

CRUISE YACHT UPPER HOLDCO LTD
Unaudited Interim Finance Report for the quarter end
31 December 2024
Issued on February 28, 2025



COMPANY REGISTRATION NUMBER: C 79710



THE RITZ - CARLTON
YACHT COLLECTION

Cruise Yacht Upper HoldCo Ltd

Interim unaudited Finance Report as of and for the period ended 31 December 2024

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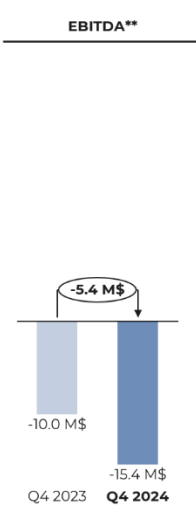
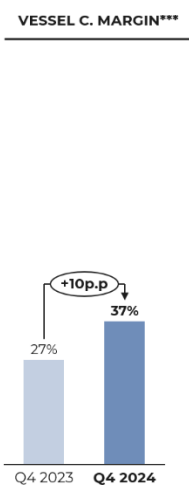
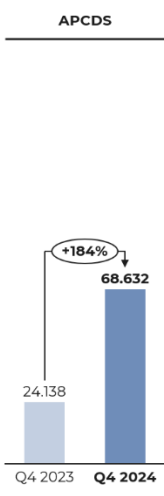
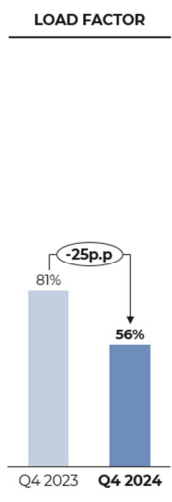
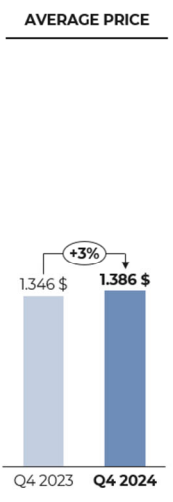
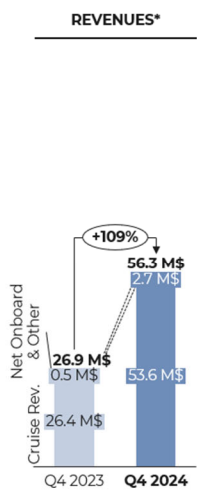
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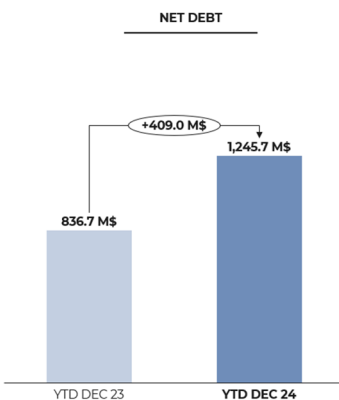
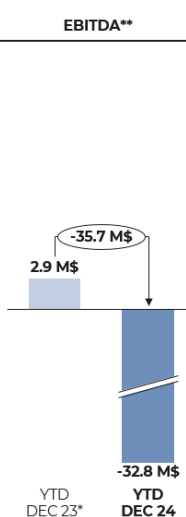
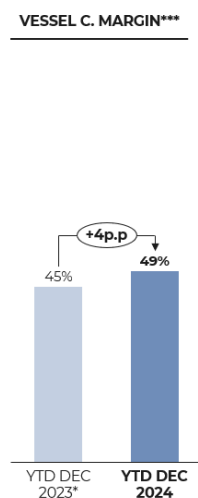
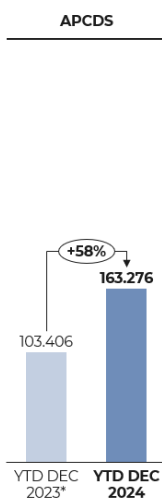
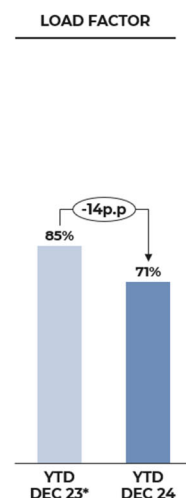
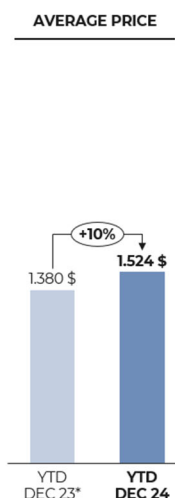
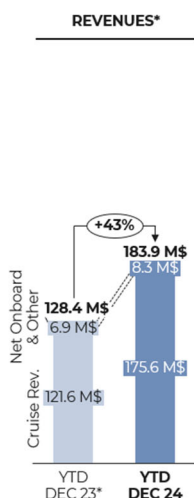
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1. Highlights – Key Figures

Q4 KPIs



Dec YTD (Full Financial Year 2024) KPIs



*Cruise revenues excluding ancillary revenues (Air, Hotel, Transfers, Cancellations, Travel insurance).

**Regarding EBITDA please refer to the note "Definition of Non-IFRS Financial Measures"

***The Vessel Contribution Margin % was calculated excluding one-off pre-operational expenses for Ilma





2. Management Comments

Q4 2024 marks our first full quarter with two vessels operating, both sailing across the Caribbean region. Guest satisfaction keeps increasing voyage after voyage with scores now reaching 75 – 80% for both vessels. As we move forward, we will continue to elevate the guest experience through service excellence, operational efficiencies and guest feedback-driven enhancements. This strong market acceptance reaffirms the strength of our value proposition and the impact of our efforts to provide a unique and luxury experience for our guests.

Beyond our strong guest satisfaction scores, we've seen a steady increase in demand, with quarterly revenues up 109% year-over-year. This growth reflects the progress of our demand-generation efforts, evidenced by our growing ability to attract and source additional guests, along with the rising interest in our brand.



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Our focus remains on building demand for our expanded fleet capacity, which has nearly tripled this quarter and grown by ~1.5x year over year, all while maintaining premium pricing as a key long-term strategy aligned with our luxury market positioning. In Q4 2024, we achieved an average rate of \$1,386 USD per guest per day, +3% vs Q4 PY and \$1,524 YTD, +10.5% vs PY, reflecting strong pricing along demand growth. Our normalized pricing excluding crossing voyages for Q4 2024 increased to \$1,546 vs \$1,367 prior year, showing an increase of +13% and normalized YTD 2024 pricing stands at \$1,589 vs \$1,394 prior year, reflecting an increase of +14%. This strong pricing performance highlights the strength of our value proposition, as our ability to offer exceptional service, exclusive experiences, and unmatched luxury continues to justify higher pricing.

Luminara, our third vessel, is in the final stages of construction at the French shipyard Chantiers de l'Atlantique, with delivery scheduled for June 2025, remaining on track as planned. Driven by lessons learned from our previous ships and guest feedback, Luminara's design has been enhanced as part of our continuous effort to refine and elevate the guest experience. Construction and outfitting are progressing smoothly, ensuring a successful and timely completion. Luminara is set to embark on her maiden voyage from Monaco on July 3rd.

With *Ilma* delivered in July 2024 and *Luminara* arriving in June 2025, we are rapidly expanding capacity, increasing available passenger cruise days by 60% in 2024, 110% in 2025, and 30% in 2026. In 2024, we have strategically ramped up our marketing and sales investment to support our growth trajectory. Notably, in Q4 our expenditure reached ~\$17m, contributing to a total YTD spend of ~\$54m, which represents 31% of our gross cruise revenue. This is a significant increase from 2023, when our sales and marketing expenditure was ~\$9m, - just 7% of gross cruise revenue. This strategy will continue through 2025 and 2026, with a focus on building brand awareness and driving demand to support our expanded capacity. As we move beyond these ramp-up years, we plan to optimize marketing costs by leveraging brand and product awareness, increasing conversion rates, and strengthening repeat guests loyalty.

Total revenues for the year reached \$176m, reflecting a +44% increase vs last year. The booking generation also set new records, with volumes up by ~1.7x in 2024 compared to 2023 (and ~1.8x in Q4 2024 vs Q4 2023). Vessel contribution margin*** grew from \$58 million in 2023 to \$89 million in 2024, a 54% YoY growth, highlighting stronger revenue generation and improved cost efficiency. With a 49% margin in 2024 vs 45% in 2023, operational performance continues to meet expectations while rising guest satisfaction supports sustained profitability. The successful integration of *Ilma* demonstrates the company's ability to scale efficiently.

Revenues

Q4 commentary

Both *Evrima* and *Ilma* sailed in the Caribbean region throughout Q4, generating \$54 million in cruise revenues*. Average pricing increased +3% year-over-year, reaching \$1,386 per day compared to \$1,346 in Q4 2023, or reaching \$1,546 compared to \$1,367 prior year if we normalize pricing excluding crossing voyages, which is a +13% year-over-year increase, driven by successful revenue



management. The Q4 average load factor was 56%, with 18,162 guests sailing with RCYC —an increase of 117% compared to 2023, evidence of the increasing demand and momentum behind our brand. While demand grew significantly, reflected in the rise in guest numbers, it lagged behind the 184% year-over-year increase in available berths (capacity). As a result, the Q4 2024 load factor was lower than the 81% recorded in Q4 2023. However, we continue our strategy of prioritizing pricing as we build a robust demand and occupancy.

Full year Commentary

YTD average pricing is \$1,524, reflecting a +10% increase from prior year's \$1,380, or \$1,589 vs \$1,394 prior year, which is a +14% year-over-year increase if we normalize pricing excluding crossing voyages. Occupancy stands at 71% compared to 85% prior year, driven by our Q4 performance with our first quarter having two vessels in the same region, increasing thus the capacity by 70% compared to previous quarter. As a reminder, our YTD performance as of Q3 was at 82%. These factors contributed to cruise revenues* of \$175.6m as of end of December 2024, representing +\$54m (+44%) year-over-year. Net onboard and other ancillary revenues reached \$8.3m by the end of December 2024, above prior year's at \$6.9m (+20%)

*Cruise revenues excluding ancillary revenues (Air, Hotel, Transfers, Cancellations, Travel insurance).

Vessel Contribution Margin

The Vessel Contribution Margin*** for Q4 has improved from 27% to 37% (+10 pts) due to Ilma's low vessel running expenses as she is a new vessel. On a full year basis, the Vessel Contribution Margin*** has increased to 49% from 45% in the prior year, driven by higher revenues from improved pricing and increased efficiencies in vessel operating costs, particularly hotel expenses due to improved procurement and planning processes. We anticipate continued growth in both the vessel contribution margin and EBITDA margin, supported by the higher profitability of our new yachts, *Ilma* and *Luminara*, and the economies of scale realized in SG&A as the fleet expands.

***The Vessel Contribution Margin % was calculated excluding one-off pre-operational expenses for Ilma

EBITDA

As we expand our platform to operate three vessels, our total sales & marketing expenses have increased by \$12.5m compared to Q4 2023 and by \$45.1m YTD supporting our new strategy to drive lead growth, foster brand and product awareness and accelerate demand generation.

We can see the results of the increased marketing investment in a growing customer database, website visits, brand awareness, and Instagram users. All future indicators of demand are positively supporting the deployment strategy that will be further boosted and optimized for effectiveness in 2025 (and onward).

Similarly, G&A costs have risen by \$4.5m QTD / \$16.5m YTD compared to prior year, largely related to payroll costs as increased headcount reflects the successful deployment and operations of two vessels.



Q4 2024 EBITDA was -\$15.4m, bringing YTD 2024 EBITDA to -\$32.8m, compared to -\$10m in Q4 2023 and +\$2.9m for YTD 2023. This is driven by the significant increase in our sales, general and administrative expenses, which are critical to supporting our ramp up phase and the group's long-term growth strategy.

Net Debt

Loans and borrowings increased by \$476m, primarily due to ECA credit facility drawdowns of \$303m related to the financing of our two vessels, *Ilma* and *Luminara*. Additionally, the issuance of \$300 million in secured bonds contributed to the repayment of \$153m of existing senior secured PIK Toggle notes and partially financed the remaining capex for the vessels and general corporate purposes of the Group.

Cash increased by \$66.7m during the year, rising from \$32.3m at the end of December 2023 to \$99m at the end of December 2024. This increase was mainly driven by \$82m in continuous funding from shareholders.

As a result, net debt rose to \$1,246m as of December 2024, marking an increase of \$409m compared to December 2023, in compliance with our financial covenants.

Business Outlook

We look forward to having *Luminara*, our third vessel, join our fleet in June 2025, to continue to enhance our guest experience and increase satisfaction levels. Her delivery will mark a significant ramp-up in our total capacity deployed as it will be the first full year of operations for *Ilma*, and half a year of operations for *Luminara*, representing an increase in Available Passenger Cruise Days (capacity) of 2.1x. 2025 will be a year of firsts for the company, with our fleet expanding into new regions as part of RCYC's itinerary diversification strategy. *Ilma* will sail Northern Europe itineraries during the summer, while *Luminara* will head to the Asia-Pacific for her first winter season.

We remain deeply committed to our guests and the ultra-luxury market, which is still in the early stages of discovering cruising but demonstrates an important growth potential. RCYC is uniquely positioned to capitalize on this opportunity, leveraging its exclusive market presence and the success of its innovative strategies.

The high-net-worth individual (HNWI) market remains an exceptionally attractive segment, with potential demand far exceeding supply. As the first mover in this space, RCYC is solidifying its leadership position. By continuously incorporating lessons learned and driving innovation in operations, yacht designs and experience, we are enhancing our offering and maintaining a competitive edge. With a robust operating platform delivering exceptional guest satisfaction, we deliver unparalleled experiences both onboard and ashore. Our expanding itinerary portfolio – including Alaska and Asia for 2025 and 2026, both highly anticipated and generating strong booking interest – further strengthens our market position and ability to generate demand for our product.



Our strong presence in the digital marketing space has driven record-breaking sales, boosted by enthusiastic guest reviews and growing brand awareness. By attracting both new and returning guests, we are consolidating our commercial success and strengthening RCYC's reputation as a leading luxury hospitality brand.

James Joseph Murren
Chief Executive Officer

Ernesto Fara
President and Chief Financial Officer



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3. Consolidated interim Financial Statements

a. Consolidated Unaudited Statement of Financial Position as at 31 December 2024

	<i>Unaudited</i>	<i>Audited</i>
	Dec-24	Dec-23
	\$m USD	\$m USD
ASSETS		
Property, plant and equipment	1,470	1,139
Right-of-use assets	8	4
Intangible assets and Goodwill	28	5
Derivative financial asset	11	1
Other assets	35	4
Non-current assets	1,552	1,154
Inventory	10	6
Other current assets	19	13
Trade receivables	43	26
Cash and cash equivalents	99	32
Current assets	171	77
Total assets	1,723	1,231
EQUITY		
Share capital	1	1
Share premium	629	548
Retained earnings	(428)	(269)
Translation reserve	(81)	(64)
Total equity	121	216
LIABILITIES		
Loans and borrowings	1,273	841
Lease liabilities	9	5
Other non-current liabilities	30	18
Derivative financial liability	14	21
Non-current liabilities	1,325	884
Trade and other payables	96	33
Contract liabilities	107	69
Tax liabilities	1	0
Loans and borrowings	72	28
Lease liabilities	0	0
Current liabilities	276	131
Total liabilities	1,602	1,015
Total equity and liabilities	1,723	1,231



3.2. Consolidated Unaudited Statement of Profit or Loss as at 31 December 2024

	<i>Unaudited</i>	<i>Unaudited</i>	<i>Unaudited</i>	<i>Unaudited</i>	<i>Unaudited</i>	<i>Audited</i>
	Q1 2024	Q2 2024	Q3 2024	Q4 2024	YTD December 2024	YTD December 2023
	\$m USD	\$m USD	\$m USD	\$m USD	\$m USD	\$m USD
Cruise ticket revenues	28	35	64	55	182	129
Onboard and other revenues	3	3	6	3	15	11
Total revenues	31	37	70	59	197	140
Cost of sales	(27)	(27)	(47)	(55)	(156)	(112)
Gross (loss)/ profit	4	10	23	4	41	28
Selling and Administrative expenses	0	0	0	0	0	0
Impairment losses	(23)	(26)	(29)	(34)	(113)	(50)
Other operating income	-	-	-	-	-	(7)
Other operating expenses	0	1	0	(0)	1	0
Operating (loss)/profit	(1)	(0)	0	(0)	(1)	(2)
Finance income	(20)	(16)	(6)	(31)	(72)	(32)
Finance expense	0	-	(0)	8	8	-
Exchange differences	(12)	(12)	(40)	(18)	(82)	(48)
Net finance (expense) / income	(6)	(2)	11	(18)	(14)	(6)
Profit (loss) before tax	(18)	(13)	(29)	(28)	(88)	(54)
Income tax	(37)	(29)	(35)	(59)	(160)	(86)
Profit/(loss) for the year	(37)	(29)	(35)	(59)	(160)	(86)
Other comprehensive income						
Items that might be reclassified						
Subsequently to profit or loss						
Exchange differences on translating Foreign operations	(7)	(1)	6	(13)	(16)	18
Total other comprehensive income (loss)	(7)	(1)	6	(13)	(16)	18
Net comprehensive income (loss) for the year	(45)	(30)	(29)	(72)	(176)	(68)



3.3. Consolidated Unaudited Statement of Cash Flow as at 31 December 2024

	<i>Unaudited</i>	<i>Audited</i>
	Dec-24	Dec-23
	\$m USD	\$m USD
CASH FLOWS FROM OPERATING ACTIVITIES		
Total comprehensive profit (Loss) for the year	(160)	(86)
Adjustments for:		
Derivative financial (assets) / liabilities	(11)	3
Net foreign exchange differences	15	2
Interest expenses	82	45
Interest paid	(52)	(26)
Net loss on derivative instruments at fair value through profit or loss	1	2
Depreciation and amortisation	40	27
Taxation	0	0
Fair value adjustment on warrants	(6)	(3)
Impairment losses	-	7
Changes in:		
Accounts receivable	(17)	(0)
Prepaid expenses and other receivables	(6)	(2)
Advance ticket sales	38	7
Key money	12	(0)
Payables and accrued expenses	63	(3)
Inventory	(4)	2
NET CASH FLOWS USED IN OPERATING ACTIVITIES	(6)	(25)
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(405)	(365)
Additions to intangible assets	(23)	(3)
Additions to other long term assets	(30)	(4)
NET CASH USED IN INVESTING ACTIVITIES	(458)	(372)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the issue of share capital & share premium	82	116
Proceeds from loans, net of transaction costs	446	276
Lease liability	4	-
NET CASH FLOWS FROM FINANCING ACTIVITIES	532	392
Cash and cash equivalents at beginning of the year	32	36
Net increase in cash and cash equivalents	67	(4)
Effect of exchange fluctuations on cash held	(0)	0
CASH AND CASH EQUIVALENTS	99	32



3.4. Statement of changes in Equity as at 31 December 2024

	Share capital \$m USD	Share premium \$m USD	Accumulated losses \$m USD	Translation reserve \$m USD	Total equity \$m USD
Balances at 1 January 2023	0	432	(182)	(83)	168
<i>A</i>					
<i>u</i>	-	-	(86)	-	(86)
<i>d</i>	-	-	(1)	19	18
<i>i</i>	-	-	(86)	19	(68)
<i>t</i>					
<i>e</i>					
<i>d</i>					
Transactions with owners of the Company:					
Issue of Class A1 ordinary shares	0	116	-	-	116
Balances at 31 December 2023	1	548	(268)	(64)	216
<i>U</i>					
<i>n</i>					
<i>a</i>					
<i>u</i>					
<i>d</i>					
Balances at 1 January 2024	1	548	(268)	(64)	216
Loss for the period	-	-	(160)	-	(160)
Other comprehensive income	-	-	1	(17)	(16)
Total comprehensive income	-	-	(159)	(17)	(176)
Transactions with owners of the Company:					
Issue of Class A1 ordinary shares	0	81	-	-	82
Balances at 31 December 2024	1	629	(427)	(81)	121



4. Notes to interim Financial Report

General Information

Cruise Yacht Upper Holdco Ltd (“the Company”) is a private limited liability company incorporated and domiciled in Malta with registration number C79710. The Company’s registered office is Vault 14, Level 2, Valletta Waterfront Floriana FRN 1914 Malta.

The Company and its subsidiaries (“The Group”) main business is to build, own and operate luxury cruise yachts.

Basis for preparation

The accompanying condensed consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standard Board (IASB), including IAS 34 Interim Financial Reporting. The financial statements are prepared on a going-concern basis.

Accounting Policies

The accounting policies adopted in preparing the interim unaudited financial statements are consistent with those followed in preparing the Company’s Audited Consolidated Financial Statements and accompanying notes for the financial year ending December 31, 2023.

The consolidated interim unaudited financial statements do not include all the information required for complete annual consolidated financial statements and should be read in conjunction with the annual consolidated financial statements for 2023.

New and updated accounting standards: no IFRS or IFRIC interpretations that are not yet effective are expected to have a material impact on the Group.

Definition of Non-IFRS Financial Measures

EBITDA is a non-IFRS financial measure, calculated by excluding from operating result, depreciation, amortization and impairment.





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