Global Ports Holding Plc

Interim results for the six months ended 30 June 2019

Global Ports Holding announces record interim Cruise results, Group outlook for full year maintained

Global Ports Holding Plc ("GPH" or "Group"), the world's largest independent cruise port operator, today announces its unaudited results for the six months ended 30 June 2019.

Financial Summary	H1 2019	H1 2019 CCY[6]	H1 2018	YoY Growth (%)	YoY CCY Growth (%)
Total Revenue ($m) [1]	54.6	56.4	56.6	-3.4%	-0.2%
Segmental EBITDA ($m) [2]	39.1	40.3	40.3	-3.1%	0.0%
Adjusted EBITDA ($m)	34.8	36.0	36.1	-3.5%	-0.2%
Operating Profit ($m) [3]	1.3		6.5	-80.2%	
Profit/(Loss) before tax ($m)	(13.8)		(2.1)		
Profit/(Loss) after tax ($m)	(15.8)		(3.6)		
Underlying profit for the period ($m) [4]	0.9		12.4	-92.4%	
EPS (c)	(26.0)		(6.0)		
Adjusted EPS (c) [5]	1.5		19.7		
DPS (c)	19.9		27.9	-28.7%	
Net Debt	351.1		253.1	38.7%	
Net debt excluding impact of IFRS 16	290.1		253.1	14.6%	

Overview

Group – Strong performance in Cruise offset by weakness in Commercial

- Total consolidated revenues were $54.6m in the period down 3.4% yoy (-0.2% ccy)
- Strong Cruise EBITDA growth of 14.3% (21.7% ccy) to $16.8m was offset by a decline in Commercial EBITDA of 13.1% (12.6% ccy) to $22.3m. H1 Segmental EBITDA – down 3.1% at $39.1m (-0.0% ccy), H1 Adjusted EBITDA – down 3.5% to $34.8m (-0.2% ccy, -4.3% ccy and before IFRS 16).
- Operating profit of $1.3m (H1 2018: $6.5m), was primarily due to $15.5m of amortisation expense in relation to port operation rights (H1 2018 $16.0m), depreciation of right of use assets $1.2m (H1 2018: $0.0m), amortisation $6.6m (H1 2018: $6.5m) and one off adjustments $6.9m (H1 2018: $4.2m). The total IFRS 16 impact on operating profit is $0.4m.
- Loss after tax for the period of $15.8 million (H1 2018: $3.6m) is driven by an increase in net finance costs to $18.4m (H1 2018: $11.4m), offset by an increase in income from equity accounted associates to $3.3m (H1 2018: $2.7m), while tax expense increased to $1.9m (H1 2018: $1.5m). The increased net finance costs are primarily due to non-cash loss when revaluing the Eurobond debt, along with non-cash revaluation losses on Turkish entities foreign currency dominated liabilities. Net interest expenses increased only slightly to $12.7m (H1 2018: $12.1m). The higher tax charge reflects higher taxable profit contribution from cruise operations and lower taxable profits from commercial ports, which are in lower tax jurisdictions.
- Underlying profit for the period reflects the loss after tax adjusted for the amortisation of port operating rights $15.5m (H1 2018: $16.1m) and depreciation of right-of-use assets $1.2m (H1 2018: $0.0m).
- 2019 H1 figures are stated under IFRS 16, the adoption of IFRS 16 resulted in a positive impact to Adjusted EBITDA of $1.5m in the period. The full year impact on Adjusted EBITDA is expected to be c$3.0m. The H1 2019 IFRS 16 impact on depreciation is a negative $1.2m and on finance costs a negative $1.1m. With the overall IFRS 16 negative impact on Loss before tax of $0.7m. Unless otherwise stated all 2019 figures are under IFRS 16. The group's option elected for the application of IFRS 16 as described in note 2, does not lead to a restatement of the prior year figures.

- Net debt of $351.1m (31st December 2018: $267.2m) reflects the $60.9m recognition of operating leases on the balance sheet under IFRS 16. Excluding this impact net debt increased to $290.1m. The leverage ratio as per GPH's Eurobond was 4.2x at 30th June 2019 (31st December 2018: 4.2x), vs a covenant of 5.0x, this leverage ratio excludes the impact of IFRS 16.
- Significant progress was made towards the implementation of our new port investment strategy during the period. A concession agreement was signed for Antigua and Barbuda, our JV was named preferred bidder for Nassau and our other JV successfully bid for the port operator of La Goulette, Tunisia. All remain conditional until such times as conditions are fulfilled. In addition, the pipeline of additional port investment and management opportunities remains strong.
- A strategic review was announced, after period end, to explore ways to maximise value for all stakeholders and includes a range of potential corporate activity including the sale of certain assets as well as strategic investments and partnerships. A further announcement will be made when it is appropriate to do so.
- Having reviewed carefully the progress made in regard to opportunities for investment in new cruise ports the board has proposed an interim dividend of 19.9c (H1 2018: 27.9c).

Cruise – Strong H1 results

- Cruise EBITDA grew 14.3% (21.7% ccy) to $16.8m in the period, with Cruise Revenue growing 6.6% (13.3% ccy) to $23.9m.
- The performance of both Ege Port and Valletta in the period were both particularly pleasing.
- Passenger volumes grew 26.8% yoy, with 2.1m PAX handled in the period, on an organic basis passenger volumes grew 8.6% yoy, with the strong volume growth of 31% from Ege a particular highlight.
- Outlook for Ege Port in Turkey continues to strengthen for 2020 and 2021 and reservations for Bodrum and Antalya cruise port in 2020 are now also showing a marked improvement.
- Significant progress made towards the implementation of our new port investment strategy during the period.

Commercial –weak performance continues

- Commercial EBITDA fell 13.1% (12.6% ccy) to $22.3m in the period, with Commercial Revenue falling 10.0% (9.1% ccy) to $30.8m.
- General & Bulk Cargo volumes fell 42.4% and TEU Throughput fell 14.4% in the period. Our commercial business, particularly Port Akdeniz was impacted by global macro-economic factors in the period, leading in particular to a decline in marble and cement volumes.
- Excluding the H1 2018 project cargo impact, Port of Adria grew EBITDA yoy, driven primarily by continued strength in steel coil volumes.
- We continue to work on diversifying Port Akdeniz's revenue streams and driving volume to Port Adria to capitalise on our previous capex improvements at this port. While, our commercial ports are not immune to macro-economic factors, historically our volumes have always recovered over time.

Outlook & current trading

Looking into 2020, current booking trends are in line with our expectations, with the continued momentum in bookings to both Ege Port and Bodrum particularly pleasing for both 2020 and 2021.

While our other cruise ports continue to perform in line with our expectations. Our work to transform the retail experience at our ports continues to gather momentum, the new travel retail experience in Barcelona has been well received and we are pleased to already be experiencing strong increased passenger spend.

Trading at our commercial ports was affected by the macro-economic environment, with both cargo and container volumes weak in the period and so far in Q3 volumes have remained weak.

We expect to deliver low single digit growth in organic adjusted EBITDA[10] for the full year.

Emre Sayin, Chief Executive Officer said;

"We have seen another record performance from our Cruise business in the first half of the year, with strong growth in passenger volumes translating into strong growth in Cruise EBITDA. We are pleased with the significant progress made in our new port investment strategy and expect to achieve further significant progress in the second half of the year.

Our commercial ports are not immune to macro-economic factors and as a result recent trading has been challenging. Our previous experience suggests that the trading performance will improve over time and we continue to work to diversify the revenue streams at our commercial ports.

Trading since the period end at our Cruise ports has continued to be in line with our expectations, while weak trading trends at our Commercial ports have thus far continued into H2 2019. We expect to deliver low single digit growth in organic EBITDA for the full year."

Notes- For full definitions and explanations of each Alternative Performance measures in this statement please refer to Note 2f

1. All $ refers to United States Dollar unless otherwise stated
2. Segmental EBITDA is calculated as income/(loss) before tax after adding back: interest; depreciation; amortisation; unallocated expenses; and specific adjusting items
3. Adjusted EBITDA calculated as Segmental EBITDA less unallocated (holding company) expenses
4. Underlying Profit is calculated as profit / (loss) for the year after adding back: amortization expense in relation to Port Operation Rights and the one-off expenses related to the IPO and deduction of reversal of replacement provisions
5. Adjusted earnings per share is calculated as underlying profit divided by weighted average number of shares
6. Performance at constant currency is calculated by translating foreign currency earnings from our consolidated cruise ports, management agreements and associated ports for the current period into $ at the average exchange rates used over the same period in the prior year.
7. Passenger numbers refer to consolidated and managed portfolio consolidation perimeter, hence it excludes equity accounted associate ports Venice, Lisbon and Singapore
8. Revenue allocated to the Cruise segment is the sum of revenues of consolidated and managed portfolio
9. EBITDA allocated to the Cruise segment is the sum of EBITDA of consolidated cruise ports and pro-rata Net Profit of equity accounted associate ports Venice, Lisbon and Singapore and the contribution from the Havana management agreement
10. Organic adjusted EBITDA growth is growth in adjusted EBITDA excluding the contribution from ports that were not in the portfolio for the full 12 months of the previous period

Notes to Editors

GPH is the world's largest cruise port operator with an established presence in the Mediterranean, Caribbean, Atlantic and Asia-Pacific regions. GPH was established in 2004 as an international port operator with a diversified portfolio of interests in cruise and commercial ports. As an independent cruise port operator, the group holds a unique position in the cruise port landscape, positioning itself as the world's leading cruise port brand, with an integrated platform of cruise ports serving cruise liners, ferries, yachts and mega-yachts. As the world's sole cruise ports consolidator, GPH's portfolio consists of investments in or management of 15 cruise ports and two commercial ports in 9 countries and continues to grow steadily. 8.5 million cruise passengers globally were handled across our portfolio of cruise ports in 2018. The group also offers commercial port operations which specialise in container, bulk and general cargo handling.

For further information, please contact:

CONTACT

For investor and analyst enquiries:	For media enquiries:
Global Ports Holding, Investor Relations	**Brunswick Group LLP**
Martin Brown, Investor Relations Director	Azadeh Varzi and Imran Jina
Telephone: +44 (0) 7947 163 687	Telephone: +44 (0) 20 7404 5959
Email: martinb@globalportsholding.com	Email: GPH@brunswickgroup.com

A copy of this report will be available on our website www.globalportsholding.com today from 0700hrs (BST).

Investor Presentation

An analyst and investor call will be held today at 9.30am,

Dial-in Number: +44 207 194 3759

PIN: 28143813#

Access to the slide presentation will be available at http://www.globalportsholding.com/reports-presentations

Key Financials	H1 2019	H1 2019 CCY[6]	H1 2018	YoY Growth (%)	YoY CCY Growth (%)
Total Revenue ($m)	54.6	56.4	56.6	-3.4%	**-0.2%**
Cruise Revenue ($m) [8]	23.9	25.4	22.4	6.6%	**13.3%**
Commercial Revenue ($m)	30.8	31.1	34.2	-10.0%	-9.1%
Segmental EBITDA ($m)	39.1	40.3	40.3	-3.1%	**0.0%**
Cruise EBITDA ($m) [9]	16.8	17.9	14.7	14.3%	21.7%
Commercial EBITDA ($m)	22.3	22.4	25.6	-13.1%	-12.6%
Adjusted EBITDA ($m)	34.8	36.0	36.1	-3.5%	**-0.2%**
Segmental EBITDA Margin	71.6%	71.4%	71.3%		
Cruise Margin	70.5%	70.6%	65.8%		
Commercial Margin	72.4%	72.0%	74.9%		
Adjusted EBITDA Margin	63.7%	63.8%	63.8%		
Profit/(Loss) before tax ($m)	(13.8)		(2.1)		
KPIs					
Passengers (m PAX) [7]	2.06		1.63	26.8%	
General & Bulk Cargo ('000 tons)	458		795	-42.4%	
Container Throughput ('000 TEU)	106		123	-14.4%	

Please refer to Footnotes above or for full definitions and explanations of each measure in this statement please refer to the Glossary of Alternative Performance Measures

Group performance review

Group performance in the first half of 2019 was marginally weaker than the same period last year, with group revenue down 3.4% (-0.2% in constancy currency) to $54.6m (H1 2018: $56.6m) and Adjusted EBITDA down 3.5% (-0.2% in constant currency) to $34.8m (H1 2018: $36.1) with underlying profit falling 92.4% to $0.9m and loss after tax of -$15.8m.

The adoption of IFRS 16 resulted in a total Adjusted EBITDA positive impact of $1.5m in the period and the full year Adjusted EBITDA impact is expected to be c$3.0m. Further details on the impact of IFRS 16, including a segmental breakdown of the EBITDA impact is provided in Note 3 to these financial statements. All 2019 figures in this statement are under IFRS 16 unless otherwise stated, prior year figures are not restated for IFRS 16.

The first half of our financial year is typically lower in terms of cruise passenger volumes due to the seasonally low Q1, hence trends during first half are not fully informative for full-year trends. Nevertheless, we are very pleased to have grown cruise passenger volumes by 26.8% to 2.06m cruise passengers (H1 2018: 1.6m, FY 2018: 4.4m), with strong organic passenger growth of 8.6%. While at all ports, including equity accounted associate ports Venice, Lisbon and Singapore, we welcomed 3.3m passengers (H1 2018: 2.7m, FY 2018: 8.4m), growth of 21.2%.

Cruise Revenue in the first half grew by 6.6% $23.9m (H1 2018: $22.4m, FY 2018: $54.9m), and Cruise EBITDA grew by 14.3% to $16.8m, in line with our expectations. This strong performance was broad based, with particularly pleasing growth from both Valletta and Ege Port in the period, delivering EBITDA growth of 46% and 44% respectively. With the performance from Ege Port strongly supporting the outlook for growth in Turkish cruise passenger volumes in both 2019 and 2020. On a constant currency basis, first half cruise revenue was $25.4m and Cruise EBITDA was $17.9m.

The performance of our Commercial Port operations in the period was disappointing and underperformed compared to our original expectations. Commercial revenues fell by 10.0% to $30.8m in the period (H1 2018: $34.2m, FY 2018: $69.9m). Revenues from Port Akdeniz fell by 6.1% while Port Adria's revenue fell by 27.5%, reflecting the previously highlighted absence of wind turbine project cargo in 2019.

Commercial EBITDA fell by 13.1% to $22.3m, with both ports reporting a decline. Port Akdeniz delivered a reported decline in EBITDA of 10.6% to $20.7m, with General & Bulk cargo volumes remaining weak in Q2 and Container volumes weakening in Q2 vs a stable performance in Q1.

Port of Adria reported an EBITDA decline of 36.3% to $1.6m. However, excluding the one off positive impact of project cargo in H1 2018, Port Adria's underlying performance was positive. Ex project cargo EBITDA grew 35%, and on an ex project cargo and pre IFRS 16 basis EBITDA still grew 15.7%. Despite the significant drop in volumes and revenue our Commercial EBITDA margin fell by just 260bps to 72.4%.

Central costs increased in the period, rising by 1.0% compared to an 89% increase in H1 2018 and a 34% increase in FY 2018. While underlying central costs increased by 12.2% ex the positive impact of the weaker Turkish Lira vs USD and IFRS 16, the reduction in in the underlying growth rate reflects that our significant investment in central costs, including the strengthening of the management team began to annualise in the period.

Loss after tax for the period of $15.8 million (H1 2018: $3.6m) is driven by an increase in net finance costs to $18.4m (H1 2018: $11.4m), offset by an increase in income from equity accounted associates to $3.3m (H1 2018: $2.7m), while tax expense increased to $1.9m (H1 2018: $1.5m). The increased net finance costs are primarily due to non-cash loss when revaluing the Eurobond debt, along with non-cash revaluation losses on Turkish entities foreign currency dominated liabilities. Net interest expenses increased only slightly to $12.7m (H1 2018: $12.1m). The higher tax charge reflects higher taxable profit contribution from cruise operations and lower taxable profits from commercial ports, which are in lower tax jurisdictions.

Since the period end we have announced that in light of the emerging opportunities in our cruise business that we were undertaking a strategic review of the Group. The purpose of the strategic review is to explore ways to maximise value for all stakeholders and includes a range of potential corporate activity including a sale of certain assets as well as strategic investments and partnerships. The process remains at an early stage and there can be no certainty as to the final outcome. A further announcement will be made when it is appropriate to do so.

During the period we made significant progress with our new port investment strategy during the period. A concession agreement was signed for Antigua and Barbuda, our JV was named preferred bidder for Nassau and our other JV successfully bid for the port operator of La Goulette, Tunisia. While each of these new projects has still to complete, we are confident that successful financial conclusion and final agreements will be reached.

In addition to these projects, we are also in the final stages of completing the purchase of the Autoridad Portuaria de Malagas's (Malaga Port Authority) 20.0% holding in the Malaga cruise port concession for €1.5m. This will take Creuers ownership to 100% of the Malaga cruise port concession and GPH's effective ownership to 62%.

Cruise Ports Business Review

The long term growth fundamentals of the cruise industry continue to provide a very supportive back drop for our cruise business. The global cruise ship order book, currently sits at a record high of 124 new ships on order for delivery between 2019-2027, an increase of 10% in 12 months.

Based on current known orders and the greater size of new ships once completed, this implies the average global cruise passenger growth rate is c4-5% per annum over the medium term according to Cruise Industry News, with new supply arguably creating its own demand.

In the near term there is a significant number of cruise ships that are likely to sail in the Caribbean or Europe set for delivery over the remainder of 2019, 2020, 2021 and 2022. We look forward to welcoming these cruise ships to our ports in the years ahead.

While the order book provides visibility over the long term growth rate, the long lead time on cruise holiday bookings vs land based tourism and cruise lines ability to manage yields means visibility over passenger volumes over the short term is also strong.

Cruise Port Operations	H1 2019	H1 2019 CCY[6]	H1 2018	YoY Growth (%)	YoY CCY Growth (%)
Revenue (USD m)	**23.9**	**25.4**	**22.4**	**6.6%**	**13.3%**
Segmental EBITDA (USD m)	**16.8**	**17.9**	**14.7**	**14.3%**	**21.7%**
Segmental EBITDA Margin	70.5%	70.6%	65.8%		
Passengers (m)1	**2.1**	-	**1.63**	**26.8%**	
Turnaround Passengers	**0.7**		0.7	9.7%	
Transit Passengers	**1.3**		1.0	38.5%	
Yield (USD, rev per pax)	**11.6**	**12.3**	**13.8**	**-16.0%**	**-10.6%**

The first half of our financial year is currently lower in terms of cruise passenger volumes vs the second half due to the fact it includes the seasonally low Q1 for cruise in the Mediterranean. Despite the seasonal low, we still welcomed 2.1m (H1 2018: 1.6m, FY 2018: 4.4m) cruise passengers to our consolidated and managed cruise ports in the period, a pleasing growth rate of 26.8%. On an organic basis, which excludes the impact of our management agreement in Havana, our passenger volume growth rate was 8.6% vs 9.2% in H1 2018. At all ports including equity accounted associate ports Venice, Lisbon and Singapore we welcomed 3.3m (H1 2018: 2.7m, FY 2018: 8.4m).

In the first half Cruise Revenue increased 6.6% to $23.9m vs H1 2018 $22.4m and Cruise Segmental EBITDA once again grew faster than revenue, delivering growth of 14.3% to $16.8m (H1 2018: $14.7m). The revenue from our cruise ports are almost exclusively Euro based at present, with most ports also incurring costs in Euros, with the exception of our Turkish ports which have a largely USD revenue base and Turkish Lira cost base. On a constant €/$ currency basis the first half cruise performance was even stronger, with revenue growth of 13.3% to $25.4m and Cruise EBITDA growth of 21.7% to $17.9m. Excluding the performance of our equity accounted associates (Venice, Lisbon and Singapore), with a pro-rata net income contribution at the Cruise EBITDA level of $3.3m (H1 2018: $2.7m), Cruise EBITDA grew by 12.6% yoy.

We continue to drive growth in on our ancillary revenues, with three main areas of focus: port services; retail and rental services; and passenger and destination services. There were some important developments in the period in this area of the business, most notably in Retail and Rental Services, with the opening of new immersive travel retail in two of the terminals at Barcelona. The new areas have received positive feedback from passengers and the uplift in associated revenue has been very pleasing. Since the period end we issued an RFP for the retail and duty free areas for four of our ports, Malaga, Zadar, Cagliari and Catania. We look forward to receiving submissions in Q3 before deciding on the best way forward for these ports.

While our plans to grow our Port Services revenues continues to progress, our port service evaluation process identified tailored services that we could introduce at each relevant port in order to allow us to offer an integrated service package to cruise passengers and cruise ships. Having concluded the review, we have focussed our actions on a number of our larger ports and we are taking action to fill any gaps in our offering at these ports. While our Destination Services offering continues to see us drive improvements in the service we offer passengers through our Guest Information Centers (GICs).

The last couple of years have been challenging for our Turkish cruise ports, however our 'active patience' approach of continuing to invest in our facilities and a step up in our marketing in 2018 is beginning to deliver, with a 31% growth in passengers in H1 2019 at Ege Port, our key Turkish port. During the period, we hosted the MedCruise General Assembly at Ege Port, providing a great platform to reenergise the industry's interest in the port and region. We currently expect a slightly higher growth in passenger volumes at Ege Port in H2 2019, with passenger volume growth in 2020 currently expected to be even higher.

During H1 we reorganised the management of our cruise operations under a new regional structure, with the creation of three regions, East Mediterranean, West Mediterranean and Americas regions. This new structure reflects our growing global operations, including our pipeline of new port investments, and will help us maintain operational discipline while providing a strong platform for our next stage of growth.

During the period significant progress was made towards the implementation of our new port investment strategy, we signed a 30-year concession agreement for Antigua and Barbuda, our joint venture was awarded the cruise port tender for Nassau, Bahamas and our joint venture was notified that its bid for the operator of La Goulette, Tunisia had been successful.

We are in the final stages of full financial closure in Antigua & Barbuda and now expect this to be achieved before the end of Q3 2019. We look forward to welcoming this port and the c800k passengers that visit every year into our portfolio shortly.

Nassau, Bahamas is one of the largest cruise ports in the world and welcomes 3.7m passengers per annum. We remain in advanced stage discussions with local and international banks over long term bank financing for the concession. Signing of the concession agreement, full financial closure and commencement of the concession is expected to occur before the end of 2019.

Our joint venture with MSC Cruises S.A was successful in acquiring Goulette Shipping Cruise, the company that operates the cruise terminal in La Goulette, Tunisia during the period. Full closure and commencement of the concession is expected in Q4 2019.

All remain conditional until such times as all conditions are fulfilled. In addition to new port investments we continue to work on securing concession extensions at a number of our ports in our current portfolio.

Creuers (Barcelona and Malaga)	H1 2019	H1 2019 CCY[6]	H1 2018	YoY Growth (%)	YoY CCY Growth (%)
Revenue (USD m)	**12.5**	13.4	**13.3**	**-6.3%**	0.2%
Segmental EBITDA (USD m)	**7.7**	8.3	**8.0**	**-3.7%**	3.1%
Segmental EBITDA Margin	61.7%	61.7%	60.1%		
Passengers (m)1	**1.04**		**1.02**	**1.7%**	
Turnaround Passengers	0.56		0.58	-3.7%	
Transit Passengers	0.48		0.44	8.7%	
Yield (USD, rev per pax)	**12.0**	12.9	**13.0**	**-7.9%**	

Creuers (Barcelona & Malaga), in line with our expectations, grew passenger volumes by 1.7% in the period, welcoming 1.0m (H1 2018: 1.0m) passengers in H1 2019. Revenue of $12.5m (H1 2018: $13.3m) was down 6.3% yoy, although in constant currency terms revenue increased 0.2%.

Despite the modest passenger growth, the change in the passenger mix, with Malaga experiencing a sharp drop in turnaround passengers in the period, negatively impacted passenger yields, revenues and EBITDA in the period.

Creuers delivered EBITDA for the period of $7.7m (H1 2018: $8.0m), down 3.7% yoy, on a constant currency basis EBITDA grew 3.1%.

During the period we opened the new retail and duty free areas in two terminals in Barcelona in partnership with our concessionaire. The results have been impressive, with passenger feedback very positive on the new immersive retail areas and most importantly sales have risen strongly. In Malaga we will shortly undertake a refurbishment of the cafeteria area of the Palmeral terminal, further improving the passenger experience. We are also taking action to offer a "one stop shop" integrated service package to cruise lines at both ports.

We are also in the final stages of completing the purchase of the Autoridad Portuaria de Malagas's (Malaga Port Authority) 20.0% holding in the Malaga cruise port concession for €1.5m. This will take Creuers ownership to 100% of the Malaga cruise port concession and GPH's effective ownership to 62%. As well as changing the financial ownership, we believe this action will allow us to drive additional operational improvements at the port.

Valletta Cruise Port	H1 2019	H1 2019 CCY[6]	H1 2018	YoY Growth (%)	YoY CCY Growth (%)
Revenue (USD m)	**6.2**	**6.7**	**5.7**	**10.1%**	**17.8%**
Segmental EBITDA (USD m)	**3.7**	**4.0**	**2.5**	**46.3%**	**56.6%**
Segmental EBITDA Margin	59.6%	59.6%	48.3%		
Passengers (m)1	**0.39**		**0.28**	**39.8%**	
Turnaround Passengers	0.11		0.1	79.5%	
Transit Passengers	0.29		0.22	29.2%	
Yield (USD, rev per pax)	**15.8**	**16.9**	**20.1**	**-21.3%**	

Valletta performed very strongly during the period, with passenger growth of 39.8% to 0.39m (H1 2018: 0.28m). Revenue for the period grew 10.1% to $6.2m (H1 2018: 5.7m) or 17.8% in constant currency terms. EBITDA grew 46.3% in the period to $3.7m (H1 2018: $2.5m), with constant currency growth of 56.6%.

The divergence in revenue growth from passenger growth is primarily driven by passenger spending habits at our self-managed travel retail offering and our area management revenues. Within the passenger mix in the period, there was particularly strong growth in turnaround passengers, while turnaround passengers tend to generate higher port services revenues, their retail spend tends to be far lower. With this impact felt more acutely in Valletta compared to our other ports given that we self-manage the travel retail operation.

The area management revenues at Valletta such as rent from waterfront restaurants are not directly related to passenger volume, therefore do not rise or fall in line with passenger growth. Our primary port revenues grew in line with passenger growth.

After a challenging and weather impacted 2018, it has been pleasing to see Valletta return to form in such a manner. Looking into H2 2019 the passenger volume growth should normalise.

Ege Port	H1 2019	H1 2019 CCY[6]	H1 2018	YoY Growth (%)	YoY CCY Growth (%)
Revenue (USD m)	**2.3**	**2.3**	**1.7**	**32.4%**	32.4%
Segmental EBITDA (USD m)	**1.4**	**1.4**	**0.9**	**43.5%**	43.5%
Segmental EBITDA Margin	59.0%	59.0%	54.5%		
Passengers (m)1	**0.08**		**0.06**	**30.9%**	
Turnaround Passengers	0.01		0.01	-3.4%	
Transit Passengers	0.07		0.05	36.8%	
Yield (USD, rev per pax)	**28.3**		**28.0**	1.1%	

The last few years have been particularly challenging for our Turkish cruise ports, however as we have highlighted for some time, 2019 is the starting point for the recovery in passenger volumes. This start of this recovery can be seen in the 30.9% growth in cruise passenger volumes in the period. This strong volume growth translated into revenue growth of 32.4% to $2.3m (H1 2018: $1.7m), with our Turkish ports now charging in USD there was no translational FX impact in the period.

EBITDA of $1.4m (H1 2018: $0.9m) was up 43.5% year on year, with the uplift in the margin to 59.0% helped by the positive impact the weak Turkish Lira given the predominately Turkish Lira cost base at the port.

Looking into H2 2019, the passenger volume growth rate should be higher than in H1 2019 but more importantly, looking into 2020 the passenger growth rate should accelerate yoy as the recovery trend continues to build, while 2021 already shows growth on 2020 reservations.

Other Cruise	H1 2019	H1 2019 CCY[6]	H1 2018	YoY Growth (%)	YoY CCY Growth (%)
Revenue (USD m)	**2.8**	3.0	**1.6**	**72.7%**	**84.9%**
Segmental EBITDA (USD m)	**4.0**	4.3	**3.2**	**25.3%**	**34.1%**
Passengers (m)1	**0.54**		**0.26**	**111.5%**	
Turnaround Passengers	0.05		0.01	376.8%	
Transit Passengers	0.50		0.25	100.5%	

Other Cruise revenue reflects the revenue contribution of our smaller cruise port concessions and our management agreement in Havana. While Other Cruise EBITDA reflects the EBITDA contribution of smaller cruise port concessions and our management agreement in Havana, as well as the net income contribution of our equity associate ports (Venice, Lisbon and Singapore).

Cruise passenger volumes grew 111.5% in the period, although on an organic basis passenger volumes fell 3.3%. Revenue grew 72.7% in the period, 84.9% in constant currency, on an organic basis revenue grew 22.0% to $2.0m. EBITDA grew 25.3% to $4.0m, on an organic basis EBITDA grew 11.7%.

During the period US authorities prohibited authorised travel via cruise ships under the People to People program, leading to the US cruise lines to redeploy cruise ships away from Havana. Our management agreement is focussed on us advising on cruise port operation best practice for Havana cruise port, GPH has not invested in the port. We continue to monitor the situation and are actively engaged with all stakeholders. In light of the redeployment of US cruise lines we do not expect a material contribution from this management agreement in the foreseeable future.

Our equity accounted associate ports, Venice, Lisbon and Singapore once again performed well, reporting total PAX growth of 12.9% to 1.2m (H1 2018: 1.1m). Overall the pro-rata net income contribution from our equity accounted associate ports contributed to Other Cruise EBITDA was $3.3m (H1 2018: $2.7m) during the period, a growth rate of 21.6% on the same period last year.

Commercial Ports Business Review

H1 2019 has proven to be a challenging period for our Commercial ports business, with Port Akdeniz in particular suffering from weak general and bulk cargo volumes throughout the period and weak container volumes in Q2. Our commercial ports are not immune to the impact of macro-economic factors such as trade tariffs and their associated impact on global trade in general and we believe the general uncertainty around global trade has been the primary driver of the slowdown experienced by Port Akdeniz.

Commercial	H1 2019	H1 2019 CCY[6]	H1 2018	YoY Growth (%)	YoY CCY Growth (%)
Revenue (USD m)	30.8	31.1	**34.2**	**-10.0%**	**-9.1%**
Segmental EBITDA (USD m)	22.3	22.4	**25.6**	**-13.1%**	**-12.6%**
Segmental EBITDA Margin	72.4%	72.0%	74.9%		
General & Bulk Cargo ('000)	458		795	-42.4%	
Throughput ('000 TEU)	106		124	-14.6%	

Yield (USD, Revenue per tonnes)	7.4		9.0	-16.9%	
Yield (USD, Revenue per TEU)	168.1		176.3	-4.6%	

Our Commercial port operations delivered a decline in revenue of 10.0% to $30.8m (H1 2018: $34.2m). While Commercial EBITDA fell by 13.1% to $22.3m (H1 2018: $25.6m). Overall our volumes were weak in the period, with General and Bulk cargo volumes declining by 42.4% and Throughput container volumes falling by 14.6%, this overall volume decline was driven a fall in volumes at Port Akdeniz.

In terms of yields, total throughput container yields were down 4.6%, while cargo yields were down 16.9%, with the drop in cargo yields reflecting the impact of Port Adria's project cargo in H1 2018. Port Akdeniz benefitted from the weakness in Turkish Lira due to the port's cost structure being around 70% in local currency, while revenues are almost exclusively in $. However, while the weak Turkish Lira generated a direct benefit, there was also an unsubstantiated indirect cost in terms of the uncertainty created by the volatility and weakness in the Turkish Lira.

Port Akdeniz	H1 2019	H1 2019 CCY[6]	H1 2018	YoY Growth (%)	YoY CCY Growth (%)
Revenue (USD m)	**26.3**	**26.3**	**28.0**	**-6.1%**	**-6.1%**
Segmental EBITDA (USD m)	**20.7**	**20.7**	**23.1**	**-10.6%**	**-10.6%**
Segmental EBITDA Margin	78.7%	78.7%	82.7%		
General & Bulk Cargo ('000)	335		695	-51.8%	
Throughput ('000 TEU)	80		98	-18.7%	
Yield (USD, Revenue per tonnes)	6.4		6.5	-1.0%	
Yield (USD, Revenue per TEU)	188.1		194.1	-3.1%	

Port Akdeniz, our largest commercial port, reported a revenue decline of 6.1% to $26.3m (H1 2018: $28.0m), with EBITDA declining 10.6% to $20.7m (H1 2018: $23.1m) and the EBITDA margin fell to 78.7%.

General & Bulk Cargo volumes fell sharply, declining by 51.8%, albeit the rate of decline in Q2 moderated vs Q1. Throughput container volumes fell by 18.7% in the period, with Q2 volumes down sharply after a stable performance in Q1. Total marble volumes fell by 22.1% in the period, with import containers also down sharply, falling 21.6%. The small decline in yields reflects the product and services mix in the period rather than a change in the underlying pricing.

While the expansion of the free trade zone has had an impact on volumes in some General & Bulk cargo, particularly in bagged cement and barite, we believe the largest driver of volume declines has been the macro-economic environment. Global trade tariffs and barriers to trade in general are harmful to trade volumes and we believe the general uncertainty around global trade, particularly involving China, has been a primary driver of the slowdown experienced by Port Akdeniz.

Looking into H2 2019, the outlook for both General & Bulk cargo volumes and Throughput container volumes continues to look uncertain. An agreement to end the current escalation of trade tariffs and barriers involving China and a general improvement in Chinese GDP growth are, we believe, the most likely catalysts for a meaningful improvement, particularly in Throughput container volumes. Our previous experience suggests that the trading performance will improve over time and we continue to work to diversify the revenue streams at our commercial ports.

As previously disclosed, on 29 April 2019, the Competition Authority of the Republic of Turkey notified Global Ports Holding's subsidiary in Turkey, Ortadoğu Antalya Liman İşletmeleri A.Ş ("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. Further to our statement in Q1, Ortadoğu Antalya Liman İşletmeleri A.Ş ("Port Akdeniz") has submitted the first set of defence on 28 May 2019. By law, the Competition Authority of the Republic of Turkey has 6 months from the submission date to evaluate the defences and prepare an investigation report. The Competition Authority may, at its sole discretion, extend the preparation period by additional 6 months. A further announcement will be made when it is appropriate to do so.

Port Adria	H1 2019	H1 2019 CCY[6]	H1 2018	YoY Growth (%)	YoY CCY Growth (%)
Revenue (USD m)	**4.5**	**4.8**	**6.2**	**-27.5%**	**-22.4%**
Segmental EBITDA (USD m)	**1.6**	**1.7**	**2.5**	**-36.3%**	**-31.8%**
Segmental EBITDA Margin	35.0%	35.0%	39.9%		
General & Bulk Cargo ('000)	122.7		100.1	22.6%	
Throughput ('000 TEU)	25.9		25.6	1.2%	
Yield (USD, Revenue per tonnes)	10.3		26.2	-58.1%	
Yield (USD, Revenue per TEU)	106.6		108.2	-1.6%	

While at the headline level Port of Adria's performance in the period looks disappointing, there was a number of one offs that impacted the performance, most notably the project cargo impact in H1 2018. Excluding this impact, the underlying performance was positive.

Revenue fell 27.5% in the period to $4.5m (H1 2018: $6.2m) and EBITDA fell 36.3% to $1.6m (H1 2018: $2.5m). However, excluding the one off positive impact of project cargo in H1 2018, revenue fell by 5.7%, while underlying EBITDA increased by 35.0%. On a pre-IFRS 16 basis, the underlying EBITDA growth was still an impressive 15.7%, reflecting lower costs

General & Bulk Cargo volumes rose an impressive 22.6% in the period, driven primarily by the continued strength in steel coil exports which has followed the completion of an investment programme by the manufacturer. While Throughput container volumes rose a more modest 1.2%.

We continue to work on growing the volumes at this port and remain in talks with a number of parties, both importers and exporters about introducing new cargoes at the port during 2019.

Brexit

It looks increasingly likely that UK will exit the EU in the coming months and while the indirect impact on any business cannot be known for sure, we believe that Brexit does not pose a material issue for the group, either directly or indirectly. The long lead times on the booking of cruise holidays and the consistently high rates of occupancy achieved by cruise lines are supportive of our view. We also note recent comments from major cruise lines on their confident outlook for the rest of 2019 and 2020. We do not believe our commercial business has any significant direct exposure to any fall out from Brexit. While of course any wider impact on economic confidence and global trade could have an indirect impact on our commercial ports, we believe this impact would be limited. The group has no port operations in the UK.

Financial Overview

Loss after tax for the period of $15.8 million (H1 2018: $3.6m) is driven by an increase in net finance costs to $18.4m (H1 2018: $11.4m), offset by an increase in income from equity accounted associates to $3.3m (H1 2018: $2.7m), while tax expense increased to $1.9m (H1 2018: $1.5m). The increased net finance costs are primarily due to non-cash loss when revaluing the Eurobond debt, along with non-cash revaluation losses on Turkish entities foreign currency dominated liabilities. Net interest expenses increased only slightly to $12.7m (H1 2018: $12.1m). The higher tax charge reflects higher taxable profit contribution from cruise operations and lower taxable profits from commercial ports, which are in lower tax jurisdictions.

Specific Adjusting Items in Operating Profit

As of 30 June 2019, specific adjusting items comprising project expenses amounting to $4.7m (H1 2018: $3.6m), provisions $1.0m (H1 2018: $0.3m) and other specific adjustment items $1.2m (H1 2018: $0.3m) Please see note 2 f in the interim condensed consolidated financial statements for more details.

Finance Costs

The Group's net finance charge in the period was $18.4m, an increase on the $11.4m charge in H1 2018. This increase was primarily due to the Turkish Lira depreciation against $ in the year, which creates a foreign exchange charge and gain on liabilities and assets respectively.

This occurs for two reasons. Firstly, the group's Eurobond is issued by Global Liman, a 100% owned entity within the group with a functional currency of Turkish Lira. When the Turkish Lira depreciates against the $ a non-cash foreign exchange loss occurs when revaluing the Eurobond debt, while a non-cash foreign exchange gain should occur if the Turkish Lira appreciates against the $. Secondly, although all our Turkish ports charge in $, they must legally keep the accounting books in Turkish Lira, so when the Turkish Lira depreciates against the $ this results in non-cash foreign exchange losses on revaluing the Turkish entities' foreign currency denominated liabilities and non-cash foreign exchange gains on revaluing the Turkish entities foreign currency assets.

During the period net finance expenses increased to $29.0m (H1 2018: $22.3m), primarily due to a non-cash foreign exchange loss when revaluing the Eurobond debt of $13.1m (H1 2018: $9.3m), net interest expenses increased slightly to $12.7m (H1 2018: $12.1m) and interest expenses on lease obligations increased to $1.7m (H1 2018: $0.1m) with $1.1m of this increase due to the adoption of IFRS 16 in the period.

Finance income fell to $10.5m (H1 2018: $10.9m), primarily as a result of a drop in the non-cash foreign exchange gains on Turkish entities' TL costs base to $9.7m (H1 2018: $10.0m).

Taxation

Global Ports Holding is a multinational group and as such is liable for taxation in multiple jurisdictions around the world. The Group's underlying tax charge for the period was $1.9m (H1 2018: $1.5m), representing an effective underlying tax charge of 21.02% (H1 2018: 16.22%). The higher tax charge compared with prior years is primarily the result of higher taxable profits in our Cruise business which is primarily based in higher tax jurisdictions in Europe and the lower taxable profit contribution from our commercial ports which are based in lower tax jurisdictions.

Earnings Per Share

The Group's basic earnings per share was -26.0c (H1 2018: -6.0c), this decrease is in line with the decline in profit for the year attributable to owners of the company -$16.3m (H1 2018: -$3.8m). Adjusted earnings per share of 1.5c (H1 2018: 19.7c), reflects the decline in the underlying profit measure, which is calculated as (loss)/profit for the period after removing the impact of the amortisation of port operating rights and depreciation of right of use assets.

Cash Flow and Investment

Operating cash flow was -$1.3m (H1 2018: $24.5m). The decrease in operating cash flow is primarily related to an increase in working capital of $24.3m. This increase was driven by short term cash collaterals for new projects of $12.4m (H1 2018: nil), a receivable related to a change in port agent in Barcelona of $4.3m (H1 2018: nil) and a period end timing issue over receipt of a $1.5m payment related to our oil services contract in Port Akdeniz. Since period end the short term cash collateral has been returned and the receivables related to the change in port agent and the oil services contract have been received.

Capital expenditure during the period was $5.7m, broadly in line with the $5.6m incurred in H1 2018. In H1 2019 the group spent approximately $2.6m in Port Akdeniz on work related to the TPAO project, $1.1m in Port Adria on infrastructure enhancements, $1.0m in Creuers mostly on remodelling of terminals and security and $0.8m in Valletta on canopy investment.

Balance Sheet

At 30th June 2019 net debt was $351.1m (31st December 2018: $267.2m) This increase was driven by the $60.9m impact of recognising operating leases on the balance sheet under IFRS 16 and the decrease in cash as explained on the cash flow and investment above. The group's Net Debt/Adjusted EBITDA ratio was 4.3x times as at 30th June 2019 (31st December 2018: 3.2x). Excluding the IFRS 16 impact net debt increased to $290.1m (31st December 2018: $267.2m) and the Net Debt/Adjusted EBITDA ratio was 3.6x.

Gross debt at period end was $410.0m (31st December 2018: $347.1m), with this increase driven by the adoption of IFRS 16, excluding this impact, gross debt was $349.0m. The Leverage Ratio as per GPH's Eurobond was 4.2x at 30th

June 2019 (31st December 2018: 4.2x), vs a covenant of 5.0x, the leverage ratio excludes the IFRS 16 impact, in line with the bond descriptions.

Impact of Foreign Currency Movements

All of GPH's European and Adriatic cruise ports operate in Euros, with the majority of costs being in Euros at our non-Turkish cruise ports. Our Commercial port, Port of Adria receives revenues in Euros and the majority of its costs are incurred in Euros. The translation of profits from these port operating entities are not hedged and as a result, the movement of the US dollar and Euro exchange rates directly affects the Group's reported results.

The vast majority of our revenues at our Turkish cruise ports are in US Dollars, while the majority of costs are in Turkish Lira. Our Commercial port, Port of Antalya, receives revenues in US Dollars and c70% of its costs are incurred in Turkish Lira. The group does not hedge this exposure as a result, the movement of the US dollar exchange rates to the Turkish Lira directly affects the Group's reported results.

In the first half of 2019, the group was impacted by unfavourable movements against the prior year in respect of the US Dollar against Euro and a favourable movement in respect of the US Dollar against the Turkish Lira. The details of the foreign exchange rates used in the period can be found in Note 2 e) of the consolidated financial statements.

Dividend

Having reviewed carefully the progress made in regard to opportunities for investment in new cruise ports the board has proposed an interim dividend of $12.5m (19.9c per share), The interim dividend is to be paid on 29 November to shareholders on the register on 1 November 2019. This is in keeping with the board's state minimum dividend policy which was communicated at the time of the IPO.

Summary of the effect of the adoption of IFRS 16

	H1 2019 Reported	Impact of IFRS 16	H1 2019 Pre IFRS 16	H1 2018 Reported
Income Statement				
Segmental EBITDA	39.1	1.4	37.7	40.3
Adjusted EBITDA	34.8	1.5	33.3	36.1
Depreciation and Amortisation	(23.3)	(1.2)	(22.1)	(22.6)
Net Finance Costs	(18.4)	(1.1)	(17.4)	(11.4)
Balance Sheet				
Segment Assets	656.4	58.9	597.5	606.5
Unallocated Assets	48.1	0.7	47.4	95.1
Segment Liabilities	267.1	60.2	206.9	228.8
Unallocated Liabilities	283.4	0.7	282.7	264.7
Gross Debt	409.9	(60.9)	349.0	354.8
Net Debt	351.1	(60.9)	290.1	253.1
Adjusted EBITDA (annualised)	82.5	1.5	80.9	81.4
Leverage Ratios				
Gross Debt/EBITDA	5.0		4.2	4.4
Net Debt/EBITDA	4.3		3.6	3.1

Global Ports Holding PLC

Interim condensed consolidated financial statements

For the six months ended 30 June 2019

Contents

Responsibility Statement	**16**
Independent Review Report to Global Ports Holding PLC	**17**
Primary Statements	
Interim condensed consolidated statement of profit or loss and other comprehensive income	**18-19**
Interim condensed consolidated statement of financial position	**20**
Interim condensed consolidated statement of changes in equity	**21-23**
Interim condensed consolidated cash flow statement	**24**
Notes to the condensed financial statements	**25-52**

Responsibility Statement

We confirm that to the best of our knowledge:

- the condensed set of financial statements has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU,

- the interim management report includes a fair review of the information required by:

   a) DTR 4.2.7R of the Disclosure Guidance and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and

   b) DTR 4.2.8R of the Disclosure Guidance and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

By order of the Board,

Mehmet KUTMAN
Chairman
19 August 2019

INDEPENDENT REVIEW REPORT TO GLOBAL PORTS HOLDING PLC

Conclusion

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2019 which comprises the interim condensed consolidated statement of profit or loss and other comprehensive income, the interim condensed consolidated statement of financial position, the interim condensed consolidated statement of changes in equity, the interim condensed consolidated cash flow statement and the related explanatory notes.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2019 is not prepared, in all material respects, in accordance with IAS 34 Interim Financial Reporting as adopted by the EU and the Disclosure Guidance and Transparency Rules ("the DTR") of the UK's Financial Conduct Authority ("the UK FCA").

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Auditing Practices Board for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. We read the other information contained in the half-yearly financial report and consider whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the DTR of the UK FCA.

As disclosed in note 2, the annual financial statements of the group are prepared in accordance with International Financial Reporting Standards as adopted by the EU. The directors are responsible for preparing the condensed set of financial statements included in the half-yearly financial report in accordance with IAS 34 as adopted by the EU.

Our responsibility

Our responsibility is to express to the company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

The purpose of our review work and to whom we owe our responsibilities

This report is made solely to the company in accordance with the terms of our engagement to assist the company in meeting the requirements of the DTR of the UK FCA. Our review has been undertaken so that we might state to the company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company for our review work, for this report, or for the conclusions we have reached.

John Luke
for and on behalf of KPMG LLP
Chartered Accountants
15 Canada Square
London, E14 5GL
United Kingdom
19 August 2019

Interim condensed consolidated statement of profit or loss and other comprehensive income

(USD '000)	*Notes*	Six months ended 30 June 2019 (Unaudited)	Six months ended 30 June 2018 (Unaudited)	Year ended 31 December 2018 (Audited)
Revenue	*5*	54,609	56,556	124,812
Cost of sales		(38,593)	(37,789)	(77,523)
Gross profit		**16,016**	**18,767**	**47,289**
Other income		1,132	3,200	19,728
Selling and marketing expenses		(1,744)	(1,040)	(1,293)
Administrative expenses		(7,801)	(9,189)	(15,993)
Other expenses		(6,315)	(5,224)	(13,834)
Operating profit		**1,288**	**6,514**	**35,897**
Finance income	*6*	10,526	10,942	27,955
Finance costs	*6*	(28,963)	(22,297)	(60,867)
Net finance costs		**(18,437)**	**(11,355)**	**(32,912)**
Share of profit of equity-accounted investees		3,320	2,730	5,631
(Loss) / Profit before tax		**(13,829)**	**(2,111)**	**8,616**
Tax expense	*7*	(1,931)	(1,527)	(1,480)
(Loss) / Profit for the period / year		**(15,760)**	**(3,638)**	**7,136**
(Loss) / Profit for the period / year attributable to:				
Owners of the Company		(16,317)	(3,789)	770
Non-controlling interests		557	151	6,366
		(15,760)	**(3,638)**	**7,136**

The Group has initially applied IFRS 16 at 1 January 2019, using the modified retrospective approach. Under this approach, comparative information is not restated and the cumulative effect of initially applying IFRS 16 is recognised in retained earnings at the date of initial application. See Note 2.

Interim condensed consolidated statement of profit or loss and other comprehensive income (continued)

(USD '000)	*Notes*	Six months ended 30 June 2019 (Unaudited)	Six months ended 30 June 2018 (Unaudited)	Year ended 31 December 2018 (Audited)
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss				
Remeasurement of defined benefit liability		(5)	12	(19)
Income tax relating to items that will not be reclassified subsequently to profit or loss		--	(3)	4
		(5)	**9**	**(15)**
Items that may be reclassified subsequently to profit or loss				
Foreign currency translation differences		17,225	26,294	42,107
Cash flow hedges – effective portion of changes in fair value		77	(17)	155
Cash flow hedges – realized amounts transferred to income statement		(119)	53	(216)
Losses on a hedge of a net investment		(18,183)	(37,342)	(59,630)
		(1,000)	**(11,012)**	**(17,584)**
Other comprehensive loss for the year, net of income tax		**(1,005)**	**(11,003)**	**(17,599)**
Total comprehensive loss for the year		**(16,765)**	**(14,641)**	**(10,463)**
Total comprehensive loss attributable to:				
Owners of the Company		(16,861)	(11,811)	(12,315)
Non-controlling interests		96	(2,830)	1,852
		(16,765)	**(14,641)**	**(10,463)**
Basic and diluted (loss) / earnings per share (cents per share)	*12*	**(26.0)**	**(6.0)**	**1.23**

The Group has initially applied IFRS 16 at 1 January 2019, using the modified retrospective approach. Under this approach, comparative information is not restated and the cumulative effect of initially applying IFRS 16 is recognised in retained earnings at the date of initial application. See Note 2.

The notes on pages 12 to 39 are an integral part of these condensed consolidated interim financial statements

Global Ports Holding PLC Interim Financial Report 2019

Interim condensed consolidated statement of financial position

	Notes	As at 30 June 2019 (USD '000) (Unaudited)	As at 31 December 2018 (USD '000) (Audited)	As at 30 June 2018 (USD '000) (Unaudited)
Non-current assets				
Property and equipment		128,150	129,351	131,110
Intangible assets		374,759	392,361	410,036
Right of Use Assets	*2*	59,658	--	--
Goodwill		13,485	13,485	13,699
Equity-accounted investees		26,524	26,003	23,538
Other investments	*15*	12,617	12,013	11,782
Deferred tax assets	*7*	2,635	3,066	1,492
Other non-current assets		4,591	4,626	4,964
		622,419	**580,905**	**596,621**
Current assets				
Trade and other receivables	*8*	42,916	19,999	16,881
Due from related parties	*14*	1,057	1,027	1,730
Other investments		72	72	705
Other current assets		4,315	3,336	5,677
Inventory		1,468	1,454	1,791
Prepaid taxes		24	1,363	722
Cash and cash equivalents		58,795	79,829	100,999
		108,647	**107,080**	**128,505**
Total assets		**731,066**	**687,985**	**725,131**
Current liabilities				
Loans and borrowings	*10*	58,295	48,755	48,074
Trade and other payables		17,785	15,279	13,975
Due to related parties	*14*	504	542	250
Dividends payable	*9*	16,821	--	--
Current tax liabilities	*7*	2,911	2,459	2,430
Provisions	*11*	1,974	955	1,156
		98,290	**67,990**	**65,885**
Non-current liabilities				
Loans and borrowings	*10*	351,654	298,296	306,747
Other financial liabilities		2,088	3,408	2,551
Derivative financial liabilities	*15*	669	617	788
Deferred tax liabilities	*7*	89,582	92,294	96,304
Provisions	*11*	7,388	8,862	20,316
Employee benefits		836	797	837
		452,217	**404,274**	**427,543**
Total liabilities		**550,507**	**472,264**	**493,428**
Net assets		**180,559**	**215,721**	**231,703**
Equity				
Share capital		811	811	811
Legal reserves		13,038	13,030	13,030
Share based payment reserves		275	--	--
Hedging reserves		(213,618)	(195,393)	(173,069)
Translation reserves		214,918	197,247	179,901
Retained earnings		75,845	108,981	121,628
Equity attributable to equity holders of the Company		**91,269**	**124,676**	**142,301**
Non-controlling interests		**89,290**	**91,045**	**89,402**
Total equity		**180,559**	**215,721**	**231,703**

The Group has initially applied IFRS 16 at 1 January 2019, using the modified retrospective approach. Under this approach, comparative information is not restated and the cumulative effect of initially applying IFRS 16 is recognised in retained earnings at the date of initial application. See Note 2.

The notes on pages 12 to 39 are an integral part of these condensed consolidated interim financial statements

Interim condensed consolidated statement of changes in equity

(USD '000)	Notes	Share capital	Legal reserves	Share based payment reserves	Hedging reserves	Translation reserves	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 1 January 2019 (Audited)		**811**	**13,030**	**--**	**(195,393)**	**197,247**	**108,981**	**124,676**	**91,045**	**215,721**
Adjustment on initial application of IFRS 16 (net of tax) (*)		**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**
Adjusted balance at 1 January 2019		**811**	**13,030**	**--**	**(195,393)**	**197,247**	**108,981**	**124,676**	**91,045**	**215,721**
Loss for the year		--	--	--	--	--	(16,317)	**(16,317)**	557	**(15,760)**
Other comprehensive (loss) / income for the year		--	--	--	(18,225)	17,671	10	**(544)**	(461)	**(1,005)**
Total comprehensive (loss) / income for the year		**--**	**--**	**--**	**(18,225)**	**17,671**	**(16,307)**	**(16,861)**	**96**	**(16,765)**
Transactions with owners of the Company										
Transactions with non-controlling interest		--	--	**--**	--	--	--	**--**	--	--
Transfer to legal reserves		--	8	**--**	--	--	(8)	--	--	--
Equity settled share-based payment expenses		--	--	275	--	--	--	**275**	--	**275**
Dividends	*9*	--	--	**--**	--	--	(16,821)	**(16,821)**	(1,851)	**(18,672)**
Total contributions and distributions		**--**	**8**	**275**	**--**	**--**	**(16,829)**	**(16,546)**	**(1,851)**	**(18,397)**
Total transactions with owners of the Company		**--**	**8**	**275**	**(18,225)**	**17,671**	**(33,136)**	**(33,407)**	**(1,755)**	**(35,162)**
Balance at 30 June 2019 (Unaudited)		**811**	**13,038**	**275**	**(213,618)**	**214,918**	**75,845**	**91,269**	**89,290**	**180,559**

(*) The Group has initially applied IFRS 16 at 1 January 2019, using the modified retrospective approach. Under this approach, comparative information is not restated and the cumulative effect of initially applying IFRS 16 is recognized in retained earnings at the date of initial application. See Note 2.

The notes on pages 12 to 39 are an integral part of these condensed consolidated interim financial statements

Interim condensed consolidated statement of changes in equity (continued)

(USD '000)	*Notes*	Share capital	Legal reserves	Hedging reserves	Translation reserves	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 1 January 2018 (Audited)		**811**	**13,012**	**(135,763)**	**150,626**	**143,148**	**171,834**	**92,896**	**264,730**
Loss for the year		--	--	--	--	(3,789)	**(3,789)**	151	**(3,638)**
Other comprehensive (loss) / income for the year		--	--	(37,306)	29,275	9	**(8,022)**	(2,981)	**(11,003)**
Total comprehensive (loss) / income for the year		**--**	**--**	**(37,306)**	**29,275**	**(3,780)**	**(11,811)**	**(2,830)**	**(14,641)**
Transactions with owners of the Company									
Transactions with non-controlling interest		--	--	--	--	--	**--**	--	--
Transfer to legal reserves		--	18	--	--	(18)	**--**	--	**--**
Dividends	*9*	--	--	--	--	(17,722)	**(17,722)**	(664)	**(18,386)**
Total contributions and distributions		**--**	**18**	**--**	**--**	**(17,740)**	**(17,722)**	**(664)**	**(18,386)**
Total transactions with owners of the Company		**--**	**18**	**(37,306)**	**29,275**	**(21,520)**	**(29,533)**	**(3,494)**	**(33,027)**
Balance at 30 June 2018 (Unaudited)		**811**	**13,030**	**(173,069)**	**179,901**	**121,628**	**142,301**	**89,402**	**231,703**

The notes on pages 12 to 39 are an integral part of these condensed consolidated interim financial statements

Interim condensed consolidated statement of changes in equity (continued)

(USD '000)	*Notes*	Share capital	Legal reserves	Hedging reserves	Translation reserves	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 1 January 2018 (Audited)		**811**	**13,012**	**(135,763)**	**150,626**	**143,148**	**171,834**	**92,896**	**264,730**
(Loss) / income for the year		--	--	--	--	770	**770**	6,366	**7,136**
Other comprehensive (loss) / income for the year		--	--	(59,630)	46,621	(76)	**(13,085)**	(4,514)	**(17,599)**
Total comprehensive (loss) / income for the year		**--**	**--**	**(59,630)**	**46,621**	**694**	**(12,315)**	**1,852**	**(10,463)**
Transactions with owners of the Company									
Transactions with non-controlling interest		--	--	--	--	--	**--**	94	**94**
Transfer to legal reserves		--	18	--	--	(18)	--	--	--
Dividends	*9*	--	--	--	--	(34,843)	**(34,843)**	(3,797)	**(38,640)**
Total contributions and distributions		**--**	**18**	**--**	**--**	**(34,861)**	**(34,843)**	**(3,703)**	**(38,546)**
Total transactions with owners of the Company		**--**	**18**	**(59,630)**	**46,621**	**(34,167)**	**(47,158)**	**(1,851)**	**(49,009)**
Balance at 31 December 2018 (Audited)		**811**	**13,030**	**(195,393)**	**197,247**	**108,981**	**124,676**	**91,045**	**215,721**

The notes on pages 12 to 39 are an integral part of these condensed consolidated interim financial statements

Interim condensed consolidated cash flow statement

	Notes	Six months ended 30 June 2019 (USD '000) (Unaudited)	Six months ended 30 June 2018 (USD '000) (Unaudited)	Year ended 31 December 2018 (USD '000) (Audited)
Cash flows from operating activities				
Loss for the period / year		(15,760)	(3,638)	7,136
Adjustments for:				
Depreciation of PPE and RoU assets and amortization expense		23,302	22,586	44,668
Share of profit of equity-accounted investees, net of tax		(3,320)	(2,730)	(5,631)
Gain on disposal of property plant and equipment		(17)	(12)	(142)
Finance costs (excluding foreign exchange differences)	*6*	15,016	12,866	26,623
Finance income (excluding foreign exchange differences)	*6*	(871)	(1,014)	(1,684)
Foreign exchange differences on finance costs and income, net	*6*	4,294	(497)	7,973
Income tax expense	*7*	1,931	1,524	1,480
Employment termination indemnity reserve		72	99	39
Equity settled share-based payment expenses		275	--	--
(Charges to) / reversal of provision		1,316	148	(12,000)
Operating cash flow before changes in operating assets and liabilities		**26,238**	**29,332**	**68,462**
Changes in:				
- trade and other receivables		(22,917)	(1,027)	(4,297)
- other current assets		426	1,404	3,510
- related party receivables		(30)	--	572
- other non-current assets		128	57	412
- trade and other payables		(79)	(2,064)	(71)
- related party payables		(38)	(187)	59
- provisions		(1,821)	(244)	(64)
Post-employment benefits paid		(21)	(58)	(131)
Cash generated by operations before benefit and tax payments		**1,886**	**27,213**	**68,452**
Income taxes paid		(3,137)	(2,737)	(7,345)
Net cash generated from operating activities		**(1,251)**	**24,476**	**61,107**
Investing activities				
Acquisition of property and equipment		(5,589)	(5,431)	(11,896)
Acquisition of intangible assets		(69)	(151)	(2,911)
Proceeds from sale of property and equipment		22	11	234
Bond and short-term investment income		--	--	(30)
Proceeds from sale of investments		--	13,822	13,944
Bank interest received		140	840	348
Dividends from equity accounted investees		2,849	--	541
Other investment in FVTPL instruments		--	(11,782)	(11,977)
Advances given for tangible assets		(172)	(152)	(85)
Net cash used in investing activities		**(2,819)**	**(2,843)**	**(11,832)**
Financing activities				
Equity injection by minorities to subsidiaries		--	--	94
Cash inflow from related parties		--	(159)	--
Cash outflow to related parties		--	20	--
Dividends paid to equity owners	*9*	--	(17,722)	(34,843)
Dividends paid to NCIs	*9*	(538)	--	(3,797)
Interest paid		(12,574)	(11,666)	(23,902)
Proceeds from borrowings		19,250	34,770	44,205
Repayments of borrowings		(13,224)	(23,929)	(34,697)
Repayments of lese liabilities (2018: payment of finance lease liabilities) (*)		(2,433)	(809)	(1,427)
Net cash used in financing activities		**(9,519)**	**(19,495)**	**(54,367)**
Net (decrease) / increase in cash and cash equivalents		**(13,589)**	**2,138**	**(5,092)**
Effect of foreign exchange rate changes on cash and cash equivalents		(7,445)	(587)	(14,527)
Cash and cash equivalents at beginning of year		79,829	99,448	99,448
Cash and cash equivalents at end of year		**58,795**	**100,999**	**79,829**

(*) The Group has initially applied IFRS 16 at 1 January 2019, using the modified retrospective approach. Under this approach, comparative information is not restated and the cumulative effect of initially applying IFRS 16 is recognised in retained earnings at the date of initial application. See Note 2.

The notes on pages 12 to 39 are an integral part of these condensed consolidated interim financial statements

Notes to the interim condensed set of financial statements

1 General information

Global Ports Holding PLC is a public limited company listed on the London Stock Exchange, and incorporated in the United Kingdom and registered in England and Wales under the Companies Act 2006. The address of the registered office is 34 Brook Street 3rd Floor, London, England, W1K 5DN, United Kingdom. Global Ports Holding PLC is the ultimate holding company of Global Liman Isletmeleri A.S. and its subsidiaries (the "Group").

These unaudited condensed interim consolidated financial statements of Global Ports Holding PLC (the "Company", and together with its subsidiaries, the "Group") for the six months ended 30 June 2019 were authorised for issue in accordance with a resolution of the directors on 19 August 2019.

2 Accounting policies

a) Basis of preparation

This condensed set of consolidated financial statements included in this half-yearly financial report has been prepared in accordance with the International Accounting Standard 34 'Interim Financial Reporting', as adopted by the European Union and the requirements of the Disclosure and Transparency Rules ("DTR") of the FCA in the United Kingdom as applicable to interim financial reporting.

The interim condensed financial statements represent a 'condensed set of financial statements' as referred to in the DTR issued by the FCA. The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the consolidated financial statements as at and for the year ended 31 December 2018 available on the Company website. Also, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements.

The financial information contained in this report for the six months ended 30 June 2018 and 30 June 2019 is unaudited. The interim condensed consolidated income statement and other comprehensive income, the condensed consolidated statement of financial position, the condensed consolidated statement of changes in equity, and the condensed consolidated statement of cash flows for the six months ended 30 June 2019 have been reviewed by the auditor. These interim financial statements were authorised for issue by the Company's board of directors on 19 August 2019.

The comparative figures for the financial year ended 31 December 2018 are not the company's statutory accounts for that financial year. Those accounts have been reported on by the company's auditor and delivered to the registrar of companies. The report of the auditor was (i) unqualified, (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

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.

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 Company is not expecting any significant impact on its operations from the UK decision to leave European Union.

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 10.

2 Accounting Policies *(continued)*

c) Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions used on the preparation of these interim financial statements are same as those used in the Group's consolidated financial statements as at and for the year ended 31 December 2018, 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

Except as described below, 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 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 2019.

i. IFRS 16

The Group has initially adopted IFRS 16 Leases from 1 January 2019.

IFRS 16 introduced a single, on-balance sheet accounting model for lessees. As a result, the Group, as a lessee, has recognised right-of-use assets representing its rights to use the underlying assets and lease liabilities representing its obligation to make lease payments. Lessor accounting remains similar to previous accounting policies.

The Group has applied IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 January 2019. Accordingly, the comparative information presented for 2018 has not been restated – i.e. it is presented, as previously reported, under IAS 17 and related interpretations. The details of the changes in accounting policies are disclosed below.

Definition of a lease

Previously, the Group determined at contract inception whether an arrangement was or contained a lease under IFRIC 4 Determining Whether an Arrangement contains a Lease. The Group now assesses whether a contract is or contains a lease based on the new definition of a lease. Under IFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. On transition to IFRS 16, the Group elected to apply the practical expedient to grandfather the assessment of which transactions are leases. It applied IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed. Therefore, the definition of a lease under IFRS 16 has been applied only to contracts entered into or changed on or after 1 January 2019.

As a lessee

The Group leases a variety of assets, principally land, building and cars.

As a lessee, the Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred substantially all of the risks and rewards of ownership. Under IFRS 16, the Group recognises right-of-use assets and lease liabilities for most leases – i.e. these leases are on-balance sheet.

However, the Group has elected not to recognise right-of-use assets and lease liabilities for short term leases (e.g. car rentals). The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

2 Accounting Policies *(continued)*

d) Change in / new accounting policies *(continued)*

i. IFRS 16 (continued)

The Group presents right-of-use assets are presented as a line item on the face of financials. The carrying amounts of right-of-use assets are as below.

In thousands of USD	**Right of Use**
Balance at 1 January 2019	61,233
Balance at 30 June 2019	59,658

The Group presents lease liabilities in loans and borrowings in the statement of financial position.

Significant accounting policies

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

The Group has applied judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognised.

Impacts on transition

On transition to IFRS 16, the Group recognised right-of-use assets and additional lease liabilities. For the annual year starting at 1 January 2019, the Right-of-use assets have been measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments. The impact on transition is summarized below.

In thousands of USD	**1 January 2019**
Right of use assets	61,233
Lease liabilities	62,328
Prepayments	328
Accruals	(1,423)

2 Accounting Policies *(continued)*

d) Change in / new accounting policies *(continued)*

i. IFRS 16 (continued)

When measuring lease liabilities for leases that were classified as operating leases, the Group discounted lease payments using its incremental borrowing rate at 1 January 2019. The weighted- average rate applied is 3.4%.

In thousands of USD	**1 January 2019**
Operating lease commitment at 31 December 2018 as disclosed in the Group's consolidated financial statements	158,860
Discounted using the incremental borrowing rate at 1 January 2019	61,268
Finance lease liabilities recognised as at 31 December 2018	1,905
- Recognition exemption for short-term leases	(35)
Lease liabilities recognised at 1 January 2019	**63,138**

Transition

Previously, the Group classified property leases as operating leases under IAS 17. These include land and buildings. The leases run for the period of the signed concession agreement. Some concession agreements include clauses and regulations to renew the lease for an additional period after the end of the non-cancellable period.

Some leases provide for additional rent payments that are based on changes in local price indices.

At transition, for leases classified as operating leases under IAS 17, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rate as at 1 January 2019. Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments – the Group applied this approach to leases.

The Group used the following practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17.

- Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term.
- Excluded initial direct costs from measuring the right-of-use asset at the date of initial application.
- Used current lease term either the contract contains options to extend or terminate the lease.

As a lessor

The accounting policies applicable to the Group as a lessor are not different from those under IAS 17. The Group is not required to make any adjustments on transition to IFRS 16 for leases in which it acts as a lessor. However, the Group has applied IFRS 15 Revenue from Contracts with Customers to allocate consideration in the contract to each lease and non-lease component.

2 Accounting Policies *(continued)*

d) Change in / new accounting policies *(continued)*

i. IFRS 16 (continued)

Impacts for the period

As a result of initially applying IFRS 16, in relation to the leases that were previously classified as operating leases, the Group recognised USD 59,658 thousand of right-of-use assets and USD 60,946 thousand of lease liabilities as at 30 June 2019.

Also in relation to those leases under IFRS 16, the Group has recognised depreciation and interest costs, instead of port rent and operating lease expenses. During the six months ended 30 June 2019, the Group recognised USD 1,162 thousand of depreciation charges and USD 1,063 thousand of interest costs from these leases.

For the impact of IFRS 16 on segment information and EBITDA, see Note 3.

The Group presents lease liabilities in 'loans and borrowings' in the statement of financial position. 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 10.

ii. IFRS 2

On 1 January 2019, the Group established share option program that entitles key management personnel to receive shares in the Company based on the performance of the Company during the vesting period. Under this program, holders of vested option are entitled to receive shares of the Company at the grant date. Currently, this program is limited to key management personnel and other senior employees.

The option will be settled by physical delivery of shares.

On 1 January 2019, the Group granted 204,000 Restricted Stock Units (RSUs) to employees that entitle them to a share payment after three years of service. The RSUs will be granted at the end of three-year vesting period and paid after two year holding period. Shares issued under the LTIP are subject to a dilution limit of up to 3% over 10 years, which will be monitored by the Committee. Upon vesting of an RSU, Employees must pay the par value in respect of each share that vests. Employees are also responsible to declare and pay the tax related to gains from RSUs to the authorities.

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

iii. Other standards

The IASB issued Annual Improvements as at 15 March 2019. The amendments are effective after annual period started as of 1 January 2019.

The following standards are effective:

- Annual Improvements to IFRS Standards 2015-2017 Cycle (issued on 12 December 2017)
- Amendments to IAS 19: Plan Amendment, Curtailment or Settlement (issued on 7 February 2018)
- Amendments to IAS 28: Long-term Interests in Associates and Joint Ventures (issued on 12 October 2017)
- IFRIC 23 Uncertainty over Income Tax Treatments (issued on 7 June 2017)
- Amendments to IFRS 9: Prepayment Features with Negative Compensation (issued on 12 October 2017)

Earlier application is permitted.

2 Accounting Policies *(continued)*

d) Change in / new accounting policies *(continued)*

iv. Standards issued but not yet effective

The following standards are in issue but not yet adopted by the Group:

- Amendments to References to Conceptual Framework in IFRS Standards, effective from 1 January 2020
- IFRS 3 Definition of a Business, effective from 1 January 2020
- IAS1 and IAS8, Definition of Material, effective from 1 January 2020
- IFRS 17 Insurance contracts, effective from 1 January 2021

The Group is currently evaluating the impact of adopting these 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 2019.

e) Foreign currency

Transactions in foreign currencies are translated into the respective functional currencies of the Group entities by using the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies carried at historical cost should be retranslated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognised in profit or loss.

The Group entities use United Stated Dollars ("USD"), Euro or Turkish Lira ("TL") as their functional currencies since these currencies represent the primary economic environment in which they operate. These currencies are used to a significant extent in, or have a significant impact on, the operations of the related Group entities and reflect the economic substance of the underlying events and circumstances relevant to these entities. Transactions and balances not already measured in the functional currency have been re-measured to the related functional currencies in accordance with the relevant provisions of IAS 21 *The Effect of Changes in Foreign Exchange Rates*.

For the purpose of the interim condensed consolidated financial statements, US Dollars has been chosen as the presentation currency by management to facilitate the investors' ability to evaluate the Group's performance and financial position in relation to similar companies domiciled in different jurisdictions, and to eliminate the depreciating effect of TL against hard currencies, considering all subsidiaries of the Company are earning revenues in hard currencies.

Assets and liabilities of those Group entities with a different functional currency than the presentation currency of the Group are translated into the presentation currency of the Group at the rate of exchange ruling at the reporting date. The income and expenses of the Group entities are translated into the presentation currency at the average exchange rates for the period. Equity items, except for net income, are translated using their historical costs. These foreign currency differences are recognised in "other comprehensive income" ("OCI"), within equity under "translation reserves".

Below are the foreign exchange rates used by the Group for the periods shown.

As at 30 June 2019, 31 December 2018 and 30 June 2018, foreign currency exchange rates of the Central Bank of the Turkish Republic were as follows:

	30 June 2019	**31 December 2018**	**30 June 2018**
TL/USD	0.1738	0.1901	0.2193
Euro/USD	1.1382	1.1458	1.1641

2 Accounting Policies *(continued)*

e) Foreign currency *(continued)*

For the six months ended 30 June 2019, 30 June 2018 and for the year ended 31 December 2018, average foreign currency exchange rates of the Central Bank of the Turkish Republic were as follows:

	Six months ended 30 June 2019	Six months ended 30 June 2018	Year ended 31 December 2018
TL/USD	0.1783	0.2450	0.2078
Euro/USD	1.1297	1.2093	1.1764

f) Alternative performance measures

This interim condensed set of financial statements includes certain measures to assess the financial performance of the Group's business that are termed "non-IFRS measures" because they exclude amounts that are included in, or include amounts that are excluded from, the most directly comparable measure calculated and presented in accordance with IFRS, or are calculated using financial measures that are not calculated in accordance with IFRS. In order to account for the impact of IFRS 16, which is applied in the Group financials using the modified retrospective approach, comparative information is not restated, and the impact has been presented as a separate reconciling item on computations. These non-GAAP measures comprise the following.

Segmental EBITDA

Segmental EBITDA calculated as income/(loss) before tax after adding back: interest; depreciation; amortisation; unallocated expenses; and specific adjusting items.

Management evaluates segmental performance based on Segmental EBITDA. This is done to reflect the fact that there is a variety of financing structures in place both at a port and Group-level, and the nature of the port operating right intangible assets vary by port depending on which concessions were acquired versus awarded, and which fall to be treated under IFRIC 12. As such, management considers monitoring performance in this way, using Segmental EBITDA, gives a more comparable basis for profitability between the portfolio of ports and a metric closer to net cash generation. Excluding project costs for acquisitions and one-off transactions such as unallocated expenses, gives a more comparable year-on-year measure of port-level trading performance.

Management uses Segmental EBITDA to evaluate each port and group-level performances on operational level.

Specific adjusting items

The Group presents specific adjusting items separately. For proper evaluation of individual ports financial performance and consolidated financial statements, Management considers disclosing specific adjusting items separately because of their size and nature. These expenses and incomes include project expenses; being the costs of specific M&A activities and the costs associated with appraising and securing new and potential future port agreements, employee termination expenses, income from insurance repayments, replacement provisions and other provision expenses and other expenses including donations, membership fees and special consumption taxes.

Specific adjusting items comprised as following,

	Six months ended 30 June 2019 (USD '000) (Unaudited)	Six months ended 30 June 2018 (USD '000) (Unaudited)	Year ended 31 December 2018 (USD '000) (Audited)
Project expenses	4,683	3,646	9,594
Employee termination expenses	419	112	147
Replacement provisions	256	--	677
Provisions / (reversal of provisions)	997	306	(12,210)
Other expenses	510	175	(690)
Specific adjusting items	**6,865**	**4,239**	**(2,482)**

2 Accounting Policies *(continued)*

f) Alternative performance measures *(continued)*

Adjusted EBITDA

Adjusted EBITDA calculated as Segmental EBITDA less unallocated (holding company) expenses.

Management uses an Adjusted EBITDA measure to evaluate Group's consolidated performance on an "as-is" basis with respect to the existing portfolio of ports. Notably excluded from Adjusted EBITDA, the costs of specific M&A activities and the costs associated with appraising and securing new and potential future port agreements. M&A and project development are key elements of the Group's strategy in the Cruise segment. Project lead times and upfront expenses for projects can be significant, however these expenses (as well as expenses related to raising financing such as acquisition financing) do not relate to the current portfolio of ports but to future EBITDA potential. Accordingly, these expenses would distort Adjusted EBITDA which management is using to monitor the existing portfolio's performance.

A full reconciliation for Segmental EBITDA and Adjusted EBITDA to profit before tax is provided in the Segment Reporting Note 3 to these financial statements.

Underlying Profit

Management uses this measure to evaluate the profitability of the Group normalised to exclude the specific non-recurring expenses and income, and adjusted for the non-cash port intangibles amortisation charge, giving a measure closer to actual net cash generation, which the directors' consider a key benchmark in making the dividend decision. Underlying Profit is also consistent with Consolidated Net Income (CNI), as defined in the Group's 2021 Eurobond, which is monitored to ensure covenant compliance.

Underlying Profit is calculated as profit/(loss) for the year after adding back: amortization expense in relation to Port Operation Rights, depreciation expense in relation to Right-of-use assets and specific non-recurring expenses and income.

Adjusted earnings per share
Adjusted earnings per share is calculated as underlying profit divided by weighted average per share.

Management uses these measures to evaluate the profitability of the Group normalised to exclude the specific non-recurring expenses and income and adjusted for the non-cash port intangibles amortisation charge, giving a measure closer to actual net cash generation, which the directors' consider a key benchmark in making the dividend decision.

Underlying profit and adjusted earnings per share computed as following;

	Six months ended 30 June 2019 (USD '000) (Unaudited)	**Six months ended 30 June 2018 (USD '000) (Unaudited)**	**Year ended 31 December 2018 (USD '000) (Audited)**
(Loss) / Profit for the Period	(15,267)	(3,638)	7,136
Impact of IFRS 16	(493)	--	--
(Loss) / Profit for the Period	**(15,760)**	**(3,638)**	**7,136**
Amortisation of port operating rights	15,543	16,045	31,648
Depreciation of right-of-use assets	1,162	--	--
Reversal of replacement provisions	--	--	(12,209)
Underlying Profit	**945**	**12,407**	**26,575**
Weighted average number of shares	62,826,963	62,826,963	62,826,963
Adjusted earnings per share (pence)	**1.5**	**19.7**	**42.3**

2 Accounting Policies *(continued)*

f) Alternative performance measures *(continued)*

Net debt

Net debt comprises total borrowings (bank loans, Eurobond and finance leases net of accrued tax) less cash, cash equivalents and short term investments.

Management includes short term investments into the definition of Net Debt, because these short term investment are comprised of marketable securities which can be quickly converted into cash.

Net debt comprised as following;

	Six months ended 30 June 2019 (USD '000) (Unaudited)	Six months ended 30 June 2018 (USD '000) (Unaudited)	Year ended 31 December 2018 (USD '000) (Audited)
Current loans and borrowings	58,295	48,074	48,755
Non-current loans and borrowings	351,654	306,747	298,296
Lease liabilities recognized due to IFRS 16 application	(60,945)	--	--
Gross debt	**349,004**	**354,821**	**347,051**
Cash and bank balances	(58,795)	(100,999)	(79,829)
Short term financial investments	(72)	(705)	(72)
Net debt	**290,137**	**253,117**	**267,150**
Equity	180,559	231,703	215,721
Net debt to Equity ratio	**1.61**	**1.09**	**1.24**

Leverage ratio

Leverage ratio is used by management to monitor available credit capacity of the Group.

Leverage ratio is computed by dividing gross debt to Adjusted EBITDA.

Leverage ratio computation is made as follows;

	Six months ended 30 June 2019 (USD '000) (Unaudited)	Six months ended 30 June 2018 (USD '000) (Unaudited)	Year ended 31 December 2018 (USD '000) (Audited)
Gross debt	409,949	354,822	347,051
Lease liabilities recognised due to IFRS 16 application	(60,945)	--	--
Gross debt, net of IFRS 16 impact	**349,004**	**354,822**	**347,051**
Adjusted EBITDA (annualized)	80,903	81,401	83,714
Impact of IFRS 16 on EBITDA	1,542	--	--
Adjusted EBITDA (annualized)	**82,445**	**81,401**	**83,714**
Leverage ratio	4.23x	4.36x	4.15x

CAPEX

CAPEX represents the recurring level of capital expenditure required by the Group excluding M&A related capital expenditure.

CAPEX computed as 'Acquisition of property and equipment' and 'Acquisition of intangible assets' per the cash flow statement.

	Six months ended 30 June 2019 (USD '000) (Unaudited)	Six months ended 30 June 2018 (USD '000) (Unaudited)	Year ended 31 December 2018 (USD '000) (Audited)
Acquisition of property and equipment	5,589	5,431	11,896
Acquisition of intangible assets	69	151	2,911
CAPEX	**5,658**	**5,582**	**14,807**

2 Accounting Policies *(continued)*

f) Alternative performance measures *(continued)*

Cash conversion ratio

Cash conversion ratio represents a measure of cash generation after taking account of on-going capital expenditure required to maintain the existing portfolio of ports.

It is computed as Adjusted EBITDA less CAPEX divided by Adjusted EBITDA.

	Six months ended 30 June 2019 (USD '000) (Unaudited)	Six months ended 30 June 2018 (USD '000) (Unaudited)	Year ended 31 December 2018 (USD '000) (Audited)
Adjusted EBITDA (annualized)	80,903	81,401	83,714
Impact of IFRS 16 on EBITDA	1,542	--	--
Adjusted EBITDA, net of IFRS 16 impact	**82,445**	**81,401**	**83,714**
CAPEX	(5,658)	(5,582)	(14,912)
Cash converted after CAPEX	76,787	75,819	68,802
Cash conversion ratio	**93.1%**	**93.1%**	**82.2%**

Hard currency

Management uses the term hard currency to refer to those currencies that historically have been less susceptible to exchange rate volatility. For the period ended 30 June 2019 and 2018, and for the year ended 31 December 2018, the relevant hard currencies for the Group are US Dollar, Euro and Singaporean Dollar.

3 Segment reporting

a) Products and services from which reportable segments derive their revenues

The Group operates various cruise and commercial ports and all revenue is generated from external customers such as cruise liners, ferries, yachts, individual passengers, container ships and bulk and general cargo ships.

b) Reportable segments

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 CEO evaluates segmental performance on the basis of earnings before interest, tax, depreciation and amortisation ("EBITDA") 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 the 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 Company 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.

3 Segment reporting *(continued)*

The Group has the following operating segments under IFRS 8:

- Barcelona Port Investments SL (“BPI”), Valletta Cruise Port Plc (“VCP”), Ege Liman İşletmeleri A.Ş. (“Ege Liman”), Bodrum Liman İşletmeleri A.Ş. (“Bodrum Liman”), Ortadoğu Antalya Liman İşletmeleri A.Ş. (“Ortadoğu” or “Akdeniz”), Port Operation Holding Srl (“POH”), Lisbon Cruise Terminals LDA (“Port of Lisbon” or “LCT”), SATS – Creuers Cruise Services Pte. Ltd. (“Singapore Cruise 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 (Commercial port operations) and Port of Container Terminal and General Cargo (“Port of Adria” or “Port of 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. Segments that do not exceed the quantitative thresholds for reporting information about operating segments have been included in Other.

Global Depolama does not generate any revenues and therefore is presented as unallocated to reconcile to the consolidated financial statements results.

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

The basis of segmentation and the basis of measurement of the segment profit or loss has not changed from the latest annual financial statements.

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

The Group has initially applied IFRS 16 at 1 January 2019, using the modified retrospective approach. Under this approach, comparative information is not restated (see Note 2). 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.

As a result, the Group recognised USD 59,658 thousand of right-of-use assets and USD 60,946 thousand of liabilities from those lease contracts. The assets and liabilities are included in BPI, VCP, Other Cruise Ports, Ortadoğu Liman and Port of Adria segments as at 30 June 2019. The Group recognises depreciation and interest costs, instead of operating lease expense (see Note 2d). During the six months ended 30 June 2019, in relation to those leases, the Group recognised USD 1,162 thousand of depreciation charges and USD 1,063 thousand of additional interest costs from leases.

3 Segment reporting (continued)

b) Reportable segments *(continued)*

(i) Segment revenues, results and reconciliation to profit before tax

The following is an analysis of the Group's revenue, results and reconciliation to profit before tax by reportable segment:

USD '000	**BPI**	**VCP**	**Ege Liman**	**Other Cruise Ports**	***Total Cruise***	**Ortadoğu Liman**	**Port of Adria**	***Total Commercial***	**Total Consolidated**
Six months ended 30 June 2019 (Unaudited)									
Revenue	12,500	6,249	2,299	2,809	*23,857*	26,277	4,475	*30,752*	54,609
Segmental EBITDA	7,719	3,721	1,358	4,027	*16,825*	20,690	1,568	*22,258*	39,083
- Segmental EBITDA pre IFRS 16	*7,106*	*3,425*	*1,358*	*3,757*	*15,646*	*20,656*	*1,352*	*22,008*	*37,654*
- IFRS 16 impact on Segmental EBITDA	*613*	*296*	*--*	*270*	*1,179*	*34*	*216*	*250*	*1,429*
Unallocated expenses									(4,283)
Adjusted EBITDA									34,800
- IFRS 16 impact on Adjusted EBITDA									*114*
Reconciliation to profit before tax									
Depreciation and amortisation expenses									(23,302)
- IFRS 16 impact on depreciation and amortization expenses									*(1,162)*
Specific adjusting items*									(6,890)
Finance income									10,526
Finance costs									(28,963)
- IFRS 16 impact on finance costs									*(1,063)*
(Loss) / profit before income tax									**(13,829)**
Six months ended 30 June 2018 (Unaudited)									
Revenue	13,348	5,676	1,736	1,627	*22,387*	27,997	6,172	*34,169*	56,556
Segmental EBITDA	8,017	2,544	946	3,214	*14,721*	23,145	2,460	*25,605*	40,326
Unallocated expenses									(4,257)
Adjusted EBITDA									36,069
Reconciliation to profit before tax									
Depreciation and amortisation expenses									(22,586)
Specific adjusting items*									(4,239)
Finance income									10,942
Finance costs									(22,297)
(Loss) / profit before income tax									**(2,111)**
Year ended 31 December 2018 (Audited)									
Revenue	31,577	13,017	4,650	5,670	54,914	59,887	10,011	69,898	124,812
Segmental EBITDA	19,793	6,399	3,084	8,331	*37,607*	49,184	3,928	*53,112*	90,719
Unallocated expenses									(7,005)
Adjusted EBITDA									83,714
Reconciliation to profit before tax									
Depreciation and amortisation expenses									(44,668)
Specific adjusting items*									2,482
Finance income									27,955
Finance costs									(60,867)
(Loss) / profit before income tax									**8,616**

* Please refer to Note 2 (f) for alternative performance measures (APM) on pages 16 to 19.

3 Segment reporting *(continued)*

b) Reportable segments *(continued)*

The Group did not have inter-segment revenues in any of the periods shown above.

(ii) Segment assets and liabilities
The following is an analysis of the Group's assets and liabilities by reportable segment:

USD '000	BPI	VCP	Ege Liman	Other Cruise Ports	*Total Cruise*	Ortadoğu Liman	Port of Adria	*Total Commercial*	Total Consolidated
30 June 2019 (Unaudited)									
Segment assets	162,789	129,149	45,691	15,963	*353,592*	227,440	75,402	*302,842*	656,434
- *Right-of-use assets*	*12,341*	*33,668*	--	*4,658*	*50,667*	*84*	*8,188*	*8,272*	*58,939*
Equity-accounted investees	--	--	--	26,524	*26,524*	--	--	--	26,524
Unallocated assets									48,108
- *Right-of-use assets*									*719*
Total assets									**731,066**
Segment liabilities	74,241	71,014	11,573	12,186	*169,014*	59,312	38,788	*98,100*	267,114
- *Lease liabilities recognized under IFRS 16*	*12,248*	*33,858*	--	*4,730*	*50,836*	--	*9,385*	*9,385*	*60,221*
Unallocated liabilities									283,393
- *Lease liabilities recognized under IFRS 16*									*725*
Total liabilities									**550,507**
31 December 2018 (Audited)									
Segment assets	152,341	96,756	48,117	12,789	*310,003*	220,984	67,672	*288,656*	598,659
Equity-accounted investees	--	--	--	26,003	*26,003*	--	--	--	26,003
Unallocated assets									63,323
Total assets									**687,985**
Segment liabilities	66,652	35,248	13,202	7,048	*122,150*	56,969	29,725	*86,694*	208,844
Unallocated liabilities									263,420
Total liabilities									**472,264**
30 June 2018 (Unaudited)									
Segment assets	157,627	101,532	51,022	14,869	*325,050*	211,925	69,552	*281,477*	606,527
Equity-accounted investees	--	--	--	23,538	*23,538*	--	--	--	23,538
Unallocated assets									95,066
Total assets									**725,131**
Segment liabilities	81,982	38,166	14,147	6,440	*140,735*	59,433	28,601	*88,034*	228,769
Unallocated liabilities									264,659
Total liabilities									**493,428**

3 Segment reporting (continued)

b) Reportable segments *(continued)*

(iii) Other segment information

The following table details other segment information:

USD '000	BPI	VCP	Ege Liman	Other Cruise Ports	*Total Cruise*	Ortadoğu Liman	Port of Adria	*Total Commercial*	Unallocated	Total Consolidated
Six months ended 30 June 2019 (Unaudited)										
Depreciation and amortisation expenses	(5,873)	(1,613)	(1,427)	(1,746)	*(10,659)*	(10,882)	(1,607)	*(12,489)*	(154)	(23,302)
- Depreciation of right of use assets recognised under IFRS 16	*(372)*	*(352)*	--	*(110)*	*(834)*	*(34)*	*(192)*	*(226)*	*(102)*	*(1,162)*
Additions to non-current assets										
- Capital expenditures	948	826	36	102	*1,912*	2,608	1,109	*3,717*	29	5,658
Total additions to non-current assets	**948**	**826**	**36**	**102**	***1,912***	**2,608**	**1,109**	***3,717***	**29**	**5,658**
Six months ended 30 June 2018 (Unaudited)										
Depreciation and amortisation expenses	(5,826)	(1,326)	(1,581)	(1,760)	*(10,493)*	(10,517)	(1,472)	*(11,989)*	(104)	(22,586)
Additions to non-current assets										
- Capital expenditures	1,101	259	46	203	*1,609*	2,988	900	*3,888*	85	5,582
Total additions to non-current assets	**1,101**	**259**	**46**	**203**	***1,609***	**2,988**	**900**	***3,888***	**85**	**5,582**
Year ended 31 December 2018 (Audited)										
Depreciation and amortisation expenses	(11,350)	(2,595)	(3,027)	(3,359)	*(20,331)*	(21,342)	(2,875)	*(24,217)*	(120)	(44,668)
Additions to non-current assets										
- Capital expenditures	2,074	927	259	2,361	*5,621*	4,761	3,443	*8,204*	982	14,807
Total additions to non-current assets	**2,074**	**927**	**259**	**2,361**	***5,621***	**4,761**	**3,443**	***8,204***	**982**	**14,807**

3 Segment reporting (continued)

b) Reportable segments *(continued)*

(iv) Geographical information

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

Revenue	**Six months ended 30 June 2019 (USD '000) (Unaudited)**	**Six months ended 30 June 2018 (USD '000) (Unaudited)**	**Year ended 31 December 2018 (USD '000) (Audited)**
Turkey	29,860	30,276	66,985
Montenegro	4,475	6,172	10,042
Malta	6,249	5,677	13,017
Spain	12,500	13,348	31,577
Italy	1,514	1,083	3,191
Croatia	11	--	--
	54,609	**56,556**	**124,812**

Non-current assets	**As at 30 June 2019 (USD '000) (Unaudited)**	**As at 31 December 2018 (USD '000) (Audited)**	**As at 30 June 2018 (USD '000) (Unaudited)**
UK	13,363	12,048	148
Turkey	234,027	243,224	265,512
Spain	136,591	129,695	136,434
Malta	127,308	94,703	96,839
Montenegro	72,512	65,202	65,243
Italy	6,412	6,962	7,420
Croatia	3,063	--	--
Unallocated	29,143	29,071	25,030
	622,419	**580,905**	**596,626**

Non-current assets relating to deferred tax assets and financial instruments (including equity-accounted investees) are presented as unallocated. Non-current assets as at 30 June 2019 include the right of use assets recognised under IFRS 16.

(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 Seasonality of Revenue

Sales from the Cruise business are more heavily weighted towards the second half of the calendar year with, on average, approximately 62% of annual sales arising during the July to December period for the last three years. In 2018, 45% of the Group's full year revenue fell in the first six months, 43% in 2017 and 46% in 2016.

5 Revenue

The Group's operations and main revenue streams are those described in the last annual financial statements. The Group's revenue is derived mainly from cruise and commercial operations.

5 Revenue *(continued)*

For the six month period 30 June, revenue comprised the following:

	BPI		VCP		EP		other cruise ports		Total Cruise		Port Akdeniz		Port of Adria		Total Commercial		Total Consolidated	
(USD '000)	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**
Point in time																		
Container revenue	--	--	--	--	--	--	--	--	--	--	14,930	18,948	2,757	2,770	17,687	21,718	17,687	21,718
Landing fees	10,889	11,324	2,510	2,150	784	298	1,160	1,076	15,343	14,848	--	--	--	--	--	--	15,343	14,848
Port service revenue	753	772	483	377	757	844	181	191	2,174	2,184	8,448	3,202	104	142	8,552	3,344	10,726	5,528
Cargo revenue	--	--	--	--	--	--	--	--	--	--	2,151	4,749	1,055	2,602	3,206	7,351	3,206	7,351
Domestic water sales	164	342	--	--	20	44	4	11	188	397	19	23	9	7	28	30	216	427
Income from duty free operations	--	--	1,875	1,776	--	--	--	--	1,875	1,776	--	--	--	--	--	--	1,875	1,776
Other revenue	104	--	153	--	235	86	421	42	913	128	382	512	237	--	619	512	1,532	640
Over time																		
Rental income	590	910	1,228	1,373	503	464	230	307	2,551	3,054	347	563	313	651	660	1,214	3,211	4,268
Habana Management fee	--	--	--	--	--	--	813	--	813	--	--	--	--	--	--	--	813	--
Total	**12,500**	**13,348**	**6,249**	**5,676**	**2,299**	**1,736**	**2,809**	**1,627**	**23,857**	**22,387**	**26,277**	**27,997**	**4,475**	**6,172**	**30,752**	**34,169**	**54,609**	**56,556**

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

Revenue	**Period ended 30 June 2019 (USD '000)**	**Period ended 30 June 2018 (USD '000)**	**Year ended 31 December 2018 (USD '000)**
Receivables, which are included in 'trade and other receivables'	19,865	15,277	12,129
Contract assets	3,084	243	797
Contract liabilities	(1,427)	(672)	(879)
	21,522	**14,848**	**12,047**

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 has provided to customers and billed, which was based on the nature of the business less than one week period.

The amount of $879 thousand recognised in contract liabilities at the beginning of the period has been recognised as revenue for the period ended 30 June 2019.

The amount of revenue recognised in the period ended 30 June 2019 from performance obligations satisfied (or partially satisfied) in previous periods is $797 thousand. This is mainly due to the nature of operations.

No information is provided about remaining performance obligations at 30 June 2019 that have an original expected duration of one year or less, as allowed by IFRS 15.

Finance income and costs

Finance income comprised the following:

Finance income	Six months ended 30 June 2019 (USD '000) (Unaudited)	Six months ended 30 June 2018 (USD '000) (Unaudited)	Year ended 31 December 2018 (USD '000) (Audited)
Other foreign exchange gains (*)	9,653	9,927	26,271
Interest income on related parties	--	297	449
Interest income on banks and others	725	692	470
Interest income from housing loans	5	--	33
Gain on sale of marketable securities	--	9	--
Other income	143	17	732
Total	**10,526**	**10,942**	**27,955**

(*) 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.

The income from financial instruments within the category financial assets at amortized costs is USD 870 thousand (30 June 2018: USD 1,010 thousand, 31 December 2018: USD 952 thousand).

Finance costs comprised the following:

Finance costs	Six months ended 30 June 2019 (USD '000) (Unaudited)	Six months ended 30 June 2018 (USD '000) (Unaudited)	Year ended 31 December 2018 (USD '000) (Audited)
Interest expense on loans and borrowings	12,671	12,140	25,005
Foreign exchange losses on loans and borrowings (*)	13,068	9,260	19,827
Interest expense on lease obligations	1,655	103	192
Other foreign exchange losses	879	171	14,417
Other interest expenses	8	161	17
Letter of guarantee commission expenses	118	120	158
Loan commission expenses	365	34	103
Unwinding of discounts during the year	122	149	303
Other costs	77	159	845
Total	**28,963**	**22,297**	**60,867**

(*) The Group's foreign exchange losses arise mainly through its USD denominated borrowings held in a Turkish Lira functional currency entity.

The interest expense for financial liabilities not classified as fair value through profit or loss is USD 14,334 thousand (30 June 2018: USD 12,404 thousand, 31 December 2018: USD 25,325 thousand).

Taxation

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 June 2019 is 21.02%, increasing compared to 16.22% for the six months ended 30 June 2018. The increase in the estimated tax rate is mainly due to higher taxable profits in the cruise ports which are based in higher tax jurisdictions combined with higher tax rates in Europe and lower taxable profit from commercial ports which are based in lower tax jurisdictions.

Trade and other receivables

	Six months ended 30 June 2019 (USD '000) (Unaudited)	Year ended 31 December 2018 (USD '000) (Audited)	Six months ended 30 June 2018 (USD '000) (Unaudited)
Trade receivables	22,950	12,926	15,520
Deposits and advances given(*)	18,185	5,602	12
Other receivables	1,781	1,471	1,349
Total trade and other receivables	**42,916**	**19,999**	**16,881**

(*) The increase in deposits and advances given is related to cash collaterals for issuance of guarantee letters in Italy and Tunusia.

Venetto Sviluppo, the 51% shareholder of APVS, which in turn owns a 53% stake in Venezia Terminal Passegeri S.p.A (VTP), has a put option to sell its shares in APVS partially or completely (up to 51%) to Venezia Investimenti (VI). This option originally can be exercised between 15th May 2017 and 15th November 2018, extended until the end of November 2021. If VS exercises the put option completely, VI will own 99% of APVS and accordingly 71.51% of VTP. The Group has given a guarantee letter for its portion of 25% in VI, which in turn has given the full amount of call option as guarantee letter to VS.

The Group bid to acquire Goulette Shipping Cruise, the company that operates the cruise terminal in La Goulette, Tunisia. During the finalization of concession agreement, Group provided a cash collateral to Tunisia government authority. The majority of these cash collateral have been returned back post period end.

Capital and reserves

Dividends

Dividend distribution declarations are made by the Company in GBP and paid in USD in accordance with its articles of association, after deducting taxes and setting aside the legal reserves as discussed above.

GPH PLC declared a 2018 final dividend of GBP 0.212 per share to its shareholders on 24 May 2019 and paid it on 5 July 2019, giving a distribution of GBP 13,319 thousand (USD16,849 thousand). Other dividend distributions in 2019 were made by Valletta Cruise Port to other shareholders, on which they have non-controlling interest, amounting to USD 1,786, and Cagliari to other shareholders amounting to USD 65.

GPH PLC declared on 13 August 2018 and paid on 26 October 2018, a 2018 interim dividend of GBP 0.215 per share to its shareholders, giving a distribution of GBP 13,571 thousand (USD 17,710 thousand).

GPH PLC declared 2017 final dividend of GBP 0.201 per share to its shareholders on 12 March 2018 and paid on 9 May 2018, giving a distribution of GBP 12,628 thousand (USD 17,132 thousand).

The total dividends paid in 2018 were USD 34,843 thousand. Other dividend distributions were made by Valletta Cruise Port to other shareholders, on which they have non-controlling interest, amounting to USD 1,320, BPI to other shareholders amounting to USD 2,409, and Cagliari to other shareholders amounting to USD 68.

Loans and borrowings

Loans and borrowings comprised the following:

Short term loans and borrowings	**As at 30 June 2019 (USD '000) (Unaudited)**	**As at 31 December 2018 (USD '000) (Audited)**	**As at 30 June 2018 (USD '000) (Unaudited)**
Short term portion of Eurobond issued (i)	18,549	18,558	18,551
Short term bank loans	3,339	12,031	6,600
- TL	*3,259*	--	*533*
- Other currencies	*80*	*12,031*	*6,067*
Short term portion of long term bank loans	33,125	16,853	21,612
- TL	*834*	*575*	*332*
- Other currencies	*32,291*	*16,278*	*21,280*
Lease obligations	3,282	1,313	1,311
- Finance leases	*1,564*	*1,313*	*1,311*
- Lease obligations recognized under IFRS 16	*1,718*	--	--
Total	**58,295**	**48,755**	**48,074**

Long term loans and borrowings	**As at 30 June 2019 (USD '000) (Unaudited)**	**As at 31 December 2018 (USD '000) (Audited)**	**As at 30 June 2018 (USD '000) (Unaudited)**
Long term portion of Eurobonds issued (i)	231,972	231,666	231,198
Long term bank loans	58,946	66,038	74,332
- TL	*25*	*25,565*	*224*
- Other currencies	*58,921*	*40,473*	*74,108*
Finance lease obligations	60,736	592	1,217
- Finance leases	*1,509*	*592*	*1,217*
- Lease obligations recognized under IFRS 16	*59,227*	--	--
Total	**351,654**	**298,296**	**306,747**

(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.

Loans and borrowings *(continued)*

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.

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.

Provisions

For the period ended 30 June, the movements of the provisions as below:

	Replacement provisions for Creuers (*)	Port of Adria Concession fee provision (**)	Italian Ports Concession fee provision (***)	Unused vacations	Legal	Other	Total
Balance at 1 January	**6,138**	**1,432**	**1,668**	**206**			
Reversal due to IFRS 16 application	--	(1,432)	(377)	--			
Provisions created	256	--	--	100			
Provisions utilised	--	--	(132)	--			
Reversal of provisions	--	--	--	--			
Unwinding of discounts	97	--	25	--			
Currency translation difference	(39)	--	(9)	(18)			
Balance at 30 June	**6,452**	**--**	**1,175**	**288**			
Non-current	6,452	--	908	--			
Current	--	--	267	288			
	6,452	**--**	**1,175**	**288**			

(*) 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.

Provisions *(continued)*

(**) 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. For the annual year starting at 1 January 2019, the Group has adopted option 2 of modified retrospective approach under which Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments. The Group reversed this accrual through Right of use asset as explained on Note 2 (d) (i).

(***) 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 44,315.74 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 2019, the Group has reclassified this accrual to lease liabilities related to IFRS 16.

Earnings / (Loss) per share

The Group presents basic earnings per share ("basic 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.

During the year, the Group introduced share-based payments as part of its long-term incentive plan to directors and senior management. The shares to be granted to the participants of the scheme are only considered as potential shares when the market vesting conditions are satisfied at the reporting date. None of the market conditions are satisfied at the reporting date and therefore there is no dilution of the earnings per share or adjusted earnings per share (Note 2f). There are no other transactions that can result in dilution of the earnings per share or adjusted earnings per share (Note 2f).

Earnings per share is calculated by dividing the profit attributable to ordinary shareholders, by the weighted average number of shares outstanding.

	As at 30 June 2019 (USD '000) (Unaudited)	As at 30 June 2018 (USD '000) (Unaudited)	As at 31 December 2018 (USD '000) (Audited)
(Loss) / Profit attributable to owners of the Company	(16,317)	(3,789)	770
Weighted average number of shares	62,826,963	62,826,963	62,826,963
Basic and diluted (loss) / earnings per share (cents per share)	(26.0)	(6.0)	1.23

Commitment and contingencies

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.

The 30 June 2019 financial statements have been prepared assuming the current concession length.

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 Counsel 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.

The 30 June 2019 financial statements have been prepared assuming the current concession length.

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. By law, the Competition Authority has 6 months from the submission date to evaluate the defences and prepare an investigation report which can be extended by an additional 6 months. At this stage, the claim has not been matured and it depends on the result of the final investigation report to be issued by the Competition Authority. Whole process before the Competition Authority may take up to 18 months (excluding the possibility to file an administrative lawsuit against a negative decision of the Competition Authority).

No provision is recognised in respect of this matter.

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. The Management is now in discussions with the local lawyers to determine defences for any potential claim and take it to the higher court and eventually to European courts for final decision once we exhaust local law avenue.

No provision is recognised in respect of this matter.

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.

No provision is recognised in respect of this matter.

One of our 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. Both cases are pending before the competent court.

A provision is recognised in respect of this matter.

Related parties

There are no changes in the related parties of these interim financial statements compared to those used in the Group's consolidated financial statements as at and for the year ended 31 December 2018, except for European Bank of Reconstruction and Development ("EBRD"), which sold its shares in GPH PLC.

All 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

Current receivables from related parties comprised the following:

Current receivables from related parties	**As at 30 June 2019 (USD '000) (Unaudited)**	**As at 31 December 2018 (USD '000) (Audited)**	**As at 30 June 2018 (USD '000) (Unaudited)**
Global Yatırım Holding	681	602	478
Adonia Shipping (*)	61	67	855
Naturel Gaz (*)	73	72	74
Straton Maden	67	73	92
Global Menkul	--	--	141
IEG Global	57	57	--
Global Ports Holding BV	3	47	22
Lisbon Cruise Terminals lda	--	37	--
Adamas	9	--	--
Aristaeus Limited	9	--	--
Mehmet Kutman	1	17	20
Ayşegül Bensel	--	1	--
Others (*)	96	54	48
Total	**1,057**	**1,027**	**1,730**

(*) These amounts are payments in advance for contracted work. These have an interest rate changed of 9.75% p.a. as at 30 June 2019 (31 December 2018: 9.75%, 30 June 2018: 8.50%).

Due to related parties

Current payables to related parties comprised the following:

Current payables to related parties	**As at 30 June 2019 (USD '000) (Unaudited)**	**As at 31 December 2018 (USD '000) (Audited)**	**As at 30 June 2018 (USD '000) (Unaudited)**
Mehmet Kutman	344	153	157
Global Sigorta (*)	41	309	57
Global Menkul (*)	--	1	1
Ayşegül Bensel	114	53	--
Other	5	26	35
Total	**504**	**542**	**250**

(*) These amounts are related to professional services provided. These have an interest rate of 19.50% p.a. as at 30 June 2019 (31 December 2018: 19.50%, 30 June 2018: 8.50%).

Related parties *(continued)*

Transactions with related parties

Transactions with other related parties comprised the following for the following periods:

(USD '000)	Six months ended 30 June 2019 (Unaudited)		Six months ended 30 June 2018 (Unaudited)		Year ended 31 December 2018 (Audited)	
	Interest received	**Other**	**Interest Received**	**Other**	**Interest received**	**Other**
Global Yatırım Holding	--	--	297	--	252	--
Global Menkul	--	--	--	--	197	--
Total	**--**	**--**	**297**	**--**	**449**	--

USD '000	**Interest Paid**	**Other**	**Interest Paid**	**Other**	**Interest paid**	**Other**
Global Yatırım Holding	--	--	--	1	--	--
Global Menkul	--	--	--	--	--	--
Total	**--**	**--**	**--**	**1**	**--**	**--**

5 **Financial Instruments' fair value disclosures**

Fair value measurements

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 indirectly (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 Group's financial assets and financial liabilities were approximate to their fair values.

(USD '000)	Note	As at 30 June 2019 (Unaudited)		As at 31 December 2018 (Audited)		As at 30 June 2018 (Unaudited)	
		Carrying	**Fair**	**Carrying**	**Fair**	**Carrying**	**Fair**
Financial assets							
Other financial assets		12,613	12,613	12,009	12,009	11,782	11,782
Financial liabilities							
Loans and borrowings	10	345,931	342,377	345,676	334,963	352,294	361,345
Lease obligations		64,018	64,018	1,905	1,905	2,528	2,528

Financial Instruments' fair value disclosures *(continued)*

Fair value measurements (continued)

The Group's convertible debt instrument investment is issued by Dreamlines GmbH. The loan is repayable in quarterly instalments starting February 2020 until its final maturity in May 2021, unless the loan is converted into Dreamlines' equity. This feature was solely at GPH's discretion and valid until May 2019. Management decided not to exercise this option, and therefore the investment is solely a debt instrument. Key terms of the instrument include that, other financial indebtedness outstanding and incurrence of any other debt is restricted, and the loan is secured by bank account pledges, receivable assignments and security assignment of key intellectual property.

The Group's debt instrument, issued by Dreamlines, remains to be included in Level 3 of the fair value hierarchy. On the basis that no alternative or contradictory evidence has been identified, Management concluded that the assumption of continuing to recognise the FVTPL instrument at amortised cost at this point is reasonable.

The Group's lease obligations fair value has been obtained using the discounted cash flow model.

Reconciliation of financial asset:

	2019 Unquoted equities USD'000	**2018 Unquoted equities USD'000**
Opening Balance	**12,013**	**--**
Total gains or losses		
- in profit or loss*	600	(195)
- in other comprehensive income	--	--
Purchases	--	11,977
Closing Balance	**12,613**	**11,782**
………………………...		
*Gains or losses included in profit or loss attributable to assets and liabilities still held as at 30 June		
Foreign exchange losses	(76)	(195)
Interest income	676	--

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' fair value disclosures *(continued)*

Fair value measurements (continued)

<u>Financial instruments at fair value</u>

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

(USD '000)

		Level 1	**Level 2**	**Level 3**	**Total**
As at 30 June 2019 (Unaudited)	Other financial assets	--	--	12,613	12,613
	Derivative financial liabilities	--	669	--	669
As at 31 December 2018 (Audited)	Other financial assets	--	--	12,009	12,009
	Derivative financial liabilities	--	617	--	617
As at 30 June 2018 (Unaudited)	Other financial assets	--	--	11,782	11,782
	Derivative financial liabilities	--	788	--	788

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.

Events after the reporting date

The Group paid a 2018 final dividend of GBP 0.212 per share to its shareholders on 5 July 2019, giving a distribution of GBP 13,319 thousand (USD 16,849 thousand).

The Group decided to pay an interim dividend equivalent to USD 0.199 per share to its shareholders, giving a distribution of USD 12,500 thousand.

The Group has reorganised its cruise operations under a new Regional structure. Under the new structure, three Regional Directors will be appointed to manage East Mediterranean, West Mediterranean and Americas regions.

The Group announced that in light of the emerging opportunities in its cruise business it is undertaking a strategic review of the Group, which is being carried out by Goldman Sachs International. The purpose of the strategic review is to explore ways to maximise value for all stakeholders and includes a range of potential corporate activity including a sale of certain assets as well as strategic investments and partnerships.