18 April 2018

GYG plc

("GYG", the "Company" or the "Group")

2017 FINAL RESULTS

A transformative year resulting in double digit revenue growth

GYG plc (AIM: GYG), the market leading superyacht painting, supply and maintenance company, today announces its audited results for the year ended 31 December 2017.

Financial Highlights

- Group revenue increased 14.7% to €62.6m (FY16[1] €54.6m)
  - Coating (Refit & New Build) revenue up 16.7% to €53.7m (FY16 €46.0m)
  - Supply revenue up 4.2% to €8.9m (FY16 €8.6m)
- Adjusted EBITDA[2] increased 7.6% to €7.2m (FY16 €6.7m)
- Operating profit of €1.4m which includes €3.9m of exceptional items, mainly related to the IPO (FY16 operating profit of €1.9m)
- Net debt position reduced to €6.7m at 31 December 2017 (FY16: €10.4m)
- Cash of €6.2m as at 31 December 2017 (€6.2m at 31 December 2016)
- Board has recommended a total dividend of 3.2 pence per ordinary share, reflecting the 6 month period from IPO to the year end

Operational Highlights

- Completed acquisition of ACA Marine coating division in South of France in March 2017
- Successful placing of £6.9m of new equity and admission to AIM in July 2017. Upon admission, Stephen Murphy was appointed as Chairman and Richard King as Non-Executive Director
- Enhanced credibility and profile as a result of the IPO demonstrated by recent contract wins including for the previously announced work on Rev 182
- Record Order Book[3] as at 31 December 2017 of €20.4m (up from €17.9m FY16), of which €14.3m is planned to be delivered in FY18
- Pipeline[4] of €376m as at 31 December 2017 (up from €267m FY16)
- Balance sheet strengthened, with repayment of €4.3m of loan notes on IPO
- Post period end, the Group won the first significant refit project at the newly refurbished Savannah Yacht Center in Georgia, USA on a c.70 metre Dutch-built superyacht

1) *Refer to the Financial Performance section for an explanation of the basis of preparation of the twelve-month period ended 31 December 2016 comparative financial information (referred to as "FY16").*
2) *Adjusted EBITDA is defined as operating profit before finance costs, taxation, depreciation, amortisation, share based payments and exceptional items. This is an alternative performance measure and should not be considered an alternative to IFRS measures, such as revenue or operating profit.*
3) *Order Book is defined as contracted but unbilled New Build and Refit projects across the Group from 1 January 2018 onwards.*
4) *Pipeline is defined as the projects the Group are looking to secure, covering the stages from sending a proposal to final negotiation.*

Remy Millott, CEO of GYG commented:

"2017 was a transformational year for GYG which included the acquisition of ACA Marine and the successful completion of our AIM IPO in July, enhancing our credibility and profile in the industry. The coating division had a strong performance, delivering 16.7% revenue growth and further establishing GYG's credentials in the new build market with promising results".

"We have had an encouraging start to 2018, with a busy first quarter in refit, and good progress to the forward Order Book, having signed some major new build projects which will come on-stream later this year and during 2019 and 2020. I am particularly excited that our first major project has started at the newly refurbished Savannah Yacht Center in the US. This is an important milestone for GYG and this will further accelerate the growth of our US operations".

"GYG is well placed to increase its coating market share through an organic growth strategy and to capitalize on the 6% estimated annual growth in our addressable market, as a result of the continued growth of worldwide billionaires buying larger yachts and increasing the global superyacht fleet. As a result, the Board looks to the future with confidence".

Analyst meeting

There will be a presentation for sell-side analysts at 9:30am this morning, 18 April 2018, the details of which can be obtained from FTI Consulting.

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The information contained within this announcement is deemed to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014. Upon the publication of this announcement, this inside information is now considered to be in the public domain.

Notes to Editors:

GYG is the market leading superyacht painting, supply and maintenance company, offering services globally through operations in the Mediterranean, Northern Europe and the United States. The Company's brands include Pinmar, Rolling Stock, Pinmar Supply, Pinmar USA, Techno Craft and ACA Marine. GYG's operations can be divided into three key sales channels:

- COATING:
    - Refit: repainting and finishing of superyachts, normally as part of a refit programme. Revenues also include scaffolding and containment work
    - New Build: fairing and painting of new vessels as part of the build process
- SUPPLY: selling and delivery of maintenance materials, consumables, spare parts and equipment primarily to trade customers.

Superyachts require a major survey and service every five years to comply with certain class, maritime laws and insurance requirements. Owners typically undertake an annual haul out and general maintenance to remain ahead of the service intervals and to keep the vessels in optimum condition. Owners often use the major servicing period as an opportunity for repainting the vessel, providing GYG with a source of repeat business.

This announcement contains forward-looking statements that are based on current expectations or beliefs, as well as assumptions about future events. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements often use words such as anticipate, target, expect, estimate, intend, plan, goal, believe, will, may, should, would, could, is confident, or other words of similar meaning. Undue reliance should not be placed on any such statements because they speak only as at the date of this document and, by their very nature, they are subject to known and unknown risks and uncertainties and can be affected by other factors that could cause actual results, plans and objectives, to differ materially from those expressed or implied in the forward-looking statements. There are a number of factors which could cause actual results to differ materially from those expressed or implied in forward-looking statements. The Company undertakes no obligation to revise or update any forward-looking statement contained within this announcement, regardless of whether those statements are affected as a result of new information, future events or otherwise, save as required by law and regulations.

CHAIRMAN'S STATEMENT

I am delighted to present my first Chairman's statement as a public company on behalf of the Board of GYG plc.

2017 was a milestone year in the Group's development, with a successful IPO on the AIM Market of the London Stock Exchange in July while also delivering another year of strong growth. The IPO raised £6.9m which was used to settle pre-existing shareholder loan notes, accrued interest and fees and expenses in relation to the IPO and by the end of the year, net debt had been reduced to €6.7m. Prior to the IPO, significant highlights included the acquisition of ACA Marine in March.

As such, our strengthened financial position provides us with a strong platform to support future growth and development of the Group. The enhanced credibility and profile that we have gained as a result of the IPO will continue to help us secure larger orders and develop further growth opportunities to generate long-term value for shareholders.

RESULTS

We have delivered solid revenue growth in the year, up 14.7% to €62.6m (FY16: €54.6m), reflecting a good performance across all divisions. Adjusted EBITDA increased 7.6% to €7.2m (FY16: €6.7m), with an adjusted EBITDA margin of 11.5% (FY16: 12.2%). We ended the year with a solid balance sheet and maintained cash at €6.2m at 31 December 2017 (€6.2m at 31 December 2016).

DIVIDEND

As stated in our Admission Document, the Board has adopted a progressive dividend policy with growth in line with the growth in future earnings and the Board is therefore pleased to recommend a total dividend of 3.2 pence per ordinary share for the year ended 31 December 2017, reflecting the 6 months from IPO to the financial year end. If approved by the shareholders at the Annual General Meeting on 29 May 2018, the dividend will be paid on 15 June 2018 to shareholders on the register on 4 May 2018. The ex-dividend date will be 3 May 2018.

CURRENT TRADING & OUTLOOK

We have had an encouraging start to 2018, with trading in line with the Board's expectations. The Group had a busy first quarter in refit including a number of jobs that were pushed back by the 2017 hurricanes and has seen significant growth to the forward Order Book, having signed some major new build projects which will come on-stream later this year and during 2019 and 2020. Management are highly focused on delivering growth across the divisions in 2018, and the wider GYG team is strongly motivated to continue to deliver a premium quality service to our existing and new customers. I would like to take this opportunity to thank all of our colleagues across the world for their continued hard work to deliver these results. The Group is well positioned to continue to create long-term value for all shareholders.

Stephen Murphy
Non-Executive Chairman
18 April 2018

CHIEF EXECUTIVE'S REPORT

I am pleased to report on GYG's first year end results as a public limited company. Our successful IPO in July 2017 was a major milestone for the Group, further strengthening its position as the global market leader in the superyacht painting, supply and maintenance sector. Together with the acquisition of the majority shareholding in ACA Marine, GYG's flotation on AIM represented a significant achievement for the Board of our Company and I am grateful for the dedicated support of my fellow Directors.

The Group delivered strong results with revenue of €62.6m in the year ended 31 December 2017 reflecting a 14.7% increase compared to FY16, and adjusted EBITDA of €7.2m (FY16: €6.7m), an increase of 7.6%. We ended the year with cash of €6.2m on a par with the previous year and a stronger balance sheet, having repaid €4.3m of loan notes post the IPO. This was achieved alongside a busy corporate agenda and challenging market conditions in the latter half of the year. Strong revenue growth was achieved in the first half, however as previously announced, the third quarter refit programme was affected by the disruption to seasonal cruising patterns from an extraordinary sequence of hurricanes. This caused delays to several major projects, leading to a softening of revenues in the second half of the year. Despite this, I am pleased to report that refit showed a strong recovery in the fourth quarter and as far as we can see these project deferrals resulted in work being postponed into 2018. The Group is well positioned with a strong forward Order Book in a market segment which continues to exhibit solid growth.

STRATEGY

The Group's strategy remains the same as that detailed in our Admission Document and we will continue to leverage our market leadership in the refit sector where GYG holds a 30% share (up from 29% at the time of flotation), an 86% customer retention rate, and a preferred supplier status with many of the leading refit shipyards in the core locations. Our addressable coating market is forecast to grow at 6% per annum and we have the platform in place to grow with and above the market. The Group is targeting regional developments in the refit market by continuing to engage and enter into new agreements with shipyards, further strengthening our market position.

The Group aims to increase its market share in new build through an organic growth strategy. The board believes that being a listed group provides reassurance to shipyards due to the scale and security of the Group and provides confidence to them regarding the risk of awarding these large contracts.

In the USA, we are particularly excited about the potential of the newly refurbished Savannah Yacht Center in Georgia ("SYC"). GYG entered into a memorandum of understanding with SYC in August 2016 to establish a new painting facility to cater for superyacht refit projects. Whilst GYG already has bases in Fort Lauderdale and West Palm Beach, these facilities are mainly servicing yachts up to 70 metres therefore SYC opens up the 70+ metre US market. Post period end, the Group's US subsidiary, Pinmar USA, won the first significant refit project on a circa 70 metre Dutch-built superyacht which has started this month and will run for approximately 14 weeks. Management anticipates SYC to form a major part of the US growth strategy as this shipyard capacity comes fully on stream in Q3 2018.

The Board has further targeted improvements to gross margins which are underpinned by a programme of management initiatives to improve production processes and internal systems. As a Group, we will continue to invest in technological, operational and our human resource development which will contribute to margin improvement as well as preserving the market leadership status of our portfolio of brands.

Finally, the Board continues to evaluate earnings enhancing acquisitions to increase market share and enable expansion into new geographic markets or new complementary services to support the Group's long-term strategy.

DIVISIONAL REVIEW

GYG is a market leading superyacht painting, supply and maintenance company offering its services globally through operations in the Mediterranean, Northern Europe and the USA. The Company's brands include Pinmar, Rolling Stock, Pinmar Supply, Pinmar USA, Techno Craft and ACA Marine. GYG's operations are separated into two divisions, coating and supply.

The AIM IPO has certainly raised the profile of the Group providing a platform to engage directly with significant industry participants whilst giving corporate credibility and additional certainty to existing and potential clients. This has enabled the Group to continue growing market share in a growing market. In particular, the management team has a strategic focus on new build where it is looking to increase GYG's market share as that market itself continues to expand.

COATING DIVISION

This division, consisting of the refit and new build markets, performed very well in 2017 with revenue increasing 16.7% to €53.7m (FY16 €46.0m). This performance is underpinned by the industry trend of increasing average vessel size (44% growth in the last 11 years), resulting in a larger surface area to be treated. Particularly pleasing has been the 20% growth in revenue of the Group's scaffolding company, Techno Craft.

With the recent contract win of a 117 metre new build in Norway and several large refit projects being carried out in new locations, the division is expanding its market share outside Spain while strengthening the Group's reputation as a company that can achieve vast scopes of high quality work in short time frames.

Importantly, the strong results in this division were achieved despite the challenges witnessed in the second half such as the hurricanes in the USA which not only interrupted production for a short period, but also disrupted normal cruising and refit patterns.

Refit includes repainting and finishing of superyachts, normally as part of a refit programme, and its revenues also include scaffolding, containment and the removal of fittings undertaken by the Techno Craft business.

A key driver of our business is that superyachts require a major survey and service every five years to comply with certain class regulations, maritime laws and insurance requirements. In addition, our strong warranty and network of relationships with shipyards supports strong repeat business enhancing revenue security.

GYG operates four brands in the refit sector each targeting specific regional markets and segments. Pinmar is the market leading brand focused on the large motor superyachts across all European refit locations. Pinmar USA is the leading brand on the East Coast of the USA, predominantly servicing the motor yacht market. Rolling Stock has its core in the sailing superyacht sector and specialises in metallic and performance coatings in Europe. ACA Marine, the Group's most recent acquisition, is a regional brand focusing on the 40+ metre market in France.

GYG increased the scope of its refit network in 2017, signing commercial agreements with major refit shipyards in the USA and Italy which will facilitate the planned regional growth in 2018, as stated at

IPO. The Group also expanded its field sales force to service the enlarged network, implementing a tailored CRM system to manage the sales process.

New Build covers the fairing and painting of new vessels as part of the build process and represents a significant growth opportunity for the Group.

2017 new build revenues were strong with the Group undertaking major projects in Holland, Germany and the USA. The fairing and painting of a new, large (70+ metre) superyacht will typically take 8-12 months, with the largest (150+ metre) vessels taking longer. Correspondingly, such major individual projects produce substantial and consistent revenues over a prolonged period contributing to the annual sales of the coating division.

Historically, GYG has been successful in winning major contracts to fair and finish iconic new build projects through its strong relationships with existing superyacht owners and their representatives. However, the paint contracts for the majority of the 50-70 metre new build projects are awarded by the shipyards to their long standing preferred local suppliers, hence GYG's relatively low market share of 6% in this high value segment. One of the strategic drivers of the IPO was to further penetrate this sizeable market segment to drive the future growth of our new build operations. We are confident that we will be able to demonstrate to the leading new build yards in Holland, Germany and Italy that we can add value and reduce risk through our industry leading quality, production efficiency, project management protocols and global after sales service.

Post period end, we signed a Letter of Intent ("LOI") with the owner of 'REV 182', the world's largest research and expedition vessel currently under construction. The 182 metre vessel, which is scheduled to be started in 2019 and delivered in 2020, will be contracted to the Group's Rolling Stock division and the order includes the supply and application of the exterior filler and paint system for specified exterior areas of the vessel.

This is the third explorer vessel of this type that GYG has been contracted to work on in the last two years, further establishing the Group as the specialist in this type of market. The works are scheduled to commence in 2019, strengthening the order book and providing a good visibility of income for the Group.

SUPPLY DIVISION

The supply business operates through three distinct sales channels, namely retail, trade and superyacht provisioning.

The Supply division delivered revenues of €8.9m, up 4.2% on FY16 (€8.6m). The retail turnover was in line with the previous year while the division's growth came from the increased volumes through the trade accounts and the expansion of yacht provisioning.

OPERATIONAL REVIEW

During 2017, we completed a review of our production processes and have started to implement a number of quality, efficiency and productivity initiatives aimed at improving gross margins and reducing fixed costs. We expect to see the early benefits of these programmes over the course of 2018.

Through the Pinmar brand, GYG continues to lead the industry in terms of the delivery of quality standards. The Pinmar Standard was the first empirically based superyacht paint standard introduced to the industry in 2011, revolutionising the approach to the inspection and acceptance of paint works. In 2018, GYG launched the Pinmar Standard 2.0, an updated version of the standard which incorporates the expanded range of paint manufacturers and products available in the market today.

The Group continues to innovate and invest in new application technology, leveraging its close relationship with all of the main superyacht paint manufacturers. Its adoption and industry development of electrostatic top-coat application is delivering significant time, quality and environmental benefits, further asserting the Group's industry leadership.

GYG continues to develop its Human Resources function with a structured in-house programme of skills development aimed at expanding the coating division production capacity. We continue to strengthen our management team through strategic recruitment, bringing a mix of industry experience and related business expertise.

We continue to improve our business processes, systems and infrastructure to support the growth and improve efficiency of the Group. In 2017, we implemented a new production application software to provide greater visibility and control over production activity, and a sales CRM system that provides data on the worldwide fleet of 5,700 superyachts and facilitates the management of the marketing and sales process. This has further improved our ability to forecast upcoming yacht refits and has provided our managers with a more efficient approach to marketing at the appropriate time before a refit.

MARKET DEVELOPMENTS

The superyacht new build and refit painting market continues to exhibit consistent growth of approximately 6% per annum driven primarily by the refit market which, as previously mentioned, requires regular maintenance programmes. The new build market, particularly the larger superyacht segment (70+ metre), has been fuelled by the continued growth in the number of worldwide billionaires, (estimated 9% CAGR to 2020) and continues to report growing order books and deliveries through 2020, indicating further new build painting and a growing fleet requiring refit.

We have noted the continuing increase in the size of vessels being produced and the demands this places on the global refit shipyard infrastructure. There are a limited number of yards with the infrastructure required to service the growing number of 100+ metre mega-yachts and GYG is well positioned with these yards to complete such orders. Time is a precious factor in the refit of these larger vessels as owners want access to their vessels or the ability to hire out during the main cruising season. The Group's technical leadership and unrivalled experience in repainting the largest yachts to the highest industry standards, meeting clients demanding timescales, further accentuates our competitive advantage.

OUTLOOK

The Group is well positioned in each of its core markets and the management team is focused on delivering the key objectives of revenue growth and margin improvement. The Group's outlook for 2018 is positive with significant growth expected in the refit sector alongside further new build market penetration.

Remy Millott

Chief Executive Officer

18 April 2018

FINANCIAL REVIEW FOR THE YEAR ENDED 31 DECEMBER 2017[5]

During the year ended 31 December 2017, the Company continued to focus on organic revenue growth through expanding shipyard and client relationships for the Coating division and an increasing offering for the Supply division.

The Company, during this time, also prepared for an IPO of its shares on AIM which was successfully completed on 5 July 2017. The Company issued 6.9m new shares at a placing price of 100p (the "Placing Price"), raising gross proceeds of £6.9m. GYG used the funds principally to settle shareholder loan notes and related interest, advisor fees and expenses in relation to the IPO.

The Board believes that the flotation on AIM has increased the Company's overall reputation and profile, broadened and strengthened GYG's shareholder base, and has provided the Company with the ability to incentivise key employees and to use AIM quoted shares as currency for potential future acquisitions.

Financial performance

Year ended 31 December 2017	*Coating*	*Supply*	*Total reportable segments*
	€000	*€000*	*€000*
Revenue	53,713	8,925	62,638
Adjusted EBITDA	6,219	972	7,191

Combined twelve-month period ended 31 December 2016 [5]	Coating	Supply	Total reportable segments
	€000	€000	€000
Revenue	46,023	8,568	54,591
Adjusted EBITDA	5,959	726	6,685

Consolidated ten-month period ended 31 December 2016 [5]	Coating	Supply	Total reportable segments
	€000	€000	€000
Revenue	37,292	7,161	44,453
Adjusted EBITDA	4,817	587	5,404

5) *The financial information for the ten-month period ended 31 December 2016 is the trading period for GYG plc (former Global Yachting Group Limited) since its incorporation date in February 2016, starting trading on 4 March 2016, to 31 December 2016. As consequence the financial information for the twelve-month period ended 31 December 2017 is not directly comparable with that of the ten-month period ended 31 December 2016. To aid comparison to the twelve-month period ended 31 December 2017 (referred to "FY16"), we have set out above the comparative financial information for the twelve-month period ended 31 December 2016, as well as the ten month information (below). The comparative financial information for the twelve month period ended 31 December 2016 is the combination of:*

- *The consolidated financial information of Hemisphere Yachting Services, S.L.U. and its subsidiaries for the period from 1 January 2016 to 3 March 2016 (the period until the acquisition by Global Yachting Group Limited); and,*
- *The consolidated financial information of Global Yachting Group Limited for the period from 4 March 2016 to 31 December 2016.*

Revenue in the year ended 31 December 2017 increased 14.7% to €62.6m (FY16: €54.6m) with 16.7% growth in the coating division, reflecting strong performances in new build, scaffolding and containment, and 4.2% growth in the Supply division in 2017. Our Refit division recorded high turnover in the first and second quarters, however the third quarter Refit programme was affected by the multiple hurricane disruption to seasonal cruising patterns causing delays to major projects which led to a softening of revenues in the second half of the year. Refit recovered in the fourth quarter, and the Group are seeing the project deferrals starting to flow through into the order book during 2018.

Operating expenses before share option charges and exceptional items were €57.3m in the year (FY16: €50.1m). The increase in operating costs predominantly reflects higher direct manpower, materials and other operating expenses in line with the increased turnover.

With a gross profit margin across the Group of 27%, and adjusted EBITDA margin of 11.5%, we achieved adjusted EBITDA of €7.2m in the year (FY16: €6.7m); where the main contribution to this growth came from the new build division.

The Group delivered operating profit of €1.4m which includes €3.9m of exceptional items, mainly related to professional fees and other related fees arising in connection with the IPO and the acquisition of ACA Marine, the coating business located in the South of France. This was against a FY16 comparator of €1.9m which included €2.6m of exceptional items, mainly related to transaction fees in connection with the acquisition of Hemisphere Yachting Services, S.L.U. which was completed on 3 March 2016.

Financial expenses of €0.9m (FY16: €0.9m) related primarily to interest on the syndicated loan and loan notes (both signed in March 2016).

Earnings per share and dividends

Net loss for the year was €0.4m (2016: profit €0.1m). Loss per share was €0.01 (FY16: earnings of €0.01 per share) and adjusted basic earning per share was €0.14 (FY16: €0.31 per share).

Basic earnings/(losses) per share are calculated by dividing net profit / (loss) for the year attributable to the Group (i.e. after tax and non-controlling interests) by the weighted average number of shares outstanding during that year.

Diluted earnings/(losses) per share have been calculated on a similar basis taking into account dilutive potential shares under the agreements disclosed in note 24 of the consolidated financial statements.

Adjusted basic earnings per share are presented to eliminate the effect of the exceptional items, amortisation of intangible assets and performance share plan costs (considering the tax effect of these adjustments).

	Year ended 31 December 2017	Combined Twelve-month period ended 31 December 2016	Ten-month period ended 31 December 2016
(Losses) / earnings for the period attributable to shareholders (€000)	(349)	72	(926)
Weighted average number of shares	30,091,248	12,167,499	12,167,499
Basic (losses) / earnings per share (€)	(0.01)	0.01	(0.08)
Adjusted basic earnings per share (€)	0.14	0.31	0.22
Dilutive weighted average number of shares	30,460,009	12,167,499	12,167,499
Diluted (losses) per share (€)	(0.01)	0.01	(0.08)
Adjusted diluted earnings per share (€)	0.13	0.31	0.22

As stated in the Admission Document published at the time of the IPO, the Board's intention is to implement a progressive dividend policy in line with the growth in future earnings, subject to the discretion of the Board and to the Company having sufficient distributable reserves. For the year ended 31 December 2017 (being the first financial period end as an AIM quoted company), the Board recommends a total dividend for the year of 3.2 pence per ordinary share. This reflects an annualised dividend yield of 6.4% (calculated on the Placing Price) pro-rated for the period for which the Company has been AIM quoted before its financial year end (approximately six months).

Financial position

Cash and cash equivalents totalled €6.2m at 31 December 2017, on par compared to €6.2m at 31 December 2016 and a stronger balance sheet having repaid €4.3m of loan notes and accrued interest on Admission, bringing the total net debt position to €6.7m at 31 December 2017 (FY16: €10.4m)

Total assets on the balance sheet were €52.7m as at 31 December 2017, compared to €43.8m as at 31 December 2016 reflecting the acquisition in France and the investment in scaffolding.

Total liabilities were €35.4m (FY16: €32.5m) after the repayment of the above-mentioned loan notes on the 5 July 2017 and total borrowings stood at €12.9m as at 31 December 2017 (FY16: €16.7m).

Cash flow

Net cash from operating activities was €0.4m for the year (FY16: €3.3m) significantly impacted by the exceptional items. Net cash used in investing activities was €2.2m mainly corresponding to the ACA Marine acquisition in March and significant capex investments in terms of scaffolding (cash from investing activities in 2016: €0.6m) and net cash from financing activities was €1.7m primarily arising from the gross proceeds of the placing on Admission that were used to partially offset the fees and expenses in relation to the IPO and the settlement of the pre-existing shareholders loan notes and accrued interests on Admission (FY16: €1.7m). Overall net cash inflow for the year was €0.0m (FY16: net cash inflow of €2.9m).

Consolidated statement of comprehensive income
For the year ended 31 December 2017

	Note	Year ended 31 December 2017 € 000	Period from 11 February 2016 to 31 December 2016 € 000
Continuing operations			
Revenue	3	62,638	44,453
Operating costs		(61,235)	(43,680)
Adjusted EBITDA		7,191	5,404
Depreciation and amortisation		(1,822)	(2,133)
Performance share plan		(67)	-
Exceptional items	4	(3,899)	(2,498)
Operating profit		**1,403**	**773**
Finance costs – net		(879)	(839)
Profit / (Loss) before tax		**524**	**(66)**
Tax	5	(908)	(860)
(Loss) for the period		**(384)**	**(926)**
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		(96)	28
Total comprehensive loss for the period		**(480)**	**(898)**
Loss for the period attributable to:			
Owners of the company		(349)	(926)
Non-controlling interest		(35)	-
Total comprehensive loss for the period attributable to:			
Owners of the company		(445)	(898)
Non-controlling interest		(35)	-
Loss per share (€)	**6**		
From continuing operations			
Basic		(0.01)	(0.08)
Diluted		(0.01)	(0.08)

Consolidated balance sheet

As at 31 December 2017

ASSETS	Note	2017 € 000	2016 € 000
Non-current assets			
Goodwill	7	9,292	8,704
Other intangible assets		12,720	12,552
Property, plant and equipment		8,352	5,983
Other financial assets		1,621	1,620
Deferred tax assets		601	276
Total non-current assets		**32,586**	**29,135**
Current assets			
Inventories		3,067	2,068
Trade and other receivables		10,848	6,345
Cash and cash equivalents		6,236	6,207
Total current assets		**20,151**	**14,620**
Total assets		**52,737**	**43,755**

Consolidated balance sheet (continued)
As at 31 December 2017

LIABILITIES	Note	2017 € ´000	2016 € ´000
Current liabilities			
Trade and other payables		(16,393)	(9,984)
Borrowings	8	(3,278)	(2,107)
Provisions		(304)	(615)
Derivative financial instruments		(16)	(38)
Total current liabilities		**(19,991)**	**(12,744)**
Net current assets		**160**	**1,876**
Non-current liabilities			
Borrowings	8	(9,638)	(14,547)
Deferred tax liabilities		(3,952)	(3,894)
Long-term provisions		(819)	(1,300)
Other financial liabilities		(964)	-
Total non-current liabilities		**(15,373)**	**(19,741)**
Total liabilities		**(35,364)**	**(32,485)**
Net assets		**17,373**	**11,270**
EQUITY			
Share capital		106	122
Share premium		7,035	12,046
Retained earnings		10,716	(926)
Translation reserve		(68)	28
Capital redemption reserve		114	-
Share based payment reserve		159	-
Equity attributable to owners of the company		**18,062**	**11,270**
Non-controlling interest		**274**	**-**
Put option reserve		**(963)**	**-**
Total equity	**9**	**17,373**	**11,270**

Consolidated statement of changes in equity
For the year ended 31 December 2017

	Share capital € 000	*Share premium € 000*	*Retained earnings € 000*	*Translation reserves € 000*	*Capital redemption reserve € 000*	*Share based payment reserve € 000*	*Total € 000*	*Non-controlling interests € 000*	*Put option reserve € 000*	*TOTAL EQUITY € 000*
Balance at 11 February 2016	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Issue of share capital	122	12,046	-	-	-	-	12,168	-	-	12,168
Total comprehensive (loss) for the period	-	-	(926)	28	-	-	(898)	-	-	(898)
Balance at 31 December 2016	**122**	**12,046**	**(926)**	**28**	**-**	**-**	**11,270**	**-**	**-**	**11,270**
Issue of share capital	98	7,901	(79)	-	-	-	7,920	-	-	7,920
Costs related to issue of share capital	-	(842)	-	-	-	-	(842)	-	-	(842)
Reduction of share premium	-	(12,070)	12,070	-	-	-	-	-	-	-
Acquisition of subsidiary	-	-	-	-	-	-	-	309	(963)	(654)
Share buy back	(114)	-	-	-	114	-	-	-	-	-
Credit to equity for share based payments	-	-	-	-	-	159	159	-	-	159
Total comprehensive loss for the period	-	-	(349)	(96)	-	-	(445)	(35)	-	(480)
Balance at 31 December 2017	**106**	**7,035**	**10,716**	**(68)**	**114**	**159**	**18,062**	**274**	**(963)**	**17,373**

Consolidated cash flow statement
For the year ended 31 December 2017

	Note	2017 € 000	Period from 11 February 2016 to 31 December 2016 € 000
CASH FLOWS FROM OPERATING ACTIVITIES (I)	10	**428**	**4,512**
- Purchase of intangible assets		(48)	-
- Purchase of property, plant and equipment		(1,144)	(493)
- Proceeds from disposal of property, plant and equipment		5	32
- Acquisition of subsidiary		(1,053)	(7,702)
CASH FLOWS USED IN INVESTING ACTIVITIES (II)		**(2,240)**	**(8,163)**
- Proceeds from bank borrowings		500	2,670
- Payment of costs incurred to issue shares		(842)	-
- Proceeds on issue of shares		7,920	8,090
- Repayment of borrowings		(5,889)	(902)
CASH FLOWS FROM FINANCING ACTIVITIES (III)		**1,689**	**9,858**
Effect of foreign exchange rate changes (IV)		**152**	**-**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (I+II+III+IV)		**29**	**6,207**
Cash and cash equivalents at the beginning of the period		6,207	-
Cash and cash equivalents at the end of the period		6,236	6,207

SELECTED NOTES TO THE FINANCIAL INFORMATION

1. General information

GYG plc (hereinafter the "Company") was incorporated on 11 February 2016, as a private company limited by shares, as Dunwilco 2016 Limited under the United Kingdom Companies Act 2006. Subsequently, on 21 May 2016, the Company's corporate name was changed to Global Yachting Group Limited, on 25 May 2017 to GYG Limited, on 22 June 2017 the Company re-registered as a public limited company and on 5 July 2017 the Company completed an Initial Public Offering ("IPO") and was admitted to the AIM Market of the London Stock Exchange (see note 9). The address of the registered office is Cannon Place, 78 Cannon Street, London EC4N 6AF, United Kingdom.

The principal activity of the Group is superyacht painting, supply and maintenance, offering services globally through operations in the Mediterranean, Northern Europe and the United States.

These consolidated financial statements are presented in Euro which is the currency of the primary economic environment in which the Group operates.

2. Significant accounting policies

2.1. Basis of preparation

The financial information set out above does not constitute the company's statutory accounts for the years ended 31 December 2017, but is derived from those accounts. Statutory accounts for 2016 have been delivered to the Registrar of Companies and those for 2017 will be delivered following the company's annual general meeting. The auditors have reported on those accounts: their reports were unqualified, did not draw attention to any matters by way of emphasis and did not contain statements under s498(2) or (3) of the Companies Act 2006.

While the financial information included in this results announcement has been prepared in accordance with the recognition and measurement criteria of International Financial Reporting Standards (IFRSs), this announcement does not itself contain sufficient information to comply with IFRSs. The Company expects to publish full financial statements that comply with IFRSs in May 2018.

Comparative information

The financial information for the ten-month period ended 31 December 2016 is the trading period for GYG plc (former Global Yachting Group Limited) since its incorporation date in February 2016, starting trading on 4 March 2016, to 31 December 2016. As consequence the financial information for the twelve-month period ended 31 December 2017 is not directly comparable with that of the ten-month period ended 31 December 2016.

2.2. Going concern

The Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Directors have considered the Company forecasts and projections, taking account of reasonably possible changes in trading performance and the current economic uncertainty, and are satisfied that the Group should be able to operate within the level of its current facilities. Further, the Directors have reviewed the terms of the underlying agreements, including a review of forecast compliance with loan covenants, and are satisfied that these terms will be met for a period of no less than twelve-months from the date of this announcement. Accordingly, they have adopted the going concern basis in preparing this announcemet.

3. Business segments

The Groups reportable segments are determined by the internal reporting regularly provided to the Group's Chief Operating Decision Maker. The Chief Operating Decision Maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

The Board of Directors has determined that, based on the Group's management and internal reporting structure, the Group has two reportable segments, Coating – the provision of painting and other finishing services to yachts and superyachts and Supply – the distribution of yachting supplies to trade and other customers.

3.1. Segment revenues and results

Segment information about the above businesses is presented below for the period ended 31 December 2017 and 2016:

Year ended 31 December 2017

	Coating	Supply	Total reportable segments
	€000	*€000*	*€000*
Revenue	53,713	8,925	62,638
Gross profit	15,022	1,970	16,992
Adjusted EBITDA	6,219	972	7,191
Depreciation and amortisation			(1,822)
Performance share plan			(67)
Exceptional items			(3,899)
Operating Profit			**1,403**
Finance costs			(879)
Profit before tax			**524**

Ten-month period ended 31 December 2016

	Coating	Supply	Total reportable segments
	€000	*€000*	*€000*
Revenue	37,292	7,161	44,453
Gross profit	10,436	1,382	11,818
Adjusted EBITDA	4,817	587	5,404
Depreciation, and amortisation			(2,133)
Exceptional items			(2,498)
Operating Profit			**773**
Finance costs			(839)
Profit before tax			**(66)**

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Revenues from external customers attributed to the group's country of domicile and attributed to foreign countries from which the group derives revenue is presented below.

	Year ended 31 December 2017	Ten-month period ended 31 December 2016
	€000	*€000*
Spain	34,025	27,431
United Kingdom	350	1,365
Rest of Europe	21,376	7,950
Rest of World	6,887	7,707
	62,638	44,453

4. Exceptional Items

The following table provides a breakdown of exceptional items:

	Year ended 31 December 2017	Ten-month period ended 31 December 2016
	€000	*€000*
Transaction fees	(3,899)	(2,565)
Restructuring costs	-	(50)
Recovery of irrecoverable debtors	-	117
	(3,899)	(2,498)

Transaction fees for the year ended 31 December 2017, are mainly related to professional fees and other fees arising in connection with the IPO and acquisition of ACA, SAS (note 11). Transaction fees for the period ended 31 December 2016, were mainly related to professional fees and other fees arising in connection with the acquisition of Hemisphere Yachting Services, S.L.U. (note 11).

Exceptional provision for recovery of trade receivables of €368 thousand were provided for in 2015, with the subsequent recovery of €117 thousand of these receivables in 2016 also recorded as an exceptional item.

5. Tax recognised in profit or loss

	Year ended 31 December 2017	Ten-month period ended 31 December 2016
	€000	**€000**
Corporation Tax		
Current year	(1,120)	(1,019)
Prior years	(31)	-
	(1,151)	(1,019)
Deferred tax		
Timing differences	265	(1)
Tax losses	(22)	160
	243	159
	(908)	(860)

Spanish Corporation tax is calculated at 25% of the estimated taxable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions. The income tax expense for the year can be reconciled to the accounting profit/(loss) as follows:

	Year ended 31 December 2017	Ten-month period ended 31 December 2016
	€000	**€000**
Profit/(loss) before tax from continuing operations	**524**	**(66)**
Tax at the Spanish corporation tax rate (25%)	(131)	17
Overseas tax differences	12	(129)
Tax effect of expenses that are not deductable in determing tax profit	(693)	(608)
Other differences	(118)	(178)
Utilisation of previously unrecognised losses	22	38
	(908)	(860)

6. Earnings/(losses) per share - basic and diluted

From continuing operations

Basic earnings/(losses) per share are calculated by dividing net profit / (loss) for the year attributable to the Group (i.e. after tax and non-controlling interests) by the weighted average number of shares outstanding during that year.

Diluted earnings/(losses) per share have been calculated on a similar basis taking into account dilutive potential shares under the agreements disclosed in note 24 of the consolidated financial statements.

Adjusted basic earnings per share are presented to eliminate the effect of the exceptional items, amortisation of intangible assets and performance share plan costs (considering the tax effect of these adjustments).

	Year ended 31 December 2017	**Ten-month period ended 31 December 2016**
(Losses) for the period attributable to shareholders (€000)	(349)	(926)
Weighted average number of shares	30,091,248	12,167,499
Basic (losses) per share (€)	(0.01)	(0.08)
Adjusted basic earnings per share (€)	0.14	0.22
Dilutive weighted average number of shares	30,460,009	12,167,499
Diluted (losses) per share (€)	(0.01)	(0.08)
Adjusted diluted earnings per share (€)	0.13	0.22

At 31 December 2016 the Group had no convertible securities and therefore diluted earnings per share were the same as basic earnings per share.

7. Goodwill

	Goodwill
	€000
Cost	
At 11 February 2016	-
Acquired on business combination (note 11)	8,704
At 31 December 2016	8,704
Acquired on business combination (note 11)	710
Exchange differences	(122)
At 31 December 2017	9,292
Carrying amount	
At 31 December 2017	9,292
At 31 December 2016	8,704
At 11 February 2016	-

Goodwill acquired in a business combination is allocated, at acquisition, to the cash generating units (CGUs) or group of units that are expected to benefit from that business combination. The carrying amount of goodwill had been allocated as follows:

	31 December 2017	31 December 2016
	€000	*€000*
Coating	8,444	7,856
Supply	848	848
	9,292	8,704

The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired. Determining the recoverable amount of goodwill requires the use of estimates by management.

The recoverable amount is the higher of the fair value minus the costs of selling and its value in use. The Group uses cash -flow discounting methods to determine such amounts.

The discounted cash-flows are calculated based on 3-year projections of the budgets approved by the management. These cash-flows consider past experience and represent the best estimate of management on future market developments and Group performance.

The key assumptions for determining the fair value minus costs of selling and value in use include the weighted average cost of capital, which has been estimated at 11.8% for the goodwill registered and a long-term growth rate of 1.0% per cent for each of the Coating and Supply segments. These estimates, including the methodology used, may have a significant impact on the registered values and impairment losses. Management has concluded that the estimated growth rate used does not exceed the average long-term growth rate for the relevant markets where the group operates (Europe and USA).

According to the impairment test carried out at year-end, there are no impairment losses on the registered goodwill.

8. Borrowings

	31 December 2017	31 December 2016
	€000	*€000*
Syndicated loan	10,478	12,323
Capitalised costs – net (-)	(697)	(646)
Revolving credit facility	500	-
Shareholders' loan notes (Note 8)	-	4,196
Finance lease liabilities	2,635	774
Other financial liabilities	-	7
Total borrowings	12,916	16,654
Amount due for settlement within 12 months	3,278	2,107
Amount due for settlement after 12 months	9,638	14,547

8.1 Summary of the borrowing arrangements

Syndicated loan –

On 3 March 2016, the Group subsidiary, Hemisphere Coating Services, S.L., signed a syndicated loan agreement with three financial institutions for a total amount of €13,707 thousand expiring on March 2021. This syndicated loan is guaranteed by certain of the Group subsidiaries and consists of two different facilities:

- Facility A: loan for a total amount of €9,180 thousand with biannual maturities of €918 thousand until expiration on March 2021 since the beginning of the contract.

- Facility B: loan for a total amount of €4,000 thousand of euros maturing at the end of the contract.

Both facilities bear interest at EURIBOR +3%.

Additionally, the loan includes a revolving credit facility which limit amounts to €527 thousand with biannual maturities coinciding with those for the facility A. It bears interest at EURIBOR + 3%.

In March 2016, the Group entered into this syndicated loan with the primary purpose of financing the dividends to be paid to former shareholders at the time, refinancing the indebtedness of the Group and financing any costs and expenses incurred in relation to this transaction.

The loan requires compliance with certain financial covenants measured biannually at 30 June and 31 December each year. At 31 December 2017 and 2016 the Group has achieved the financial covenants required by the syndicated loan.

Shareholders' loan notes -

On the 23 June 2017 the shareholders approved the repayment of the total amount of the Investor Loan Notes immediately following Admission of the Company to AIM.

8.2. Obligations under finance leases

As of 31 December 2017, the Group has the following minimum lease payments due to lessors (including, where applicable, the purchase options) in accordance with current contracts in place, without taking into account the impact of common expenses, future CPI increases, nor future contractual rents updates:

	Present value of minimum lease payments As at 31 December 2017 €000	Present value of minimum lease payments As at 31 December 2016 €000
Amounts payable under finance leases:		
Within one year	890	210
In the second to fifth years inclusive	1,745	564
	2,635	774

The financial lease contracts are formalized in euros and have fixed interest rates in accordance with the financial market.

9. Equity

At 31 December 2016 the Company's share capital amounted to €122 thousand, represented by 12,167,499 shares with a par value of one cent of euro each all issued and fully paid. At 31 December 2016, 1,000 shares were not allotted.

On 12 May 2017 the Shareholders approved a special resolution to cancel the share premium account which was subsequently confirmed by the High Court of Justice on 15 May 2017. As a result, €12,070 thousand was transferred from the share premium account to retained earnings.

On 21 June 2017 in order to list the Company on AIM the Shareholders approved the following resolutions:

- The permission to the capitalisation of reserves and the allotment of bonus shares amounted to € 20 thousand. The bonus issue was funded by using distributable reserves.
- The issue of 2,231 bonus shares for each ordinary share in proportion to their existing ownership using distributable reserves amounted to € 62 thousand.
- The conversion of the 5 different classes of shares to a combination of ordinary shares and deferred shares, as part of this conversion no consideration was paid.
- The buy-back of deferred shares using capital contribution reserves amounted to €114 thousand.

On the 5 July 2017 the Company was admitted to the AIM Market of the London Stock Exchange. The Company received €7,891,695 from the primary offering shares and 6,944,692 ordinary shares (with a par value £0.002) and a share premium £6,944,692 (equivalent euro value of €7,891 thousand) were created in GYG plc.

At 31 December 2017 the Company's share capital amounted to €106 thousand represented by 46,640,000 ordinary shares with a par value of £0.002, issued and fully paid up.

At 31 December 2017 the Group registered a share based payment reserve amounting to €159 thousand based on the agreements disclosed in note 22 of the consolidated financial statements.

10. Notes to the cash flow statement

	Year ended 31 December 2017 € 000	Ten-month period ended 31 December 2016 € 000
Profit / (loss) for the period before tax	**524**	**(66)**
- Depreciation and amortisation	1,822	2,133
- Performance share plan	67	-
- Warrant	92	-
- Finance income	(39)	(6)
- Finance costs	906	845
- Exchange differences	5	28
- Losses on disposal of non-currents assets	-	(31)
Adjustments to (loss) / profit	**2,853**	**2,969**
- (Increase)/decrease in inventories	(989)	4,241
- (Increase)/decrease in trade and other receivables	(3,585)	121
- Increase/(decrease) in trade and other payables	3,818	(2,391)
- (Increase)/decrease in other assets and liabilities	(792)	829
Changes in working capital	**(1,548)**	**2,800**
- Interest paid	(1,073)	(437)
- Income tax paid	(328)	(754)
Other cash flows used in operating activities	**(1,401)**	**(1,191)**
CASH FLOWS FROM OPERATING ACTIVITIES	**428**	**4,512**

11. Acquisition of subsidiary/Business combination

31 December 2017

On 11 March 2017, the Group obtained control of ACA, SAS, GYG's main competitor in France, by acquiring 70 per cent of its issued share capital. ACA, SAS is a superyacht painting and finishing company operating out of the South of France and was acquired with the objective to drive growth in this region.

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in table below:

	€000
Identifiable intangible assets	1,173
Other non-current assets	178
Deferred tax assets	370
Inventories	10
Trade and other receivables	176
Assets classified as held for sale	742
Cash	376
Trade and other payables	(1,572)
Liabilities directly associated with assets classified as held for sale	(142)
Deferred tax liabilities	(328)
Non-controlling interests	(309)
	719
Goodwill	710
Total consideration (satisfied by cash)	**1,429**
Cash equivalents balances acquired	376
Net cash flow	**1,053**

Additionally, the Group is party to certain agreements in relation to the shares in ACA, SAS with SARL Atko, a company controlled by Christopher Atkinson, who is also the general manager and former majority shareholder of ACA, SAS:

a) ACA Marine UK is party to an initial agreement dated 11 March 2017 and modified on 12 December 2017 where an additional cash consideration was agreed in relation with the transfer of the industrial business and property owned by ACA, SAS to a company controlled by Christopher Atkinson. The estimated additional consideration for this matter amounts to €164 thousand.

b) Included in the above agreements a put and call option agreement between ACA Marine UK and SARL Atko (further details of which are set out below).

12. Post Balance sheets events

No events have occurred after 31 December 2017 that might significantly influence the information reflected in these financial statements.

Responsibility statement of the Directors in respect of the annual financial report

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the undertakings included in the consolidation taken as a whole; and

- the Directors' report includes a fair review of the development and performance of the business and the position of the issuer and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.