**Global Liman İşletmeleri Anonim Şirketi**
**and its Subsidiaries**

Condensed Consolidated Interim
Financial Information
As at and for the Nine Months Ended
30 September 2018
With Independent Auditors' Review Report

This report includes 31 pages of condensed consolidated interim financial information together with their explanatory notes.

# Global Liman İşletmeleri A.Ş. and its Subsidiaries

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# Global Liman İşletmeleri A.Ş. and its Subsidiaries

## Condensed Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income

## For the nine months ended 30 September 2018

(Amounts expressed in USD 000's ("USD'000"))

| | Notes | 1 January- 30 September 2018 | 1 January- 30 September 2017 |
|---|---|---|---|
| Revenue | *5* | 94,475 | 87,904 |
| Cost of sales | *5* | (58,034) | (54,976) |
| **Gross profit** | | **36,441** | **32,928** |
| Other income | *6* | 6,522 | 877 |
| Selling and marketing expenses | | (610) | (671) |
| Administrative expenses | *8* | (9,919) | (10,478) |
| Other expenses | *6* | (7,363) | (5,080) |
| **Operating profit** | | **25,071** | **17,576** |
| Finance income | *9* | 30,506 | 13,641 |
| Finance costs | *9* | (53,044) | (27,919) |
| **Net finance costs** | | **(22,538)** | **(14,278)** |
| Share of profit of equity-accounted investees | *12* | 3,656 | 1,299 |
| **Profit/ (Loss) before tax** | | **6,189** | **4,598** |
| Income tax (expense) / benefit | *7* | (2,722) | (2,058) |
| **(Loss) / profit for the period** | | **3,467** | **2,540** |
| **(Loss) / profit attributable to:** | | | |
| Owners of the Company | | 3,177 | 912 |
| Non-controlling interests | | 290 | 1,628 |
| | | **3,467** | **2,540** |
| ***Other comprehensive income*** | | | |
| **Items that will not be reclassified to profit or loss** | | | |
| Foreign currency translation differences | | 80,675 | (1,461) |
| Remeasurement of defined benefit obligation | | 3 | (2) |
| Income tax relating to items that will not be reclassified subsequently to profit or loss | | (1) | -- |
| | | **80,677** | **(1,463)** |
| **Items that may be reclassified subsequently to profit or loss** | | | |
| Foreign currency translation differences | | (5,724) | 26,192 |
| Cash flow hedges - effective portion of changes in fair value | | 77 | 154 |
| Gain / (loss) on a hedge of a net investment | | (93,853) | (2,310) |
| | | **(99,500)** | **24,036** |
| **Other comprehensive income for the period, net of income tax** | | **(18,823)** | **22,573** |
| **Total comprehensive income/(loss) for the period** | | **(15,356)** | **25,113** |
| **Total comprehensive income attributable to:** | | | |
| Owners of the Company | | (12,340) | 14,055 |
| Non-controlling interests | | (3,016) | 11,058 |
| | | **(15,356)** | **25,113** |
| **Basic and diluted (loss) / earnings per share (cents per share)** | *17* | **4,28** | **1,23** |

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

# Global Liman İşletmeleri A.Ş. and its Subsidiaries

## Condensed Consolidated Interim Statement of Financial Position

## As at 30 September 2018

(Amounts expressed in USD 000's ("USD'000"))

| | Notes | As at 30 September 2018 | As at 31 December 2017 (Audited) |
|---|---|---|---|
| **Non-current assets** | | | |
| Property and equipment | *10* | 131,188 | 134,665 |
| Intangible assets | *11* | 401,250 | 433,075 |
| Goodwill | | 13,654 | 14,088 |
| Equity-accounted investees | *12* | 24,448 | 22,004 |
| Other investments | | 4 | 5 |
| Deferred tax assets | *7* | 1,229 | 1,695 |
| Other non-current assets | | 4,745 | 4,905 |
| | | **576,518** | **610,437** |
| **Current assets** | | | |
| Trade and other receivables | | 18,973 | 15,702 |
| Due from related parties | *20* | 2,059 | 1,988 |
| Other investments | | 220 | 14,728 |
| Other current assets | | 4,674 | 4,855 |
| Inventories | | 1,627 | 1,714 |
| Prepaid taxes | | 17 | 2,900 |
| Cash and cash equivalents | *13* | 95,989 | 48,308 |
| | | **123,559** | **90,195** |
| **Total assets** | | **700,077** | **700,632** |
| **Current liabilities** | | | |
| Loans and borrowings | *15* | 50,578 | 44,878 |
| Other financial liabilities | | -- | -- |
| Trade and other payables | | 13,010 | 14,921 |
| Due to related parties | *20* | 7,539 | 4,056 |
| Current tax liabilities | | 2,508 | 2,218 |
| Provisions | *16* | 1,031 | 1,202 |
| | | **74,666** | **67,275** |
| **Non-current Liabilities** | | | |
| Loans and borrowings | *15* | 311,385 | 296,842 |
| Other financial liabilities | | 2,396 | 2,662 |
| Derivative financial liabilities | | 746 | 855 |
| Deferred tax liabilities | *7* | 95,525 | 99,879 |
| Provisions | *16* | 20,855 | 21,081 |
| Employee benefits | | 656 | 936 |
| | | **431,563** | **422,255** |
| **Total liabilities** | | **506,229** | **489,530** |
| **Net assets** | | **193,848** | **211,102** |
| **Equity** | | | |
| Share capital | *14* | 33,836 | 33,836 |
| Share premium account | | 54,539 | 54,539 |
| Legal reserves | *14* | 13,030 | 13,012 |
| Hedging and translation reserves | | (656) | 14,863 |
| Retained earnings | | 5,118 | 1,957 |
| **Equity attributable to equity holders of the Company** | | **105,867** | **118,207** |
| Non-controlling interests | | **87,981** | **92,895** |
| **Total equity** | | **193,848** | **211,102** |

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

# Global Liman İşletmeleri A.Ş. and its Subsidiaries

## Condensed Consolidated Interim Statement of Changes in Equity

## For the Nine Months Ended 30 September 2018

(Amounts expressed in USD 000's ("USD'000"))

| | Note | Share capital | Share premium | Legal reserves | Hedging reserves | Translation reserves | Retained earnings | Total | Non-controlling interests | Total equity |
|---|---|---|---|---|---|---|---|---|---|---|
| **Balance at 1 January 2018** | | **33,836** | **54,539** | **13,012** | **(135,763)** | **150,626** | **1,957** | **118,207** | **92,895** | **211,102** |
| **Total comprehensive income** | | | | | | | | | | |
| Loss for the period | | -- | -- | -- | -- | -- | 3,177 | **3,177** | 290 | **3,467** |
| Other comprehensive income / (loss) for the year | | -- | -- | -- | (93,776) | 78,257 | 2 | **(15,517)** | (3,306) | **(18,823)** |
| **Total comprehensive income / (loss) for the period** | | **--** | **--** | **--** | **(93,776)** | **78,257** | **3,179** | **(12,340)** | **(3,016)** | **(15,356)** |
| **Contributions and distributions** | | | | | | | | | | |
| Transfer to legal reserves | | -- | -- | 18 | -- | -- | (18) | **--** | **--** | **--** |
| Dividends | 14 | -- | -- | -- | -- | -- | -- | -- | (1,992) | **(1,992)** |
| **Total contributions and distributions** | | **--** | **--** | **18** | **--** | **--** | **(18)** | | **(1,992)** | **(1,992)** |
| **Transactions with owners in their capacity as owners:** | | | | | | | | | | |
| Transactions with non-controlling interests | | -- | -- | -- | -- | -- | -- | -- | 94 | **94** |
| **Total changes in ownership interest** | | -- | -- | -- | -- | -- | -- | -- | **94** | **94** |
| **Total transactions with owners of the Company** | | **--** | **--** | **18** | **(93,776)** | **78,257** | **3,161** | **(12,340)** | **(4,914)** | **(17,254)** |
| **Balance at 30 September 2018** | | **33,836** | **54,539** | **13,030** | **(229,539)** | **228,883** | **5,118** | **105,867** | **87,981** | **193,848** |

| | Note | Share capital | Share premium | Legal reserves | Hedging reserves | Translation reserves | Retained earnings | Total | Non-controlling interests | Total equity |
|---|---|---|---|---|---|---|---|---|---|---|
| **Balance at 1 January 2017** | | **33,836** | **54,539** | **12,424** | **(122,708)** | **119,764** | **43,622** | **141,477** | **80,588** | **222,065** |
| **Total comprehensive income** | | | | | | | | | | |
| Loss for the period | | -- | -- | -- | -- | -- | 912 | **912** | 1,628 | **2,540** |
| Other comprehensive income | | -- | -- | -- | (2,156) | 15,301 | (2) | **13,143** | 9,430 | **22,573** |
| **Total comprehensive income for the period** | | **--** | **--** | **--** | **(2,156)** | **15,301** | **910** | **14,055** | **11,058** | **25,113** |
| **Contributions and distributions** | | | | | | | | | | |
| Transfer to legal reserves | | -- | -- | 588 | -- | -- | (588) | **--** | **--** | **--** |
| Dividends | 13 | -- | -- | -- | -- | -- | (26,783) | **(26,783)** | (1,048) | **(27,831)** |
| **Total contributions and distributions** | | **--** | **--** | **588** | **--** | **--** | **(27,371)** | **(26,783)** | **(1,048)** | **(27,831)** |
| **Total transactions with owners of the Company** | | **--** | **--** | **588** | **(2,156)** | **15,301** | **(26,461)** | **(12,728)** | **10,010** | **(2,718)** |
| **Balance at 30 September 2017** | | **33,836** | **54,539** | **13,012** | **(124,864)** | **135,065** | **17,161** | **128,749** | **90,598** | **219,347** |

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

# Global Liman İşletmeleri A.Ş. and its Subsidiaries

## Condensed Consolidated Interim Statement of Cash Flows

## For the nine months ended 30 September 2018

(Amounts expressed in USD 000's ("USD'000"))

| | *Notes* | **Nine months period ended 30 September 2018** | **Nine months period ended 30 September 2017** |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Loss for the period | | 3,466 | 2,540 |
| **Adjustments for** | | | |
| Depreciation and amortization expense | *10, 11* | 33,640 | 30,992 |
| Share of profit of equity-accounted investees, net of tax | *12* | (3,656) | (1,299) |
| Gain on sale of fixed assets | | (175) | |
| Finance costs (excluding foreign exchange differences) | *9* | 19,197 | 19,079 |
| Finance income (excluding foreign exchange differences) | *9* | (904) | (3,297) |
| Income tax expense | *7* | 2,722 | 2,058 |
| Employment termination indemnity reserve | | 135 | 145 |
| Provision | | 872 | 1,844 |
| Foreign exchange differences on finance costs and income, net | | 4,245 | (1,504) |
| **Operating cash flow before changes in operating assets and liabilities** | | **59,542** | **50,558** |
| Changes in: | | | |
| - trade and other receivables | | (3,270) | (11,541) |
| - other current assets | | 3,152 | (118) |
| - related party receivables | | 18 | (7) |
| - other non-current assets | | 160 | 1,369 |
| - trade and other payables | | (2,283) | (1,741) |
| - related party payables | | 369 | 54 |
| - provisions | | (327) | (923) |
| **Cash generated by operations before benefit and tax payments** | | **57,361** | **37,651** |
| Employee termination benefits paid | | (122) | (88) |
| Income taxes paid | | (2,847) | (4,483) |
| **Net cash generated from operating activities** | | **54,392** | **33,080** |
| **Investing activities** | | | |
| Acquisition of property and equipment | | (8,678) | (11,840) |
| Advances given for tangible assets | | -- | (35) |
| Acquisition of intangible assets | *11* | (221) | (551) |
| Proceeds from sale of property and equipment | | 182 | 125 |
| Change in financial investments | | 14,306 | 2,541 |
| Interest received | | 395 | 550 |
| **Net cash generated from / (used in) investing activities** | | **5,984** | **(9,210)** |
| **Financing activities** | | | |
| Transactions with non-controlling interests | | 94 | -- |
| Change in due from related parties | | (146) | 29,169 |
| Changes in due to related parties | | 3,435 | 3,596 |
| Dividends paid | | (1,992) | (27,831) |
| Interest paid | | (9,816) | (12,678) |
| Proceeds from borrowings | | 34,795 | 26,479 |
| Repayments of borrowings | | (31,448) | (26,361) |
| **Net cash generated from / (used in) financing activities** | | **(5,078)** | **(7,626)** |
| **Net increase in cash and cash equivalents** | | **55,298** | **16,244** |
| Effect of foreign exchange rate changes on cash and cash equivalents | | (7,617) | 2,318 |
| **Cash and cash equivalents at the beginning of the year** | | 48,308 | 38,356 |
| **Cash and cash equivalents at the end of the period** | **13** | **95,989** | **56,918** |

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

## Notes to the condensed consolidated interim financial information

(Amounts expressed in thousand USD 000's ("USD'000"))

# 1 General Information

Global Altyapı Hizmetleri ve İşletmecilik A.Ş. was incorporated in 2004 in Istanbul, Turkey as joint stock company to invest in Global Yatırım Holding A.Ş.'s ("Global Yatırım Holding") infrastructure projects. On 13 September 2007, Global Altyapı Hizmetleri ve İşletmecilik A.Ş. changed its trade name to Global Liman İşletmeleri A.Ş. ("Global Liman", the "Company" or "GPH").

The principal activities of the Company and its subsidiaries (together, the "Group") is to invest in the capital and management of companies that operate or will operate in the ports and port management industry.

The address of the registered office of the Company is "Rıhtım Caddesi No: 51 Karaköy / İstanbul".

As at 30 September 2018 and 31 December 2017, all shares are owned by Global Ports Plc.

As at 30 September 2018, the number of employees of the Group was 650 (31 December 2017: 635). The address of the registered office of the Company is "Rıhtım Caddesi No: 51 Karaköy / Istanbul".

The nature of the operations and the locations of the subsidiaries of the Company are listed below:

| Subsidiaries | Locations | Operations |
|---|---|---|
| Ege Liman İşletmeleri A.Ş. ("Ege Liman") | Aydın-Turkey | Port operations |
| Ortadoğu Antalya Liman İşletmeleri A.Ş. ("Ortadoğu Liman") | Antalya-Turkey | Port operations |
| Bodrum Liman İşletmeleri A.Ş. ("Bodrum Liman") | Muğla-Turkey | Port operations |
| Container Terminal and General Cargo – Bar ("Port of Adria") | Montenegro | Port operations |
| Barcelona Port Investments, S.L ("BPI") | Spain | Port investments |
| Creuers del Port de Barcelona, S.A. ("Creuers") | Spain | Port operations |
| Cruceros Malaga, S.A. ("Malaga Port") | Spain | Port operations |
| Global Ports Europe B.V ("Global BV") | Netherlands | Port investments |
| Perquisite Holdings Ltd. ("Perquisite") | Malta | Port investments |
| Global Ports Malta Ltd. ("GP Malta") | Malta | Port investments |
| Valetta Cruise Port PLC ("VCP") | Valetta – Malta | Port operations |
| Port Operation Holding Srl ("POH") | Italy | Port investments |
| Royal Caribbean Investments (Cyprus) Ltd ("RCI Cyprus") | Cyprus | Port investments |
| Ravenna Terminali Passegeri Srl ("Ravenna") | Italy | Port operations |
| Catania Terminali Passegeri Srl ("Catania") | Italy | Port operations |
| Cagliari Terminali Passegeri Srl ("Cagliari") | Italy | Port operations |
| Zadar International Port Operations d.o.o. ("ZIPO") | Croatia | Port operations |
| Global Depolama A.Ş. ("Global Depolama") | İstanbul-Turkey | Storage |
| Randa Denizcilik San. ve Tic. Ltd. Şti. ("Randa") | Antalya-Turkey | Marine vehicle trade |

*Ege Liman*

Kuşadası Cruise Port was constructed in 1968 and was operated by the Turkish Maritime Organization Inc. (Türkiye Denizcilik İşletmeleri A.Ş.) ("TDI") until its privatization in 2003. On 2 July 2003, Ege Liman entered into a transfer of operational rights agreement ("TOORA") for Kuşadası Cruise Port for a period of 30 years with the Privatization Administration (Özelleştirme İdaresi Başkanlığı) ("OIB") and TDI. The TOORA will end in 2033. Kuşadası Cruise Port is the largest cruise ship terminal in Turkey and is a popular port of call for cruises originating from Greece, Italy, France, Spain and Turkey.

Global Liman acquired 72.50% of the shares of Ege Liman on 6 July 2005. The other shareholder of Ege Liman is Royal Caribbean Cruises Ltd. ("RCCL").

Ege Liman offers the following basic services to ships calling at the port: tugging, pilotage, sheltering, security, clean water supply, disposal of solid waste, underwater diving inspection, fuel supply and liquid waste collection.

## 1 General Information *(continued)*

*Ortadoğu Liman*

Antalya Port, constructed in 1977, is a multi-functional facility harbouring a cruise port, a marina and a commercial port and was operated by the TDI until its privatization in 1998. Operational rights for Antalya Port were taken over for a period of 30 years by Ortadoğu Liman in August 1998. In 2001, due to the difficulties in the other commercial activities of the former shareholders of Ortadoğu Liman, Savings Deposit Insurance Fund ("SDIF") confiscated the company.

Akdeniz Liman İşletmeleri A.Ş. ("Akdeniz Liman"), a joint venture of Global Liman, acquired 99.99% of the shares of Ortadoğu Liman which were subsequently tendered by the SDIF. Akdeniz Liman merged with Ortadoğu Liman in December 2006 and all the rights and obligations of Akdeniz Liman were transferred to Ortadoğu Liman which was denoted the successor entity. The concession period will end in 2028.

Until 29 July 2010, Global Liman owned 39.80% shares of Ortadoğu Liman. On 29 July 2010, Global Liman acquired the 60% of the shares of Ortadoğu Liman from other shareholders and obtained control by raising the ownership to 99.80%.

*Bodrum Liman*

Bodrum Cruise Port was tendered by the State Railways, Ports and Airports Construction Company (Demiryolları, Limanlar ve Havayolları) ("DLH") in September 2003 through a 12-year Build-Operate-Transfer ("BOT") tender agreement, which commenced in December 2007. The BOT agreement period will end in 2019. The winning bidder of the BOT concession was a consortium, which later established Bodrum Liman to carry out the operations of Bodrum Cruise Port.

Global Liman acquired 60% of the shares of Bodrum Liman on 16 June 2008. As at 30 September 2018 and 31 December 2017, shareholders of the remaining 30% and 10% of the shares of Bodrum Liman are Yüksel Çağlar and Setur Servis Turistik A.Ş. ("Setur"), respectively.

*Port of Adria*

On 23 July 2013, Global Liman won the tender for the repair, financing, operation, maintenance and transfer of Port of Bar and the right to acquire 62.09% of the shares in Port of Bar from the Montenegro Government through Container Terminal and General Cargo JSC-Bar, which has an operating concession for thirty years (terminating in 2043). Global Liman finalized a share purchase agreement with the Montenegro Government on 15 November 2013 and it was approved by the tender commission, the Montenegro Privatization and Capital Investments Authority and the Montenegro Council of Ministers. The shares were transferred to the Group on 30 December 2013.

Port of Bar represents an important link in the chain of intermodal transport because of its integration with the Belgrade-Bar railway and road traffic network, and benefits from a free zone regime.

For the first three years of its ownership, the Group is obliged to implement certain investment programs and social programs outlined in the share purchase agreement.

*BPI and Creuers*

The Group acquired 100% interests in Creuers through Barcelona Port Investments, S.L ("BPI") which is a special purpose joint venture between the Global Liman and Royal Caribbean Cruises Ltd. Creuers has the concession rights of Adossat and World Trade Center wharfs in Barcelona Cruise Port with 80% of controlling interest in Malaga Port and 40% of non-controlling interest in Singapore Port.

## 1 General Information *(continued)*

*Global BV, Perquisite, GP Malta and VCP*

Global BV was established in Netherlands for the investments made through European Ports. As of 15 November 2015, Global BV acquired 55.60% of VCP shares through Holding Companies of GP Malta and Perquisite. VCP was set up to develop the Valletta Waterfront, situated on the Grand Harbour, Malta, for the purpose of the operation and management of a cruise liner passenger terminal and an international ferry passenger terminal together with complementary leisure facilities. The company is also responsible for the handling of international cruise and ferry passengers. For this purpose the company was granted a licence by the Malta Maritime Authority.

*Port Operation Holding, RCI Cyprus, Ravenna, Catania and Cagliari*

POH was established in Italy for the investments made through Italian Ports. As of 31 December 2016, POH acquired 51% of Ravenna shares, 62% of Catania shares and 71% of Cagliari shares. Share purchases are performed from two different former shareholders, one by direct share purchase and another by purchase of a dormant Company, based in Cyprus ("RCI Cyprus"). Ravenna, Cagliari, and Catania were set up to operate the cruise liner passenger terminal together with complementary leisure facilities at their territories. The companies are responsible for the handling of international cruise passengers.

*Zadar International Port Operations*

ZIPO was established in Zadar (Croatia) for attending to tender for concession of Gazenica cruise port operation rights. ZIPO has signed a 20-year concession agreement ("the Agreement"), with the Port Authority of Zadar for the operating rights of the Gazenica cruise port in Zadar, Croatia. Under the terms of the Agreement, GPH will from Q4 2018, use its global expertise and operating model to manage all the cruise port operations at Gazenica port over the life of the concession. The concession includes cruise ship passenger port and terminal services, an international ferry terminal, Ro-Ro services, vehicles and passenger services. It also contains a commercial area of 2,400sqm, with leasable retail and office space.

*Global Depolama*

Global Depolama was established on 9 July 2008 for the purpose of investing in the warehousing sector.

## 2 Basis of preparation

### (a) Statement of compliance

This condensed consolidated interim financial information has been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting*. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the last annual consolidated financial statements as at and for the year ended 31 December 2017. This condensed consolidated interim financial information does not include all the information required for full annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS").

### (b) Use of estimates and judgments

The preparation of interim financial information requires management to make judgments, 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.

In preparing these condensed consolidated interim financial information, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2017.

## 2 Basis of preparation *(continued)*

### (c) New standards and interpretations not yet adopted

A number of new standards are effective from 1 January 2018 but they do not have a material effect on the Group's financial statements. The Group has initially adopted IFRS 15 Revenue from Contracts with Customers and IFRS 9 Financial Instruments from 1 January 2018. The changes in accounting policies are also expected to be reflected in the Group's consolidated financial statements as at and for the year ending 31 December 2018.

The effect of initially applying these standards is mainly attributed to the following:

A. **IFRS 15 – Revenue from contracts with customers:** Given the nature of the business, the Group does not have significant long-term contractual agreements in place with its customers as the majority of the Group's revenues are derived from a short-term set of activities performed whilst a ship is docked in one of its Cruise or Commercial ports. These fees are usually agreed at the time based on the applicable port tariff and are charged based on the actual services performed. Revenue is then recognised when the invoice is issued as the ship departs the port, after all services have been provided. The only potentially longer services performed by the Group are the land services in relation to storing of cargo and fees charged for retail space rental, where performance obligations might be performed over a period greater than a few days, and project cargo operations, where performance obligations might be performed over a period greater than a few weeks. Currently revenue is recognised over time for these services and this not changed materially under IFRS 15.

B. **IFRS 9 – Financial Investments:** The Group adopted IFRS 9 on 1 January 2018. IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement and has no significant impact on the Group's condensed consolidated interim financial information.

**I. Classification and measurement of financial assets and financial liabilities**

Given the nature of the Group's financial assets held, no material changes to the classification and measurement of financial instruments have been identified, in particular in relation to the carrying value of financial assets under the IFRS 9 'expected loss model'.

**II. Impairment of financial assets**

The Group has performed an technical analysis of the groups receivables profile, and by nature of its business and its clients and historical performance of its receivables. The adoption of the expected credit loss approach has not resulted in a significant material impairment loss change in provision for impairment loss as at 30 September 2018.

**III. Hedge accounting**

In relation to hedge accounting, the Group has immaterial interest cash flow hedges using interest rate swaps and a net investment hedge which was effective in 2017 and which is expected to remain fully effective under IFRS 9. All hedging relationships designated under IAS 39 at 31 December 2017 met the criteria for hedge accounting under IFRS 9 at 1 January 2018 and are therefore regarded as continuing hedging relationships.

(Amounts expressed in thousand USD 000's ("USD'000"))

## 2 Basis of preparation *(continued)*

### (c) New standards and interpretations not yet adopted *(continued)*

C. **IFRS 16 Leases, effective from 1 January 2019:** The standard is in issue but not yet adopted by the Group. The Group's current commitments in respect of operating lease rentals payable, for which all of the underlying lease agreements are likely to be impacted by the implementation of this standard, were USD 155,2 million as at 31 December 2017.

### (d) Functional and presentation currency

The individual financial statements of each group company are presented in the currency of the primary economic environment in which it operates (its functional currency). The functional currency of the Company is TL. For the purpose of the consolidated financial statements, United States Dollars is chosen as the presentation currency by management. The consolidated financial statements are rounded to the nearest thousand dollars, except when otherwise indicated.

The Company and its subsidiaries operating in Turkey maintain their books of account and prepare their statutory financial statements in Turkish Lira ("TL") in accordance with the Turkish Commercial Code, tax legislation and Turkish Uniform Chart of Accounts. The subsidiaries operating in Montenegro, Spain, Malta and Italy maintain their books of account and prepare their statutory financial statements in Euro in accordance with their respective local laws. The accompanying consolidated financial statements is based on these statutory records with adjustments and reclassifications for the purpose of fair presentation in accordance with IFRS.

US Dollar ("USD") is the most significant currency to the operations of Ortadoğu Liman. Therefore, USD has been determined as the functional currency of Ortadoğu Liman in line with IAS 21 "The Effects of Changes in Foreign Exchange Rates".

Euro is significantly used in the operations of the Port of Adria, Ege Liman, Bodrum Liman, VCP, Malaga Port, Global BV, BPI, Creuers and Italy. Therefore, Euro has been determined as the functional currency of these companies in line with IAS 21 – "The Effects of Changes in Foreign Exchange Rates".

As at 30 September 2018 and 31 December 2017 foreign currency exchange rates of the Central Bank of the Turkish Republic comprised were as follows:

| | 30 September 2018 | 31 December 2017 |
|---|---|---|
| TL/USD | 0.1669 | 0.2651 |
| Euro/USD | 1.1603 | 1.1971 |

For the nine months ended 30 September, average foreign currency exchange rates of the Central Bank of the Turkish Republic were as follows:

| | 2018 | 2017 |
|---|---|---|
| TL/USD | 0.2189 | 0.2750 |
| Euro/USD | 1.1909 | 1.0809 |

## 3 Significant accounting policies

The accounting policies applied in preparation of the accompanying condensed consolidated interim financial information are consistent with the accounting policies applied in the annual consolidated financial statements of the Group as at and for the year ended 31 December 2017.

## 4 Segment reporting

### *(i) Basis for segmentation*

Operating segments are defined as components of an enterprise for which discrete financial information is available, that is evaluated regularly by the chief operating decision-maker, in deciding how to allocate resources and assessing performance.

The Group has identified ports in each country with same operations as an operating segment, separately, as each country represents a set of activities which generates revenue and the financial information of ports are reviewed by the Group's chief operating decision-maker in deciding how to allocate resources and assess performance. The Group's chief operating decision-maker is the Chief Executive Officer ("CEO"), who reviews the management reports of each port at least on a monthly basis.

The Group's operating segments are Commercial Operations which are Ortadoğu Liman and Port of Adria, and Cruise Operations, which composed of Ege Ports, Valletta Cruise Port, BPI, Bodrum Cruise Port, Ortadoğu Liman (Cruise operations) and Port Operation Holding. Bodrum Cruise Port, Cruise Operation of Ortadoğu Liman, Port Operation Holding results, and share of profit of equity accounted investees are presented under other cruise business category. Other operations of the Group, which include Global Liman and Global Depolama, do not generate external revenues and therefore are presented as non-operational & headquarter to reconcile to the consolidated financial statements. Ravenna, Cagliari and Catania (consolidated under Port Operation Holding) were acquired at the end of 2016, therefore they do not generate any revenue for the group in 2016.

Information regarding all the segments is stated below. External revenues and earnings before interest, tax, depreciation and amortization ("EBITDA") are reviewed in the assessment of the financial performance of the operating segments. This measurement basis excludes the effects of non-recurring income / expense from the operating segments such as project expenses. The measure also excludes the effects of non-cash income / expense such as bargain purchase gains and reserves created on provisional accounting and including the share of equity-accounted investees which is fully integrated into the GPH cruise port network. The Group management assesses EBITDA as the most appropriate method for the review of the segment operations. The reconciliation of EBITDA to operating profit is disclosed as follows.

(Amounts expressed in thousand USD 000's ("USD'000"))

## 4 Segment reporting *(continued)*

### *(ii)* ***Information about reportable segments*** *(continued)*

As at and for the nine months ended 30 September 2018, the details of reportable segments comprised the following:

| | BPI | Valletta | Ege Ports | Others | *Cruise Total* | Ortadoğu Liman | Port of Adria | *Total Commercial* | Non-operational & HQ | *Total Consolidated* |
|---|---|---|---|---|---|---|---|---|---|---|
| Segment assets | 160,365 | 98,378 | 54,558 | 14,859 | *328,160* | 211,954 | 69,812 | *281,766* | 65,703 | *675,629* |
| Equity accounted investees | -- | -- | -- | 24,448 | *24,448* | -- | -- | -- | -- | *24,448* |
| Segment liabilities | 82,962 | 37,151 | 14,092 | 6,195 | *140,400* | 60,052 | 29,510 | *89,562* | 276,267 | *506,229* |
| Capital expenditures | 1,723 | 485 | 67 | 234 | *2,509* | 4,439 | 2,237 | *6,676* | 33 | *9,218* |
| | **BPI** | **Valletta** | **Ege Ports** | **Others** | ***Cruise Total*** | **Port Akdeniz** | **Port of Adria** | ***Total Commercial*** | **Non-operational & HQ** | ***Consolidated*** |
| External revenues | 24,370 | 9,227 | 4,038 | 3,802 | *41,437* | 44,788 | 8,250 | *53,038* | -- | *94,475* |
| EBITDA | 16,482 | 4,487 | 2,892 | 5,588 | *29,449* | 38,459 | 3,113 | *41,572* | (2,699) | *68,322* |
| Depreciation and amortization expense | (8,603) | (1,969) | (2,314) | (2,624) | *(15,510)* | (15,819) | (2,176) | *(17,995)* | (135) | *(33,640)* |
| Non-recurring income/(expense) | (1,063) | 103 | (518) | (133) | *(1,611)* | 827 | (497) | *330* | (3,854) | *(5,135)* |
| Non-cash income/(expenses) | (514) | (83) | 50 | 4 | *(543)* | (66) | (207) | *(273)* | (4) | *(820)* |
| Operating profit | 6,302 | 2,538 | 110 | (821) | *8,129* | 23,401 | 233 | *23,634* | (6,692) | *25,071* |
| Share of profit of equity-accounted investees | -- | -- | -- | 3,656 | *3,656* | -- | -- | -- | -- | *3,656* |
| Interest income | -- | -- | 705 | 9 | *714* | 1,896 | 36 | *1,932* | 17,010 | *19,656* |
| Interest expense | (1,629) | (225) | (5,361) | (143) | *(7,358)* | (20,542) | (732) | *(21,274)* | (8,502) | *(37,134)* |

(Amounts expressed in thousand USD 000's ("USD'000"))

## 4 Segment reporting *(continued)*

### *(ii)* ***Information about reportable segments*** *(continued)*

As at 31 December 2017 statement of financial position details and for the nine months ended 30 September 2017 profit or loss details of reportable segments comprised the following:

| | BPI | Valletta | Ege Ports | Others | *Cruise Total* | Port Akdeniz | Port of Adria | *Total Commercial* | Non-operational & HQ | *Consolidated* |
|---|---|---|---|---|---|---|---|---|---|---|
| Segment assets | 168,809 | 109,542 | 56,491 | 14,037 | *348,881* | 257,588 | 69,819 | *327,407* | 26,846 | *703,134* |
| Equity accounted investees | -- | -- | -- | 20,514 | *20,514* | -- | -- | -- | -- | *20,514* |
| Segment liabilities | 101,181 | 36,650 | 14,810 | 4,182 | *156,823* | 56,285 | 7,950 | *64,235* | 283,243 | *504,301* |
| Capital expenditures | 83 | 398 | 3,655 | 1,352 | *5,488* | 2,339 | 6,172 | *8,511* | 321 | *14,320* |

| | BPI | Valletta | Ege Ports | Others | *Cruise Total* | Port Akdeniz | Port of Adria | *Total Commercial* | Non-operational & HQ | *Consolidated* |
|---|---|---|---|---|---|---|---|---|---|---|
| External revenues | 20,669 | 9,218 | 4,099 | 4,265 | *38,251* | 44,317 | 5,336 | *49,653* | -- | *87,904* |
| EBITDA | 14,187 | 4,918 | 2,774 | 3,163 | *25,042* | 33,815 | 1,281 | *35,096* | (2,689) | *57,449* |
| Depreciation and amortization expense | (7,970) | (1,823) | (1,999) | (1,726) | *(13,518)* | (15,588) | (1,776) | *(17,364)* | (110) | *(30,992)* |
| Non-recurring income/(expense) | (426) | (148) | (154) | 27 | *(701)* | (187) | (1,216) | *(1,403)* | (4,207) | *(6,311)* |
| Non-cash income/(expenses) | (1,991) | -- | 7 | (12) | *(1,996)* | (344) | 1,094 | *750* | (24) | *(1,270)* |
| Operating profit | 3,799 | 2,947 | 627 | 154 | *7,527* | 17,696 | (617) | *17,079* | (7,030) | *17,576* |
| Share of profit of equity-accounted investees | -- | -- | -- | 1,299 | *1,299* | -- | -- | -- | -- | *1,299* |
| Interest income | 3 | 14 | 1,603 | 57 | *1,677* | 2,542 | 139 | *2,681* | 3,145 | *7,503* |
| Interest expense | (1,766) | (314) | (829) | (52) | *(2,961)* | (2,453) | (665) | *(3,118)* | (16,340) | *(22,419)* |

(Amounts expressed in thousand USD 000's ("USD'000"))

## 4 Segment reporting *(continued)*

### *(iii) Reconciliation of information on reportable segments to IFRS measures*

For the nine months ended 30 September, the reconciliation of details of reportable segments profit before income tax is as following:

| | *Note* | 2018 | 2017 |
|---|---|---|---|
| **Revenues** | | | |
| Total revenue for reportable segments | *5* | 94,475 | 87,904 |
| **Total external revenues** | | **94,475** | **87,904** |
| | | | |
| Consolidated EBITDA | | 68,322 | 57,449 |
| Non-recurring income / (expense) | | (5,135) | (6,311) |
| Non-cash income / (expense) | | (820) | (1,270) |
| Finance income | *9* | 30,506 | 13,641 |
| Finance costs | *9* | (53,044) | (27,919) |
| Depreciation and amortization | | (33,640) | (30,992) |
| **Total profit before income tax** | | **6,189** | **4,598** |
| | | | |
| **Interest income** | | | |
| Total interest income for reportable segments | | 19,656 | 7,503 |
| Elimination of inter-segments | | (18,788) | (4,234) |
| **Consolidated interest income** | *9* | **868** | **3,269** |
| | | | |
| **Interest expense** | | | |
| Total interest expense for reportable segments | | (37,134) | (22,419) |
| Elimination of inter-segments | | 18,788 | 4,234 |
| **Consolidated interest expense** | *9* | **(18,346)** | **(18,185)** |

### *(iv) Geographic information*

The Port operations of the Group are managed on a worldwide basis, but operational ports and management offices are primarily in Turkey, Montenegro, Spain, Italy and Malta. The geographic information below analyses the Group's revenue and non-current assets by the Company's country of domicile and other countries. In presenting the following information, segment revenue has been based on the geographic location of port operations and segment assets were based on the geographic location of the assets.

***Revenue***

| | 30 September 2018 | 30 September 2017 |
|---|---|---|
| **Turkey** | **50,468** | **50,785** |
| **All foreign countries** | **44,007** | **37,119** |
| Montenegro | 8,250 | 5,336 |
| Malta | 9,227 | 9,218 |
| Spain | 24,370 | 20,669 |
| Italy | 2,160 | 1,896 |
| | **94,475** | **87,904** |

(Amounts expressed in thousand USD 000's ("USD'000"))

## 4 Segment reporting *(continued)*

### *(iv)* ***Geographic information*** *(continued)*

***Non-current assets***

| | **As at 30 September 2018** | **As at 30 September 2017** |
|---|---|---|
| **Turkey** | **248,119** | **271,042** |
| **All foreign countries** | **302,721** | **315,897** |
| Spain | 133,822 | 145,670 |
| Malta | 96,103 | 99,583 |
| Montenegro | 65,609 | 66,963 |
| Italy | 7,187 | 3,681 |
| | **550,840** | **586,939** |

Non-current assets exclude those relating to deferred tax assets and financial instruments (including equity-accounted investees).

### *(v)* ***Information about major customers***

The Group did not have a single customer that accounted for more than 10% of the Group's consolidated net revenues in any of the periods presented.

## 5 Revenue and cost of sales

### Revenue

For the nine months ended 30 September, revenue comprised the following:

| | **2018** | **2017** |
|---|---|---|
| Container revenues | 32,809 | 32,607 |
| Landing fees | 27,675 | 24,497 |
| Cargo revenues | 10,793 | 11,299 |
| Port service revenues | 9,958 | 8,726 |
| Rental revenues | 6,085 | 6,522 |
| Income from duty free operations | 2,863 | 2,836 |
| Domestic water sales | 692 | 671 |
| Other revenue | 3,600 | 746 |
| **Total** | **94,475** | **87,904** |

***Seasonality of revenue***

Generally, the number of cruise calls is lower during the winter months of December to February than at other times of the year, although this seasonality is more pronounced in the cruise segment as compared to the commercial segment. The third quarter is the busiest for cruise port calls in Mediterranean, Creuers (Barcelona) and Cruceros (Malaga) ports usually see less seasonality in terms of the number of calls than the Turkish ports in the Group's portfolio with the increasing popularity of winter cruises in Mediterranean and considering locations.

(Amounts expressed in thousand USD 000's ("USD'000"))

## 5 Revenue and cost of sales *(continued)*

**Cost of sales**

For the nine months ended 30 September, cost of sales comprised the following:

| | 2018 | 2017 |
|---|---|---|
| Depreciation and amortization expenses | 31,337 | 28,238 |
| Personnel expenses | 10,666 | 10,516 |
| Subcontractor crane and container service | 2,199 | 2,581 |
| Shopping mall expenses | 2,123 | 2,103 |
| Security expenses | 1,846 | 1,632 |
| Commission fees to government authorities and pilotage expenses | 1,736 | 1,623 |
| Repair and maintenance expenses | 1,570 | 1,272 |
| Port rental expenses | 914 | 1,207 |
| Container transportation expenses | 942 | 795 |
| Insurance expenses | 719 | 758 |
| Fuel expenses | 644 | 607 |
| Port energy usage expenses | 635 | 650 |
| Fresh water expenses | 493 | 438 |
| Waste removal expenses | 122 | 115 |
| Expenses in relation to replacement provisions | 514 | 1,524 |
| Other expenses | 1,574 | 917 |
| **Total** | **58,034** | **54,976** |

## 6 Other income and expenses

For the nine months ended 30 September, other income comprised the following:

| | 2018 | 2017 |
|---|---|---|
| Foreign exchange gains other than financing activities | 5,574 | -- |
| Reversed provisions | 17 | 384 |
| Sale of Asset | 175 | -- |
| Other | 756 | 316 |
| **Total** | **6,522** | **700** |

For the nine months ended 30 September, other expenses comprised the following:

| | 2018 | 2017 |
|---|---|---|
| Project expenses (*) | 4,265 | 3,860 |
| Foreign exchange losses other than financing activities | 895 | -- |
| Tax amnesty expenses | 1,134 | -- |
| Other | 1,069 | 1,220 |
| **Total** | **7,363** | **5,080** |

(*) The project expenses are mainly the expenses incurred in relation to the projects for new acquisitions and financing of these new projects.

(Amounts expressed in thousand USD 000's ("USD'000"))

## 7 Taxation on income

Income tax expense is recognised based on management's estimate of the average annual effective income tax rate for each relevant taxing jurisdiction and applied individually to the interim period pre-tax income of each jurisdiction. The estimated average annual tax rate used for the year to 30 September 2018 is 19.21%, compared to 30 September 2017 is 14.26%. The higher tax rate in current year was the result of growth in portfolio, newly acquired ports within Europe having higher effective tax rates compared to Turkish Ports, and the comparative decrease in operations of Turkish Ports, increasing significance of European Ports in realizations, as well as corporate tax rate increase in Turkey from 20% in 2017 to 22% in 2018.

For the nine months ended 30 September tax expense comprised the following:

| | Nine months ended 30 September 2018 | Nine months ended 30 September 2017 |
|---|---|---|
| Current income taxes | (5,192) | (7,320) |
| Deferred income taxes | 2,470 | 5,262 |
| **Total** | **(2,722)** | **(2,058)** |

The movement of net deferred tax liability for the nine months ended 30 September, is as follows:

| | 2018 | 2017 |
|---|---|---|
| Balance at 1 January | **(98,191)** | **(94,124)** |
| Deferred tax benefit in profit or loss | 2,470 | 5,262 |
| Currency translation difference | 1,425 | (6,502) |
| **Balance as at 30 September** | **(94,296)** | **(95,364)** |

## 8 Administrative expenses

For the nine months ended 30 September, administrative expenses comprised the following:

| | 2018 | 2017 |
|---|---|---|
| Personnel expenses | 3,230 | 3,128 |
| Depreciation and amortisation expenses | 2,299 | 2,754 |
| Consultancy expenses | 1,427 | 1,511 |
| Representation expenses | 619 | 959 |
| Taxes other than on income | 507 | 477 |
| IT expenses | 201 | 182 |
| Communication expenses | 223 | 202 |
| Travelling expenses | 235 | 446 |
| Vehicle expenses | 130 | 117 |
| Rent expenses | 73 | 36 |
| Stationary expenses | 57 | 53 |
| Office operating expenses | 62 | 83 |
| Repair and maintenance expenses | 53 | 29 |
| Other expenses | 803 | 501 |
| **Total** | **9,919** | **10,478** |

(Amounts expressed in thousand USD 000's ("USD'000"))

## 9 Finance income and costs

For the nine months ended 30 September, finance income comprised the following:

| **Finance income** | **2018** | **2017** |
|---|---|---|
| Foreign exchange gain (*) | 29,603 | 10,343 |
| Interest income on banks and others | 395 | 550 |
| Interest income on related parties | 473 | 181 |
| Gain on sale of marketable securities | 11 | 6 |
| Interest income on marketable securities (**) | -- | 2,515 |
| Interest income from housing loans | -- | 23 |
| Others | 24 | 23 |
| **Total** | **30,506** | **13,641** |

(*) The Group's foreign exchange gains arise mainly through its operations in Turkey, depreciation of TL against the functional currencies of these entities results in a benefit as the cost base is significantly more weighted to TL than the revenues.

(**) Interest income on marketable securities comprised during the prior periods the interest income earned from the Global Yatırım Holding's bonds. Global Yatırım Holding is the ultimate controlling party of the Group. The bonds' maturity was 30 June 2021 with an annual nominal interest rate of 8% and nominal amounts of USD 13,944 thousand. The Group had used its right to sell back all its bonds to Global Yatırım Holding at par plus accrued interest as of 29 December 2017 and transaction was closed at 6 February 2018.

For the nine months ended 30 September, finance costs comprised the following:

| **Finance costs** | **2018** | **2017** |
|---|---|---|
| Interest expense on loans and borrowings | 18,110 | 17,988 |
| Foreign exchange losses | 33,848 | 8,840 |
| Other interest expenses | 236 | 197 |
| Unwinding of provisions during the year | 186 | 433 |
| Letter of guarantee commission expenses | 155 | 160 |
| Loss on Sale of Marketable Securities | 70 | -- |
| Loan commission expenses | 57 | 99 |
| Other | 382 | 202 |
| **Total** | **53,044** | **27,919** |

## 10 Property and equipment

For the nine months ended 30 September, a summary of movements of property and equipment is as follows:

| | **2018** | **2017** |
|---|---|---|
| **Net book value as at 1 January** | 134,664 | 115,765 |
| Additions | 8,997 | 13,719 |
| Disposals | (7) | (125) |
| Depreciation | (9,263) | (8,072) |
| Currency translation differences | (3,203) | 9,986 |
| **Net book value as at 30 September** | **131,188** | **131,273** |

As at 30 September 2018, the net book value of machinery and equipment purchased through leasing amounts to USD 1,783 thousand (31 December 2017: USD 2,064 thousand), the net book value of motor vehicles purchased through leasing amounts to USD 8,353 thousand (31 December 2017: USD 9,428 thousand), and the net book value of furniture and fixtures purchased through leasing amounts to USD 58 thousand (31 December 2017: USD 124 thousand). In 2018 and 2017, no capital expenditure was made through finance leases.

## 10 Property and equipment *(continued)*

For the nine months ended 30 September 2018 and year ended 31 December 2017, there is no capitalised borrowing cost on property and equipment.

As at 30 September 2018, the insured amount of property and equipment amounts to USD 264,222 thousand (31 December 2017: USD 265,598 thousand).

## 11 Intangible assets

For the nine months ended 30 September, a summary of movements of intangible assets is as follows:

| | 2018 | 2017 |
|---|---|---|
| **Net book value as at 1 January** | 433,075 | 426,081 |
| Additions | 221 | 601 |
| Disposals | -- | -- |
| Amortization | (24,377) | (22,920) |
| Currency translation differences | (7,669) | 27,084 |
| **Net book value as at 30 September** | **401,250** | **430,846** |

The details of the principal port operation rights for the nine months ended 30 September 2018, year ended 31 December 2017 and nine months ended 30 September 2017 are as follows:

| | As at 30 September 2018 | | As at 31 December 2017 | | As at 30 September 2017 | |
|---|---|---|---|---|---|---|
| USD '000 | Carrying Amount | Remaining Amortisation Period | Carrying Amount | Remaining Amortisation Period | Carrying Amount | Remaining Amortisation Period |
| Barcelona Ports Investment | 129,215 | 141 months | 141,622 | 150 months | 142,409 | 153 months |
| Valletta Cruise Port | 65,221 | 578 months | 68,339 | 587 months | 67,720 | 590 months |
| Port of Adria | 21,396 | 303 months | 22,731 | 312 months | 22,626 | 315 months |
| Port Akdeniz | 164,957 | 119 months | 177,433 | 128 months | 181,591 | 131 months |
| Ege Ports | 12,443 | 174 months | 13,491 | 183 months | 13,515 | 186 months |
| Port Operation Holding | 5,910 | 97 months | 6,644 | 106 months | -- | -- |
| Bodrum Cruise Port | 492 | 6 months | 698 | 15 months | 751 | 18 months |
| | **399,634** | | **430,958** | | **428,612** | |

## 12 Equity-accounted investees

The nature of the operations and the locations of the equity-accounted investees of the Company are listed below:

| Equity-accounted investees | Locations | Operations |
|---|---|---|
| LCT - Lisbon Cruise Terminals, LDA ("Port of Lisbon") (*) | Portugal | Port operations |
| SATS – Creuers Cruise Services Pte. Ltd. ("Singapore Port") (**) | Singapore | Port operations |
| Venezia Investimenti Srl. ("Venice Investment") (***) | Italy | Port investments |
| La Spezia Cruise Facility Srl. ("La Spezia") (****) | Italy | Port operations |

(*) The Group has entered into the concession agreement of Lisbon Cruise Port within the framework of a public-service concession on 18 July 2014 as a part of the consortium comprised of Global Liman, RCCL, Creuers and Group Sousa – Investimentos SGPS, LDA. The operation right of Lisbon Cruise Port has been transferred by the Port Authority of Lisbon to LCT-Lisbon Cruise Terminals, LDA, which was established by the Consortium, on 26 August 2014. The Group has a 46.2% effective interest in Port of Lisbon. Port of Lisbon has been recognized as an equity-accounted investee in the consolidated financial statements.

(**) Barcelona Port Investments, S.L ("BPI") was established as a joint venture between the Group and Royal Caribbean Cruises Ltd. ("RCCL") on 26 July 2013 for the purpose of acquiring a Creuers. Creuers holds a 100% interest in the port operation rights for the Barcelona cruise port, as well as an 80% interest in the port operation rights for the Malaga cruise port and a 40% interest in the port operation rights for the Singapore cruise port. Singapore cruise port has been recognised as an equity-accounted investee in the consolidated financial statements.

(***) Venezia Investimenti Srl is an international consortium formed for investing in Venezia Terminal Passegeri S.p.A (VTP). The international consortium formed by Global Ports Holding ("GPH"), Costa Costa Crociere SpA, MSC Cruises SA and Royal Caribbean Cruises Ltd each having 25% share of the Company.

(****)GPH purchased minority interest through POH in La Spezia Cruise Facility Srl, which has the operating rights of La Spezia Cruise Port, Italy.

At 30 September 2018, Venezia Investimenti, Port of Lisbon, Singapore Port and La Spezia are equity accounted investees in which the Group participates. The following table summarizes the financial information of Venezia Investimenti, La Spezia, Port of Lisbon and Singapore Port as included in the consolidated financial statements as at 30 September 2018. The table also reconciles the summarized financial information to the carrying amount of the Group's interest in Port of Lisbon, Singapore Port, Venezia Investimenti, La Spezia.

| *In USD 000's* | La Spezia | Venezia Investimenti | Port of Lisbon | Singapore Port |
|---|---|---|---|---|
| ***Percentage ownership interest*** | 30.00% | 25.00% | 50.00% | 40.00% |
| Non-current assets | -- | 35,526 | 31,347 | 2,871 |
| Current assets | 136 | 3,004 | 5,957 | 17,105 |
| Non-current liabilities | -- | -- | (15,031) | -- |
| Current liabilities | -- | 51 | (4,977) | (4,692) |
| Net assets (100%) | 136 | 38,581 | 17,296 | 15,285 |
| Group's share of net assets | 41 | 9,645 | 8,648 | 6,114 |
| **Carrying amount of interest in equity accounted investees** | **41** | **9,645** | **8,648** | **6,114** |
| Revenue | -- | 818 | 4,602 | 19,954 |
| Expenses | -- | (107) | (4,149) | (11,825) |
| Profit / (loss) and total comprehensive income for the year (100%) | -- | 711 | 453 | 8,128 |
| **Group's share of profit and total comprehensive income** | **--** | **178** | **227** | **3,251** |

As of 30 September 2018, Singapore Port has current assets of USD 17,105, Port of Lisbon has non-current financial liabilities of USD 15,031 and cash and cash equivalents of USD 1,761 and Venezia Investimenti has cash and cash equivalents of USD 2,945.

## 12 Equity-accounted investees *(continued)*

For the period ended 30 September 2018, the Group's share of profit and total comprehensive income is set out below:

| *In USD 000's* | Net profit |
|---|---|
| Venezia Investimenti | 178 |
| Port of Lisbon | 227 |
| Singapore Port | 3,251 |
| **Group's share of profit and total comprehensive income** | **3,656** |

At 31 December 2017, Venezia Investimenti, Port of Lisbon, Singapore Port and La Spezia are equity accounted investees in which the Group participates. The following table summarizes the financial information of Venezia Investimenti, La Spezia, Port of Lisbon and Singapore Port as included in the consolidated financial statements as at 31 December 2017. The table also reconciles the summarized financial information to the carrying amount of the Group's interest in Port of Lisbon, Singapore Port, Venezia Investimenti, La Spezia.

| *In USD 000's* | La Spezia | Venezia Investimenti | Port of Lisbon | Singapore Port |
|---|---|---|---|---|
| ***Percentage ownership interest*** | 30.00% | 25.00% | 50.00% | 40.00% |
| Non-current assets | -- | 38,248 | 28,880 | 2,802 |
| Current assets | 140 | 1,940 | 8,077 | 13,444 |
| Non-current liabilities | -- | -- | (13,920) | (1,846) |
| Current liabilities | -- | (174) | (5,687) | (6,191) |
| Net assets (100%) | 140 | 40,014 | 17,350 | 8,209 |
| Group's share of net assets | 42 | 10,004 | 8,675 | 3,283 |
| **Carrying amount of interest in equity accounted investees** | **42** | **10,004** | **8,675** | **3,283** |

As of 31 December 2017, Singapore Port has current assets of USD 13,444, Port of Lisbon has non-current financial liabilities of USD 13,920 and cash and cash equivalents of USD 4,426 and Venezia Investimenti has cash and cash equivalents of USD 987.

For the period ended 30 September 2017, the Group's share of profit and total comprehensive income is set out below:

| *In USD 000's* | Net profit |
|---|---|
| Venezia Investimenti | (212) |
| Port of Lisbon | 732 |
| Singapore Port | 779 |
| **Group's share of profit and total comprehensive income** | **1,299** |

## 13 Cash and cash equivalents

As at 30 September 2018 and 31 December 2017, cash and cash equivalents comprised the following:

| | 30 September 2018 | 31 December 2017 |
|---|---|---|
| Cash on hand | 328 | 69 |
| Cash at banks | 91,977 | 48,239 |
| - *Demand deposits* | *72,263* | *19,285* |
| - *Time deposits* | *19,714* | *9,646* |
| - *Overnight deposits* | *3,684* | *19,308* |
| **Cash and cash equivalents** | **95,989** | **48,308** |

## 13 Cash and cash equivalent *(continued)*

As at 30 September 2018 and 31 December 2017, maturities of time deposits comprised the following:

| | 30 September 2018 | 31 December 2017 |
|---|---|---|
| Up to 1 month | 19,714 | 9,646 |
| 1 – 3 months | -- | -- |
| **Total** | **19,714** | **9,646** |

Cash and cash equivalents comprise cash held by the Group and short-term bank deposits with a maturity at inception of three months or less. The carrying amount of these assets approximates their fair value.

As at 30 September 2018, cash at bank amounting to USD 7,521 thousand (31 December 2017: USD 6,352 thousand) is restricted, principally due to being held on reserve accounts as required by debt agreements.

## 14 Capital and reserves

### a) Share capital

As at 30 September 2018 and 31 December 2017, the Company's statutory nominal value of authorised and paid-in share capital consists of 74,307,399 registered ordinary shares with a par value of TL 1 each.

As at 30 September 2018 and 31 December 2017, the share ownership structure of the Company was as follows:

| | 30 September 2018 | | 31 December 2017 | |
|---|---|---|---|---|
| | Nominal value of shares (USD '000) | Proportion of shares (%) | Nominal value of shares (USD '000) | Proportion of shares (%) |
| Global Ports Holding PLC | 33,828 | 100,00 | 33,828 | 100,00 |
| **Paid in capital (nominal)** | 33,828 | 100.00 | 33,828 | 100.00 |
| Inflation accounting adjustment | 8 | | 8 | |
| **Inflation adjusted capital** | 33,836 | | 33,836 | |

The Company's shares are ordinary voting shares. There are no preferential rights attached to any shares of the Company.

### b) Nature and purpose of reserves

*(i) Translation reserves*

The translation reserves amounting to USD 228,881 thousand (31 December 2017: USD 150,626 thousand) are recognised as a separate account under equity and comprises foreign exchange differences arising from the translation of the consolidated historical financial information of subsidiaries and equity-accounted investees from their functional currencies (of Euro and TL) to the presentation currency, USD.

*(ii) Legal reserves*

Under the Turkish Commercial Code, Turkish companies are required to set aside first and second level legal reserves out of their profits. First level legal reserves are set aside as up to 5% of the distributable income per the statutory accounts each year. The ceiling of the first level reserves is 20% of the paid-up share capital. The requirement to set aside ends when the 20% of the paid-up capital level has been reached. Second level legal reserves correspond to 10% of profit actually distributed after the deduction of the first legal reserves and the minimum obligatory dividend pay-out, but holding companies are not subject to this regulation. There is no ceiling for second level legal reserves and they are accumulated every year.

## 14 Capital and reserves *(continued)*

### b) Nature and purpose of reserves *(continued)*

*(ii) Legal reserves (continued)*

First and second level legal reserves cannot be distributed until they exceed 50% of the capital, but the reserves can be used for offsetting the losses in case free reserves are unavailable. As at 30 September 2018, the legal reserves of the Group amounted to USD 13,030 thousand (31 December 2017: USD 13,012 thousand).

*(iii) Hedging reserves*

*Investment hedge*

The Company has used its Eurobond financing as a non-derivative financial item to hedge the net investment of Port Akdeniz. As of 30 September 2018, the net asset value of Port Akdeniz amount to USD 193,261 thousand, and the carrying value of Eurobond amounts to USD 254,877 thousand (31 December 2017: the net asset value of Port Akdeniz amount to USD 193,261 thousand and the carrying value of Eurobond amounts to USD 249,444 thousand). The ineffective portion of the investment hedge is USD 27,554 thousand as at 30 September 2018 (31 December 2017: USD 3,931 thousand).

### c) Dividends

Dividend distributions are made by the Company in TL in accordance with its articles, after deducting taxes and setting aside the legal reserves as discussed above.

On 9 March 2017 the Company paid its 2016 final dividend to shareholders totalling USD 26,783 thousand.

Dividends paid to non-controlling interests totaled USD 1,992 in 2018 (2017: USD 1,048) and comprised a distribution of USD 664 thousand made by BPI to RCCL, USD 1,256 thousand made by VCP to other shareholders and USD 72 thousand made by Cagliari to other shareholders (2017: USD 1,048 thousand made to other shareholders by Valletta Cruise Port).

(Amounts expressed in thousand USD 000's ("USD'000"))

## 15 Loans and borrowings

As at 30 September 2018 and 31 December 2017, loans and borrowings comprised the following:

| **Short term loans and borrowings** | **30 September 2018** | **31 December 2017** |
|---|---|---|
| Short term portion of Eurobond issued *(i)* | 18,946 | 18,556 |
| Short term bank loans | 8,491 | 7,272 |
| *- TL loans* | *291* | *47* |
| *- Loans denominated in foreign currencies* | *8,200* | *7,225* |
| Short term portion of long term bank loans | 21,825 | 17,571 |
| *- TL loans* | *248* | *339* |
| *- Loans denominated in foreign currencies* | *21,577* | *17,232* |
| Finance lease obligations | 1,316 | 1,479 |
| **Total** | **50,578** | **44,878** |

| **Long term loans and borrowings** | **30 September 2018** | **31 December 2017** |
|---|---|---|
| Long term portion of Eurobond issued **(i)** | 235,931 | 230,889 |
| Long term bank loans | 74,547 | 64,038 |
| *- TL loans* | *120* | *288* |
| *- Foreign currency loans* | *74,427* | *63,750* |
| Finance lease obligations | 908 | 1,915 |
| **Total** | **311,385** | **296,842** |

*(i)* The sales process of the Eurobond issuances amounting to USD 250 million with 7 years of maturity, and a 8.125% coupon rate based on 8.250% reoffer yield was completed on 14 November 2014. Coupon repayment are made semi-annually. The bonds are quoted on the Irish Stock Exchange.

Eurobonds contain the following key financial covenants:

If a concession termination event occurs at any time, Global Liman (the "Issuer") must offer to repurchase all of the notes pursuant to the terms set forth in the indenture (a "Concession Termination Event Offer"). In the Concession Termination Event Offer, the Issuer will offer a "Concession Termination Event Payment" in cash equal to 100% of the aggregate principal amount of notes repurchased, in addition to accrued and unpaid interest and additional amounts, if any, on the notes repurchased, to the date of purchase (the "Concession Termination Event Payment Date"), subject to the rights of holders of notes on the relevant record date to receive interest due on the relevant interest payment date.

According to the Eurobond issued by Global Liman, the consolidated leverage ratio may not exceed 5.0 to 1 (incurrence covenant). The consolidated leverage ratio as defined in the Eurobond includes Global Liman as the issuer and all of its consolidated subsidiaries excluding the Malaga Cruise Port and Valletta Cruise Port (both being Unrestricted Subsidiaries as defined in the Eurobond). Irrespective of the consolidated leverage ratio, the issuer will be entitled to incur any or all of the following indebtedness:

- Indebtedness incurred by the Issuer, Ege Ports ("Guarantor") or Ortadoğu Liman ("Guarantor") pursuant to one or more credit facilities in an aggregate principal amount outstanding at any time not exceeding USD 5 million;
- Purchase money indebtedness incurred to finance the acquisition by, the Issuer or a Restricted Subsidiary, of assets in the ordinary course of business in an aggregate principal amount which, when added together with the amount of indebtedness incurred and then outstanding, does not exceed USD 10 million; and
- Any additional indebtedness of the Issuer or any Guarantor (other than and in addition to indebtedness permitted above) and Port of Adria indebtedness, provided, however, that the aggregate principal amount of Indebtedness outstanding at any time of this clause does not exceed USD 20 million; and provided further, that more than 50% in aggregate principal amount of any Port of Adria indebtedness incurred pursuant to this clause is borrowed from the International Finance Corporation and/or the European Bank for Reconstruction and Development.

(Amounts expressed in thousand USD 000's ("USD'000"))

## 15 Loans and borrowings *(continued)*

As at 30 September 2018 and 31 December 2017, maturity profile of loans comprised the following:

| Year | 30 September 2018 | 31 December 2017 |
|---|---|---|
| Between 1-2 years | 31,766 | 32,138 |
| Between 2-3 years | 31,623 | 30,715 |
| Between 3-4 years | 213,449 | 208,750 |
| Over 5 years | 33,639 | 23,324 |
| **Total** | **310,477** | **294,927** |

As at 30 September 2018 and 31 December 2017, maturity profile of finance lease obligations comprised the following:

| | 30 September 2018 | | | 31 December 2017 | | |
|---|---|---|---|---|---|---|
| | *Future minimum lease payments* | *Interest* | *Present value of minimum lease payments* | *Future minimum lease payments* | *Interest* | *Present value of minimum lease payments* |
| Less than one year | 1,393 | (77) | 1,316 | 1,589 | (110) | 1,479 |
| Between one and five years | 989 | (81) | 908 | 2,145 | (230) | 1,915 |
| **Total** | **2,382** | **(158)** | **2,223** | **3,734** | **(340)** | **3,394** |

## 16 Provisions

As at 30 September 2018 and 31 December 2017, non-current and current provisions comprised the following:

| **Non-current** | 30 September 2018 | 31 December 2017 |
|---|---|---|
| Replacement provisions for Creuers (*) | 18,034 | 17,918 |
| Restructuring provisions for Port of Bar (**) | 1,392 | 1,496 |
| Italian Ports Concession fee provisions(***) | 1,429 | 1,667 |
| **Total** | **20,855** | **21,081** |

(*) As part of the concession agreement between Creuers and the Barcelona and Malaga Port Authorities entered in 2013, the Company has an obligation to maintain the port equipment in good operating condition throughout its operating period, and in addition return the port equipment to the Port Authorities in a specific condition at the end of the agreement.

(**) On 27 December 2013, the Government of Montenegro and Container Terminal and General Cargo JSC-Bar ("CTGC") entered into an agreement regarding the operating concession for the Port of Adria-Bar which terminates on 27 December 2043. From the fourth year of the agreement, CTGC had an obligation to pay a concession fee to the Government of Montenegro of Euro 500,000 per year until the end of the agreement. The expense relating to this concession agreement is recognized on a straight-line basis over the concession period, giving rise to an accrual in the earlier years.

(Amounts expressed in thousand USD 000's ("USD'000"))

## 16 Provisions *(continued)*

(***) On 16 December 2009, Ravenna Port Authority and Ravenna Passenger Terminal S.r.l. ("RTP") entered into an agreement regarding the operating concession for the Ravenna Passenger Terminal which terminates on 27 December 2019. RTP had an obligation to pay a concession fee to the Port Authority of Euro 86,375 per year until end of concession. The expense relating to this concession agreement is recognized on a straight-line basis over the concession period, giving rise to an accrual in the earlier years.

On 13 June 2011, Catania Port Authority and Catania Cruise Terminal S.r.l. ("CCT") entered into an agreement regarding the operating concession for the Catania Passenger Terminal which terminates on 12 June 2026. CCT had an obligation to pay a concession fee to the Catania Port Authority of Euro 135,000 per year until end of concession. The expense relating to this concession agreement is recognized on a straight-line basis over the concession period, giving rise to an accrual in the earlier years.

On 14 January 2013, Cagliari Cruise Port ("CCP") and Cagliari Port Authority entered into an agreement regarding the operating concession for the Cagliari Cruise Terminal which terminates on 13 January 2027. CCP had an obligation to pay a concession fee to the Cagliari Port Authority of Euro 44,316 per year until end of concession. The expense relating to this concession agreement is recognized on a straight-line basis over the concession period, giving rise to an accrual in the earlier years.

| **Current** | **30 September 2018** | **31 December 2017** |
|---|---|---|
| Employee benefit provisions | 167 | 348 |
| Short term provisions | 864 | 854 |
| **Total** | **1,031** | **1,202** |

## 17 Earnings per share

The Group presents basic earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, less own shares acquired.
The Group does not present diluted earnings per share ("diluted EPS") data, because there are no potential convertible dilutive securities.

For the period ended 30 September, earnings per share is calculated by dividing the loss attributable to ordinary shareholders, by the weighted average number of shares outstanding.

| | **2018** | **2017** |
|---|---|---|
| Loss attributable to owners of the Company | 3,177 | 912 |
| Weighted average number of shares | 74,307,399 | 74,307,399 |
| Basic and diluted earnings per share with par value of USD 1 (cents per share) | 4.28 | 1.23 |

## 18 Commitment and contingencies

### *(a) Litigations*

There are pending lawsuits that have been filed against or by the Group. The management of the Group assesses the possible results and financial effects of these lawsuits at the end of each period and as a result of these assessments, the required provisions are recognized for the possible expenses and liabilities. The amount of provision that has been accounted for as at 30 September 2018 is USD 269 thousand (31 December 2017: USD 264 thousand).

The information related to the significant lawsuits that the Group is directly or indirectly a party to is as follows:

***Legal proceedings in relation to Ortadoğu Antalya, Ege Liman and Bodrum Liman's applications for extension of their operation rights***

On 6 June 2013, the Turkish Constitutional Court partially annulled a law that prevented operators of privatised facilities from applying to extend their operating term. The respective Group companies then applied to extend the concession terms of Port Akdeniz-Antalya, Ege Ports-Kuşadası and Bodrum Cruise Port to give each concession a total term of 49 years from original grant date. After these applications were rejected, the respective Group companies filed lawsuits with administrative courts challenging the decisions.

Port Akdeniz-Antalya filed lawsuits against Privatization Administration and the General Directorate of Turkey Maritime Organization requesting cancellation with respect to rejection of the extension applications. The Court dismissed the case and the Group lawyers appealed such decision of the Court. The appeal is pending before the Council of State.

Ege Ports-Kuşadası filed lawsuits against Privatization Administration and General Directorate of Turkey Maritime Organization requesting cancellation with respect to rejection of the extension applications. Both authorities filed their defenses and Ege Ports-Kuşadası submitted its reply to the defenses in due time. The Court dismissed the case and the Group lawyers appealed such decision of the Court. The Council of State reversed the lower courts' judgement in favor of Ege Ports-Kuşadası. The Privatization Administration applied to the Council of State for reversal of this judgement and the case is still pending.

Bodrum Cruise Port filed a lawsuit against (i) Ministry of Finance General Directorate of National Estate, (ii) the District Governorship of Bodrum and (iii) the Ministry of Transportation, Maritime Affairs and Communication requesting cancellation with respect to rejection of the extension applications. Bodrum Cruise Port's objection was approved by the court and rejection decision of the Ministry of Transportation, Maritime Affairs and Communication had been cancelled in favor of Bodrum Cruise Port. The Ministry's appeal has been overruled and first instance court judgement has been affirmed by the Council of State. The Ministry has applied for the rectification of the decision and the Council of State has rejected the request in favor of Bodrum Cruise Port as the final verdict.

On the other hand, extending operation right terms to 49 years is also a possibility for certain facilities and investments including Bodrum Cruise Port as per the new amendment of law published in the Official Gazette of 5 December 2017. Guidelines as referred in the law are expected to be announced by relevant ministries.

## 18 Commitments and contingencies *(continued)*

### *(a)* ***Litigations*** *(continued)*

***Other legal proceedings***

The Port of Adria-Bar (Montenegro) was party to a collective bargaining agreement with a union representing workers in a range of functions that expired in 2010, before the Port of Adria-Bar was acquired by the Group. However, a number of lawsuits have been brought in connection to this collective bargaining agreement seeking (i) unpaid wages for periods before the handover of the Port to the Group, and (ii) alleged underpaid wages as of the start of 2014. On March 2017, the Supreme Court of Montenegro adopted a Standpoint in which it is ruled that collective bargaining agreement cannot be applied on rights, duties and responsibilities for employees of Port of Adria-Bar after 30 September 2010. Although various cases remain pending before lower courts, the Standpoint establishes a precedent that would apply to the remaining pending cases before the lower courts. Accordingly, Management strongly believes that the pending cases will be decided in favor of the Group.

## 19 Financial instruments – Fair value disclosures

The information set out below provides information about how the Group determines fair values of various financial assets and liabilities.

Determination of the fair value of a financial instrument is based on market values when there are two counterparties willing to sell or buy, except under the conditions of events of default forced liquidation. The Group determines the fair values based on appropriate methods and market information and uses the following assumptions: the fair values of cash and cash equivalents, other monetary assets, which are short term, trade receivables and payables and long term foreign currency loans and borrowings with variable interest rates and negligible credit risk change due to borrowings close to year end are expected to approximate to the carrying amounts.

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Input other than quoted prices included within level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or in directly (i.e. derived from prices);
- Level 3: Inputs for the asset or liability that is not based on observable market data (unobservable inputs).

Except as detailed in the following table, the directors consider the carrying amounts of the financial assets and financial liabilities recognised in the consolidated historical financial information approximate to their fair values.

| | Note | As at 30 September 2018 | | As at 31 December 2017 | |
|---|---|---|---|---|---|
| **USD '000** | | **Carrying** | **Fair** | **Carrying** | **Fair** |
| **Financial liabilities** | | **Amount** | **Value** | **Amount** | **Value** |
| Loans and borrowings | 15 | 361,963 | 339,919 | 341,720 | 347,788 |

Loans have been included in Level 2 of the fair value hierarchy as they have been valued using quotes available for similar liabilities in the active market. The valuation technique and inputs used to determine the fair value of the loans and borrowings is based on discounted future cash flows and discount rates.

(Amounts expressed in thousand USD 000's ("USD'000"))

## 19 Financial instruments - Fair value disclosures *(continued)*

The Group's Eurobond liability has been included in level 1 of the fair value hierarchy as it has been valued using quotes available on its quoted market. The fair value of loans and borrowings has been determined in accordance with the most significant inputs being discounted cash flow analysis and discount rates.

Financial instruments at fair value
The table below analyses the valuation method of the financial instruments carried at fair value. The different levels have been defined as follows:

| | | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|---|
| **As at 30 September 2018** | Derivative financial liabilities | -- | 750 | -- | 750 |
| **As at 31 December 2017** | Derivative financial liabilities | -- | 855 | -- | 855 |

The valuation technique and inputs used to determine the fair value of the interest rate swap is based on future cash flows estimated based on forward interest rates (from observable yield curves at the end of the reporting period) and contract interest rates, discounted at a rate that reflects the credit risk of various counterparties.

## 20 Related parties

The related parties of the Group which are disclosed in this note comprised the following:

| Related parties | Relationship |
|---|---|
| Mehmet Kutman | Shareholder of ultimate controlling party |
| Global Yatırım Holding | Ultimate controlling party |
| Global Ports Holding PLC ("GPH PLC") | Parent Company |
| Global Ports Holding B.V. | Shareholders of Parent Company |
| Global Sigorta Aracılık Hizmetleri A.Ş. ("Global Sigorta") | Ultimate controlling party's subsidiary |
| IEG Kurumsal Finansal Danışmanlık A.Ş. | Ultimate controlling party's subsidiary |
| Global Menkul Değerler A.Ş. ("Global Menkul") | Ultimate controlling party's subsidiary |
| Adonia Shipping | Ultimate controlling party's subsidiary |
| Naturel Gaz | Ultimate controlling party's subsidiary |

All the related party transactions between the company and its subsidiaries have been eliminated on consolidation, and are therefore not disclosed in this note.

**Due from related parties**

As at 30 September 2018 and 31 December 2017, current receivables from related parties comprised the following:

| Current receivables from related parties | 30 September 2018 | 31 December 2017 |
|---|---|---|
| GPH PLC | 1,251 | 389 |
| Global Yatırım Holding | 514 | 307 |
| Naturel Gaz (*) | 56 | 74 |
| Adonia Shipping (*) | 39 | 1,030 |
| Mehmet Kutman | 15 | 24 |
| Others | 184 | 164 |
| **Total** | **2,059** | **1,988** |

(*) These amounts are related with the work advances. The charged interest rate is 19.50% as at 30 September 2018 (30 September 2017: 9.75%).

(Amounts expressed in thousand USD 000's ("USD'000"))

## 20 Related parties *(continued)*

**Due to related parties**

As at 30 September 2018 and 31 December 2017, current payables to related parties comprised the following:

| Current payables to related parties | 30 September 2018 | 31 December 2017 |
|---|---|---|
| GPH PLC (*) | 6,779 | 3,573 |
| Global Sigorta | 614 | 1 |
| Mehmet Kutman | 120 | 191 |
| Global Menkul | 1 | 13 |
| Global Yatırım Holding | -- | 244 |
| Other | 25 | 34 |
| **Total** | **7,539** | **4,056** |

(*) This amount is related to financing provided to subsidiaries.

**Transactions with related parties:**

For the period ended, significant transactions with other related parties comprised the following:

| | 2018 | | 2017 | |
|---|---|---|---|---|
| | Interest received | Other | Interest received | Other |
| Global Yatırım Holding | 473 | -- | 1,115 | -- |
| Other | -- | 1 | -- | -- |
| **Total** | **473** | **1** | **1,115** | **--** |

| | 2018 | | 2017 | |
|---|---|---|---|---|
| | Interest Paid | Other | Interest Paid | Other |
| Global Yatırım Holding | -- | 1 | -- | 1 |
| Global Menkul | -- | -- | -- | -- |
| **Total** | **--** | **1** | **--** | **1** |

For the year ended 31 December 2017, the Group recognised interest income on the bonds issued by Global Yatırım Holding in September 2012 with a nominal interest rate of 8% (30 September 2018: nil) amounting to USD 1,490 thousand (for the nine months ended 30 September 2018: nil). For the nine months ended 30 September 2017, the effective interest rate was 13.95% (31 December 2017: 8%, 30 September 2018: nil). For the nine months period months ended 30 September 2018, the Group accounted for a gain amounting to USD 66 thousand from purchase and sale of Global Yatırım Holding's publicly traded share certificates (for the nine months period ended 30 September 2017: a gain of USD 6 thousand).

**Transactions with key management personnel**

For the nine months ended 30 September, details of benefits to key management personnel comprised the following:

| | 2018 | 2017 |
|---|---|---|
| Salaries | 1,562 | 1,342 |
| Bonus | 172 | 258 |
| Attendance fees to Board of Directors | 78 | 93 |
| Other | 17 | 17 |
| **Total** | **1,829** | **1,710** |

## 21 Events after reporting date

None.