

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

Condensed Consolidated Interim
Financial Information
As at and for the three Months Ended
31 March
2020

This report includes 30 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 three months ended 31 March 2020
(Amounts expressed in USD 000's ("USD'000"))

	Notes	1 January- 31 March 2020	1 January- 31 March 2019
Revenue	5	13,713	20,689
Cost of sales	5	(15,919)	(17,663)
Gross profit		(2,206)	3,026
Other income		461	884
Selling and marketing expenses		(364)	(175)
Administrative expenses	7	(3,592)	(3,601)
Other expenses		(1,017)	(1,736)
Operating profit		(6,718)	(1,602)
Finance income	8	9,391	4,537
Finance costs	8	(20,826)	(15,948)
Net finance costs		(11,435)	(11,411)
Share of profit of equity-accounted investees		289	1,762
Profit before tax		(17,864)	(11,251)
Income tax (expense) / benefit	6	2,241	(1,208)
(Loss) / profit for the period		(15,623)	(12,459)
(Loss) / profit attributable to:			
Owners of the Company		(13,762)	(10,589)
Non-controlling interests		(1,861)	(1,870)
		(15,623)	(12,459)
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Foreign currency translation differences		20,306	11,090
Remeasurement of defined benefit obligation		(6)	(5)
Income tax relating to items that will not be reclassified subsequently to profit or loss		1	--
		20,301	11,085
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation differences		839	(55)
Cash flow hedges - effective portion of changes in fair value		(21)	212
Gain on a hedge of a net investment		(19,637)	(14,407)
		(18,819)	(14,250)
Other comprehensive income for the period, net of income tax		1,482	(3,165)
Total comprehensive income/(loss) for the period		(14,141)	(15,624)
Total comprehensive income attributable to:			
Owners of the Company		(11,279)	(12,226)
Non-controlling interests		(2,862)	(3,398)
		(14,141)	(15,624)
Basic and diluted (loss) / earnings per share (cents per share)	14	(18.52)	(14.25)

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 31 March 2020
(Amounts expressed in USD 000's ("USD'000"))

	<i>Notes</i>	As at 31 March 2020	As at 31 December 2019
Non-current assets			
Property and equipment	9	121,298	122,979
Intangible assets	10	346,162	356,118
Right-of-use asset		45,781	46,785
Investment Property		2,104	2,139
Goodwill		13,485	13,485
Equity-accounted investees		26,399	26,575
Other investments		3	4
Deferred tax assets	6	2,064	2,179
Other non-current assets		4,492	4,573
		561,788	574,837
Current assets			
Trade and other receivables		19,199	23,928
Due from related parties	18	14,410	17,943
Other investments		17	71
Other current assets		3,829	2,297
Inventory		1,513	1,390
Prepaid taxes		2,221	1,845
Cash and cash equivalents	11	43,347	46,921
		84,536	94,395
Total assets		646,324	669,232
Current liabilities			
Loans and borrowings	13	61,625	62,810
Trade and other payables		16,923	16,193
Other financial liabilities		425	456
Due to related parties	18	361	629
Current tax liabilities		2,478	2,725
Provisions	14	1,703	2,016
		83,515	84,829
Non-current Liabilities			
Loans and borrowings	13	343,626	346,262
Other financial liabilities		1,579	2,311
Derivative financial liabilities		508	485
Deferred tax liabilities	6	82,232	84,715
Provisions	14	7,914	7,775
Employee benefits		839	869
		436,698	442,417
Total liabilities		520,213	527,246
Net assets		126,111	141,986
Equity			
Share capital	12	33,836	33,836
Share premium account		54,539	54,539
Legal reserves	12	13,144	13,144
Hedging and Translation reserves		1,625	(863)
Retained earnings		(58,658)	(44,891)
Equity attributable to equity holders of the Company		44,486	55,765
Non-controlling interests		81,625	86,221
Total equity		126,111	141,986

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 three months ended 31 March 2020
(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 2020		33,836	54,539	13,144	(220,029)	219,166	(44,891)	55,765	86,221	141,986
Total comprehensive income										
Loss for the period		--	--	--	--	--	(13,762)	(13,762)	(1,861)	(15,623)
Other comprehensive income		--	--	--	(19,658)	22,146	(5)	2,483	(1,001)	1,482
Total comprehensive income for the period		--	--	--	(19,658)	22,146	(13,767)	(11,279)	(2,862)	(14,141)
Contributions and distributions										
Equity injection		--	--	--	--	--	--	--	142	142
Transfer to legal reserves		--	--	--	--	--	--	--	--	--
Dividends		--	--	--	--	--	--	--	(24)	(24)
Total contributions and distributions		--	--	--	--	--	--	--	118	118
Transactions with owners recorded directly in equity										
Acquisition of non-controlling interests without a change in control	4	--	--	--	--	--	--	--	(1,852)	(1,852)
Total transactions with owners recorded directly in equity		--	--	--	--	--	--	--	(1,852)	(1,852)
Total transactions with owners of the Company		--	--	--	(19,658)	22,146	(13,767)	(11,279)	(4,596)	(15,875)
Balance at 31 March 2020		33,836	54,539	13,144	(239,687)	241,312	(58,658)	44,486	81,625	126,111
	Note	Share capital	Share premium	Legal reserves	Hedging reserves	Translation reserves	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 1 January 2019		33,836	54,539	13,030	(195,393)	197,912	3,133	107,057	91,044	198,101
Total comprehensive income										
Loss for the period		--	--	--	--	--	(10,589)	(10,589)	(1,870)	(12,459)
Other comprehensive income		--	--	--	(14,195)	12,543	15	(1,637)	(1,528)	(3,165)
Total comprehensive income for the period		--	--	--	(14,195)	12,543	(10,574)	(12,226)	(3,398)	(15,624)
Contributions and distributions										
Transfer to legal reserves		--	--	8	--	--	(8)	--	--	--
Dividends		--	--	--	--	--	--	--	--	--
Total contributions and distributions		--	--	8	--	--	(8)	--	--	--
Total transactions with owners of the Company		--	--	8	(14,195)	12,543	(10,582)	(12,226)	(3,398)	(15,624)
Balance at 31 March 2019		33,836	54,539	13,038	(209,588)	210,455	(7,449)	94,831	87,646	182,477

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 three months ended 31 March 2020
(Amounts expressed in USD 000's ("USD'000"))

<i>Notes</i>	Three months period ended 31 March 2020	Three months period ended 31 March 2019
Cash flows from operating activities		
(Loss) / profit for the period	(15,623)	(12,459)
Adjustments for		
Depreciation and amortization expense	11,324	11,626
Share of profit of equity-accounted investees, net of tax	(289)	(1,762)
Finance costs (excluding foreign exchange differences) 8	7,119	7,040
Finance income (excluding foreign exchange differences) 8	(32)	(46)
Income tax (benefit) / expense 6	(2,241)	1,206
Employment termination indemnity reserve	32	(2)
Provisional charges	(38)	(1,318)
Foreign exchange differences on finance costs and income, net 8	4,348	4,417
Operating cash flow before changes in operating assets and liabilities	4,600	8,702
Changes in:		
- trade and other receivables	3,779	507
- other current assets	(1,079)	(529)
- related party receivables	(54)	(267)
- other non-current assets	347	172
- trade and other payables	(13)	(1,106)
- related party payables	--	(310)
- provisions	--	(11)
Cash generated by operations before benefit and tax payments	7,580	7,158
Employee benefits paid	(1)	(7)
Income taxes paid	104	(1,702)
Net cash generated from operating activities	7,683	5,449
Investing activities		
Acquisition of property and equipment 9	(2,245)	(3,442)
Advances given for tangible assets	(267)	(167)
Acquisition of intangible assets 10	(57)	(54)
Proceeds from sale of property and equipment	--	--
Acquisition of subsidiary minority shares 4	(1,707)	--
Dividends from Equity accounted investees	--	2,884
Interest received	32	40
Net cash used in investing activities	(4,244)	(739)
Financing activities		
Equity injection by minorities to subsidiaries	142	--
Change in due from related parties	3,586	157
Changes in due to related parties	(268)	(32)
Dividends paid	--	--
Interest paid	(1,612)	(864)
Proceeds from borrowings	3,018	4,279
Repayments of borrowings	(9,680)	(2,561)
Repayments of lease liabilities	(737)	(1,140)
Net cash used in financing activities	(5,551)	(161)
Net decrease in cash and cash equivalents	(2,112)	4,549
Effect of foreign exchange rate changes on cash and cash equivalents	(1,462)	(4,062)
Cash and cash equivalents at the beginning of the year	46,921	71,804
Cash and cash equivalents at the end of the period 10	43,347	72,291

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Global Liman İşletmeleri A.Ş. and its Subsidiaries

Notes to the Condensed Consolidated Interim Financial Information

As at and for the three months ended 31 March 2020

Notes to the condensed consolidated interim financial information

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Global Liman İşletmeleri A.Ş. and its Subsidiaries

Notes to the Condensed Consolidated Interim Financial Information

As at and for the three months ended 31 March 2020

(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 March 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 31 March 2020 and 31 December 2019, all shares are owned by Global Ports Plc.

As at 31 March 2020, the number of employees of the Group was 651 (31 December 2019: 646). The address of the registered office of the Company is "Rıhtım Caddesi No: 51 Karaköy / İstanbul".

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

<u>Subsidiaries</u>	<u>Locations</u>	<u>Operations</u>
Ege Liman İşletmeleri A.Ş. ("Ege Liman")	Aydın-Turkey	Port operations
Ortadoğu Antalya Liman İşletmeleri A.Ş. ("Ortadoğu Liman")	Antalya-Turkey	Port operations
Bodrum Yolcu Limanı 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
Global Ports Melita Ltd. ("GP Melita")	Malta	Port investments
Valletta Cruise Port PLC ("VCP")	Valletta – 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
Global Ports Netherlands B.V. ("GP Netherlands")	Netherlands	Port investments
Zadar International Port Operations d.o.o. ("ZIPO")	Croatia	Port operations
Global Depolama A.Ş. ("Global Depolama")	İstanbul-Turkey	Storage
Global Gemicilik A.Ş. ("Global Gemicilik")	İstanbul-Turkey	Logistics services
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 31 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.

Global Liman İşletmeleri A.Ş. and its Subsidiaries

Notes to the Condensed Consolidated Interim Financial Information

As at and for the three months ended 31 March 2020

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

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 31 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 was until 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. As of 27 December 2018, the BOT agreement period was extended 49 years to the end of 2067.

Global Liman acquired 60% of the shares of Bodrum Liman on 16 June 2008. 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 31 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.

BPI, Creuers and Cruceros

The Group acquired 43% and 57% interests in Creuers on 31 December 2013 and 31 March 2014, respectively 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.

Global Liman increased its interest in BPI from 49% to 62% with the agreement of RCCL and became the shareholder of Creuers with 62% of interest indirectly on 31 March 2014 and BPI and Creuers have been recognized as subsidiaries as from 31 March 2014.

Global Liman İşletmeleri A.Ş. and its Subsidiaries

Notes to the Condensed Consolidated Interim Financial Information

As at and for the three months ended 31 March 2020

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

1 General Information *(continued)*

Global BV, GP Melita 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 investments made in Italian Ports. As of 31 December 2016, POH acquired 51% of Ravenna shares, 6259.05% of Catania shares and 7167.55% of Cagliari shares, a significant portion being through Holding Company of 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. The port operation rights of Ravenna, Cagliari and Catania terminate in 2020, 2025 and 2026, respectively.

GP Netherlands BV and Zadar International Port Operations

Global Netherlands B.V. was established in the Netherlands for investments in Adriatic Region. ZIPO was established by Global Netherlands B.V. in Zadar (Croatia) for attending to tender for concession of Gazenica cruise port operation rights. ZIPO has signed a 20-year (terminating in 2038) 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 Gemicilik A.Ş.

Global Gemicilik was established in Turkey on 21 May 2014 for the purpose of rendering transportation and logistics services.

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 2019. 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) Going concern

The Group operates 14 ports in 8 different countries and is focusing on increasing its number of Ports in different geographical locations to support its operations and diversify economic and political risks. As a consequence, the directors believe that the Group is well placed to manage its business risks successfully despite the current uncertain economic outlook.

Global Liman İşletmeleri A.Ş. and its Subsidiaries

Notes to the Condensed Consolidated Interim Financial Information

As at and for the three months ended 31 March 2020

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

2 Basis of preparation *(continued)*

(b) Going concern *(continued)*

The directors have a reasonable expectation that the Group and its subsidiaries have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the condensed consolidated financial statements.

The adoption of IFRS 16 does not impact the ability of the Group to comply with its Gross debt to EBITDA covenant. Details described on Note 14.

(c) 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 2019, except for the new significant judgements related to lessee accounting under IFRS 16, which are described in Note 2(d)(i).

(d) Change in / new accounting policies

The accounting policies applied in these interim financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 December 2019. 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 2020.

The Group is currently evaluating the impact of adopting new accounting standards. Management is expecting the adoption of the amendments has had no major impact on the Group's consolidated financial position or performance of the Group. Further analysis will be included on the consolidated financial statements as at and for the year ended 31 December 2020.

Global Liman İşletmeleri A.Ş. and its Subsidiaries

Notes to the Condensed Consolidated Interim Financial Information

As at and for the three months ended 31 March 2020

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

2 Basis of preparation (continued)

(e) 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, Ege Liman and Bodrum Liman. Therefore, USD has been determined as the functional currency of Ortadoğu Liman, Ege Liman and Bodrum 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, VCP, Malaga Port, Global BV, BPI, Creuers, Italy and Zadar. 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".

31 March 2020 and 31 December 2019, foreign currency exchange rates of the Central Bank of the Turkish Republic comprised were as follows:

	31 March 2020	31 December 2019
TL/USD	0.1535	0.1683
Euro/USD	1.1073	1.1196

For the Three months ended 31 March, average foreign currency exchange rates of the Central Bank of the Turkish Republic were as follows:

	2020	2019
TL/USD	0.1642	0.1866
Euro/USD	1.1032	1.1365

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Notes to the Condensed Consolidated Interim Financial Information

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

3 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 each port as an operating segment, as each port represents a set of activities which generates revenue and the financial information of each port is 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 CEO evaluates segmental performance on the basis of earnings before interest, tax, depreciation and amortization excluding the effects of specific adjusting income and expenses comprising project expenses, bargain purchase gains and reserves, board member leaving fees, employee termination payments, unallocated expenses, finance income, finance costs, and including the share of equity-accounted investees which is fully integrated into GPH cruise port network ("Adjusted EBITDA" or "Segmental EBITDA"). Adjusted EBITDA is considered by Group management to be the most appropriate profit measure for the review of the segment operations because it excludes items which the Group does not consider to represent the operating cash flows generated by underlying business performance. The share of equity-accounted investees has been included as it is considered to represent operating cash flows generated by the Group's operations that are structured in this manner.

The Group has the following operating segments under IFRS 8:

- BPI ("Creuers" or "Creuers (Barcelona and Málaga)"), VCP ("Valetta Cruise Port"), Ege Liman ("Ege Ports-Kuşadası"), Bodrum Liman ("Bodrum Cruise Port"), Ortadoğu Liman (Cruise port operations), POH, Lisbon Cruise Terminals, LDA ("Port of Lisbon" or "Lisbon Cruise Port"), SATS – Creuers Cruise Services Pte. Ltd. ("Singapore Port"), Venezia Investimenti Srl. ("Venice Investment" or "Venice Cruise Port") and La Spezia Cruise Facility Srl. ("La Spezia") which fall under the Group's cruise port operations.
- Ortadoğu Liman (Commercial port operations) ("Port Akdeniz-Antalya") and Port of Adria ("Port of Adria-Bar") which both fall under the Group's commercial port operations.

The Group's reportable segments under IFRS 8 are BPI, VCP, Ege Liman, Ortadoğu Liman (Commercial port operations) and Port of Adria (Commercial port operations). Bodrum Cruise Port, Italian Ports, Ortadoğu Liman (Cruise operations) and Port of Adria (Cruise Operations) that do not exceed the quantitative thresholds for reporting information about operating segments have been included in Other.

Global Depolama does not generate revenues from external customers and therefore is presented as unallocated to reconcile to the consolidated historical financial information results.

Assets, revenue and expenses directly attributable to segments are reported under each reportable segment.

Any items which are not attributable to segments have been disclosed as unallocated.

The Group has initially applied IFRS 16 at 1 January 2020, using the modified retrospective approach. Under this approach, comparative information is not restated (see Note 3). In order to account for the application of IFRS 16, management has presented as separate reconciling items the impact of IFRS 16 on segmental and adjusted EBITDA, segment assets, segment liabilities, depreciation, finance costs.

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3 Segment reporting (continued)

(ii) Information about reportable segments (continued)

As at and for the Three months ended 31 March 2020, the details of reportable segments comprised the following:

	BPI	Valletta	Ege Ports	Other Cruise	Cruise Total	Port Akdeniz	Port of Adria	Total Commercial	Non-operational & HQ	Consolidated
Segment assets	145,212	115,411	44,477	13,593	318,693	219,756	71,113	290,869	10,363	619,925
Equity accounted investees	--	--	--	26,399	26,399	--	--	--	--	26,399
Segment liabilities	67,200	59,262	9,661	11,394	147,517	65,358	37,884	103,242	269,454	520,213
Capital expenditures	694	585	24	60	1,363	856	43	899	40	2,302
	BPI	Valletta	Ege Ports	Other Cruise	Cruise Total	Port Akdeniz	Port of Adria	Total Commercial	Non-operational & HQ	Consolidated
External revenues	1,401	1,330	412	164	3,307	8,751	1,655	10,406	--	13,713
EBITDA	134	606	13	(190)	563	6,173	316	6,489	(730)	6,322
Depreciation and amortization expense	(2,895)	(748)	(705)	(690)	(5,038)	(5,455)	(798)	(6,253)	(33)	(11,324)
Non-recurring income/(expense)	9	10	(2)	33	50	(98)	(43)	(141)	(1,083)	(1,174)
Non-cash income/(expenses)	(157)	--	(25)	(13)	(195)	(55)	--	(55)	(3)	(253)
Operating profit	(2,909)	(132)	(719)	(1,149)	(4,909)	565	(525)	40	(1,849)	(6,718)
Share of profit of equity-accounted investees	--	--	--	289	289	--	--	--	--	289
Interest income	--	--	439	5	444	1,936	6	1,942	1,040	3,426
Interest expense	(426)	(221)	(330)	(180)	(1,157)	(1,108)	(345)	(1,453)	(7,658)	(10,268)

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3 Segment reporting (continued)

(ii) Information about reportable segments (continued)

As at 31 December 2019 statement of financial position details and for the Three months ended 31 March 2019 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	163,740	126,592	44,279	14,614	349,225	224,439	78,679	303,119	47,911	700,255
Equity accounted investees	--	--	--	24,647	24,647	--	--	--	--	24,647
Segment liabilities	78,983	66,517	12,488	10,333	168,321	57,204	40,628	97,832	274,869	541,022
Capital expenditures	15,070	32,857	21	58	48,007	2,172	13,541	15,713	3,657	67,376
	BPI	Valletta	Ege Ports	Others	Cruise Total	Port Akdeniz	Port of Adria	Total Commercial	Non-operational & HQ	Consolidated
External revenues	2,670	1,861	314	588	5,433	13,241	2,015	15,256	--	20,689
EBITDA	969	933	(124)	1,639	3,417	10,085	541	10,626	(1,001)	13,042
Depreciation and amortization expense	(2,977)	(786)	(711)	(844)	(5,318)	(5,393)	(847)	(6,240)	(68)	(11,626)
Non-recurring income/(expense)	(5)	8	(1)	(2)	--	--	78	78	(1,211)	(1,133)
Non-cash income/(expenses)	(129)	--	(24)	72	(81)	(22)	1	(21)	(21)	(123)
Operating profit	(2,142)	155	(860)	(897)	(3,744)	4,670	(227)	4,443	(2,301)	(1,602)
Share of profit of equity-accounted investees	--	--	--	1,762	1,762	--	--	--	--	1,762
Interest income	--	--	81	--	81	577	(2)	575	1,220	1,876
Interest expense	(432)	(296)	(329)	(122)	(1,179)	(1,199)	(367)	(1,566)	(5,638)	(8,383)

The Group used the modified retrospective approach when initially applying IFRS 16. Under this approach, comparative information is not restated (see Note 3b).

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3 Segment reporting (continued)

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

For the Three months ended 31 March, the details of reportable segments comprised the following:

	<i>Note</i>	2020	2019
Revenues			
Total revenue for reportable segments	4	13,713	20,689
Total external revenues		13,713	20,689
Interest income			
Consolidated EBITDA		6,322	13,042
Non-recurring income / (expense)		(1,174)	(1,133)
Non-cash income / (expense)		(253)	(123)
Finance income	7	9,391	4,537
Finance costs	7	(20,826)	(15,948)
Depreciation and amortization		(11,324)	(11,626)
Total profit before income tax		(17,979)	(11,251)
Interest expense			
Total interest income for reportable segments		3,426	1,876
Elimination of inter-segments		(3,394)	(1,830)
Consolidated interest income	7	32	46
Interest expense			
Total interest expense for reportable segments		(10,268)	(8,383)
Elimination of inter-segments		3,394	1,830
Consolidated interest expense	7	(6,874)	(6,553)

(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 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

	31 March 2020	31 March 2019
Turkey	9,251	14,066
Montenegro	1,655	2,015
Spain	1,401	2,670
Malta	1,330	1,861
Zadar	70	--
Italy	6	77
	13,713	20,689

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3 Segment reporting (continued)

(iv) Geographic information (continued)

Non-current assets

	As at 31 March 2020	As at 31 December 2019
Turkey	216,839	222,614
Spain	125,485	129,114
Malta	114,031	115,467
Montenegro	68,545	70,080
Italy	5,618	5,863
Croatia	2,808	2,944
Unallocated	28,462	28,755
	561,788	574,837

(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.

4 Acquisition of non-controlling interest

The Group has acquired minority shares of Cruceros Malaga at 23 January 2020. 20% of total shares of Cruceros Malaga owned by Malaga Port Authority acquired by Creuers del Port de Barcelona. Total consideration paid for 20% shares amounted to Eur 1,540 thousand (USD 1,707 thousand). Minority provided for 20% shares of the Port is 1,852 thousand, which are reversed for finalization of acquisition accounting.

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5 Revenue and cost of sales

Revenue

For the Three months ended 31 March, revenue comprised the following:

(USD '000)	BPI		VCP		EP		others		Cruise		Port Akdeniz		Port of Adria		Commercial		Consolidated	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Point in time																		
Container revenue	--	--	--	--	--	--	--	--	--	--	6,140	7,440	1,139	1,361	7,279	8,801	7,279	8,801
Landing fees	1,085	2,290	308	542	12	47	1	25	1,406	2,904	--	--	--	--	--	--	1,406	2,904
Port service revenue	107	173	180	133	29	75	16	17	332	398	987	4,326	63	47	1,050	4,373	1,382	4,771
Cargo revenue	--	--	--	--	--	--	--	--	--	--	1,099	1,088	352	467	1,451	1,555	1,451	1,555
Domestic water sales	12	31	--	--	--	--	--	1	12	32	15	10	4	2	19	12	31	44
Income from duty free operations	--	--	270	594	--	--	--	--	270	594	--	--	--	--	--	--	270	594
Other revenue (*)	52	9	64	66	69	31	48	53	233	159	364	195	3	7	367	202	600	361
Point over time																		
Rental income	145	168	508	526	302	161	99	61	1,054	916	146	182	94	131	240	313	1,294	1,229
Habana Cruise Port Management fee	--	--	--	--	--	--	--	431	--	431	--	--	--	--	--	--	--	431
Total	1,401	2,671	1,330	1,861	412	314	164	588	3,307	5,434	8,751	13,241	1,654	2,015	10,406	15,256	13,713	20,690

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers;

<i>Revenue</i>	Period ended 31 March 2020	Year ended 31 December 2019
Receivables, which are included in 'trade and other receivables'	9,921	14,960
Contract assets	2,197	1,654
Contract liabilities	(975)	(967)
	11,143	15,647

The contract assets primarily relate to the Group's rights to consideration for work completed but not billed at the reporting date on Commercial services provided to vessels and rental agreements. The contract assets are transferred to receivables when the rights become unconditional. This occurs when the Group issues an invoice to the customer. The contract liabilities primarily relate to the advance consideration received from customers for providing services, for which revenue is recognised over time. These amounts will be recognised as revenue when the services have provided to customers and billed, which was based on the nature of the business less than one-week period.

The amount of USD 967 thousand recognised in contract liabilities at the beginning of the period has been recognised as revenue for the period ended 31 March 2020 (31 March 2019: USD 879 thousand).

The amount of revenue recognised in the period ended 31 March 2020 from performance obligations satisfied (or partially satisfied) in previous periods is USD 1,654 thousand (31 March 2019: USD 797 thousand). This is mainly due to the nature of operations.

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5 Revenue and cost of sales (continued)

Seasonality of operations

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.

Cost of sales

For the Three months ended 31 March, cost of sales comprised the following:

	<u>2020</u>	<u>2019</u>
Depreciation and amortization expenses	10,296	10,719
Personnel expenses	2,692	2,892
Subcontractor crane and container service	667	447
Security expenses	301	394
Repair and maintenance expenses	405	485
Commission fees to government authorities and pilotage expenses	253	211
Replacement provisions	157	102
Other expenses	1,148	2,413
Total	<u>15,919</u>	<u>17,663</u>

6 Taxation on income

Income tax expense is recognized 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.

	Three months ended 31 March <u>2020</u>	Three months ended 31 March <u>2019</u>
Current income taxes	370	(1,531)
Deferred income taxes	1,871	323
Total	<u>2,241</u>	<u>(1,208)</u>

The movement of net deferred tax liability for the Three months ended 31 March, is as follows:

	<u>2020</u>	<u>2019</u>
Balance at 1 January	(82,536)	(89,228)
Deferred tax benefit in profit or loss	1,871	325
Currency translation difference	497	990
Balance as at 31 March	<u>(80,168)</u>	<u>(87,913)</u>

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7 Administrative expenses

For the Three months ended 31 March, administrative expenses comprised the following:

	<u>2020</u>	<u>2019</u>
Personnel expenses	1,295	1,124
Depreciation and amortisation expenses	1,027	906
Consultancy expenses	564	363
Representation expenses	20	473
Taxes other than on income	134	152
IT expenses	74	90
Communication expenses	15	35
Travelling expenses	129	110
Vehicle expenses	12	28
Rent expenses	1	2
Stationary expenses	17	17
Office operating expenses	6	15
Repair and maintenance expenses	26	37
Other expenses	272	249
Total	<u>3,592</u>	<u>3,601</u>

8 Finance income and costs

For the Three months ended 31 March, finance income comprised the following:

	<u>2020</u>	<u>2019</u>
Finance income		
Foreign exchange gain	9,359	4,491
Interest income on banks and others	32	46
Total	<u>9,391</u>	<u>4,537</u>

For the six months ended 31 March, finance costs comprised the following:

	<u>2020</u>	<u>2019</u>
Finance costs		
Interest expense on loans and borrowings	6,383	5,985
Leasing expenses	391	562
Foreign exchange losses	13,707	8,908
Other interest expenses	29	7
Unwinding of provisions during the year	71	65
Letter of guarantee commission expenses	6	100
Loan commission expenses	50	25
Other	189	296
Total	<u>20,826</u>	<u>15,948</u>

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9 Property and equipment

For the three months ended 31 March, movements of property and equipment comprised the following:

	<u>2020</u>	<u>2019</u>
Net book value as at 1 January	122,979	129,312
Additions	2,245	3,442
Disposals	(6)	--
Depreciation	(3,046)	(3,090)
Currency translation differences	(874)	(1,571)
Net book value as at 31 March	<u>121,298</u>	<u>128,093</u>

As at 31 March 2020, the net book value of machinery and equipment purchased through leasing amounts to USD 1,320 thousand (31 December 2019: USD 1,511 thousand), the net book value of motor vehicles purchased through leasing amounts to USD 6,515 thousand (31 December 2019: USD 6,810 thousand), and the net book value of furniture and fixtures purchased through leasing amounts to USD 3 thousand (31 December 2019: USD 7 thousand). In 2020, and 2019, no capital expenditure was made through finance leases.

For the Three months ended 31 March 2020 and year ended 31 December 2019, there is no capitalized borrowing cost on property and equipment.

As at 31 March 2020, the insured amount of property and equipment amounts to USD 293,888 thousand (31 December 2019: USD 295,720 thousand).

10 Intangible assets

For the Three months ended 31 March, movements of intangible assets comprised the following:

	<u>2020</u>	<u>2019</u>
Net book value as at 1 January	356,118	392,361
Additions	57	54
Disposals	--	--
Amortization	(7,820)	(7,982)
Currency translation differences	(2,192)	(5,299)
Net book value as at 31 March	<u>346,163</u>	<u>379,134</u>

The details of the principal port operation rights for the Three months ended 31 March 2020, year ended 31 December 2019 and Three months ended 31 March 2019 are as follows:

USD '000	As at 31 March 2020		As at 31 December 2019		As at 31 March 2019	
	Carrying Amount	Remaining Amortisation Period	Carrying Amount	Remaining Amortisation Period	Carrying Amount	Remaining Amortisation Period
Barcelona Ports						
Investment	96,825	123 months	100,336	126 months	107,877	135 months
Cruceros Malaga	11,122	149 months	11,400	152 months	11,661	161 months
Valletta Cruise Port	60,302	560 months	61,299	563 months	61,790	572 months
Port of Adria	19,205	285 months	19,623	288 months	20,032	297 months
Port Akdeniz	140,039	101 months	144,198	104 months	156,640	113 months
Ege Ports	11,031	156 months	11,247	159 months	11,869	168 months
Bodrum Cruise Port	2,583	576 months	2,657	579 months	2,376	588 months
Ravenna Cruise Port	23	9 months	39	12 months	188	21 months
Cagliari Cruise Port	2,099	81 months	2,201	84 months	2,742	93 months
Catania Cruise Port	2,090	93 months	2,173	96 months	2,381	105 months
	<u>345,319</u>		<u>355,173</u>		<u>377,556</u>	

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10 Intangible assets (continued)

All port operating rights has arisen as a result of IFRS 3 Business combinations, except Barcelona Port Investments and Port Operation Holding, which arose as a result of applying IFRIC 12. Each port represent a separate CGU as per IAS 36.

11 Cash and cash equivalents

As at 31 March 2020 and 31 December 2019, cash and cash equivalents comprised the following:

	31 March 2020	31 December 2019
Cash on hand	106	111
Cash at banks	43,241	46,810
- Demand deposits	16,515	28,996
- Time deposits	26,726	17,814
Cash and cash equivalents	43,347	46,921
	31 March 2020	31 December 2019
Cash and cash equivalents	43,346	46,921
Restricted cash	(5,658)	(5,672)
Cash and cash equivalents for cash flow statement purposes	37,688	41,249

As at 31 March 2020 and 31 December 2019, maturities of time deposits comprised the following:

	31 March 2020	31 December 2019
Up to 1 month	25,673	16,750
1 – 3 months	1,053	1,064
Total	26,726	17,814

As at 31 March 2020, cash at banks amounting to USD 5,658 thousand (31 December 2019: USD 5,672 thousand) is restricted due to the bank loans guarantees and subscription guarantees.

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12 Capital and reserves

a) Share capital

As at 31 March 2020 and 31 December 2019, the Company's statutory nominal value of authorised and paid-in share capital consists of 74,317,399 registered ordinary shares with a par value of TL 1 each.

As at 31 March 2020 and 31 December 2019, the share ownership structure of the Company was as follows:

	<u>31 March 2020</u>		<u>31 December 2019</u>	
	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 239,686 thousand (31 December 2019: USD 219,166 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.

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 31 March 2020, the legal reserves of the Group amounted to USD 13,144 thousand (31 December 2019: USD 13,144 thousand).

(ii) 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 31 March 2020, the net asset values of Ege Ports, Bodrum Cruise Port and Port Akdeniz amounting to USD 38,793, 2,818 and 166,211 thousand respectively, and the carrying value of Eurobond amounts to USD 257,612 thousand (31 December 2019: the net asset values of Ege Ports, Bodrum Cruise Port and Port Akdeniz amounting to USD 38,797, 2,619 and 164,822 thousand respectively, and the carrying value of Eurobond amounts to USD 250,989 thousand). The ineffective portion of the investment hedge is USD 3,985 thousand as at 31 March 2020 (31 March 2019: USD 3,001 thousand).

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12 Capital and reserves (continued)

(ii) Hedging reserves (continued)

As at 31 March 2020, the effective portion of gain or loss arising from investment hedging instrument is recognised in other comprehensive income, net of tax amounting to USD 19,637 thousand (31 March 2019: USD 14,407 thousand).

Cash flow hedge

The Group entered into an interest rate swap in order to hedge its position against changes in interest rates. The effective portion of the cash flow hedge that was recognised in other comprehensive income was a loss amounting USD 21 thousand (31 March 2019: USD 212 thousand income).

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.

In 2020, other dividend distributions were made by Valletta Cruise Port to other shareholders, on which they have non-controlling interest, amounting to USD 24.

In 2019, General Assembly of GPH decided to distribute USD 31,887 to its shareholder. Total amount declared in 2019 distribution is paid in cash. Dividends to non-controlling interests totalled USD 6,366 thousand in 2019 and comprised a distribution of USD 2,550 thousand made to other shareholders by Valletta Cruise Port, a distribution of USD 65 thousand made to other shareholders by Cagliari Cruise Port, and a distribution of USD 3,751 thousand made to other shareholders by Barcelona Port Investments.

13 Loans and borrowings

As at 31 March 2020 and 31 December 2019, loans and borrowings comprised the following:

	31 March	31 December
	2020	2019
Short term loans and borrowings		
Short term portion of long term bank loans	20,551	29,900
- TL loans	6,460	822
- Loans denominated in other currencies	14,091	29,078
Short term portion of Eurobond issued (i)	18,991	18,554
Short term bank loans	20,091	12,497
- TL loans	3,612	3,632
- Loans denominated in other currencies	16,479	8,865
Lease obligations	1,992	1,859
- Finance leases	325	622
- Lease obligations recognized under IFRS 16	1,667	1,237
Total	61,625	62,810
	31 March	31 December
	2020	2019
Long term loans and borrowings		
Long term Eurobond issued	237,160	232,435
Long term bank loans	57,284	62,958
- TL loans	--	7
- Foreign currency loans	57,284	62,951
Finance lease obligations	49,182	50,869
- Finance leases	--	--
- Lease obligations recognized under IFRS 16	49,182	50,869
Total	343,626	346,262

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13 Loans and borrowings (continued)

As at 31 March 2020 and 31 December 2019, maturity profile of loans and borrowings comprised the following:

<u>Year</u>	<u>31 March 2020</u>	<u>31 December 2019</u>
Between 1-2 years	257,455	254,996
Between 2-3 years	10,102	11,036
Between 3-4 years	7,230	7,419
Over 5 years	19,657	21,942
Total	294,444	295,393

As at 31 March 2020 and 31 December 2019, maturity profile of finance lease obligations comprised the following:

	<u>2020</u>		<u>2019</u>			
	<i>Future minimum lease payments</i>	<i>Interest</i>	<i>Present value of minimum lease payments</i>	<i>Future minimum lease payments</i>		<i>Interest</i>
Less than one year	4,008	(2,016)	1,992	2,815	(956)	1,859
More than one year	112,144	(62,962)	49,182	109,791	(58,922)	50,869
Total	116,152	(64,978)	51,174	112,606	(59,878)	52,728

Group debt covenants are calculated based on applicable IFRSs as of the time the lease obligations were initially recognised. Therefore, the group debt covenants as at period end have not been affected from the transition to IFRS 16. Management will assess in the future for any new transactions that will be entered into, depending on the nature of them, whether debt covenants' calculations are affected.

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14 Provisions

	Replacement provisions for Creuers (*)	Italian Ports Concession fee provision (**)	Unused vacations	Legal	Other	Total
Balance at 1 January	6,925	1,065	276	1,295	230	9,791
Provisions created through p&l	157	9	30	--	10	206
Provision created through reclassification	--	--	--	(1,165)	1,165	--
Reversal of provisions	--	(104)	(8)	(111)	(22)	(245)
Unwinding of provisions	67	--	--	--	4	71
Currency translation difference	(75)	(12)	(18)	(2)	(99)	(206)
Balance at 31 March	7,074	958	280	17	1,288	9,617
Non-current	7,074	813	--	--	27	7,914
Current	--	145	280	17	1,261	1,703
	7,074	958	280	17	1,288	9,617

(*) 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. Therefore, replacement provisions have been recognised based on Management's best estimate of the potential capital expenditure required to be incurred in order to replace the port equipment assets in order to meet this requirement inline with the IFRIC 12 requirements.

(**) 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 2020. 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, in line with the IFRIC 12 requirements.

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, in line with the IFRIC 12 requirements.

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. For the annual year starting at 1 January 2020, the Group has reclassified this accrual to lease liabilities related to IFRS 16.

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15 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 convertible securities exercised by the Group. Diluted EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company less preferred dividend by the weighted average number of ordinary shares outstanding during the period, plus impact of any convertible securities.

For the period ended 31 March, earnings per share is calculated by dividing the profit attributable to ordinary shareholders, by the weighted average number of shares outstanding.

	<u>2020</u>	<u>2019</u>
Loss attributable to owners of the Company	(13,762)	(10,589)
Weighted average number of shares	74,317,399	74,307,399
Basic and diluted earnings per share with par value of TL 1 (cent per share)	(18.52)	(14.25)

16 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 31 March 2020 is USD 17 thousand (31 December 2019: USD 1,295 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 concession 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 Port-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.

After going through legal proceedings, Bodrum Cruise Port's application for the extension of concession term is accepted by the relevant administrative authority. The extension agreement is executed on December 2018 which has extended the remaining concession period to 49 years. The original concession agreement was due to expire in December 2019 and following this new agreement the concession will now expire in December 2067.

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 the Court decision to the Council of State. The Counsel of State rejected the appeal of Port Akdeniz-Antalya and approved the decision of the Court. The Group lawyers have applied to the Council of State for reversal of this judgement and the case is still pending.

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16 Commitments and contingencies (continued)

Ege Port-Kuşadası filed lawsuits against Privatization Administration and 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 the Court decision to the Council of State. The Council of State accepted the appeal and reversed the Court's judgement in favor of Ege Port-Kuşadası. The Privatization Administration applied to the Council of State for reversal of this judgement and this time, the Council of State has changed its standpoint and approved the Court's decision against Ege Port-Kuşadası. In this regard, Ege Port-Kuşadası has submitted an individual application to the Constitutional Court. Constitutional Court has rendered its decision against Ege Port-Kuşadası and the judicial process for the extension of the concession period has been concluded against Ege Port-Kuşadası. Accordingly, upon expiration of the concession period in 2033, Ege Port-Kuşadası will need to participate in the tender for new concession term.

Competition Authority Investigation

On 29 April 2019, the Competition Authority notified Port Akdeniz, that it has commenced an investigation into Port Akdeniz due to an alleged breach of Article 6 of the Law on the Protection of Competition, Law No. 4054 due to excessive pricing concerns on certain services. Port Akdeniz has engaged legal representation and submitted a full defence against all allegations on 28 May 2019. Subsequently, the investigation report issued by the Competition Authority is notified to Port Akdeniz on 15 April 2020. Whole process before the Competition Authority may take up to an additional 6 to 12 months (excluding the possibility to file an administrative lawsuit against a negative decision of the Competition Authority).

Other legal proceedings

The Port of Adria-Bar (Montenegro) is a party to the disputes arising from the collective labour agreement executed with the union by Luka Bar AD (former employer/company), which was applicable to Luka Bar AD employees transferred to Port of Adria-Bar. The collective labour agreement has expired in 2010, before the Port was acquired by the Group under the name of Port of Adria-Bar. However, a number of lawsuits have been brought in connection to this collective labour 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 labour agreement cannot be applied on rights, duties and responsibilities for employees of Port of Adria-Bar after September 30th, 2010. Although the Standpoint has established a precedent that has applied to the claims for the period after September 30th, 2010; there are various cases pending for claims related to the period of October 1st, 2009 - September 30th, 2010. In respect of the foregoing period of one year, the Port of Adria-Bar has applied to the Constitutional Court to question the alignment of the collective labour agreement with the Constitution, Labor Law and general collective agreement. The Port of Adria-Bar is notified that the application for initiating the procedure for reviewing the legality of the Collective Agreement has been rejected due to a procedural reason, without evaluating the arguments submitted. In evaluation of the pending cases, the local courts have given decisions contradicting with the previous decisions which have enabled Port of Adria to appeal to higher court and request re-examination of the applicability of the disputed clauses of collective labour agreement. The decision of the higher court is pending. In this process, several employees have withdrawn from the court cases and renounced their claims based on grounds of the low probability of success.

Global Liman İşletmeleri AŞ, as the majority shareholder of one of its subsidiaries, has paid a share purchase amount of 1,500,000 USD to the shareholder of the relevant subsidiary, and the shareholder has not transferred its shares in the subsidiary to Global Liman. Global Liman has initiated an action of debt against the shareholder. It is expected that the case would resolve for the return of the share purchase amount or the completion of the share transfer.

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16 Commitments and contingencies (continued)

One of Port Akdeniz' clients in the cement business has initiated a lawsuit against Port Akdeniz in relation to a commercial dispute on the fees payable by that client for its import and export transactions in 2018. Furthermore, a counter-claim has been initiated by Port Akdeniz for an amount due from this client in relation to loading services provided and extra fees incurred due to delays. During the initial court proceedings, Port Akdeniz and the client have executed a settlement agreement and withdrawn their respective claims at the competent court. The settlement agreement incorporates commercial terms in favour of both parties ensuring the continuity of the trade between the parties.

17 Fair values

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).

	<u>Note</u>	<u>As at 31 March 2020</u>		<u>As at 31 December 2019</u>	
		<u>Carrying Amount</u>		<u>Carrying Amount</u>	
Financial assets					
Trade and other receivables			19,199		23,928
Due from related parties	18		14,410		17,943
Cash and cash equivalents	11		43,346		46,921
Other investments			17		71
Total			76,972		88,863

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.

	<u>Note</u>	<u>As at 31 March 2020</u>		<u>As at 31 December 2019</u>	
USD '000		<u>Carrying Amount</u>	<u>Fair Value</u>	<u>Carrying Amount</u>	<u>Fair Value</u>
Financial liabilities					
Loans and borrowings	13	354,078	226,142	356,344	350,175
Lease obligations	13	51,173	51,173	52,728	52,728
Trade and other payables		16,963	16,963	16,193	16,193
Due to related parties	18	7,662	7,662	629	629
Derivative financial liabilities		508	508	485	485
Other financial liabilities		2,004	2,004	2,768	2,768
Total		432,388	304,452	429,147	422,978

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17 Fair values (continued)

Other 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.

The Groups 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 31 March 2020	Derivative financial liabilities	--	508	--	508
As at 31 December 2019	Derivative financial liabilities	--	485	--	485

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.

18 Related parties

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

Related parties	Relationship
Mehmet Kutman	Shareholder of Parent Company
Global Yatırım Holding A.Ş. ("GYH")	Ultimate Controlling Party
Global Sigorta Aracılık Hizmetleri A.Ş. ("Global Sigorta")	Ultimate Controlling Party
IEG Kurumsal Finansal Danışmanlık A.Ş. ("IEG Global")	Ultimate Controlling's subsidiary
Global Menkul Değerler A.Ş. ("Global Menkul")	Ultimate Controlling's subsidiary
Adonia Shipping Ltd ("Adonia Shipping")	Ultimate Controlling's subsidiary
Global Ports Holding PLC ("GPH PLC")	Parent Company
Straton Maden Yatırımları ve İşletmeciliği A.Ş. ("Straton Maden")	Ultimate Controlling's subsidiary
Antigua Cruise Port ("ACP")	Parent Company's subsidiary
Nassau Cruise Port ("NCP")	Parent Company'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.

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18 **Related parties** (continued)

Due from related parties

As at 31 March 2020 and 31 December 2019, current receivables from related parties comprised the following:

	31 March	31 December
Current receivables from related parties	2020	2019
GPH PLC	12,714	16,726
GYH	488	512
Straton Maden (*)	67	67
Adonia Shipping (*)	68	59
IEG Global	55	56
ACP	860	175
NCP	--	128
Mehmet Kutman	15	1
Others	143	219
Total	14,410	17,943

(*) These amounts are related with the work advances paid related with the services taken on utilities by Group Companies. The charged interest rate is 11,75% (31 December 2019: 11,75%).

Due to related parties

As at 31 March 2020 and 31 December 2019, current payables to related parties comprised the following:

	31 March 2020	31 December 2019
Current payables to related parties		
Global Sigorta (*)	317	527
Global Menkul (*)	--	1
Other	44	101
Total	361	629

(*) These amounts are related to professional services taken. The charged interest rate is 12,50% (31 December 2019: 12,50%).

Transactions with related parties:

For the Three months ended 31 March, Group has not make any transactions with other related parties (2019: none).

Transactions with key management personnel

For the three months ended 31 March, details of benefits to key management personnel comprised the following:

	2020	2019
Salaries	349	452
Bonus	--	--
Attendance fees to Board of Directors	17	63
Other	12	57
Total	378	572

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19 Events after reporting date

As one of the potential options of the Group strategic review, which remains ongoing, and following a competitive sales process conducted in H2 2019, the Group has entered into exclusive negotiations with a potential buyer for our commercial interests at Port Akdeniz. As at both the reporting date and the date of approval of these financial statements it would be premature to speculate on a timeframe or terms of a possible sale or, indeed whether a transaction concludes. As such, Port Akdeniz did not meet the criteria of non-current assets held for sale as at 31 December 2019.

The emergence of the Covid-19 virus in China and then its spread around the world, led to an unprecedented level of disruption to global trade and the cruise industry. While this is a non-adjusting event as per IAS 10, the balances that would have been significantly affected by this event are the port operation rights and right of use assets. The impact on their recoverable amount can be material but given the current uncertainty as to the final impact of COVID-19, management have not estimated this impact. Management keeps monitoring the outbreak of the virus and is continuously performing a full assessment of the impact on the Group's commercial and cruise ports.