and other payables	Note 25	1,493	1,493	1,493	-	-	-
Loans & borrowings	Note 20	322,691	442,500	35,625	35,625	371,250	-
Equity warrants	Note 23	14,261	14,261	-	-	-	14,261
		<b>338,445</b>	<b>458,254</b>	<b>37,118</b>	<b>35,625</b>	<b>371,250</b>	<b>14,261</b>
		Carrying amounts	Contractual cash flows	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
As of 31 December 2023		\$,000 USD	\$,000 USD	\$,000 USD	\$,000 USD	\$,000 USD	\$,000 USD
Trade and other payables	Note 25	1,240	1,240	1,240	-	-	-
Loans & borrowings	Note 20	125,000	147,549	7,339	7,984	132,226	-
Equity warrants	Note 23	20,600	20,600	-	-	-	20,600
		<b>146,840</b>	<b>169,389</b>	<b>8,579</b>	<b>7,984</b>	<b>132,226</b>	<b>20,600</b>

# Cruise Yacht Upper HoldCo Ltd

## Notes to the Financial Statements

As of and for the Year ended 31 December 2024

### 26.5. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other price risk such as commodity risk will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

### 26.6. Currency risk

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases, receivables and borrowings are denominated and the respective functional currencies of the Group companies. The vast majority of the Group's future sales and receivables, its purchases and its loans and borrowings will be denominated in United States dollars.

The Group's term loan is denominated in USD, which matches the expected cash flow generated by the Group's underlying business during the term loan's repayment period. This provides an economic hedge without derivatives being entered into and therefore hedge accounting is not applied.

#### 26.6.1. Exposure to currency risk

The Group's and the Company's exposure to foreign currency risk at 31 December 2024 was as follows:

As of 31 December 2024	GROUP		COMPANY	
	\$,000 USD	\$,000 USD	\$,000 USD	\$,000 USD
	EUR	GBP	EUR	GBP
Cash and cash equivalents	3,027	999	151	-
Trade receivables	1,514	431	-	-
Other current assets	3,788	-	91	-
Trade and other payables	(35,767)	(205)	(11)	(12)
Lease liabilities	(694)	-	-	-
Intercompany receivables	-	-	440,550	-
Intercompany payables	-	-	-	(42)
	(28,131)	1,225	440,781	(54)
As of 31 December 2023	\$,000 USD		\$,000 USD	
	EUR	GBP	EUR	GBP
Cash and cash equivalents	12,984	915	8,059	-
Trade receivables	654	570	-	-
Other current assets	4,769	-	64	-
Trade and other payables	(7,062)	(332)	(189)	(128)
Lease liabilities	(885)	-	-	-
Intercompany receivables	-	-	391,915	-
Intercompany payables	-	-	-	-
	10,460	1,153	399,849	(128)

# Cruise Yacht Upper HoldCo Ltd

## Notes to the Financial Statements

As of and for the Year ended 31 December 2024

### 26.6.2. Sensitivity analysis

		GROUP				COMPANY			
Change in rate		EUR		GBP		EUR		GBP	
		Effect on Profit before Tax	Effect on pre-tax equity	Effect on Profit before Tax	Effect on pre-tax equity	Effect on Profit before Tax	Effect on pre-tax equity	Effect on Profit before Tax	Effect on pre-tax equity
		\$,000 USD	\$,000 USD	\$,000 USD	\$,000 USD	\$,000 USD	\$,000 USD	\$,000 USD	\$,000 USD
2024	+5%	(1,407)	32,311	61	48	22,039	48	(3)	-
	-5%	1,407	(32,311)	(61)	(48)	(22,039)	(48)	3	-
2023	+5%	523	34,241	58	48	19,992	48	(6)	-
	-5%	(523)	(34,241)	(58)	(48)	(19,992)	(48)	6	-

### 26.6.3. Interest rate risk

The Group's facility led by Caixabank is subject to a floating interest rate that varies according to revisions made to the 6-month LIBOR. The Group does not carry out any hedging in order to hedge its interest rate exposure. The Group's facilities led by Credit Agricole and Nordic bonds bear a fixed interest rate.

A change of 100 basis points in interest rates on variable-rate borrowings would have increased the Group's interest (expensed and capitalized) by \$2.3m in 2023 (2023: \$3.1m). This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

### 26.6.4. Fuel price risk

The Group is exposed to fuel price fluctuation risk that affects the costs incurred to buy fuel for ship operations. At this early stage with one vessel sailing, the Group hasn't entered into derivative contracts to mitigate the financial impact of fuel price volatility. The Group reaches out to brokers and benchmarks prices as and when needed.

## 26.7. Commitments, contingencies and guarantees

As of 31 December 2024, the Group is committed to complete construction of the Next Gen super-yacht MV Luminara (materially entered into in March 2022), where costs incurred to date amount to c.a. \$446m whereas the full cost of the completed super-yacht is expected to amount to c.a. \$0.6b. This is to be financed through commitments provided by the bank and the capital injections from the Shareholders, as detailed in the Directors' Report.

From time to time, the Group may be involved in legal proceedings arising in the ordinary course of business relating to matters including, but not limited to, disputes with suppliers or employees (including pursuant to employment discrimination and wage and hour laws) and customers, as well as disputes over intellectual property. The Group maintains comprehensive insurance and the Director believes such coverage to be of a nature and amount sufficient to cover material financial loss as a result of such claims.

There are no current pending litigations to note which could result in any significant outflow of resources.

# Cruise Yacht Upper HoldCo Ltd

## Notes to the Financial Statements

As of and for the Year ended 31 December 2024

### 27. Related parties

#### 27.1. Parent and ultimate parent

The Company is wholly-owned by OCM Luxembourg EPF IV Cruise Yacht Master Holdco S.à.r.l. (the "Parent"), a private limited company incorporated and domiciled in Luxembourg with a registered address of 26A boulevard Royal, Luxembourg 2449. The ultimate parent is Oaktree Capital Management L.P. incorporated and domiciled in the USA with a registered address of 333 South Grand Avenue, 28th Floor, Los Angeles, CA 90071.

#### 27.2. Related party balances

The Group pays OCM FIE, LLC, an affiliate of the Ultimate Parent ("other related party"), a management fee of \$500,000 per annum for advisory services.

As of 31 December 2024, the related party Group owed \$42k as Trade and other payables (2023: nil).

As of 31 December 2024, the Company has no trade payable and other payables due to its ultimate parent (2023: nil), see Note 25.

Related party transactions entered into by the Company with its subsidiaries are disclosed in Note 6.2. These transactions relate to recharging of expenses incurred by the Company on behalf of its subsidiaries.

	COMPANY	
	As of December 31,	
	2024	2023
	\$,000 USD	\$,000 USD
<b>Amounts due from related parties</b>	<b>765,657</b>	<b>593,091</b>
<i>Cruise Yacht HoldCo Ltd</i>	<i>384,430</i>	<i>363,740</i>
<i>Next-Gen Cruise HoldCo Ltd</i>	<i>346,547</i>	<i>209,054</i>
<i>Naviera Yacht I, S.L.</i>	<i>25,389</i>	<i>16,415</i>
<i>Yacht Portfolio Ltd</i>	<i>5,968</i>	<i>2,741</i>
<i>Cruise Yacht Opco Ltd</i>	<i>1,894</i>	-
<i>The Air Portfolio Llc</i>	<i>854</i>	<i>831</i>
<i>Dolce Cruise Management Ltd</i>	<i>304</i>	<i>312</i>
<i>Next-Gen Cruises Ltd</i>	<i>271</i>	-
<b>Amounts due to related parties</b>	<b>115</b>	-
<i>The Yacht Collection Monaco SAM</i>	<i>115</i>	-

#### 27.3. Compensation of key management personnel of the Group

The Group's key management personnel comprises the Directors of the Group, the CEO who is also a Director and the CFO. The Directors excluding the CEO are not remunerated by the Group, therefore costs incurred relate to the CEO and the CFO and amount to \$2.7m in the year ended 31 December 2024 (2023: \$2.1m). Those costs are all short-term employee benefits.

# **Cruise Yacht Upper HoldCo Ltd**

## **Notes to the Financial Statements**

As of and for the Year ended 31 December 2024

### **28. Subsequent events**

Apart from events after year end disclosed in Note 2.1.1, no further subsequent events warranting disclosure or adjustments in the balances were identified.



## *Independent auditor's report*

To the Shareholders of Cruise Yacht Upper Holdco Ltd

### *Report on the audit of the financial statements*

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#### *Our opinion*

In our opinion:

- The Group financial statements and the Parent Company financial statements (the “financial statements”) of Cruise Yacht Upper Holdco Ltd give a true and fair view of the Group and the Parent Company’s financial position as at 31 December 2024, and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (‘IFRSs’) as adopted by the EU; and
- The financial statements have been prepared in accordance with the requirements of the Maltese Companies Act (Cap. 386).

#### **What we have audited**

Cruise Yacht Upper Holdco Ltd’s financial statements, set out on pages 6 to 51, comprise:

- the Consolidated and Parent Company statements of financial position as at 31 December 2024;
- the Consolidated and Parent Company statements of comprehensive income for the year then ended;
- the Consolidated and Parent Company statements of changes in equity for the year then ended;
- the Consolidated and Parent Company statements of cash flows for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

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#### *Basis for opinion*

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Independence**

We are independent of the Group and the Parent Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) together with the ethical requirements of the Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act (Cap. 281) that are relevant to our audit of the financial statements in Malta. We have fulfilled our other ethical responsibilities in accordance with these Codes.



## *Independent auditor's report - continued*

To the Shareholders of Cruise Yacht Upper Holdco Ltd

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### *Material uncertainty related to going concern*

We draw attention to note 2.1.1. to the financial statements which discusses the financial position of the Group and Company and their ability to continue as a going concern. The Group and Company's shareholders have provided written confirmation to the directors of their intention to continue to support the group and the company for the foreseeable future, but this financial support is not contractually committed and as such, financial support may not be available to the Group and the Company when required. These conditions, along with the other matters explained in note 2.1.1 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the Group's and the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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### *Other information*

The directors are responsible for the other information. The other information comprises the *Directors' report* and the *Statement of Directors' responsibilities* (but does not include the financial statements and our auditor's report thereon).

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon except as explicitly stated within the *Report on other legal and regulatory requirements*.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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### *Responsibilities of the directors for the financial statements*

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs as adopted by the EU and the requirements of the Maltese Companies Act (Cap. 386), and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

## *Independent auditor's report - continued*

To the Shareholders of Cruise Yacht Upper HoldCo Ltd

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### *Auditor's responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group or the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## *Independent auditor's report - continued*

To the Shareholders of Cruise Yacht Upper HoldCo Ltd

### *Report on other legal and regulatory requirements*

The *Annual Report and Financial Statements 2024* contains other areas required by legislation or regulation on which we are required to report. The Directors are responsible for these other areas.

The table below sets out these areas presented within the Annual Report, our related responsibilities and reporting, in addition to our responsibilities and reporting reflected in the *Other information* section of our report. Except as outlined in the table, we have not provided an audit opinion or any form of assurance.

Area of the <i>Annual Report and Financial Statements 2024</i> and the related Directors' responsibilities	Our responsibilities	Our reporting
<p><b>Directors' report</b> (on pages 3 to 4)</p> <p>The Maltese Companies Act (Cap. 386) requires the directors to prepare a Directors' report, which includes the contents required by Article 177 of the Act and the Sixth Schedule to the Act.</p>	<p>We are required to consider whether the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.</p> <p>We are also required to express an opinion as to whether the Directors' report has been prepared in accordance with the applicable legal requirements.</p> <p>In addition, we are required to state whether, in the light of the knowledge and understanding of the Company and its environment obtained in the course of our audit, we have identified any material misstatements in the Directors' report, and if so to give an indication of the nature of any such misstatements.</p>	<p>In our opinion:</p> <ul style="list-style-type: none"> <li>the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and</li> <li>the Directors' report has been prepared in accordance with the Maltese Companies Act (Cap. 386).</li> </ul> <p>We have nothing to report to you in respect of the other responsibilities, as explicitly stated within the <i>Other information</i> section.</p>

## *Independent auditor's report - continued*

To the Shareholders of Cruise Yacht Upper HoldCo Ltd

Area of the <i>Annual Report and Financial Statements 2024</i> and the related Directors' responsibilities	Our responsibilities	Our reporting
	<p><b>Other matters on which we are required to report by exception</b></p> <p>We also have responsibilities under the Maltese Companies Act (Cap. 386) to report to you if, in our opinion:</p> <ul style="list-style-type: none"> <li>adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us.</li> <li>the financial statements are not in agreement with the accounting records and returns.</li> <li>we have not received all the information and explanations which, to the best of our knowledge and belief, we require for our audit.</li> </ul>	<p>We have nothing to report to you in respect of these responsibilities.</p>



## *Independent auditor's report - continued*

To the Shareholders of Cruise Yacht Upper HoldCo Ltd

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### *Other matter – use of this report*

Our report, including the opinions, has been prepared for and only for the Parent Company's shareholders as a body in accordance with Article 179 of the Maltese Companies Act (Cap. 386) and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior written consent.

A handwritten signature in blue ink, appearing to be 'Romina Soler', with a large, stylized loop at the end.

Romina Soler  
Principal

*For and on behalf of*

**PricewaterhouseCoopers**

78, Mill Street

Zone 5, Central Business District

Qormi

Malta

30 April 2025