ANNUAL REPORT 2021

GLOBAL PORTS
HOLDING PLC

Global Ports Holding PLC is the world's largest independent cruise port operator with an established presence in the Caribbean, Mediterranean and Asia-Pacific regions as well as a commercial port operation in Montenegro.

Global Ports Holding (GPH) serves the needs of the world's cruise lines, ferries and megayachts through interests in a strategically located network of cruise ports in 12 countries, as well as operating a commercial port in Montenegro.

We offer our customers and their passengers leading levels of service tailored to their needs, delivered with leading standards of safety, security and performance worldwide.

Our cruise business

Read more in the Cruise industry report on page 42

Our commercial business

Read more in the Commercial sector report on page 52

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Highlights

The 15 months to the end of March 2021 was the most challenging period in the history of the Company. A period that had promised to deliver record revenue, EBITDA and passenger numbers ended up with global travel restrictions reducing passenger numbers to almost zero. Despite the challenging conditions, our bid was accepted for the concession for Taranto Cruise Port, Italy, with operations starting shortly after period end. And our aspirations to become a pure-play cruise operator took a meaningful step forward, with the sale of Port Akdeniz in January 2021.

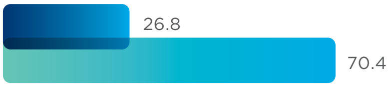
15 months to end March 2021 | 2019

Revenue (USD million) +12.8%

79.3

Adjusted revenue* (USD million) -61.9%

26.8



Segmental EBITDA* (USD million) -97.4%

1.2

Segmental EBITDA margin (Cruise)*

-9.7

Segmental EBITDA margin (Commercial)*

30.6

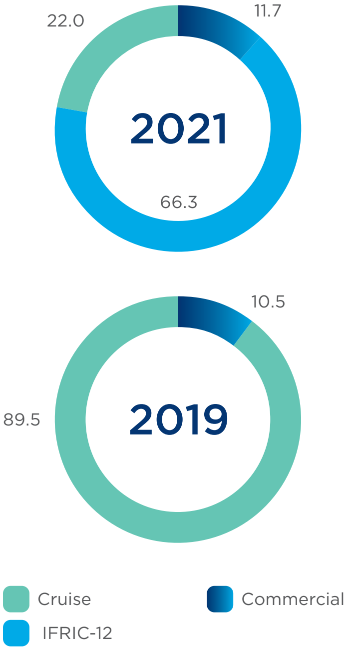
Operating loss/profit (USD million)

-72.4

Loss after tax (USD million)

-94.7

Revenue breakdown (%)



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* Please refer to the Glossary of Alternative Performance Measures on pages 226 to 229 for the definition of these terms. 2019 and 2021 presented excluding Port Akdeniz and construction revenue at Nassau Cruise Port.

19

Operates or invests in 19 ports worldwide

1.3m

Passengers
A significant reduction as a result of Covid-19's impact on the cruise industry

12

Across 12 countries

1

Successful bid for interest in one new port, Taranto Cruise Port*

Group highlights

- With Port Akdeniz reported as a discontinued operation, Group revenue for the reporting period was USD 79.4 million compared with USD 70.4 million for the 12 months to December 2019, adjusted EBITDA of USD -6.7 million compared with USD 39.6 million and loss before tax of USD -122.7 million compared with USD -24.5 million.
- Excluding IFRIC-12 construction revenue, adjusted revenue of USD 26.8 million compared to USD 70.4 million for the 12 months to December 2019, adjusted EBITDA of USD -6.7 million compared to USD 39.6 million for the 12 months to December 2019, Underlying loss for the period USD 11.1 million.
- The Board suspended dividends in 2020 as a result of the level of disruption caused by Covid-19.

Cruise highlights

- We invested USD 72.8 million into our new Caribbean ports in the period, demonstrating our long term commitment to these destinations and ports.
- The new pier in Antigua was completed, which is capable of handling the largest ships in the world, on budget and on time.
- Covid-19 pandemic led to the global shutdown of the Cruise industry, with very few passengers handled from April 2020 until the end of the Reporting Period.
- Our bid was accepted for a 20-year concession to manage the services for cruise passengers in the Port of Taranto*, Italy.

Commercial highlights

- In January 2021, following a period of exclusive negotiations, Port Akdeniz was sold to QTerminals, for an enterprise value of USD 140 million.
- Port of Adria delivered EBITDA of USD 2.9 million.
- Port of Adria reported an EBITDA margin of 30.6%.

Current trading and outlook

- The near-term outlook for the cruise industry remains somewhat uncertain. However, the majority of our cruise ports have already welcomed the return of cruise passengers and we expect volumes to steadily pick up over the remainder of the 2021 season.
- Looking into the year to March 2023 and beyond, demand for cruising remains strong, and we expect cruise volumes to steadily recover to pre-pandemic levels over the next couple of years.
- We look forward to welcoming cruise passengers to the newly invested cruise facilities at Antigua Cruise Port.
- Our operation of Taranto Cruise Port started in May 2021 and we expect operations to start in Valencia in the year ahead.
- We were delighted to recently commence homeporting operations in Nassau.
- We remain confident of further delivery of our inorganic growth story in the years ahead.

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* Taranto Cruise Port concession agreement was signed after period end.

Fall in cruise passengers
We welcomed 1.3 million cruise passengers to our ports, a sharp fall on the record passenger volumes in 2019.

New ports added
In the period, our bid was accepted for a concession for Taranto Cruise Port, Italy. With the concession signed shortly after period end.

Record Port Investment
We invested USD 84.5 million into our ports, including USD 72.8 million into Antigua Cruise Port and Nassau Cruise Port.

A TRULY GLOBAL NETWORK

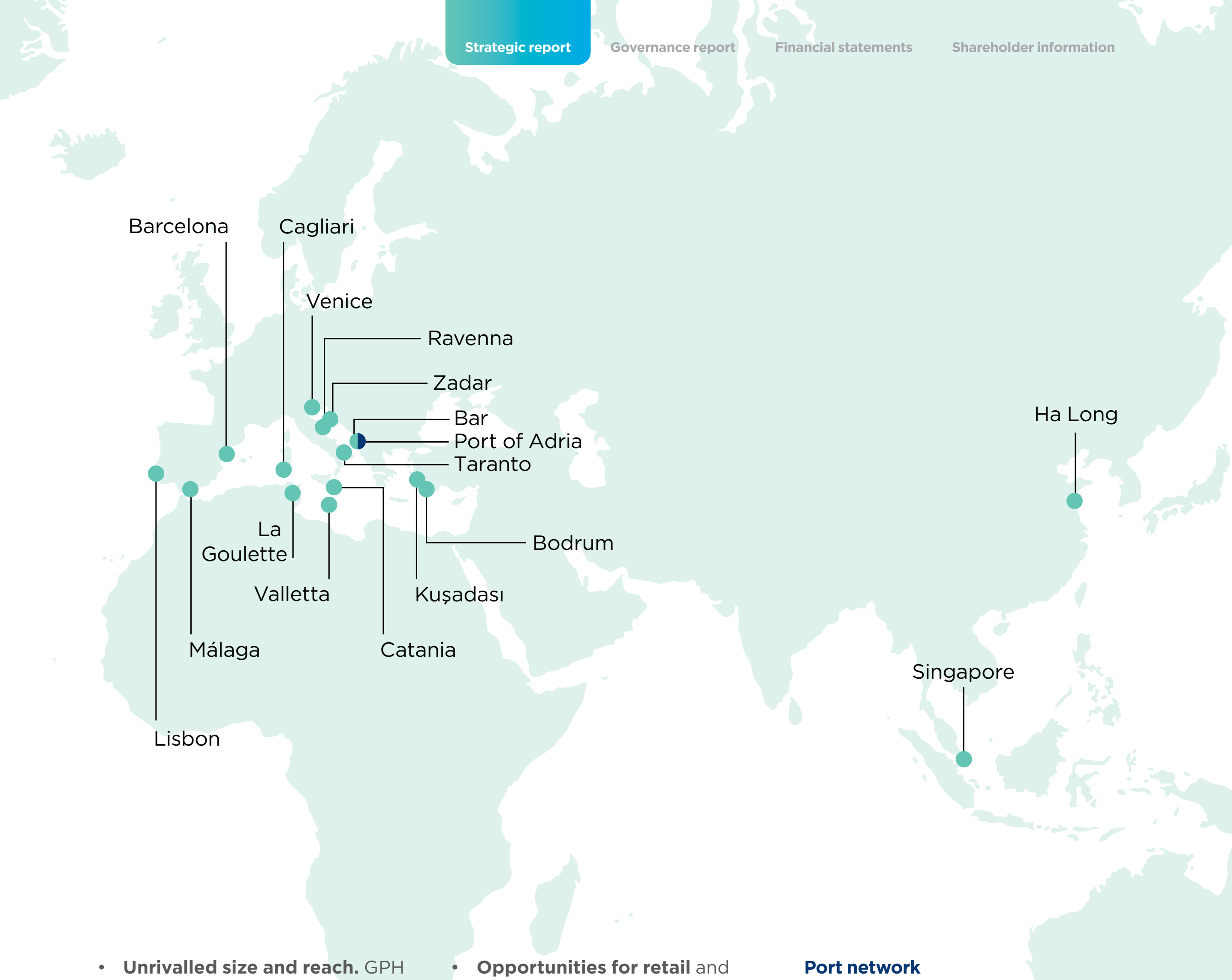
As the world's leading cruise port operator, Global Ports Holding has an established presence in the Mediterranean, the Caribbean and Asia-Pacific regions, as well as a commercial port in Montenegro.

The onset of the Covid-19 pandemic and the industry's ensuing crisis meant that work to grow the number of ports in our network slowed during the period. However, during the period, our bid was successful for a 20-year concession for Taranto Cruise Port, Italy, with the concession signed and operations starting shortly after period end.

Our joint venture partner, Baleària Group was selected for a 35-year concession for Valencia port, Spain, with GPH to manage the cruise port operations. The final concession agreement for this port is expected to be signed before the end of the period.

Significantly, our investment plans in the Caribbean continued despite the crisis. Our investment into Antigua completed in Q4-2020, resulting in a 25% increase in the port's berthing space. In Nassau, our transformational investment continues in line with our original expectations.

A globally diversified cruise port network, with operational and management synergies.



- **Unrivalled size and reach.** GPH owns and operates the largest independent cruise port network in the world. Our presence and track record in the Mediterranean represents a barrier to entry for aspiring competitors.
- **Long-term revenues.** The concessions we operate have, on average, 22 years' cash generation ahead of them.
- **Year-on-year organic expansion.** While Covid-19 has had a material adverse impact on the cruise industry, the industry is expected to recover before then continuing on its long term growth trajectory, vessels are getting larger, and demand for new and comprehensive port services continues to rise.
- **Scope for ancillary revenues.** Our network has significant opportunities to grow ancillary services.
- **Opportunities for retail** and passenger services continue to grow as we expand our network and invest in our current facilities.
- **A single, effective Group.** Our unified approach opens up operational synergies, global standards and best practice sharing across our network.
- **Flexible business model.** Our business model is inherently flexible. The majority of our costs rise and fall with volume.
- **We are strongly cash generative.** With the exception of the 15-month period to end March 2021, GPH has low or negative working capital, and our low maintenance CAPEX model has consistently delivered strong cash conversion.
- **A demonstrable market leader.** We have a proven and dynamic management team under our roof, with deep experience in port investments, operations, business turnarounds, and marketing.

Port network

The map shows the location of each port that GPH operates or invests in. Please see the individual port reports on pages 46 to 51 for more information on each.

● Cruise port
● Commercial port

THE MOST CHALLENGING OF TIMES

The Reporting Period has been, without a doubt, an unprecedented period in all our lifetime. The Covid-19 pandemic meant that lockdowns, social distancing and face masks became the norm for many people worldwide. Widespread government lockdowns and travel restrictions meant that for much of the period many of us were restricted to only travelling locally.

The global travel and tourism sector felt the impact of Covid-19 particularly hard. For the first time, the industry was placed in effective hibernation, a previously unimaginable scenario. During this period, the Company faced the most challenging period in its history.

We reacted quickly to the crisis and took significant action to protect the balance sheet and the business's long-term future. We reduced costs across the business, with employees and Board members accepting salary deferrals or temporary salary reductions, while we suspended all but essential capital expenditure.

Our flexible business model, including the extensive use of outsourced service providers, meant that much of our costs reduced in line with the drop in cruise activity. We also engaged with our stakeholders, be they governments or relevant port authorities to suspend or defer concession payments.

The combination of the speed of our reaction to the crisis, our flexible business model and the support of our stakeholders meant we weathered the crisis better than many of our industry peers.

Strategic review

In 2019, the Board commenced a strategic review to explore the best way to maximise value for all stakeholders, both in the short and long term. The most significant outcome of this review was our decision to enter exclusive negotiations with a potential buyer of our commercial interests at Port Akdeniz.

While the Covid-19 pandemic slowed the process down, in January 2021, we announced the sale of Port Akdeniz to QTerminals W.L.L. for an enterprise value of USD 140 million. At the same time, the Board announced it is was now considering its options regarding Port of Adria, our remaining commercial port concession, including potential disposal.

The sale of Port Akdeniz marks a pivotal moment for the Group. We are now a more geographically diversified business, with only two ports in Turkey and revenue from Turkey representing a significantly reduced proportion of Group revenue. However, more importantly, the Group has now effectively become a pure-play cruise port operator. Despite the negative impact of Covid-19, the cruise sector continues to offer a long-term structural growth profile.

I expect the cruise industry to emerge strongly from the crisis, proving once again to be one of the most resilient travel sectors in the world.

Mehmet Kutman, Executive Chairman and Co-Founder

Refinancing

Shortly after the period end, we launched a tender offer for up to USD 75 million of the USD 250 million Eurobond issued by Global Liman, the 100% owned subsidiary of GPH, subsequently accepting tenders totalling USD 44.7 million at a discounted rate of 89.9%.

In May 2021, we announced that we had entered into a five-year, USD 261.3 million senior secured loan agreement with the international investment firm Sixth Street. Proceeds from this loan facility was used to repay the outstanding amount of the Eurobond in July 2021.

The remainder of the facility will be drawn down to help drive growth in the business, primarily focused on growing the number of cruise ports to our network.

Network growth

I am excited by the opportunities our partnership with Sixth Street will bring. The cruise industry has recently faced unprecedented challenges. As it emerges from the Covid-19 pandemic, it is clear that the demand for cruising remains strong. Our loan agreement and partnership with Sixth Street not only secures our current financing needs but provides the financial flexibility to support our ambitions to be the cruise port operator of choice for leading cruise port stakeholders all over the world.

We look forward to using this capital to continue to expand the business and take advantage of the current pipeline of growth opportunities.

Financial performance

During the period, the Board decided to move our year-end to March, better aligning our financial reporting to the seasonality of the cruise industry. This change means that we have reported our performance over the 15 months to the end of March 2021, with the subsequent years to report over the 12 months to end March.

The Reporting Period was the most challenging in our history. Calendar year 2020 started so brightly, with the strong contribution from our new ports in the Caribbean, Antigua and Nassau, but quickly became dominated by the Covid-19 pandemic.

For the 15 months, adjusted revenue was USD 26.8 million. Adjusted EBITDA was USD -6.7 million. Loss before tax was USD 122.7 million and loss after tax was USD 94.7 million.

Board and management changes

In the first quarter of 2020, Andy Stuart joined the Board as a Non-Executive Director and we began a process to recruit an additional Non-Executive Director. As the Covid-19 crisis grew, we suspended this process to fully focus on responding to challenges created by the Covid-19 pandemic. In November 2020, Mr. Stuart stepped down from the Board for personal reasons. The Board expects to restart the recruitment process shortly and expects Independent Non-Executive Directors will fill both vacancies.

In July 2020, we appointed Jan Fomferra as Chief Financial Officer of the Group. Jan has a significant level of financial experience. Before his appointment, Jan was closely involved in all of GPH's financing transactions since 2012, including the issuing of GPH's Eurobond in 2014 and the IPO in 2017. His knowledge and experience have been invaluable in the Port Akdeniz sale, strategic and financial alliances, and new loan agreement processes.

Governance

In our day-to-day operations, we take our responsibilities towards safety and the environment very seriously, adhering to Group-wide policies and codes of conduct. These include the GPH Security Code and the GPH Health, Safety & Environment Policy which, we believe, set industry benchmarks. Such policies are central to what we do and our achievements to date are testament to keeping the interests of our varied stakeholders at the heart of our decision-making. As a standard listed company, we are not required to adopt the 'comply or explain' regime of the UK Corporate Governance Code (the 'Governance Code') published by the Financial Reporting Council.

Dividend

Following the unprecedented disruption to the industry caused by the Covid-19 and the uncertainty it created, the Board suspended the dividend for the full year 2019 until the situation improved. With the cruise industry only just beginning to recover, the Board has decided to continue to suspend the dividend until the situation improves.

The future

As I look to the future, I am encouraged by the current level of bookings at our cruise ports for the remainder of calendar year 2021, and particularly for 2022. With cruise lines planning a staged return to normality, in terms of planned sailings, over the months ahead.

Importantly, all of the major cruise lines continue to report strong booking trends for future cruises. This trend is perhaps the most important indicator of how strongly the cruise industry will recover from Covid-19. Without cruise passengers, there is of course no cruise industry.

It is very encouraging that the demand to return to travel and enjoy the unique experiences that the cruise industry can offer is so strong. All of our teams across the world look forward to welcoming back passengers to our ports over the weeks and months ahead.

Thank you

Finally, I would like to extend my thanks to the Global Ports Holding team and all our stakeholders.

The Covid-19 pandemic has brought significant challenges to us all. However, I believe the long-term structural demand for cruising means the future of the industry, our host communities and our business remains positive.

I would like to thank everyone at Global Ports Holding for their continued hard work and dedication to the business. To our host communities, I once again extend our gratitude. We continue to be both your guests and partners in your communities.

Finally, to our shareholders, it has been a challenging period. However, our shared vision for the Company remains undiminished and we look forward to a return to both profitability and growth in the year ahead.

Mehmet Kutman
Executive Chairman and Co-Founder

Our purpose is to be a key enabler of cruise tourism in our destinations for the benefit of all stakeholders.

OUR MISSION

Best operating model

To create the best operating model for ports, and continuously improve by learning from each other and integrating best practices across our facilities.

Best partner/service provider

To be the best partner to cruise lines, local governments, B2B partners and suppliers and our localities.

Best customer experience

To provide the best customer experience, both in port and inland.

Best expansion capabilities

To achieve the best M&A and induction capability in the sector, and the best value creation programme for local stakeholders.

OUR VALUES

Leadership and professionalism

We support clear direction, fairness, motivation, inclusive leadership, and cultivation of a high-performance environment.

Teamwork and collaboration

We promote a learning culture where we encourage each other to maximise and expand our capabilities.

Getting it done

We practice successful execution, resourcefulness, initiative, corporate entrepreneurship and ownership.

Integrity

We operate with honesty, transparency and open communication.

OUR CRUISE BUSINESS

WHAT WE DO

We consider our cruise revenue based on two defined segments:

1. **Core port services:** revenue mainly derived from handling cruise ships and their passengers and crew through terminal and marine services.

   These revenues are primarily generated through per passenger charges for a range of core services at each port.

   Examples of core port services:
   - landing fees;
   - security fees; and
   - luggage handling fees.

2. **Ancillary services:** revenue from a portfolio of additional services offered at each port:
   - vessel & port services;
   - destination & shore side services; and
   - area & terminal management.

   This aligns the type of service more closely to where we provide them at our ports.

   The focus is on providing the most efficient, flexible and value-adding services at each port.

We provide our services directly to cruise lines, passengers and crew, as well as working with destination stakeholders such as retailers, office tenants and third-party service providers. In certain ports, we also serve ferries, and super- and megayachts.

Our mission and our values underpin our business

Read more on **page 9**

KEY INPUTS & DRIVERS

Cruise passenger volumes

The most important driver of our cruise operations is cruise passenger volumes. They underpin the majority of our revenue and are the key to us successfully delivering organic growth.

Typically, cruise lines tend to set itineraries 12-18 months in advance, providing good short and medium-term visibility on our business's most important driver. Albeit, the current outlook is more uncertain as the industry recovers from Covid-19 travel restrictions.

In the medium to long term, the outlook for passenger volumes continues to be supported by the rising number and capacities of cruise ships coming to the market over the next decade.

Ancillary services

Terminal and marine services generate our core cruise revenue, growing ancillary services is also central to our business model.

Costs

Cost control is a vital component of our model and success. Our ports contend with monthly, weekly and daily changes in resourcing needs. Therefore our cost base is structured to be inherently flexible. We extensively use third parties and contractors to best match each ports' staffing needs day-to-day.

Competitive advantage

Our cruise ports are in some of the most enticing, must-see destinations in the world. The allure of these destinations cannot just be replicated. While within the destinations, the waterfronts surrounding our ports are nearly always already largely developed and carefully protected, making it unlikely that new competing ports would be permitted.

When it comes to new concessions and agreements, we believe our experience and know-how creates a distinct competitive advantage compared with other potential operators.

Creating value and delivering for our customers and stakeholders

Our global operating procedures bring best practice to a port, learned and honed from our experiences worldwide, in a way a singular port would find hard to achieve.

We bring together local stakeholders with our local teams to create a compelling identity for the port and visitors' wider destination experience. Our marketing team actively promotes each port and destination in our network to the cruise lines. By addressing every stakeholder's needs – passengers, cruise lines, ports, regulators and destinations – we believe we create a virtuous circle with benefits for all.

GPH's cruise business model is focused on generating both organic and inorganic growth.

Our organic growth strategy focuses on increasing passenger volumes over the medium-term and utilising our portfolio of services to grow our revenue yield per PAX. Our inorganic strategy is to expand our network through investment into strategically chosen ports and enabling them to reach their full potential by harnessing our global best practice and experience to generate strong returns.

OUR USPs

Size and scale
We are the world's largest independent cruise port operator.

A proven track record
Of transforming traditional cruise terminals and delivering excellent customer experiences.

Operational excellence
We excel at operating our ports and run them professionally and safely. We understand all stakeholders' needs and bring a mindful 'all stakeholder' approach to developing destinations.

Modern infrastructure
We are significant investors in optimisation technology, including our proprietary GPH security code, cloud-based port operating systems, and state-of-the-art terminal equipment.

An integrated cruise port network
Presenting a superior branded value proposition for all stakeholders.

Marketing and influential strength
Gained from our widespread network and partnerships. We are a natural partner for cruise lines and local stakeholders due to our reputation as a leading and reliable port operator.

360° view
Our 360° view of the sector, and a sharp focus on the overall guest journey, positions us to develop services for even better customer experiences at every GPH port.

Our strategy
Read more about our strategy on **page 18**

OUR STAKEHOLDERS

Passengers
Our focus is to deliver a great experience at every port for every passenger. We believe our focus on well-invested terminals complemented by the provision of a portfolio of ancillary services plays an important role in passenger satisfaction with both the port and destination.

Cruise lines
Cruise lines are both our customers and our partners. Our focus on global operating standards ensures a uniformity of the services and service levels that a cruise line experiences at our ports. While our well-invested facilities increase a destination's attractiveness to their passengers, and our ancillary services improve passenger satisfaction.

Staff and contractors
The safety of everyone who works at or passes through one of our ports is our single most important priority. Our Health, Safety & Environment (HSE) Policy, based on international standards, is constantly reviewed and refined if necessary. Read more on page 59.

Government
Local and central governments are key stakeholders in our ports. We work closely with them, often providing a significant investment that ensures their cruise port's future for decades ahead. We drive economic growth in their local communities by attracting rising passenger volumes and increasing passenger spend in local economies.

Local communities and local stakeholders
While tourism brings vital income, employment, and multiplier effects that flow outwards to local communities, we are also sensitive to our local communities and stakeholders' broader needs.

We work hard to ensure that passenger numbers benefit the local economy without putting undue pressure on the local environment. Our HSE Manual lays down recognised procedures for protecting the environments in which we operate. Read more about our Environmental policies on pages 58 to 59.

Our ports regularly engage with and work with their local communities to raise funds and help local people and charities. You can read more about our Corporate Responsibility on pages 57 to 63.

Our stakeholders
Read more about how we engage with our stakeholders on **pages 53 to 56**

OUR COMMERCIAL BUSINESS

WHAT WE DO

Commercial cargo generally falls into one of two distinct categories:

1. **Containers:** shipping industry standardised intermodal containers used for storing and moving materials and products. They are loaded and sealed intact onto container ships —for example, steel and aluminium.
2. **General cargo:** this cargo tends to require special handling at the port and is typically transported in bags, boxes or crates.

We offer a range of other complimentary services such as warehouse services.

Our mission and our values underpin our business

Read more on **page 9**

KEY INPUTS & DRIVERS

Key inputs

The key input to our commercial operation is the volume of goods that we handle, which are primarily driven by global trade volumes and the health of both the global economy and the local economies around our port. Trade barriers and tariffs can have a negative impact on volumes.

Costs

Cost control is a vital component of our model and success. Staff utilisation is a key focus. We manage each ports' day-to-day staffing through the use of third parties and contractors. We also focus on controlling and minimising other costs such as energy usage.

Competitive advantage

The location and transport links of our port provides a significant competitive advantage.

- Port of Adria has strong rail links to land-locked neighbour Serbia, and in particular to the industrial area around Belgrade. It also significant storage capacity, which allows it to act as a distribution centre for the region.

Our Commercial business generates the majority of its revenue from handling goods for export and import through Port of Adria. The port is focused on introducing new services and revenue streams to drive revenue and EBITDA growth, while at the same time seeking new cargo volumes to diversify their business mix further.

OUR USPs

Operational excellence
We excel at operating our Commercial port. We ensure we understand all our stakeholders and develop solutions and services that meet their ever-changing needs.

Modern infrastructure
We are significant investors in our physical infrastructure, with state-of-the-art plant, equipment and optimisation technology.

This includes our proprietary GPH security code and rigorous health and safety procedures.

Continual refinement of services
We are continually refining and introducing value-added services to improve the solutions we can offer our customers.

Cargo diversification and growth
We work in tandem with current and potential new stakeholders on new cargo solutions that can hopefully increase our cargo volumes and diversify the types of cargo we handle.

Our strategy

Read more about our strategy on **page 18**

OUR STAKEHOLDERS

Customers
The global shipping lines are our key customers. We work closely with them to ensure we give them state-of-the-art infrastructure, coupled with responsive support services, to enable them to deliver and ship freight efficiently now and in the future.

Exporters and importers
Our commercial teams regularly meet with major importers and exporters, domestically and internationally, to better understand their evolving needs. Over the years, we have regularly added new services such as storage and weighing in order to meet the needs of exports and importers.

Staff and contractors
Our commercial port engages in heavy industrial freight processing, and the safety of our staff and contractors overrides any other practical or financial interest. You can read more about our Health, Safety & Environment Policy on page 59.

Government
We recognise that commercial ports are critical to a country’s economic prosperity. We work closely with local and central governments to help shape future policy and regulation. This approach enhances our ports’ ability to grow and, by extension, to contribute to government revenues.

Local communities
As well as creating significant direct and indirect employment, Commercial ports are an essential link in the supply chain of multiple local manufacturers and producers and their supply chains. We help sustain and grow these businesses, supporting local employment. Our local communities matter to us, and we are committed to acting sustainably in our local environments.

Other
Other key stakeholders include forwarding companies, shipping agencies, customs brokers and other logistics companies.

Our stakeholders

Read more about how we engage with our stakeholders on **pages 53 to 56**

A PERIOD OF SIGNIFICANT CHALLENGES

The 15-month Reporting Period was the most challenging period in the Company's history. As we entered the period, I believed Global Ports Holding was about to deliver a step-change in its cruise operations. Our successful expansion into the Caribbean and the subsequent increase in EBITDA that was expected to follow were set to demonstrate our business model's strength and, more importantly, our growth potential.

The onset of the Covid-19 pandemic meant this was not possible. However, in adversity, the strength of our business model has shone through. Despite almost no cruise passengers for the majority of the period, GPH reported a relatively small Cruise Segmental EBITDA loss of just USD 1.7 million at our cruise ports over the 15-month period. I believe this is an incredible achievement.

While Covid-19 brought many of our operations to a standstill, we continued to pursue our long-term strategic ambition of becoming a pure-play cruise port operator. In January 2021, we announced that we had successfully sold our largest commercial port, Port Akdeniz, for an enterprise value of USD 140 million. As a result, GPH became a more geographically diversified business, with Turkey now expected to represent a significantly reduced proportion of Group revenue.

After the period end, we signed an agreement for a new five-year senior secured loan agreement for up to USD 261.3 million with Sixth Street. The signing of this agreement allowed us to facilitate the refinance of the outstanding Eurobond notes due in November 2021. Importantly, this agreement provides us with additional funding to support our plans to grow our cruise port network.

2020 and Covid-19

As the Covid-19 outbreak became a global pandemic and governments worldwide took steps to restrict travel, the cruise industry found itself at the centre of an unprecedented crisis. Our business faced the most challenging period in its history. However, I am proud of how we responded to this challenge.

In light of the exceptional circumstances that engulfed the cruise industry, the Board and management acted quickly, taking several significant actions to protect the balance sheet and the long-term future of the business.

Marketing and consultancy fees were reduced significantly, while Board fees were suspended and we implemented a wage deferral and wage reduction programme across the business. While the decision was not taken lightly, we also carried out a redundancy programme in some areas.

We suspended all but essential maintenance capital expenditure, except for our two new ports in the Caribbean, Antigua and Nassau. As part of our commitment to the concessions, we had secured funding for the capital expenditure required to transform these ports and this work was largely unaffected by Covid-19.

We also agreed concession fee deferrals or waivers across most of our cruise ports and took advantage of government support schemes where appropriate to do so.

We are looking to the future with renewed optimism and excitement.

Emre Sayın, Chief Executive Officer

As well as these actions, our flexible cost base played an essential role in allowing us to manage the crisis. Our Cruise port business model is inherently flexible. Outsourced service providers are extensively used across our cruise ports. This modular model means that a high percentage of costs automatically expands and contracts in line with cruise traffic. The flexibility of this model has helped protect the business and preserve cash during the Covid-19 crisis.

Trading at our commercial port business remained positive despite the Covid-19 crisis.

Cruise

Our cruise operations started the period strongly, with Cruise passenger volumes in the three months to end March 2020 up 146% year-on-year, primarily driven by the first-time contribution from Antigua Cruise Port and Nassau Cruise Port, while our European ports were also performing well compared with the previous year. Unfortunately, the global outbreak of Covid-19 and the subsequent disruption to the global travel sector put the cruise industry into hibernation.

While we adapted our cost base to reflect the market conditions, we also worked hard to maximise revenue where possible. For example, our ports offered lay-up services where appropriate. We also focused our attention on generating revenue from locals in those ports whose retail and food and beverage areas are open to the public.

Over the summer of 2020, some of our ports in the Mediterranean welcomed the return of cruise ships. Albeit, this was cruising in a different way to how it was before – with Covid-19 testing, cruise bubbles, social distancing and ‘blue cruises’, cruises that have no ports of call. Nevertheless, the return of passengers was a welcome sight and I believe that these early cruises and the protocols that were put in place have laid the groundwork for the wider return of cruising in the year ahead.

Despite the cruise industry being in a state of near hibernation throughout the period, our investment plans in the Caribbean carried on largely unaffected. At Antigua Cruise Port, thanks to our construction team, port employees and other partners, the investment to complete the fifth pier and open this wonderful destination to the largest cruise ships in the world was completed on budget in Q4-2020.

Capable of handling 1 million cruise passengers per year, the new pier and the entire redevelopment will generate significant economic and other benefits for the tourism sector and the entire country. The increased berth space that our investment has created has already led to an increase in booking enquiries from cruise lines. We are targeting the conversion of Antigua Cruise Port into a home port by 2023.

In June 2020, with lockdowns in place worldwide and no apparent light at the end of the tunnel, Nassau Cruise Port raised USD 124.5 million through a bond offering. It is a testament to both the strength of our transformational plans for Nassau Cruise Port and the cruise industry’s continued long-term attractiveness that the bond issuance was so successful.

Our investment plans for Nassau Cruise Port are now in phase two, which will see us complete the marine works, including expanding the port’s berthing capacity and installing enhanced solar infrastructure. We expect this phase to complete in 2021, with phase two, the landside works, expected to complete in calendar year 2022.

Our growth ambitions were delayed but remain undiminished by Covid-19. Our bid was successful for a 20-year concession for Taranto Cruise Port, Italy, with the concession agreement and operations starting shortly after the end of period. It was very pleasing to start our operation at Taranto Cruise Port by welcoming MSC Seaside for partial turnaround services. We now expect this port to have a record 2021 cruise season.

Additionally, our joint venture partner, Baleària Group, was selected for a 35-year concession agreement for the ferry and cruise port of Valencia. As part of this agreement, GPH will operate and manage Valencia Cruise Port throughout the period of the concession. We expect the final agreement to be signed before the end of the 2022 reporting period, with operations starting shortly after.

Commercial

The sale of Port Akdeniz in the period means that our commercial port operations are now just one port, Port of Adria, in Montenegro. Port of Adria delivered an EBITDA of USD 2.9 million for the 15 months.

We launched a RoRo service at Port of Adria for cars manufactured in Serbia and began weekly block train shipments between Bar-Belgrade, and we expect to see an increase in container volumes over the years ahead.

As a result of the sale of Port Akdeniz and the effective creation of a pure-play cruise port operator, the Board of Global Ports Holding is considering its options in regard to Port of Adria, including its potential sale.

Outlook

By the end of the Reporting Period, only a small number of cruise lines were operational, sailing limited itineraries in a small number of geographic regions, including Asia and Europe. However, there has been a significant increase in activity since the end of the period.

As of today, cruise lines are currently planning a significant increase in cruise activity in the second half of calendar year 2021 in all major cruise markets.

Perhaps more importantly, demand for cruising remains strong, with the major cruise lines continuing to report strong levels of demand. From a GPH perspective, we continue to see new reservations coming across most of our network and we are encouraged by the current trends for the reporting period to end March 2023.

Our new turnaround operations in Antigua and Nassau have started well, the latest port to join our network, Taranto, is already expected to have a record year and the pipeline of potential new cruise port opportunities is very encouraging.

OUR MILESTONES

2004
- GPH established (commenced operations in Ege Port, Kuşadası in 2003).

2006
- Acquired 40% stake in Port Akdeniz, Antalya.

2008
- Acquired 60% stake in Bodrum Cruise Port.

2010
- Acquired remaining stake in Port Akdeniz, Antalya (59.8%).

2013
- Acquired a minority stake in Creuers (Barcelona, Málaga and Singapore Cruise Ports).
- Acquired a 62% stake in Adria-Bar commercial port.

2014
- Acquired remaining stake in Creuers (GPH stake 62%).
- Signed a concession agreement for Lisbon Cruise Terminals (GPH's effective stake: 46%).

2015
- Acquired a 55.6% stake in Valletta Cruise Port.

The effective creation of a pure-play cruise port operator and the signing a five-year loan agreement with growth funding, means we look to the future with renewed optimism and excitement.

Our 2022 reporting period

- To work with all stakeholders to successfully implement the new health and safety protocols across our ports to welcome the return of cruise lines and passengers to our ports.
- To market our ports to make sure we are present in a fair number of the new itineraries being put in place. We want to implement and launch a CRM tool (Salesforce) for this purpose.
- To successfully onboard the cruise ports recently added to our network.
- To deliver on our investment plans in Nassau.
- To continue to take the cruise lines' and passengers' experience to new levels through new service and design initiatives.
- To deliver at least two new port investments or management agreements.

Emre Sayın
CEO

2016

- Acquired 11% indirect stake in Venice Cruise Port as part of a strong consortium together with Costa Crociere, MSC Cruises and Royal Caribbean Cruises.
- Acquired 53.7% indirect stake in Ravenna Cruise Port.
- Acquired 62.2% indirect stake in Catania Cruise Port.
- Acquired 70.9% indirect stake in Cagliari Cruise Port.

2017

- Global Ports Holding PLC made its debut on the London Stock Exchange.

2018

- Signed a concession agreement for Zadar Gazenica Cruise Port, Croatia.
- Reported record revenue and Adjusted EBITDA.

2019

- Signed a concession agreement for Nassau Cruise Port, Bahamas.
- Signed a concession agreement for Antigua Cruise Port.
- Acquired 50% stake in La Goulette Cruise Port, Tunisia.
- Awarded a management services agreement for Ha Long Bay, Vietnam.
- Singapore Cruise Port (24.8% stake) concession extended until 2027.

2021

- Sold Port Akdeniz, effectively becoming a pure-play cruise port operator.
- Signed a concession agreement for Taranto Cruise Port, Italy.

Our strategy

The Group effectively became a pure-play cruise port operator following the sale of Port Akdeniz. As a result the strategic pillar, continued diversification was removed. Following the creation of a pure-play cruise port operator, the Board and Senior Management Team expect to shortly review the four current strategic pillars.

STRATEGIC PILLARS		PROGRESS DURING THE PERIOD
1. CONTINUED EXPANSION	Continued expansion in Cruise ports through targeted, disciplined new port investments in Europe, Caribbean and Asia. **See case study on page 20**	• Awarded a new cruise port concession agreement and signed one cruise port management agreement in the period. • Completed the induction of 2019 new port investments during the reporting period.
2. CONTINUED TRANSFORMATION	Continued transformation of our cruise terminals and passenger experience to deliver revenue growth and higher per PAX yield. **See case study on page 21**	• Transform port retail infrastructure at a number of ports for improved experience and new revenue opportunities. • Invest in port infrastructure to improve cruise line and cruise passenger experience.
3. IMPROVED EXPERIENCES	Implementing B2C and B2B ancillary service opportunities that improve both cruise passenger and cruise lines experience at GPH's cruise ports. **See case study on page 22**	• Successfully completed investment into a canopy structure at Valletta Cruise Port.
4. DELIVERING GROWTH AND CASH	Delivering growth and cash from pre-paid concessions, low CAPEX requirements and diversification of revenue streams. **See case study on page 23**	• The Covid-19 pandemic had a severe impact on the financial performance of the business. • Implementation of financial reporting and accounting systems across all current and any new ports. • Continued careful management of cash and profitability at commercial ports. • Successfully deliver diversification through the onboarding of new cruise ports.

KPIs	GOALS FOR 2022	PRINCIPAL RISKS
Revenue (USD million):  	• Closing up to two port investments or agreements in 2022 reporting period. • Successfully deliver diversification through the onboarding of new cruise ports.	• Legal and regulatory environment in respective countries. • Potential competition by private investors. • Conflicting agendas with major cruise lines in strategic ports. • Political opposition to concession awards.
Cruise Segmental EBITDA (USD million):  	• Transform port retail infrastructure at a number of ports for improved experience and new revenue opportunities. • Invest in port infrastructure in Nassau to improve cruise line and cruise passenger experience.	• Macroeconomic conditions. • Resistance to change by the industry. • Push back from the authorities. • Disagreements with sub concessionaires, tenants etc.
Cruise Segmental EBITDA (USD million):  	• Successfully grow the number of ports offering an integrated services package.	• Changes in regulations. • Executional risks and lack of know-how in new areas such as stevedoring services. • Disruptive nature of offering causes unintentional misalignment with stakeholders. • Relevant authorities do not grant licences etc. • Performance of partners.
Adjusted EBITDA (USD million):  	• Conclude the roll-out of accounting system. • Successfully manage the return to cruising at our cruise ports in a cash-generative profitable and safe manner.	• Geopolitical events that affect demand. • A complex regulatory environment where changes may negatively affect our profitability.

1. CONTINUED EXPANSION

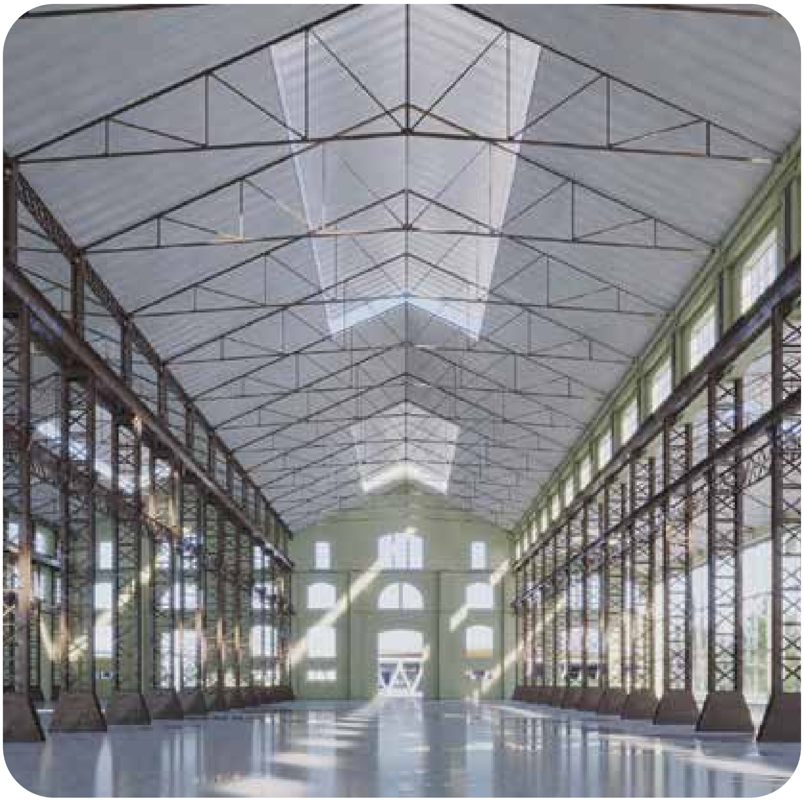
New port added to the portfolio

Despite the effective shutdown of the global cruise industry for much of the period, GPH successfully bid for a new port to the portfolio during the Reporting Period.

GPH's bid for a 20-year concession to manage the services for cruise passengers in the Port of Taranto, Italy was successful. The concession agreement was signed after the period end and Taranto Cruise Port was handed over to GPH in May 2021. Under the agreement GPH will use its global expertise and operating model to manage the cruise port operations in Taranto.

The cruise port infrastructure in Taranto is currently undergoing a state-funded, EUR 28 million investment program, including construction of a new cruise terminal. The construction of these new facilities is expected to be completed by March 2022.

In May 2021, Taranto Cruise Port welcomed MSC Seaside as part of a seven-day itinerary that will run throughout the summer 2021 season, an exciting start to our management of this wonderful cruise port, which also included the first ever partial turnaround operation for the port.



In addition, our joint venture partner, Baleària Group was selected for a 35-year concession for Valencia port, Spain, with GPH to manage the cruise port operations. The final concession agreement for Valencia ferry and cruise port is expected to be signed before the end of the Reporting Period to end March 2022, with GPH's management of the cruise operations starting shortly after.

As part of the agreement, Baleària Group will invest up to USD 37 million over two years into the port infrastructure, including two new state-of-the-art smart terminals, car parking and retail and F&B areas.

The new terminals will set a new benchmark for sustainability in the passenger transport industry, producing 100% of their electricity needs from their own renewable energy sources (photovoltaic, wind, renewable hydrogen and biofuel), with all waste generated recycled.

2. CONTINUED TRANSFORMATION

Investment in Antigua Cruise Port and Nassau Cruise Port

Our confidence in the industry and the Group's prospects meant that throughout the Reporting Period we continued to invest in the major construction projects at Nassau and Antigua despite the Covid-19 cruise shutdown.

In Antigua, the new mega-ship pier is complete, taking the number of berths at the port to five. This new pier represents a USD 30 million investment. It forms part of the up to USD 80 million agreement signed in 2019 between Global Ports Holding and the Government of Antigua and Barbuda to redevelop the cruise complex. Our next area of focus is the uplift of the existing retail operations and the advancements of additional commercial and retail developments.

In June 2020, we raised USD 124.5 million to invest in Nassau Cruise Port through a public bond offering. The investment project is now in phase two, with the marine works expected to complete in 2022, including an expansion of the berthing capacity of the port and breaking ground on the land side works to include the installation of enhanced solar infrastructure.

We are very excited to be welcoming several cruise lines for homeporting operations at Nassau in the Summer of 2021 and in Antigua by the Summer of 2023. These operations will be the first time cruise lines have homeported at either of these ports and are an exciting development for the port and local stakeholders.

3. IMPROVED EXPERIENCES

Canopy investment

During the Reporting Period, we agreed on and subsequently completed a EUR 2.2 million investment in an outdoor shading structure to embellish the Valletta Waterfront dining area.

Valletta Cruise Port worked closely with architects and catering tenants to develop a solution which addressed the practical needs of an outdoor destination, whilst respecting the historic and aesthetic values of the destination and port infrastructure.

The need to for improved shading to provide modern facilities to tenants, cruise passengers and locals had to be balanced with the requirement to respect the fabric of the Valletta waterfront promenade and its nineteen 270 year old warehouses.

The resulting canopy project enhances the atmosphere and comfort of the outdoor areas of this iconic destination, with the new structures presenting an interplay between old and new, between function and context, with positive feedback about the simple lines and lightness that the new canopies afford in the venue's historical setting, whilst being practical for the everyday activities of a multipurpose destination.

4. DELIVERING GROWTH AND CASH

Managing growth

Prior to Covid-19, GPH's highly cash-generative business model has been a key enabler of its growth from a single port start-up in 2004 to the world's largest independent cruise port operator today.

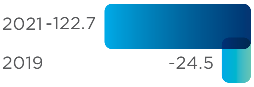
Two core aspects of our business model and strategy are the inorganic expansion of our network through investment into strategically chosen ports and growth in both ancillary services and retail and passenger services.

As the business has grown and continues to grow, our financial reporting and accounting needs have also grown. As a result, we took the decision to invest in a cloud-based financial reporting and accounting system, Hyperion.

The system allows us to generate global financial consolidation, reporting and analysis through a single scalable solution. And will be a key enabler of improved management information and reporting.

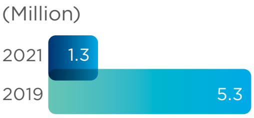
The system is already being used for quarterly, semi-annual and annual reporting, with monthly management reporting capability to be rolled out in the year ahead.

Key performance indicators

FINANCIAL KPIs		STRATEGIC LINKAGE	2021 PERFORMANCE
Adjusted revenue Calculated as revenue from all majority-owned cruise and commercial ports and subsidiaries.	(USD Million) 	①② ③	Overall revenues during the 15 month period were USD 79.4 compared with USD 70.4 million in FY 2019, adjusted revenue which excludes IFRIC-12 construction income was USD 26.8 million compared with USD 70.4 million in FY2019.
Segmental EBITDA Cruise and Commercial EBITDA before HQ costs. Calculated as income/(loss) before tax after adding back: interest; depreciation; amortisation; unallocated expenses; and specific adjusting items.	(USD Million) 	①② ③④	Segmental EBITDA for the 15 month period was USD 1.2 million, with Cruise EBITDA of USD -1.7 million and Commercial EBITDA of USD 2.9 million.
Adjusted EBITDA Segmental EBITDA less unallocated costs or 'HQ' costs.	(USD Million) 	①② ③④	Adjusted EBITDA for the 15-month period was USD -6.7 million, compared with USD 39.6 million in 2019, primarily reflecting the sharp drop in Cruise activity as a result of Covid-19.
Operating (loss)/profit Operating profit is profit for the period stated before the share of results of equity-accounted investees, finance income, finance costs and tax.	(USD Million) 	①② ③④	Group operating loss for the 15-month period was USD -72.4 million, primarily reflecting the impact of Covid-19 on EBITDA.
(Loss)/Profit before tax Operating profit plus share of profit from equity accounted ports less net finance costs.	(USD Million) 	①② ③④	The loss before tax for the 15-month period was USD -122.7 million, compared with a loss before tax of USD 24.5 million in 2019.
Adjusted EPS Calculated as profit/(loss) for the period after adding back: amortisation expense in relation to Port Operation Rights, subtracting or adding back any (gain) or loss on foreign currency translation on equity and any one-off expenses divided by the weighted average number of shares in issue.	(Pence per share) 	①② ③④	Adjusted EPS for the period was -17.6 pence per share, reflecting the operating loss for the period.

NON-FINANCIAL KPIs | STRATEGIC LINKAGE | 2022 PERFORMANCE

Number of passengers
Number of cruise passengers handled through our consolidated and management ports.



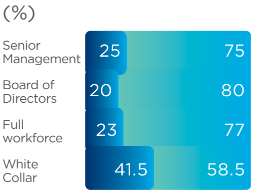
Strategic linkage: ① ③

The number of cruise passengers and our consolidated and managed cruise ports fell as a result of the Covid-19 pandemic.

Gender
Percentage workforce that are females and males.

🟦 Female

🟩 Male



Strategic linkage: ②

As of March 2021, female employees accounted for 23% of the overall workforce and 41.5% of white-collar roles, 25% of C-Suite senior management and 25% of our Board of Directors.

Carbon intensity
Carbon intensity per full-time equivalent employee.

Strategic linkage: ②

During the period carbon intensity rose 7.7% to 13.27 tonnes of CO_2e. This increase was a result of the longer Reporting Period. We remain committed to reducing our environmental footprint.

Accident reduction
All of our ports monitor and record accidents, however minor. These records are for those accidents or injuries that resulted in an absence from work.

Strategic linkage: ②

We are committed to providing a safe work environment for our employees. During the period, there were five incidents that resulted in an absence from work.

RISK MANAGEMENT FRAMEWORK

The Group faces a number of risks which, if they materialise, could affect its ability to achieve its strategic objectives. The Board is responsible for determining the nature of these risks and ensuring that appropriate mitigating actions are in place to manage them effectively.

Risk appetite

The level of risk we consider appropriate to achieve the Company's strategic objectives is regularly monitored by the Audit and Risk Committee, and is reviewed and validated by the Board every year. Our approach to risk management is designed to provide reasonable, but not absolute, assurance that our assets are safeguarded, the risks facing the business are being assessed and mitigated and all information that may be required to be disclosed is reported to senior management.

Risk management process

The risk management process begins with a bottom-up identification of significant risks by each function. Each is then assessed by taking into account the likelihood of it occurring, its impact and the mitigations identified. Each level of risk is cross-referenced with the Board's risk appetite to determine whether further mitigations are needed. External advisors such as technical advisors are used, where appropriate, to minimise risks in certain situations, for example in the process of new port investment.

Although the Board of Directors retains ultimate responsibility, risks that are specific to a function's day-to-day activities are managed within that function on an ongoing basis, with regular follow-up by internal audit. The most significant risks from each function (based on materiality, or those which have common themes across the business) are reviewed by the Audit and Risk Committee. This Committee also supports senior management and the Board in managing risks relating to key projects, third parties, different jurisdictions and so forth.

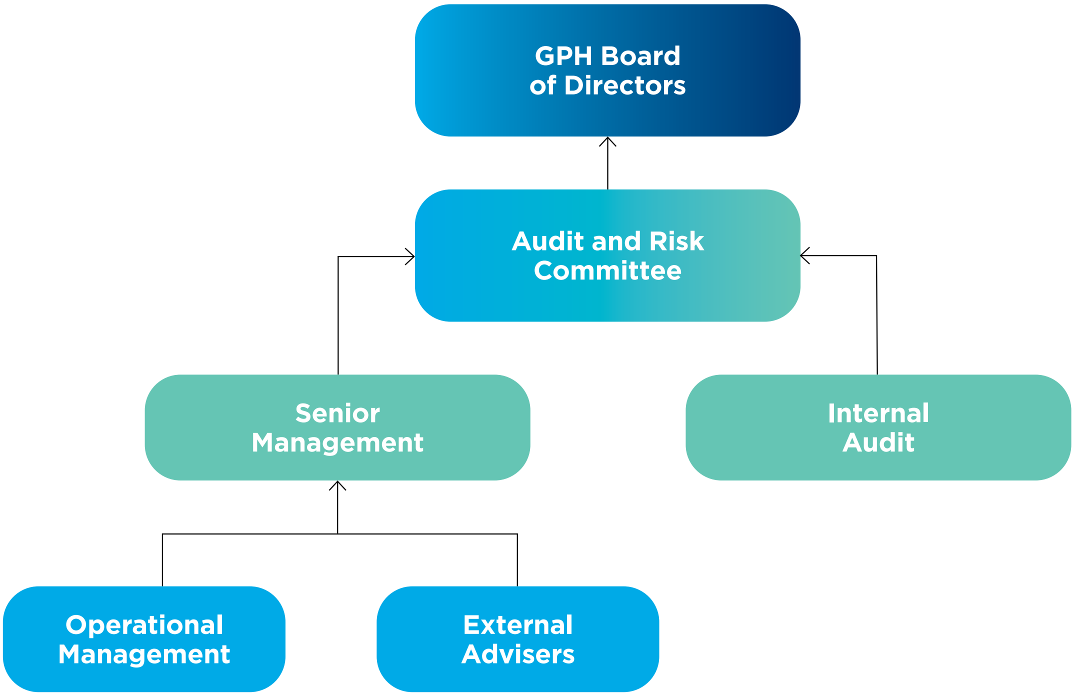
The Group's principal business risks are monitored and managed throughout the period by senior management, the internal audit function and the Audit and Risk Committee, which reports to the Board. Although that Committee has been delegated the authority from the Board to monitor risks, it provides the Board with regular updates, at least quarterly, on the Group's identified financial and non-financial risks.

The Committee provides advice on how, taking into account the Company's position and principal risks, the Company's prospects have been assessed, over what period and why that period is regarded as appropriate. The Committee also advises on whether there is a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over a given period, drawing attention to any qualifications or assumptions as necessary. The Committee also advises the Board on the Company's overall risk appetite, tolerance and strategy, current risk exposures and future risk strategy.

Risk register processes

As a part of our Enterprise Risk Management studies, each Group entity and function identified risks that could affect their strategy and operations.

This bottom-up risk reporting is considered by the management alongside the Group's principal risks. New risks are added to the Group's principal risk register if deemed to be of a significant nature. These risks are then consolidated in to Group-wide view and presented to our executives, who add their own input from strategic, functional and emerging risk perspective. After final consolidation of risks, we defined proposed action plans to mitigate risks. We define owners who are responsible for confirming adequate controls are in place and that the necessary action plans are implemented to bring risk profile within acceptable tolerance. As an ongoing process we develop procedures that are formalised and documented and are increasingly being centralised.



The most significant risk is the ongoing outbreak of the Coronavirus (Covid-19). We are monitoring the situation carefully as it evolves to understand the impact on our employees and our business. Based on the current position, it remains a significant impact on the short-term performance of our ports.

We are taking all necessary steps to protect our employees health and to mitigate the risk to our business.

The risk: 'The Group's commercial ports may face increased competition' has been removed as the sale of Port Akdeniz was completed in January 2021. Our other commercial facility, Port of Adria, is Montenegro's main seaport. We are unaware of any planned new port developments near Port of Adria that might compete with the port.

As well as identifying the most relevant risks for our business, we also reflect on whether we think the level of risk associated with each of our principal risks is increasing or decreasing. Our principal risks have several principal risks materialised simultaneously as a result of the Covid-19-pandemic, which has led to travel restrictions across the world, both within the Markets as well as in destination countries. These include customer demand, input cost volatility, cashfow profile and health & safety.

All of these principal risks continue to remain heightened throughout the pandemic. However, through the risk assessment process in 2020, we added a new principle risk titled Cyber Security and Data Privacy to reflect our focus.

Principal risks and uncertainties

The risks and uncertainties described over the following pages are currently considered to have the greatest potential effect on GPH's strategic objectives now. This list is not intended to be exhaustive. The order in which risks are presented is not necessarily an indication of how likely they are to happen, nor their possible degree of impact on the Group's business, prospects, results of operation and financial position.

Additional risks and uncertainties that are not currently known, or which the Group currently sees as immaterial, may individually or cumulatively have a material adverse effect. Although the Company monitors risks and prepares for adverse scenarios, some are outside our control; for example, adverse weather, acts of terrorism, changes in government regulation, political instability and macroeconomic issues.

The risks summarised below relate to the Company, the Group, its industry and the Company's shares, and are those which the Directors believe to be the most material.

The Group is exposed to four categories of risk

1. General risks;
2. Risks relating to the Group's cruise port operations;
3. Risks relating to the Group's commercial port operations; and
4. Risks relating to the Group's investments and strategy.

Movement

↔ Unchanged
↓ Decreased
↑ Increased

Risk	Description	Mitigation/action
General risks		
Epidemics and natural disasters. ↑	The Group's operations are exposed to the inherent risk of incidents affecting some countries or destinations within their operations. This can include natural catastrophes such as earthquakes, floods, wildfires, hurricanes or tsunamis; outbreaks of disease such as the ongoing Covid-19 pandemic. Certain areas in which the Group currently operates, or into which it may further expand, including in particular the Caribbean, are located in regions at high risk of damage from adverse weather patterns or other natural disasters, such as hurricanes, earthquakes, tornadoes, tsunamis and typhoons, which could cause damage to or otherwise materially disrupt the Group's cruise port operations. The spread of Covid-19 and the recent developments surrounding the global pandemic are having material negative impacts on all aspects of the Group's business, and the impact has been most pronounced with respect to its cruise operations. Changes in climate may increase the frequency and intensity of such adverse weather patterns, make certain destinations less desirable or impact the Group's business in other ways.	The Group has expanded its Group risk strategy and framework regarding crisis management to specifically address the Covid-19 pandemic. Internal controls impacted by the pandemic continue to be assessed, monitored and amended where relevant, including controls which address the following risks: • Governance and regulatory; • Health, safety and human resources; • Liquidity and going concern; • Group strategy and economic implications; • Operational; and • Communication. Given the increased uncertainty prompted by the Covid-19 outbreak, GPH has worked with local regulatory authorities to put in place enhanced measures, including composing task forces to help combat the spread and impact of Covid-19. We have also put together senior management rapid response teams to help all ports and local authorities implement measures to protect passengers, crew, our employees and locals. All ports have well-defined crisis management procedures and emergency response plans, which are implemented when an event of this nature occurs, with the focus being on the welfare of our customers. The Board and Senior Management Team have implemented a cost cutting and cash conservation strategy to help protect the Company's balance sheet and liquidity position during this crisis. As a result of the Covid-19 pandemic, the Group has suspended substantially all but essential maintenance capital expenditures, save for pre-planned capital expenditure investments to be made in Antigua Cruise Port and Nassau Cruise Port, as such capital expenditure is required pursuant to the terms of the Group's concession agreements with the relevant granting authorities. While GPH's commercial operations are partially affected, the decrease in commercial operations were limited and have stabilised throughout the period. Measures have already been taken to manage our commercial operations during the crisis. For example, to protect the port's ability to function from lack of manpower as a result of self-isolation, clear separate shift allocation measures have been put in place, as well as guidance on avoiding close contact in the work place. In addition, while sanitary/cleaning routines and measures have been increased. Our port operations have flexible business models to help offset any impact from a reduction in cruise passenger demand or the movement of goods. Natural disasters tend to be localised or regional and our General Managers, and Senior Management Team are well prepared to manage such incidents and provide a coordinated and supportive response at our cruise ports to cruise passengers and cruise lines and at our commercial ports to commercial lines and importers and exporters. Where applicable, property and business interruption insurance is the main risk mitigant against natural disasters, in particular against damages and losses from hurricanes in the Caribbean region.

Risk	Description	Mitigation/action
General risks continued		
The rights allowing the Group to operate its ports may not be extended. ↔	The Group operates most of its ports under long-term concession agreements, including Build Operate Transfer agreements, with the relevant state owner of the port. The length of the concessions varies and the Group's concession agreements are granted for a fixed term. The Group's long-term concessions have, on average (with respect to the Group's consolidated ports only), 22 years of cash generation ahead of them. The concession terms of the Group's main ports, based on management's assumptions of revenue generating potential and historic levels of revenue, expire in 2030 (Adossat wharf at Barcelona Cruise Port; subject to the ability to automatically extend by an additional three years subject to the satisfaction of certain conditions), 2026 (World Trade Centre wharf at Barcelona Cruise Port), 2038 (Levante Terminal at Málaga Cruise Port), 2042 (El Palmeral Terminal at Málaga Cruise Port), 2033 (Ege Cruise Port), 2066 (Valletta Cruise Port), 2047 (Nassau Cruise Port) and 2049 (Antigua Cruise Port). With respect to ports where the Group does not have the contractual right to extend these fixed-term agreements, it would need to apply for an extension prior to their expiration. The grant of such an application would be at the discretion of the state owner of the relevant port, and there can be no assurance that the term of any such concession agreement would be extended.	In the past, the Group has taken, and may continue to follow, formal legal processes relating to the extension of concession terms. For example, in 2018 the Group extended the concession term of Bodrum Cruise Port from 2019 to 2067 following a legal process and in 2019 we extended Singapore Cruise Port from 2022 to 2027. In addition, the Company's stated strategy of increasing the number of ports it operates, and the portfolio effect that comes from operating a growing number, means that the potential impact from a concession or management agreement not being extended is diluted.
The rights allowing the Group to operate its ports could be terminated before they expire. ↔	Even if the Group maintains full compliance with its concession or management agreements, and local and national laws and regulations, its concessions can be terminated before they expire in certain exceptional circumstances. These include national emergencies, such as natural disasters, wars/conflicts, pandemics, disruptions of public order or other governmental actions that curtail fundamental rights and obligations.	While the Board believes such an outcome is highly unlikely, we ensure compliance with all relevant laws and rules. If such an outcome were to occur, the Board would take the appropriate legal advice and seek either compensation or reinstatement of the previous agreement. In addition, the Company's stated strategy of increasing the number of ports it operates, although theoretically increasing the likelihood of such an outcome also means that the portfolio effect of operating more ports dilutes the potential impact from any one port.
The Group is subject to an increasingly complex regulatory environment, and changes may negatively affect its business. ↔	In addition to complying with the terms of its concession agreements and related licences and permits, the Group must satisfy a range of legal requirements, including corporate, maritime, customs, antitrust, administrative, property and environmental laws and regulations, under the jurisdiction of many regulators. Although the Group seeks to continue to comply with all relevant laws, regulations and the terms of its concession agreements, licences and permits, to the extent it is not able to do so it could be subject to significant administrative or civil penalties, including: • the imposition of fines, penalties and criminal sanctions for wilful violations; • increased regulatory scrutiny; • suspension of activities at a port; • reputational damage to GPH's brand; • default under financing agreements, including the Sixth Street loan agreement and/or the Nassau Notes; • judgments for damages, which may not be covered by insurance or in excess of insurance cover; • termination of, or increased premiums on, insurance policies; • difficulties attracting cruise ships or passengers and other guests to the Group's terminals; • difficulty in recruiting and retaining personnel, particularly where any non-compliance relates to matters affecting its employees; and • the representatives, Directors or managers of the relevant Group company being subject to a fine.	Our senior C-Level management team takes an active role in ensuring that our ports and the business in general are adhering to their obligations. In addition, our legal team are heavily involved in monitoring and reviewing our practices to provide reasonable assurance that we remain aware and in line with all relevant laws and legal obligations. Our internal audit process controls that obligations are being met in materiality respect during the field work. At the port level, management teams tend to be drawn from local people, fully conversant with their country and language, and with a detailed knowledge of applicable local regulations through regular contact with regulatory authorities and other stakeholders. In addition, we take local external legal advice as and when required.

Movement
↔ Unchanged
↓ Decreased
↑ Increased

Risk	Description	Mitigation/action
General risks continued		
Restrictions on the number visitors at destinations. ↓	Around the world, a number of countries, regions and cities are experiencing an increase in concerns around overtourism. In some cases, these concerns have led to protests from local people about the number of visitors in a given location, with concerns focused on overcrowding: the impact of higher prices on local goods; and the negative impact of the short-term rentals market on both the price of property and the effect on the fabric of neighbourhoods. These concerns have led authorities in some regions to stop promoting their city as a tourist destination and focus their energies on promoting alternative destinations within their country or region. Authorities have also taken a number of other measures, such as introducing financial levies on tourists, putting in place restrictions on the overall number of tourists in a destination or restricting the number of cruise ships or cruise passengers that can call at a destination on a given day. Any or all of these actions could have an impact on the number of cruise passengers wanting, or being allowed, to visit a destination.	If individual ports are impacted by limits on, or a reduction in, cruise visitors, operating a portfolio of cruise ports provides some structural protection. In addition, a number of our cruise ports are located near to destinations that have openly discussed the impact of overtourism. These ports are well-positioned to offer attractive alternative destinations to cruise lines. Most importantly, we consider one of our key roles when operating a cruise port is to work with all stakeholders to integrate the port into the destination. This includes: • managing passenger flows into and out of the destination; • managing transportation from the port to the city; and • promoting a range of attractions in the destination to disembarking passengers and offering them appropriate transportation from the port to these attractions – thereby managing the flow of passengers and distributing the economic benefits to a destination more widely.
Reputational risk due to fraud and bribery. ↔	The Group's business entails numerous interactions with government authorities, including port authorities, health, safety, and environment authorities, labour and tax authorities and customs and immigration authorities. Furthermore, the Group operates in some countries where corruption is endemic. GPH has a zero-tolerance policy on corruption of any sort. In addition to being illegal, it has the potential to bring harm to our business and reputation; for example, by excluding the Group and PPP tenders. Any such payments may be deemed to have violated anti-corruption laws potentially applicable to the Group, exposing the Group to potential civil and criminal penalties as well as reputational damage that could have a material adverse effect on the Group's business, results of operations and financial condition.	GPH's Anti-Bribery and Corruption Policy is an integral part of the Company's directives and/or policies that have been approved by the Board of Directors. The Group has also adopted a Code of Ethics that is intended to improve service quality; promote the effective use of resources; prevent unfair competition; organise relationships among employees; and set standards for fraud prevention. Ethics and Compliance reporting mechanisms have been established to facilitate the reporting of possible illegal, unethical, or improper conduct when the normal channels of communication are ineffective, or impractical under the circumstances.
Cyber security and data privacy. ↑	As a global complex organisation, there is a risk that Group falls victim to increasingly sophisticated cyber-attacks aimed at causing disruption to our information assets by circumventing confidentiality, integrity or availability controls.	To reduce the impact of external cyber-attacks impacting our business, we have firewalls and threat monitoring systems in place, complete with immediate response capabilities to mitigate identified threats. We have policies covering the protection of both business and personal information, as well as the use of IT systems and applications by our employees. Our employees are trained to understand these requirements. We also have a set of IT security standards and closely monitor their operation to protect our systems and information. Hardware that runs and manages core operating data is fully backed up with separate contingency systems to provide real-time back-up operations should they ever be required.

Risk	Description	Mitigation/action
Risks relating to cruise port demand		
Demand for cruise port services is sensitive to macroeconomic conditions. ↔	Our financial performance is affected by the macroeconomic environment. The Group's cruise port operations depend on visiting cruise passengers principally from developed countries, particularly the United States, the United Kingdom and Germany. Economic uncertainty and the spending power of these passengers are influenced by factors beyond the Group's control, including local and global economic conditions, employment and discretionary income, and tax or interest rate fluctuations. Any or all of these factors may have an impact on the demand for cruises and cruise passengers' spending, and may negatively affect the Group's revenue and profitability. If there is an impact, the long lead times for cruise programmes means there may be a lag before a general recovery translates into additional passengers at our ports.	Experience has shown that even in the financial crisis in 2007-2008, cruise bookings remained resilient. The long lead times of cruise bookings compared with land-based holidays means that cruise holidays are often booked way ahead of any event that could have a negative impact or reduce demand. If demand falls, cruise lines tend to reduce pricing in order to fill their ships and maintain passenger volumes. This means cruise ports are not affected, given their per passenger revenue model. In more extreme cases, cruise lines can re-deploy ships to other ports or regions. However, as the Group continues to expand the number of cruise ports it operates, the portfolio effect helps reduce this risk. Indeed, a Group port may also become the beneficiary of a re-deployment from another port. As the Group expands into regions such as the Caribbean and Asia Pacific, it is better positioned to offset any significant re-deployment of ships by cruise lines. In addition, GPH's commercial revenues assist in providing some off-settiing impacts to our cruise business.
Demand for cruise port services can be influenced by trends and perceptions beyond the Group's control. ↔	Passenger demand for cruise holidays may be negatively affected by factors outside our control. Examples include events that cause consumers to perceive that cruise travel is unsafe or undesirable, such as: • political or social unrest, or terrorist incidents; • the spread of contagious diseases; • the availability and pricing of other forms of travel or factors affecting the cost of cruise travel, including fuel and currency fluctuations; • changes in visa or other requirements that make travel more difficult or expensive; and • a perception that cruise travel has unacceptable impacts on the environment. The Board believes that the demand for cruising, and indeed other forms of leisure travel, is primarily affected by passenger perceptions about safety. Accordingly, actual or perceived security issues, political or economic instability, terrorism, war and similar events may decrease demand for the Group's cruise ports, particularly if they affect: • the countries where the Group operates its ports; • Countries of destination ports in cruise itineraries that include the Group's ports; • the major source markets (primarily the US, UK and Germany); and • among other regions, the Group currently operates in the Eastern Mediterranean region, which has been affected by geopolitical crises.	We recognise that it is healthy for cruise lines and cruise passengers to have variety and choice when it comes to selecting cruise ports. Our new port investment strategy has been selective, choosing ports in marquee destinations (such as Nassau, Barcelona, Venice, Lisbon, Kuşadası, and Valletta) which we believe are less susceptible to being replaced by others. We also believe that our global marketing, and philosophy of working with all stakeholders to improve the attractiveness of our cruise ports and destinations, acts as a competitive advantage. Individuals' fears triggered by the Covid-19 outbreak may pose a high risk to cruise tourism. The global travel industry has historically proven very resilient to external shocks and has tended to recover from setbacks relatively quickly. Longer term GPH is ready to work with national and local regulatory authorities to put in place enhanced measures including, where appropriate, passenger and crew screening.

Risk report continued

Movement

↔ Unchanged
↓ Decreased
↑ Increased

Risk	Description	Mitigation/action
Risks relating to cruise port demand continued		
Duty-free and ancillary revenues may be affected by economic or regulatory changes. ↔	The Group's cruise port revenues rely, in part, on duty-free sales and other goods and services to passengers. Its performance is therefore influenced by passenger spending habits and traffic volumes. Both are sensitive to general economic trends, consumer confidence, and credit, interest and exchange rates.	GPH's management actively tracks duty-free operations, including those operated by third parties, and focuses on increasing passenger satisfaction inside the terminals. For example, in 2019 we took steps to develop port-specific models and improve our retail facilities at Ege Liman, and to completely refurbish our retail areas in Barcelona. We also successfully tendered additional retail operations across the cruise port portfolio. While the risk theoretically remains, the introduction of leading retail operators with extensive experience of travel retail operations helps to mitigate the risk, given our expected increase in sales and their extensive, through-the-cycle, travel retail experience. In Lisbon and Málaga, GPH also protects against the effects of decreasing passenger numbers on revenues by agreeing minimum guaranteed rents with third-party retail tenants. We continually monitor passenger satisfaction and use passenger feedback to influence our new services and products. New regulations can have both a positive and negative impact on the business. GPH fosters positive relationships with all stakeholders and is in regular contact with port authorities and government officials. We would always seek to participate in any discussions about new regulations, which could help us avoid any negative implications, particularly where they are unreasonable.
The Group's cruise ports could face competition, primarily within the Mediterranean and Caribbean. ↔	GPH's management believes that ports compete primarily on the basis of their proximity to popular tourist sites, as well as operational efficiency, shopping and amenities, and the perceived security of the port. There can be no assurance that long-term changes in cruise itineraries will not result in increased competition in the future, or that the Group's existing ports will continue to compete effectively. Existing or future competition could result in a reduction in cruise ship traffic, putting pressure on fee levels and, in turn, having a materially adverse effect on the Group's business.	We recognise that it is healthy for cruise lines and cruise passengers to have variety and choice when it comes to selecting cruise ports. Our new port investment strategy has been selective, choosing ports in marquee destinations (such as Antigua, Barcelona, Nassau, Venice, Lisbon, Kuşadası and Valletta), which we believe are less susceptible to being replaced by alternative ports. We also believe that our global marketing capabilities, and philosophy of working with all stakeholders to improve the attractiveness of our cruise ports and destinations, acts as a competitive advantage. Historical overview of cruise tourism development outlines the trends on worldwide cruise market, rapid growth of cruise tourism, business consolidation, increasing the size of ships, expansion of cruise fleet. Geographical expansion of the cruise industry is rising. The markets that were previously just symbolically represented today are very much present and more ports are needed.

Risk	Description	Mitigation/action
Risks relating to commercial port operations		
External factors may affect demand at the Group's commercial ports. ↔	Port of Adria-Bar is primarily used for the export and import of steel, aluminium, cement and timber. Accordingly, the demand for the Group's commercial port operations is significantly influenced by regional demand for commodity construction materials, particularly in Montenegro and surrounding countries. It is also influenced by foreign trade volumes, cargo trade volumes and commodity and fuel prices. Such demand is sensitive to changes in general economic conditions, both globally and in important export markets of the Group's customers. As a result, if these general economic conditions deteriorate, the demand for commodities may decrease, thus driving down export volume and, consequently, the shipment volumes of such commodities.	At Port of Adria, we have introduced the new block train to help drive an increase in cargo handled to and from Serbia, and we are working with other stakeholders to improve the total supply chain.
Barriers to trade may adversely affect the Group's commercial ports. ↔	The success and profitability of the Group's commercial port operations depend, in part, on global economic growth and maritime trading volumes. Maritime trading volumes within a country and between countries will be affected by changes or developments in global economic and financial conditions which are beyond the control of the Group. The normal free-flow of goods can be interrupted by external factors such as international trade disputes, trade tariffs, additional restrictions on imports or exports and the direct or indirect impact from a global crisis such as pandemics.	Diversification is the priority action that we continue to take in order to mitigate this risk. By broadening our base of the export and import markets we serve, we can reduce the potential impact of country- or region-specific trade restrictions.
Safety and environmental risks specific to cargo handling. ↔	Heavy industry, such as cargo handling, brings attendant risks of accidents, whether to people or to the environment. Operations at the Group's ports, particularly with respect to fuelling services, can result in environmental damage (including contamination of real estate owned by third parties or pollution of waterways or groundwater) or adversely impact employee health due to spills or releases of harmful or hazardous substances, including fuel or other oil products. This is particularly applicable with regard to the facilities where hazardous substances are used, transported, stored, processed, discharged, managed and disposed, as well as the other facilities and storage areas used by the Group. Such contamination or pollution could result not only in possible investigations, enforcement actions, fines or other public law sanctions, but also in reputational damage as well as considerable costs for removal, restoration and disposal, as well as potential further liability risks.	In 2018, we introduced a Group-wide Health & Safety Manual, based on the following international standards: ISO 9001:2015 – Quality Management System; ISO 14001:2015 – Environmental Management System; and ISO 45001:2016 – Occupational Health and Safety Management System. The Group has also implemented a plan of environmental and social mitigation, prepared in line with EBRD's Environmental and Social Action Plan (ESAP). This ensures that the Group and every facet of its operations and assets are, in all material respects, in compliance with the provisions of all environmental and social laws.

Movement

↔ Unchanged
↓ Decreased
↑ Increased

Risk	Description	Mitigation/action
Risks relating to investments and strategy		
The Group is exposed to risks related to integrating new ports. ↔	In recent years, the Group has completed a number of cruise port acquisitions. The Group intends to make further cruise port acquisitions in the future. Growth by acquisition involves risks that could adversely affect the Group's operating results, including the substantial amount of management time that may be diverted from operations to pursue and complete port acquisitions. Acquisitions may expose the Group to operational challenges and various risks, including: • the successful integration of newly acquired businesses with existing operations; • adapting the Group's management controls and corporate governance structures to its increased scale; • the successful centralisation of shared resources of new port acquisitions, such as marketing, finance, treasury and IT, into the existing Group structure; • maintaining, expanding or developing relationships with its customers, suppliers, contractors, lenders and other third parties, including any joint venture partners and individual port concession right grantors; • maintaining, expanding or developing relationships with employees of newly acquired concessions, including retaining key employees, hiring and training new personnel or implementing headcount reductions; • obtaining funding sufficient to meet increased capital needs; • compliance with any additional regulatory requirements applicable to acquired ports; and • funding cash flow shortages that may occur if anticipated revenues are not realised or are delayed, whether by general economic or market conditions or unforeseen internal difficulties.	GPH has been acquiring and investing in ports for the last 15 years and has a pipeline of prospects. We also have a clearly defined induction process that has been tried, tested and refined and a team with the experience of multiple successful cruise port integrations. At the outset, we have clear plans on human resources, operations, financial reporting, policies and procedures even before we take over a port. However, we greatly value, and always seek to learn from, the local team's experience and expertise. We also continually review and improve the onboarding process.
The risks of additional indebtedness. ↑	Certain port investments or concession extensions could require additional and substantial funding, which could have an adverse effect on the Group's leverage ratio and financial stability. Due to adverse cruise market conditions as a result of the Covid-19 pandemic, the Group may not be able to secure funding when existing indebtedness needs to be refinancing, or to fund committed investments which may negatively impact the respective concession agreement.	The Board and management monitor the Group's debt levels on a regular basis, using a range of financial metrics. The Group's ongoing maintenance CAPEX commitments are low and for the committed expansion CAPEX we believe there is strong interest from a wide range of financing parties willing to provide non-recourse financing for the potential and existing new port investments. In addition, where appropriate the Group has invested with a partner, such as in Nassau, lowering the investment requirement. We foresee a range of 65-80% debt-to-equity ratio for non-recourse, asset-level financing, to limit the effect of indebtedness on our current operations. In addition, prior to Covid-19 the Group had a high cash conversion rate on operations, with low working capital requirements.
Foreign currency risk. ↔	The Group generates revenue in different currencies that may not match the associated costs.	In its ports within the EU, the Group generates revenues in Euros and has Euro costs. In the Caribbean, the majority of revenue is collected in USD and costs are generally in local currencies. If the local currency is not USD, the local currency is pegged to the USD. In its Turkish cruise ports, the Group collects the majority of revenues in USD but the majority of costs are in local currency i.e. Turkish Lira (TL). This can lead to a mismatch if there are significant movements in exchange rates, this can both be a positive and negative in theory but has mostly positive impacts in practice as the local currency TL tends to devalue against USD. In addition, a significant portion of the Group's head office costs are incurred in TL, versus revenues predominately generated in USD and Euro.

PRESERVING LIQUIDITY AND SECURING FINANCING FOR GROWTH

As widely reported, the Covid-19 pandemic has had a significant impact on the cruise industry and our cruise operations have been severely impacted. The travel restrictions and closure of cruise ports imposed by authorities around the world in response to the pandemic led to the effective shutdown of the global cruise industry for much of the Reporting Period.

A combination of our flexible cost base and decisive management action to save costs and preserve liquidity meant that we successfully navigated through the crisis without an external capital raise. This success was also made possible thanks to the support we received from many of our financing partners, governments and port authorities across our network.

The Reporting Period has been the most challenging in the history of the Company. However, although cruise activity across the industry remains a long way below normal levels, in recent months, we have been focused on the re-opening of our cruise operations and the welcoming back of cruise ships and cruise passengers.

Despite the material impact of Covid-19 on our operations and the intense focus this demanded of all of our teams during the Reporting Period, we made substantial progress in the successful implementation of our long-term strategy.

In January 2021, we sold Port Akdeniz in Turkey for an enterprise value of USD 140 million to QTerminals W.L.L., effectively creating a pure-play cruise operator. As a result, our financial operating performance is reported excluding the impact of Port Akdeniz from the consolidation. The performance of Port Akdeniz during the Reporting Period is shown as a discontinued operation, also the comparative period of the 12 months ended 31 December 2019 has been restated to show Port Akdeniz’ contribution as discontinued operation. Our remaining Commercial port, Port of Adria, now represents the Commercial ports segment.

The refinancing of the USD 250 million Eurobond due in November 2021 has been on the CFO agenda for some time. While Covid-19 impacted the refinancing process, we nevertheless refinanced the Eurobond, ahead of the scheduled maturity, through a combination of proceeds from Port Akdeniz sale and a new five-year loan agreement. And we secured growth capital for future expansion at the same time.

The new, long-term loan facility means that we have a solid financial position as we exit the Covid-19 crisis. The growth financing of up to USD 75.0 million, secured as part of the new loan agreement, means that we are well placed to take advantage of an exciting pipeline of new cruise port opportunities as the industry continues to recover.

We have successfully navigated through the Covid-19 crisis and are now well placed to invest for growth.

Jan Fomferra, Chief Financial Officer

Impact of Covid-19

Due to the impact of Covid-19 and the near shutdown of the global cruise industry for much of the Reporting Period, we only welcomed 1.3 million passengers (12 months 2019: 5.3 million) to our consolidated and managed portfolio ports in the Reporting Period. The majority of this passenger volume was generated in Q1-2020 prior to the emergence of Covid-19 as a global pandemic. Q1 of the calendar year is part of the high season for our Caribbean ports in Nassau and Antigua, which joined the Group towards the end of 2019. After Covid-19 was declared a pandemic, total traffic for the period 1 April 2020 to 31 March 2021 was only 69 thousand passengers across the portfolio.

As a crisis that began in Asia during the first quarter of the Reporting Period started to spread, we reacted quickly. The Board and Senior Management took several significant actions to protect the balance sheet, preserve cash, and secure the long-term future of the Group.

Actions taken included employment measures such as work week, salary and benefit reductions, where possible. A small redundancy programme was also carried out. Aggregate payroll expenses including board fees in the Reporting Period were USD 17.4 million. The same amount was incurred in 2019, but over a shorter period and including expenses related to the discontinued operations of Port Akdeniz. Furthermore, 2019 financials included less than two months of payroll expenses related to the new acquisitions of Antigua and Nassau, both of which closed during Q4-2019. Adjusted for these differences, the total savings realised in the Reporting Period compared to 2019 are 16% or USD 2.6 million. Furthermore, deferrals of payments to personnel contributed to the cash flow from operation USD 0.9 million.

During the Reporting Period, the Group benefited from various incentive and support schemes announced by the governments in our countries of operation to help alleviate the negative effects of the Covid-19 outbreak.

These schemes included programs such as partial payment of employee costs and related tax liabilities by the government. We also applied for short-term work allowances and took advantage of opportunities such as postponing payments for social security costs. In total, the savings realised through such schemes in payroll expenses for the Company was USD 2.2 million.

Flexible cost base

The seasonal nature of the cruise industry means that our cruise ports have always contended with daily, weekly and monthly changes in their resourcing needs. Therefore, our cost base has been structured to be inherently flexible, with third parties and contractors used to manage much of the volume related work across our cruise and commercial ports. This means that most of our costs rise and fall with volume, with third parties and contractors utilised to best match each port's resourcing needs day-to-day.

This outsourced model means that a high percentage of our costs automatically expand and contract in line with activity levels. The flexibility of this model played a pivotal role in protecting the business and preserving cash during the Covid-19 crisis.

Our Cost of Sales, excluding depreciation and adjusted for the change in cruise port perimeter (Antigua and Nassau only partially accounted for in 2019) and excluding the impact of the discontinued operations, contracted 47% – which compares to a revenue contraction on the same basis of 73% compared to 2019. The extent of the decline demonstrates the flexibility of our business model and cost base.

Waivers and deferrals

In response to the shutdown of the cruise industry, we engaged with our banking partners across the Group regarding our current financial liabilities and covenant compliance, ultimately agreeing on deferrals and waivers where needed.

Our banking and financing partners understood the unique nature of Covid-19 and its impact on our business and demonstrated trust in the long-term sustainability of the GPH cruise port business. Some of the project finance facilities of the Group contain maintenance covenants, and where required banks agreed to waive covenant compliance at no cost to the Group. For some of the bank loans at OpCo level our financing partners agreed to reduce the debt service by allowing payment of interest in kind or the deferral of debt service.

We also engaged with our port authority and local government partners regarding our concession fee liabilities, agreeing on several deferrals or waivers of concession fees. During the Reporting Period the positive impact from concession fee waivers recognised as IFRS-16 gain in Other income was USD 0.7 million, with additional cash flow impact from deferrals. Waivers and discounts already agreed for the calendar year 2021 total USD 1.2 million, but discussions are ongoing about further extension of waivers and discounts.

Capital expenditure and project financing

Across most of our portfolio, we suspended all but essential maintenance CAPEX during the Reporting Period, with only the committed CAPEX at our new ports in the Caribbean continuing, essentially, as planned.

We invested USD 16.0 million in Antigua, funded through the drawdown of a bank loan from a syndicate of regional lenders.

In Antigua, the initial investment phase in accordance with the obligations under the concession agreement has been completed. The port infrastructure was expanded and now has five berths (up from four). The new fifth pier means Antigua Cruise Port will be able to accommodate the largest cruise ships in the world.

In Nassau, we commenced the construction phase of the project during the Reporting Period. Investing USD 56.8 million, funded by the proceeds of the bond offering in June 2020. The current focus of the investment program is the marine works which will expand the port's berthing capacity. The marine works in Nassau are expected to be completed by the end calendar year 2021 and work recently commenced on the second phase of the program, the landside works.

The committed investments in Nassau are progressing in line with our plans and the commitments of Nassau Cruise Port. The financing of the remaining works will be provided from additional debt and equity capital to be raised as needed. After the end of the Reporting Period, one additional part of the debt financing structure was put in place. At the end of June 2021, Nassau Cruise Port raised USD 40 million additional, non-recourse financing from an institutional US-based investor with a total maturity of 20 years.

Other CAPEX during the Reporting Period mostly occurred in the pre-Covid phase during Q1-2021, mainly on terminal improvements in Barcelona and investment into the waterfront infrastructure in Valletta.

Sale of Port Akdeniz

In January 2021, we completed the sale of Port Akdeniz to QTerminals W.L.L. for an enterprise value of USD 140 million. After deducting the net debt and debt-like items of Port Akdeniz, the equity value was USD 115 million before transaction-related costs and expenses, with QTerminals withholding USD 11.5 million which is expected to be released in Q4-2021. The net cash inflow in the Reporting Period for the Group after deducting expenses and costs related to the sale, and net of cash disposed of was USD 99.9 million.

The disposal meant that GPH effectively became a pure-play global cruise port operator. The Board is currently considering its options regarding Port of Adria, the Group's remaining commercial port concession in Bar, Montenegro, including a potential disposal.

Eurobond refinancing

The refinancing of the Eurobond issued by GPH Plc's subsidiary Global Liman Isletmeleri A.S., a USD 250 million 8.125% Senior Unsecured Notes due November 2021, has been a key focus for the Company for some time. The Covid-19 crisis pushed back the execution of the refinancing, however, after assessing multiple potential financing structures, the best outcome for the Company and all stakeholders was achieved shortly after period-end.

On 7 April 2021, the Company launched a tender offer for the Eurobond notes, paying an average price of USD 899.4 for each USD 1,000 in principal of the notes, and spending USD 44.7 million in total, reducing the outstanding nominal amount to USD 200.3 million at the time.

On 14 May 2021, the Company entered a five-year, senior secured loan agreement for up to USD 261.3 million with the leading global investment firm, Sixth Street. The loan agreement provides for two-term loan facilities, an initial five-year term facility of USD 186.3 million and an additional five-year growth facility of up to USD 75 million.

In July 2021, the net proceeds of the initial facility, together with existing cash resources, were used to redeem the outstanding amount of the 8.125% senior unsecured Eurobond in full.

As part of the financing arrangement with Sixth Street and following a General Meeting on 9 June 2021, the Company issued warrants to Sixth Street representing 9.0% of GPH's fully-diluted share capital exercisable for a subscription price equal to the nominal value per share. The utilisation of the growth facility will result in the issuing of further warrants representing up to an additional 3.75% on a fully diluted basis. The warrants will become exercisable by Sixth Street upon certain specific events, including the acceleration, repayment in full or termination of the loan, de-listing of GPH or a change of control.

This new financing strengthens the Group's balance sheet and provides a flexible growth capital for targeted acquisition and expansion projects as the cruise industry recovers from the Covid-19 crisis.

Cruise network growth

Despite the Covid-19 crisis, the Group still grew its network, with a successful bid for a 20-year concession for Taranto Cruise Port, Italy. Shortly after the period end the concession agreement was signed and operations started.

We also expect to shortly take over the management of Valencia Cruise Port as part of our joint venture with Baleària Group.

As we look to the future and the industry continues to emerge from the Covid-19 crisis, the USD 75.0 million growth facility from Sixth Street will allow us to take advantage of an exciting pipeline of cruise port opportunities.

2021 financial review

With Port Akdeniz reported as a discontinued operation, Group revenue for the Reporting Period was USD 79.4 million, with adjusted revenue of USD 26.8 million. The latter excludes the impact of IFRIC-12 construction revenue in Nassau of USD 52.6 million. Operating loss for the Reporting Period was USD 72.4 million. Loss from continuing operations was USD 107.6 million.

Our Cruise business welcomed 1.3 million passengers to our consolidated and managed ports during the Reporting Period. The vast majority of these passengers arrived in the first quarter of 2020, particularly at Antigua Cruise Port and Nassau Cruise Port, before the industry's shutdown as a result of the Covid-19 pandemic.

Cruise revenue, excluding the impact of IFRIC-12 construction revenue, was USD 17.5 million in the Reporting Period compared to USD 63.0 million in 2019. The sharp fall compared to previous periods resulted from the global shutdown of the cruise industry in response to the Covid-19 pandemic. Revenue during the first quarter 2020 was USD 11.0 million – despite the near complete shut-down of the cruise traffic during the remainder of the Reporting Period, the Group still generated USD 6.5 million of Cruise revenues. The majority of this revenue was the result of the ancillary revenue strategy which diversified our cruise revenues stream into areas such as retail rental income or the use of the port infrastructure for berthing of non-cruise ships. Some of these ancillary revenue streams are not entirely dependent of cruise traffic.

Nassau Cruise Port, excluding IFRIC-12, reported revenue of USD 6.1 million and Antigua Cruise Port reported revenue of USD 2.8 million. This revenue was generated primarily in Q1-2020, which is part of the high season in the Caribbean, before the global shutdown of the cruise industry. Valletta Cruise Port reported revenue of USD 4.2 million. This relatively strong contribution, when compared to our other cruise ports, reflects the fact that Valletta was able to restart cruise operations in late summer 2020, albeit with only a small number of cruise calls, as well as its extensive retail and dining facilities re-opened to locals.

Despite the shutdown of the cruise industry for much of the Reporting Period, Cruise Segmental EBITDA was a loss of just USD 1.7 million, a strong performance in the circumstances, albeit compared to Cruise Segmental EBITDA of USD 44.4 million in 2019. The relatively modest EBITDA loss reflects the flexible cost base inherent in the business model and the actions taken to reduce costs. Looking at the performance during the Reporting Period in more detail, Q1-2021 Cruise EBITDA was USD 5.7 million, accordingly an EBITDA loss of USD 7.4 million was generated over the remaining four quarters of the Reporting Period. This figure remains a strong performance during the most challenging period in the history of the cruise industry.

Nassau Cruise Port delivered EBITDA of USD 0.4 million, while Antigua Cruise Port reported EBITDA of USD 0.6 million, mainly reflecting the pre-Covid-19 benefit of cruise calls in the first quarter of calendar year 2020. Valletta Cruise Port reported EBITDA of USD 2.0 million. Our other ports were all loss-making at the EBITDA level in the Reporting Period.

Following the sale of Port Akdeniz, our commercial ports operations, consisting of Port of Adria only, handled 60.4 thousand tonnes of TEU throughput and 166.9 thousand tonnes of General cargo. Generating revenue of USD 9.3 million for the Reporting Period, compared to USD 7.4 million in 2019 and EBITDA of USD 2.9 million, compared to USD 1.7 million in 2019. Covid-19 also impacted commercial volumes at the Port of Adria, not all growth plans were realised during the period, however, the performance was solid with a growth rate of 34% in EBITDA compared to 2019 (adjusted for the differences in months between the two Reporting Periods).

Unallocated expenses

Unallocated expenses, which consist of Holding Company costs, were USD 7.9 million for the Reporting Period compared to USD 6.4 million for the shorter Reporting Period for the year to end December 2019. In addition, during 2019 the unallocated EBITDA included income from management contracts. Adjusted for the difference in months and excluding the impact from the management contract, the Unallocated expenses declined 26% reflecting the saving measures taken by management starting Q2-2020 partially offset by higher consulting expenses including audit fees.

Adjusted EBITDA

Adjusted EBITDA loss for the Reporting Period was USD 6.7 million, reflecting Cruise and Commercial EBITDA less unallocated expenses. This compares to Adjusted EBITDA of USD 77.0 million in 2019 including Port Akdeniz, in a like for like comparison excluding Port Akdeniz, Adjusted EBITDA in 2019 was USD 39.6 million.

Depreciation and amortisation costs

Depreciation and amortisation costs were USD 34.2 million for the Reporting Period compared to USD 47.7 million in 2019. The difference primarily reflects Port Akdeniz, being recognised as a discontinued operation in the Reporting Period, partially offset by the impact of the longer Reporting Period and increasing depreciation and amortisation at Nassau Cruise Port and Antigua Cruise Port, reflecting the impact of the significant investment into these ports.

Specific adjusting items

During the Reporting Period, specific adjusting items of a negative USD 31.0 million primarily comprised impairment losses of USD 12.0 million, related to Port of Adria and Venice Cruise Port, project expenses of USD 11.1 million, which mainly comprised of expenses for the Eurobond refinancing including the proposed Scheme of Arrangement. There are also project expenses for a major Caribbean project incurred mainly during the early part of the Reporting Period. In addition, provisions of USD 8.5 million were partially offset by a gain of USD 1.2 million related to the non-cash construction margin related to IFRIC-12 construction revenue in Nassau Cruise Port.

Finance costs

The Group's net finance charge in the Reporting Period was USD 50.8 million compared to USD 31.9 million in 2019. In addition to the impact of the longer Reporting Period, the increase was driven primarily by an increase in non-cash foreign exchange losses. The Finance costs of USD 80.8 million primarily comprised of a USD 39.0 million impact from TL fluctuation against other currencies, which resulted in significant non-cash losses, when revaluing the Eurobond debt as this was issued by a Turkish Lira denominated, 100% owned subsidiary, along with non-cash revaluations on Turkish entities foreign currency dominated liabilities of USD 1.2 million and interest expense on loans and borrowings of USD 30.3 million.

Finance income of USD 30.0 million compromised a USD 29.4 million impact of non-cash revaluations on Turkish entities foreign currency dominated assets.

Interest expenses of USD 35.3 million compares to USD 28.5 million in 2019 an increase primarily driven by additional borrowing at Nassau in form of the bond raised in June 2020 and Antigua project finance loan drawdowns, offset by scheduled repayment of other borrowings and the impact of discontinued operations.

Taxation

The Group's effective tax rate was 13.2% for the Reporting Period compared to 26.3% in 2019.

Global Ports Holding is a multinational group and is liable for taxation in multiple jurisdictions worldwide. As a result of the loss before tax of USD 122.7 million, the Group generates a tax income of USD 15.1 million, mainly driven by a non-cash Deferred tax benefit, compared to a tax expense of USD 0.6 million in 2019.

The Group pays corporate tax due to specific components being profitable; however, due to group tax relief restrictions, losses created on other components cannot necessarily be utilised at the consolidated level. On a cash basis, the Group's income taxes paid amounted to USD 0.4 million compared to USD 3.8 million in 2019.

Investing activities

Capital expenditure during the Reporting Period was USD 84.5 million, with this expenditure primarily focused on our continued commitments to invest in Antigua Cruise Port and Nassau Cruise Port. Elsewhere, all material capital expenditure plans except essential maintenance capital expenditure was cancelled or deferred as we focused on preserving cash.

In Antigua, we spent USD 16.0 million in the Reporting Period and completed the fifth pier in November 2020. This new pier means the port will be able to handle the world's largest cruise ships and we are already experiencing an increase in booking enquiries from cruise lines for this port.

Despite the pandemic, Nassau Cruise Port completed a public bond offering in June 2020 (outstanding amount as of 31 March 2021 of USD 124.5 million). The proceeds are to be used to invest in our transformational investment into the port infrastructure. We invested USD 56.8 million into the port infrastructure during the Reporting Period as our vision for the port started to take shape. In phase two, the project will see us complete the marine works, including expanding the port's berthing capacity and breaking ground on landside works.

Cash flow

The Group generated an Adjusted EBITDA USD -6.7 million in the Reporting Period.

Change in working capital in the period generated a cash inflow of USD 24.5 million contributing to a positive Operating cash flow of USD 9.9 million offset by other operating outflows of USD 7.8 million which mainly comprised of cash portion of Project Expenses included in Specific Adjusting Items.

The positive change in working capital is due to:

- A decrease in current and non-current assets (USD 11.5 million), including the collection of trade receivables (USD 15 million) offset by an increase in other receivables due to the aforementioned deferred compensation from the sale of Port Akdeniz (USD 11.5 million), and decreases in other current assets (adjusted for the reclassification of Prepayments as Advances for fixed assets into investing cash flow, net impact USD 3.2 million); and
- An increase of payables and effect of provisions (USD 13.0 million), mainly due to increases in payables related to the capital expenditure in Nassau.

Net interest expense of USD 31.4 million, reflects the cash costs of the outstanding gross debt mainly driven by the Eurobond of Global Liman.

Net capital expenditure including advances, primarily reflects the continued investment into Antigua Cruise Port, USD 16.0 million and Nassau Cruise Port, USD 56.8 million.

The change in Gross Debt due to cash flows of USD 104.9 million is mainly due to successful issuance of the Nassau bond during the Reporting Period, itself offset by repayment of existing debt outstanding in Nassau at the time. With respect to other outstanding debt of the Group, the only other borrowing which has shown a material increase during the Reporting Period is the Antigua bank financing further drawn to fund CAPEX in Antigua. Other borrowings were repaid in line with their respective repayment profile. After the Reporting Period ended the USD 250 million Eurobond was repaid in full by proceeds from the loan from Sixth Street Partners and proceeds from Port Akdeniz sale.

Major positive cash contribution was derived from the sale of Port Akdeniz (net inflow of USD 99.9 million excluding the deferred compensation) and the positive cash generated from this port until the sale of USD 24.4 million.

Cash flow (in USD million)	15 months ended 31 March 2021
Operating (loss/profit	**-72.4**
Depreciation and Amortisation	34.2
Specific Adjusting Items	31.0
Share of (loss)/profit of equity-accounted investees	0.5
Adjusted EBITDA	**-6.7**
Working capital	24.5
Other	-7.8
Operating cash flow	**9.9**
Net interest expense	-31.4
Tax paid	-0.4
Net capital expenditure incl. advances	-93.7
Free cash flow	**-115.7**
Investments	-2.9
Change in Gross Debt	104.9
Dividends	1.4
Disposals	99.9
Cash flow from discontinued operations	24.4
Net Cash flow	**112.1**

Debt

Gross debt at 31 March 2021 was USD 548.9 million compared to USD 453.0 million at 31 December 2019. Excluding IFRS-16 finance leases gross debt at 31 March 2021 was USD 483.0 million compared to USD 388.2 million at 31 December 2019.

The increase in the gross debt pre IFRS-16 finance lease liabilities was primarily driven by the USD 124.5 million new bond issued in Nassau for investment into the port and the drawdown on the banking facility for investment into Antigua Cruise Port, partially offset by scheduled repayment of other borrowings and the sale of Port Akdeniz, which had USD 34.3 million of borrowings outstanding as of 31 December 2019.

Pre-IFRS 16 net debt was USD 312.4 million at 31 March 2021 compared to USD 324.3 million at 31 December 2019. This decrease was driven by the movement in gross debt described above, more than offset by the net proceeds from the sale of Port Akdeniz in the Reporting Period.

After period end, GPH refinanced the USD 250 million Eurobond due in November 2021, through a combination of proceeds from Port Akdeniz and a new five-year, senior secured loan agreement for up to USD 261.3 million with the leading global investment firm Sixth Street. The loan agreement provides for two term loan facilities, an initial five-year term facility of USD 186.3 million and an additional five-year growth facility of up to USD 75.0 million, which remains undrawn as of 31 July 2021.

Dividends

The Board decided at the time of 2019 full year results to continue the temporary suspension of the dividend until the situation becomes clearer.

Capital Commitments

The Group signed a new concession agreement for Taranto Cruise Port after the Reporting Period. The expected CAPEX at this port from GPH during the year to March 2022 is not material and essentially completed as of today.

The committed investments in Nassau are progressing in line with our plans and the commitments of Nassau Cruise Port. The marine works in Nassau are expected to be completed by the end of this calendar year and work recently commenced on the second phase of the investment program, the landside works. The financing of the remaining works will be provided from additional debt and equity capital to be raised as needed. At the end of June 2021, Nassau Cruise Port raised additional, non-recourse financing from institutional US-based investors with a total maturity of 20 years amounting to USD 40 million.

A TIME TO FORGET BUT A FUTURE TO LOOK FORWARD TO

Covid-19

2020 will be the year that the global cruise industry will never forget. A year that was forecast to experience a record 32 million cruise passengers globally quickly became a year of very different records. While many cruise ports are accustomed to managing seasonal peaks and troughs and can often go weeks or months without handling a cruise ship, the Covid-19 pandemic meant that for the first time in history, the entire global cruise industry was shut down.

The impact of Covid-19 on the industry began in January 2020, when the Cruise Line International Association (CLIA) responded to the emerging crisis in Asia by announcing changes to public health policy related to cruising.

And then, as the emerging crisis grew into a global pandemic, many cruise lines began voluntarily suspending cruise activity before governments and health authorities had put in place travel restrictions. However, what at the time was expected to be no more than a short-term hiatus in activity quickly became a global shutdown.

With the global cruise fleet laid up for the first time in its history, the industry's focus quickly became cost control, cash burn management, liquidity and survival.

Cruise lines

The cruise industry's global shutdown had a materially adverse impact on the financial strength of cruise lines. In response to the crisis, cruise lines significantly reduced operating costs and accelerated the scrapping of ships that were already towards the end of their useful economic life. In some cases, they even sold some of their fleet.

Unfortunately, a few smaller cruise lines went out of business, while the larger cruise lines, with access to capital markets, issued USD billions of new debt and equity to ensure they could maintain enough liquidity to navigate their way through the crisis.

Muted return to cruising in 2020

Throughout much of calendar year 2020, cruise lines, port operators, health authorities and all stakeholders worked together to create and then implement enhanced Covid-19 compliant health and safety procedures for the industry.

The new measures introduced included passenger and crew testing before embarkation, physical distancing protocols on board and revised and enhanced ventilation strategies.

The successful implementation of these health and safety procedures allowed a tentative return to cruising in some parts of the world in the second half of 2020.

In the Mediterranean, cruise activity resumed in the third quarter of 2020, often with cruise bubbles or cruising to nowhere, known as 'blue cruising'. And while passenger volumes were relatively low, the sailings largely passed without incident. However, the second wave of Covid-19 meant that Mediterranean sailings were temporarily halted in the fourth quarter of 2020.

In Asia, cruise activity resumed in the fourth quarter of 2020 when NYK's Asuka II and Mitsui's Nippon Maru set sail from Japan on short domestic cruises, while in November, Genting Hong Kong's World Dream cruise ship set sail from Singapore.

In the critical US market, the US Centers for Disease and Control and Prevention (CDC) put in place a 'no sail order' in March 2020. While this was eventually replaced by a Framework for Conditional Sailing Order in October 2020, in reality the no sail order remained in place.

In North America, Canadian and Alaskan ports were negatively impacted by Transport Canada's decision to extended a cruise ship ban into 2022.

In the Caribbean, the combination of the no sail order in the United States and global travel restrictions meant the cruise market was effectively shut from the second quarter of calendar year 2020.

Increased cruise activity in 2021

By the end of the March 2021, only a small number of cruise brands were operational, sailing limited itineraries in a small number of geographic regions, including Asia and Europe. However, the outlook has continued to improve.

In May 2021, the CDC updated its policy on cruising, laying the foundations for a return to cruising from US ports before the end of June 2021. A watershed moment for the important North American and Caribbean cruise markets.

In June, Royal Caribbean began homeporting Adventure of the Seas in Nassau.

However, with cruise lines requiring a 90-day lead time to get ships crewed and ready, the real pick-up in cruises from mainland US port was expected to occur in August and September.

This expected pick-up in activity can be seen in the planned itineraries of the major cruise lines. In July 2021, Carnival Breeze, Carnival Mardi Gras and Carnival Miracle all set sail from Galveston, Port Canaveral and Seattle respectively, and when full these three ships have a combined passenger capacity of 10,950.

In August and September, Carnival are planning to start sailing an additional 12 cruise ships with a combined passenger capacity of over 35,000 from mainland US ports.

It is a similar situation at other major cruise lines. In August 2021, Royal Caribbean expects six ships to set sail from US ports for the first time in over 12 months, with a total passenger capacity of over 21,000. Norwegian Cruise lines expects four ships, with a total passenger capacity of 15,000, to set sail from US homeports in August and September.

In the Caribbean, the plans for ships to set sail from US homeports will lead to a significant increase in passenger volumes.

With the peak Caribbean season for cruising normally coming in Q4 and Q1 of a calendar year, the continued easing of restrictions and the planned ramp-up in sailings, means this region looks set to have a relatively strong season.

In Asia, Royal Caribbean announced that the Quantum of the Seas will now sail from Singapore through until October 2021, a significant increase in the original schedule. Like with other regions, there are currently a number of cruise lines planning to start sailing in Asia in the third and fourth quarter of calendar year 2020, including Princess Cruises, Diamond Princess, sailing itineraries in Japan and South Korea and Celebrity Cruises sailing itineraries that include Japan, Singapore, Thailand and Vietnam.

Activity levels in the Mediterranean, while still subjected to a range of restrictions, have been higher than in most other markets.

In many ways, the Mediterranean market has led the way in terms of Covid safe cruises, with ‘blue cruises’ and cruise bubbles.

For example, TUI Cruises has welcomed over 100,000 passengers on its Mein Schiff cruise ships since July 2020. As of July 2021, all six Mein Schiff cruise ships were sailing in the region, with a combined passenger capacity of over 16,000.

Activity levels accelerating

According to Cruise Industry News, in May 2021 there was just 48 cruise ships with a combined capacity of just 51,070 passengers in service.

In August 2021, this is expected to accelerate to 190 cruise ships with a combined passenger capacity of 276,336, marginally below 50% of the global fleet and a 150% increase from June.

Despite these positive signs, all stakeholders remain understandably cautious. Plans to restart cruising have been postponed numerous times in the last 12 months and the likely speed and success of vaccine roll-out programmes could play a key role in authorities both lifting travel restrictions and not reintroducing restrictions.

In addition, each cruise ship is currently subject to restrictions around passenger capacity, so the actual passenger capacity of each ship will be less than the headline numbers for the foreseeable future.

Despite some continued uncertainty, the longer-term outlook for the global cruise industry remains fundamentally strong, supported by continued strong passenger demand and a robust cruise ship order book.

Demand

The ultimate determinant of the long-term future of cruising is passenger demand. All of the major cruise lines have reported that they have experienced strong demand from passengers for cruises in 2021 and beyond.

Booking patterns have been and continue to be influenced by news flow around Covid infection levels and the success of vaccination programmes, however the trend in underlying demand is clearly evident.

The strength of the demand is such that several booking records have recently been broken across the industry. Crystal Cruises reported that their seven-day itinerary from Nassau experienced its biggest-ever opening day in the Company's history, selling 25% of the combined availability for in just 24 hours.

While near-term uncertainty remains, in terms of the planned ramp-up in operations in 2021 and the removal of barriers to cruising in certain parts of the world, most notably in the United States, it is clear that passenger demand is ready to match the return of berth capacity in 2021 and beyond.

Order book strength

Looking beyond the near-term outlook, the global cruise industry is expected to return to and then exceed previous highs in terms of the number of ships and passenger volumes.

The continuation of long-established trends drives the confidence of the industry; long lead times on bookings, demographics and an industry dynamism that means there has been a near-constant reinvention of 'the cruise', with new ships, brands, concepts, food, design and a transformation in on-board entertainment are all expected to continue to attract new passengers. With product and brand segmentation playing a critical part in this process, a cruise holiday is no longer a homogenous product. These trends underpin the industry's confidence and support the outlook for the cruise ship order book.

Cruise ship order book 2021

Cruise line	Ship name	Lower berths	Scheduled delivery as at Q1-2020	Scheduled delivery as at Q1-2021
AIDA CRUISES	AIDAcosma	5,200	2021	2021
CARNIVAL CRUISE LINE	Mardi Gras	5,200	2021	2020
COSTA CRUISES	Costa Toscana	5,000	2021	2021
HOLLAND AMERICA LINE	Rotterdam	2,650	2021	2021
HURTIGRUTEN	Unnamed	530	2021	2020
MSC CRUISES	MSC Virtuosa	4,900	2021	2021
MSC CRUISES	MSC Seashore	4,560	2021	2021
PRINCESS	Discovery Princess	3,660	2021	2021
RITZ-CARLTON	Evrima	298	2021	2021
RITZ-CARLTON	Unnamed	298	2021	2022
ROYAL CARIBBEAN	Odyssey of the Seas	4,180	2021	2021
SCENIC	Scenic Eclipse II	228	2021	2022
SILVERSEA CRUISES	Silver Dawn	596	2021	2021
VIKING	Viking Venus	930	2021	2021
VIKING EXPEDITIONS	Viking Octantis	378	2021	2021
VIRGIN VOYAGES	Valiant Lady	2,800	2021	2021

Source: Cruise Industry News Orderbook

The cruise ship order book's continued strength is supportive of the industry's confidence of a return to long-term industry growth.

A year ago, the global cruise ship fleet had 423 ships. Today this stands at 412 ships. Beneath the headline numbers, there has been some turnover of ships in the fleet, with cruise lines accelerating the scrapping of older, less efficient and generally smaller ships during the crisis.

However, many of these have been replaced by the planned introduction of new ships to the market in 2020 and 2021. While the overall effect has been the shrinking of the cruise fleet, the pulling forward of scrappage plans could mean fewer ships leave the fleet over the next few years than was previously planned.

Most importantly, despite the crisis, the industry has not significantly changed its ship ordering schedule. Current plans for deliveries in 2021 are essentially unchanged from Q1-2020, while further into the future, plans also remain essentially unchanged. The only change to today's order book from a year ago for the period between 2025-2027 is the addition to 2025 of a ship that was initially scheduled for delivery in 2023.

A future to remember

The Covid-19 pandemic created the most challenging period in the history of the cruise industry. And the next 12 months will bring a different set of challenges as the industry seeks to restart operations around the world.

However, the underlying strength of the cruise industry's growth characteristics appear undiminished, and despite a previously unthinkable period, the long-term future of the industry looks strong.

Cruise ship order book 2023-2027

Cruise line	Ship name	Lower berths	Scheduled delivery as at Q1-2020	Scheduled delivery as at Q1-2021
DISNEY	Unnamed	2,500	2023	2025
MSC CRUISES	World class 3	5,264	2025	2025
MSC CRUISES	Luxury 3	1,000	2025	2025
NORWEGIAN CRUISE LINE	Project Leonardo 4	3,300	2025	2025
OCEANIA CRUISES	Allura class 2	1,200	2025	2025
PRINCESS CRUISES	Unnamed	4,300	2025	2025
ROYAL CARIBBEAN	Icon class 3	5,000	2025	2025
VIKING	Unnamed	930	2025	2025
VIKING	Unnamed	930	2025	2025
NORWEGIAN CRUISE LINE	Project Leonardo 5	3,300	2026	2026
MSC CRUISES	Luxury 4	1,000	2026	2026
TUI CRUISES	Unnamed	4,500	2026	2026
VIKING	Unnamed	930	2026	2026
VIKING	Unnamed	930	2026	2026
NORWEGIAN CRUISE LINE	Project Leonardo 6	3,300	2027	2027
MSC CRUISES	World class 4	5,264	2027	2027
VIKING	Unnamed	930	2027	2027

Source: Cruise Industry News Orderbook

With our cruise ports operations without passengers for the majority of 2020, our cruise port report focuses on some actions taken in the last 15 months and some of our plans for the next 12 months.

ANTIGUA
CRUISE PORT

Antigua Cruise Port is a consolidated subsidiary of Global Ports Holding PLC

New pier opened

Developments in the Reporting Period

Our operations at Antigua Cruise Port began in Q4-2019, and while Covid-19 curtailed cruise operations, our planned investment into the port continued as scheduled. Thanks to our construction team, port employees and other partners, the USD 30 million investment to complete the fifth pier was completed on budget in December 2020. Dredging to allow the new pier to handle the largest ships in the world is expected to complete before the end of the 2022 Reporting Period.

Capable of handling one million cruise passengers per year, the new pier and the entire redevelopment will generate significant economic benefits for the tourism sector and the entire country. We are already experiencing an increase in booking enquiries from cruise lines.

ANTIGUA CRUISE PORT
Acquisition date: 2019
End of concession: 2049

100%
GPH ownership

BAR
CRUISE PORT

Bar Cruise Port is a consolidated subsidiary of Global Ports Holding PLC

A year of hibernation

Developments in the Reporting Period

As a result of Covid-19, we put on hold our plans to invest in a small cruise terminal and retail area at Bar Cruise Port.

We are looking forward to welcoming back cruise passengers in the year ahead and will reassess our plans to invest in the facilities next year.

BAR CRUISE PORT
Acquisition date: 2013
End of concession: 2043

63.2%
GPH ownership

BARCELONA
CRUISE PORT CREUERS TERMINALS

Barcelona Cruise Port is a consolidated subsidiary of Global Ports Holding PLC

Investment in luxury cruise terminal planned

Developments in the Reporting Period

We worked with other stakeholders on proposals to install a photovoltaic roof on two of the terminals at Barcelona Cruise Port during the period. The preliminary study has indicated that such an investment would generate around 80% of the terminals' current annual electricity needs. We currently hope to progress these plans during the year ahead.

In response to high levels of demand, we successfully worked with stakeholders on cruise ship movement simulations to increase passenger capacity through a change to the berthing limitations at our World Trade Center South Terminal. As a result, we are now working on investment plans to refurbish this terminal to provide a range of new services to better cater to passengers' needs.

BARCELONA CRUISE PORT

Acquisition date: 2013-2014

End of concession: 2026 (WTC Wharf), 2030 (Adossat Wharf)

62.0%

GPH ownership

BODRUM
CRUISE PORT

Bodrum Cruise Port is a consolidated subsidiary of Global Ports Holding PLC

Terminal renovated

Developments in the Reporting Period

During the pandemic, Bodrum Cruise Port received higher than normal calls from super and megayachts due to travel restrictions limiting the yachts ability to travel. We also took the opportunity to renovate the terminal, enlarging the arrival customs zone to create a better arrival and duty-free shopping experience for cruise passengers.

We have also taken the decision to invest in the port's solar energy capability, which could generate enough electricity to cover the port's total annual electricity needs.

BODRUM CRUISE PORT

Acquisition date: 2007

End of concession: 2067

60.0%

GPH ownership

CAGLIARI
CRUISE PORT

Cagliari Cruise Port is a consolidated subsidiary of Global Ports Holding PLC

Terminal reorganisation

Developments in the Reporting Period

We took the opportunity during the Covid-19 shutdown to reorganise the Molo Rinascita terminal, installing new check-in points both inside and outside the terminal and creating areas dedicated to the screening of passengers. We have also introduced a new range of sustainable transportation options for cruise passengers, including rental of electric scooters.

In the year ahead, we look forward to welcoming cruise line representatives for a familiarisation trip to introduce them to the wonders of Southern Sardinia and the many different experiences that are open to cruise passengers year round.

CAGLIARI CRUISE PORT

Acquisition date: 2016

End of concession: 2027

70.9%

GPH ownership

CATANIA
CRUISE PORT

Catania Cruise Port is a consolidated subsidiary of Global Ports Holding PLC

Planned renovation of commercial area

Developments in the Reporting Period

In the year ahead, we are planning a renovation of the commercial area at the port, which will allow us to expand the range of services and local goods that we can provide to cruise passengers within the terminal.

We are also planning to invest in an outdoor exhibition area, with a relaxation area for passengers to create a unique Sicilian experience at the port.

CATANIA CRUISE PORT
Acquisition date: 2016
End of concession: 2026

63.2%
GPH ownership

EGE PORT
KUŞADASI

Ege Cruise Port is a consolidated subsidiary of Global Ports Holding PLC

Planned investment in solar energy

Developments in the Reporting Period

We have applied for permission to install solar energy capability at the port, which will significantly reduce the port's environmental footprint and energy costs. We worked on the potential addition of a new local ferry service between Kuşadasi and Samos, Patmos Island in Greece. We currently expect this service to start once Greece re-opens its sea borders.

EGE PORT KUŞADASI
Acquisition date: 2007
End of concession: 2033

72.5%
GPH ownership

HA LONG
CRUISE PORT

Familiarisation trips planned

Developments in the Reporting Period

Our management agreement for Ha Long Bay Cruise Port began shortly before the outbreak of Covid-19, which meant that opportunities to promote the destination and its well-invested cruise facilities were limited over the Reporting Period.

However, there are plans to organise familiarisation trips with cruise line itinerary planners later this year, introducing and promoting to cruise lines this fantastic destination and all that it has to offer to cruise passengers. We are also working on developing the F&B offering for both domestic and international cruise passengers.

HA LONG CRUISE PORT
Start date: 2019
End of agreement: 2034

Management agreement

MALAGA
CRUISE PORT

Málaga Cruise Port is a consolidated subsidiary of Global Ports Holding PLC

Refurbishment plans delayed

Developments in the Reporting Period

In 2020, we postponed planned work to refurbish the retail area at Málaga Cruise Port. While an interim solution is under consideration for the 2021 cruise season, the planned work will now commence in calendar year 2022. The provision of a cafeteria container module at the entrance to one of our Terminals is also currently under consideration. This module would help to enhance the F&B offering for passengers and crew.

MALAGA CRUISE PORT
Acquisition date: 2016
End of concession: 2038 (Levante) 2041 (Palmeral)

62.0%
GPH ownership

NASSAU
CRUISE PORT

Nassau Cruise Port is a consolidated subsidiary of Global Ports Holding PLC

Transformational investment continues

Developments in the Reporting Period

Despite the onset of the Covid-19 pandemic, our investment plans for Nassau Cruise Port, including raising USD 124.5 million through a public bond offering by the Port in June 2020, continued as scheduled.

The investment project is now on phase two, which will see us complete the marine works, including expanding the port's berthing capacity and breaking ground on land side works to include the installation of enhanced solar infrastructure.

We are very excited to be welcoming several cruise lines for homeporting operations at Nassau Cruise Port in the year ahead. This will be the first time cruise lines have home ported in Nassau and it is an exciting development for the port and local stakeholders.

NASSAU CRUISE PORT
Acquisition date: 2019
End of concession: 2047

49.0%
GPH ownership

RAVENNA
CRUISE PORT

Ravenna Cruise Port is a consolidated subsidiary of Global Ports Holding PLC

One-year concession extension granted

Developments in the Reporting Period

As a result of Covid-19, we were granted a one-year extension to the cruise port concession to end 2021. We submitted a proposal for a new concession that would include investment into a new cruise terminal that would be capable of welcoming both transit and turnaround passengers during the year.

We worked with local stakeholders on a project to promote local cultural and commercial attractions to cruise passengers during the year. We look forward to the cruise port playing its part as a #MyRavenna Ambassadors in the years ahead.

RAVENNA CRUISE PORT
Acquisition date: 2016
End of concession: 2021

100%
GPH ownership

VALLETTA
CRUISE PORT

Valletta Cruise Port is a consolidated subsidiary of Global Ports Holding PLC

Covid-19 recovery underway

Developments in the Reporting Period

Valletta was one of the first cruise ports to see the return of cruise passengers in 2020, welcoming the MSC Grandiosa in Q3-2020. During the period, we finalised a EUR 2.2 million investment in an outdoor shading structure to embellish the Valletta Waterfront dining area.

During the period, we worked with other stakeholders, including Infrastructure Malta and Transport Malta, to finalise plans to invest in the infrastructure required to enable the provision of cold ironing or shore power to cruise ships. This work has now started and is expected to be completed by the end of 2023.

VALLETTA CRUISE PORT
Acquisition date: 2015
End of concession: 2066

55.6%
GPH ownership

ZADAR
CRUISE PORT

Zadar Cruise Port is a consolidated subsidiary of Global Ports Holding PLC

Potential solar power project

Developments in the Reporting Period

We are continuing to promote Zadar Cruise Port through already available and new marketing channels to the cruise lines as a destination that cruise lines should add to their Adriatic itineraries. We are also planning a gradual increase in the available services and retail opportunities for cruise passengers, crew and locals.

We have started a project with the port authorities to consider a potential investment into the cruise port's solar panel infrastructure. We look forward to taking this project forward in the year ahead.

ZADAR CRUISE PORT
Acquisition date: 2018
End of concession: 2038

100%
GPH ownership

LISBON
CRUISE PORT

Lisbon Cruise Port is an equity accounted investee of Global Ports Holding PLC

F&B operator changed during the period

Developments in the Reporting Period

During the Reporting Period we took the opportunity to reassess our cruise passenger offering in our award winning cruise terminal.

A key outcomes was that, cruise passengers will now be welcomed by a new F&B operator at the terminal. Our expectation is that the new operator will prove to be a success with both cruise passengers and locals alike.

LISBON CRUISE PORT
Acquisition date: 2014
End of concession: 2049

46.2%
GPH ownership

LA GOULETTE
CRUISE PORT

La Goulette Cruise Port is an equity accounted investee of Global Ports Holding PLC

Recovery delayed by Covid-19

Developments in the Reporting Period

GPH's interest in La Goulette Cruise Port is through a joint venture with MSC Cruises S.A. The concession to operate the port runs until 2036, with a right to extend for an additional 20 years.

Passenger volumes have been low in recent years, with Covid delaying any hopes for a pick-up in passenger volumes in 2020. However, we hope to see a gradual increase in passenger numbers in the years ahead.

LA GOULETTE CRUISE PORT

Acquisition date: 2019

End of concession: 2027

50.0%

GPH ownership

Singapore Cruise Port is an equity accounted investee of Global Ports Holding PLC

Return of cruising

Developments in the Reporting Period

During the period we focussed our attention on reorganising the cruise terminal so that it could facilitate social distancing and on-site Covid-19 testing for all passengers before embarkation.

Singapore welcomed the return of cruise passengers in November 2020. While these have been focussed on 'blue cruises', we look forward to a return to more traditional itineraries in the year ahead.

SINGAPORE CRUISE PORT

Acquisition date: 20114

End of concession: 2027

24.8%

GPH ownership

Venice Cruise Port is an equity-accounted investee of Global Ports Holding PLC

Future of cruising in Venice remains uncertain

Developments in the Reporting Period

Like with all cruise ports, Venice Cruise Port was closed to cruise ships for the most of the period.

Looking to the future, while Venice remains one of the must-see destinations in the Mediterranean, the debate around the future of cruising in Venice continues and GPH remains committed to finding a solution that works for all stakeholders. As a result of lower than expected passenger volumes and the short duration of the remaining concession an impairment was recognised in the period.

VENICE CRUISE PORT

Acquisition date: 2016

End of concession: 2024

11.2%

GPH ownership

GLOBAL TRADE EXPECTED TO CONTINUE TO DRIVE GROWTH IN SHIPPING VOLUMES

In the first half of 2020, the Covid-19 pandemic resulted in a supply and demand shock. Supply chains were disrupted by lockdowns and travel restrictions, while demand contracted as consumers and businesses reacted to the unprecedented events.

While these conditions remained throughout the period, a number of other trends developed as the period progressed. The extent of lockdowns in Western economies and the significant payroll support provided by Governments meant that with consumers unable to spend on things like travel and sporting events there was a significant increase in demand for goods such as exercise equipment.

According to the Global Shippers Forum- Container Shipping Market Quarterly Review, the surge in demand was large enough that by the end of Q3, maritime deep-sea container volumes had recovered all of their earlier 2020 losses. By the end of the year, volumes for 2020 had grown by 6.8% year-on-year.

According to MDS Transmodal and the World Cargo Database (Feb 2021), the strength of the recovery was such that all primary maritime routes grow year-on-year.

Outlook

Despite this strong end to 2020, the outlook for the global economy remains clouded in uncertainty. While many industries have reopened and travel restrictions continue to be eased, Covid-19 government support measures are being withdrawn.

While trade tensions between the US and China have been a near-constant feature over the last few years, the Covid-19 pandemic could mean that national protectionism practices become more widespread across much of the world.

A number of countries, including the US and Japan have recently created policies to encourage manufacturers to reshore production out of China, potentially accelerating the China plus one manufacturing model.

The disruption to supply chains from travel restrictions and lockdowns that closed factories and ports will see manufacturers reconsider lengthy supply chains and single country supply models. All of these factors could have a negative impact on the demand for seaborne trade in the years ahead.

However, despite these concerns the global market for cargo shipping is expected to grow from 11.3 billion metric tons in 2020 to 13.1 billion metric tons by 2027.

The environment

The commercial shipping industry is a significant contributor to global carbon emissions. And while the industry's environmental impact needs to be considered in the context of the fact it carries around 80% of world trade, the pressure on the industry to reduce its environmental impact continues to grow.

In Q4-2020, the International Maritime Executive (IMO) agreed additional regulations to further reduce the carbon intensity of commercial ships, targeting a 50% reduction in the shipping industries greenhouse gas emissions by 2050.

An additional environmental issue with commercial shipping is the emissions that occur when ships are in port. Cold ironing or shore power offers an opportunity to significantly reduce such emissions, by allowing ships to plug into an onshore power source while they are in port. While there are extensive barriers to the mass adoption of cold ironing, where appropriate, it offers significant environmental benefits.

GPH remain committed to upholding the highest levels of environmental standards.

Our focus for the year ahead

In January 2021, Port Akdeniz was sold to QTerminals W.L.L. ('QTerminals'), a Qatari commercial port operating company, for an enterprise value of USD 140 million.

Following the sale of Port Akdeniz and the effective creation of a pure-play cruise port operator, the Board of Global Ports Holding is considering its options in regard to Port of Adria, the Group's commercial port concession in Bar, Montenegro, including a potential disposal.

ENGAGING OUR STAKEHOLDERS

We engage our stakeholders as part of our day-to-day business. Their support is fundamental to enabling us to operate.

The Directors are aware of their duty under Section 172 of the Companies Act 2006 to act in the way which they consider, in good faith, would be most likely to promote the long-term success of the Company for the benefit of its members as a whole and, in doing so, take into account the need to build and maintain strong relationships with all key stakeholders, while maintaining high standards of business conduct at all times.

GPH looks after assets that were built decades ago and we currently have concession agreements that do not end until the 2060s. A primary focus of our strategy is to successfully add new long-term cruise port concessions and agreements to our portfolio, expanding our global portfolio and increasing the average duration of our portfolio.

As a result of this long-term concession and agreement model, the Board is very aware that our short-term decisions today will impact the business and all of our stakeholders not just for years but for decades to come.

Our purpose is to be a key enabler of cruise tourism in our destinations for the benefit of all stakeholders.

2020 was the most challenging period in the history of the Company and the cruise industry. As a result, during the period, the Board took significant measures to reduce costs and preserve cash to ensure the Group's long-term viability and position the Group to deliver long-term sustainable value for our shareholders and stakeholders as they exit the crisis.

In deciding to implement these significant measures, the Board remained mindful of the needs of all our stakeholders and the need to ensure a continued long-term and sustainable approach to our day-to-day operations.

For many of our stakeholders, our purpose to be a key enabler of cruise tourism in our destinations for the benefit of all will be more important than ever as industry and our destinations start to recover from this crisis.

It is central to our approach to business that we foster a culture of doing the right thing. While difficult decisions were made in the period, the Board remained mindful that today's decisions will impact the shareholders and stakeholders of GPH for years and decades to come. Therefore, it is essential that we foster a business culture that creates a long-term, responsible and sustainable approach to business and its impact on our stakeholders.

You can read more about our responsible approach to business and our key stakeholders in our Corporate Responsibility Report on pages 57 to 63 and our Anti-Bribery and Corruption Policy and Code of Ethics are available at http://www.globalportsholding.com/pdf/Anti-Bribery-and-Corruption-Policy.pdf. Additional information on the actions taken in response to the Covid-19 pandemic can be found in the CEO Statement and CFO Statement on pages 14 and 36. During the period, stakeholder engagement was more important than ever, with every cruise passenger, cruise line, employee, government & local authority, local communities and investors all significantly impacted by the pandemic.

By understanding and engaging our stakeholders, the Board can factor into boardroom discussions the potential impact of decisions on each stakeholder group and allows us to consider their needs and concerns, in accordance with Section 172 of the Companies Act 2006.

Set out in the table below are details of our key stakeholders, with details on how the Board engaged with them in the period and what significant actions have resulted from this engagement.

STAKEHOLDER	EMPLOYEES	GOVERNMENT AND LOCAL AUTHORITIES
WHY THESE STAKEHOLDERS ARE IMPORTANT TO US:	In a service industry like ours, the importance of our employees cannot be overestimated. Attracting and retaining the right people is essential to maintaining and evolving our company culture and delivering on our missions and values.	Strong engagement with government and local authorities at all levels is essential to our business. Our focus on port concessions means governments and local authorities are often our ultimate landlords, but they are also our partners.
ISSUES THAT MATTER TO THEM:	• Fair and equitable Remuneration. • Healthy & Safe working environment, including Covid-19 practices and procedures. • Opportunities for personal development. • Diversity & Inclusion.	• Growing passenger volumes. • Passenger spend in the destination. • Direct and indirect employment of locals. • Economic impact in the destination. • Management of passenger impact in the destination. • Covid-19 health and safety procedures to help protect the local population and passengers.
HOW WE ENGAGE:	• We communicate and engage with our employees in many ways to ensure they understand our mission and values. • All of our team have individual performance reviews, which allows the identification of training needs and career aspirations. • Although suspended for 2021, we have regular Port GM and senior management meetings, where we share best practice from across the Group and discuss Group strategy and financial results.	Our Board, senior management and Port GMs meet regularly, either in person or virtually, with senior government ministers, local government officials and port authorities.
EXAMPLES OF SIGNIFICANT ACTIONS RESULTING FROM ENGAGEMENT:	• During the period, in response to the Covid-19 pandemic, we created and issued Covid-19 health and safety protocols to cover the handling of cruise passengers and our employees. • During the period, we made plans for the internal issuing of a company-wide newsletter to help all employees feel connected to our global operations.	• All ports gained the 'Safe Travels' stamp by the World Travel & Tourism Council, providing reassurance to travellers over the safety as they consider a return to cruising. • GPH was granted concession payment deferrals or suspensions as a result of the Covid-19 outbreak. • First time homeporting agreements signed for Antigua Cruise Port and Nassau Cruise Port, creating fantastic opportunities for passenger spend in the destination and an economic boost to local business owners.

LOCAL COMMUNITIES	INVESTORS
While tourism and commercial trade brings economic growth to a local economy, we are sensitive to the broader needs of the local communities in which we operate. The impact of the Group's activities on the environment and the communities where we operate is an important consideration in our decision-making.	Our investors play a pivotal role in supporting and financing our business. We endeavour to maintain a close and supportive relationship with this group of long-term stakeholders.
• Employment opportunities. • Good employment practices. • Covid-19 health and safety procedures to help protect the local population and passengers. • Local businesses able to benefit from tourism and trade. • Environmental impact of our port operations and cruise tourism in the destination.	• Current and long-term financial performance of the Group. • Strong communication on strategy. • Delivery on strategy. • Credit rating. • ESG Performance.
• Our senior management and Board members engage directly with local communities, particularly at new ports. • Our Senior Management Team and Port Management Teams engage directly with local interest groups and stakeholders, such as local business owners and taxi driver associations.	Our investor relations programme drives much of our engagement with our investors to help them understand our strategy and how each new development fits into it. In 2020 such engagement included: • physical or virtual attendance at key industry conferences and investor forums; • a significant number of ad hoc calls and meetings with equity and bond investors and credit agencies; • executive management-led investor roadshows; • annual report, statements and investor presentations; and • a significant number of presentations and calls with credit investors about the refinancing of the Eurobond.
• First time homeporting agreements signed for Antigua Cruise Port and Nassau Cruise Port, creating fantastic opportunities for local business owners, including hoteliers, taxi drivers and tourism focused businesses. • Through the pandemic, we worked on localising our Global Health & safety procedures. • We provide training to local businesses so that they can be best placed to benefit from cruise tourism. • Achieved Safe Travel certification across all our ports.	• The Board and Senior Management Team remain focused on delivering on our long-term strategy, which we believe will be to the long-term benefit of all investors. • Having announced a Strategic Review in 2019, the Company announced in January 2021 that it had sold Port Akdeniz, effectively creating a pure-play cruise operator. • After the year-end we agreed a new five-year loan agreement with Sixth Street.

STAKEHOLDER	CRUISE PASSENGERS	CRUISE LINES
WHY THESE STAKEHOLDERS ARE IMPORTANT TO US:	Cruise passengers are at the heart of our business and we are passionate about delivering a great experience at every one of our ports.	Delivering a service that meets the needs of cruise lines at every one of our ports is central to our success.
ISSUES THAT MATTER TO THEM:	• Safe & welcoming environment. • Covid-19 compliant processes and measures at our ports. • Well-invested port facilities. • Helpful information on the destination. • Convenient transport links. • Enjoyable things to do in the port and the destination.	• Safe & welcoming environment for their ship, passengers and crews, including updated Covid-19 complaint procedures. • Berthing and pricing policies. • Berths being available when expected. • Good provision of ship and port services. • Their passengers enjoy their time at the destination.
HOW WE ENGAGE:	• Every time a ship calls, our teams engage with cruise passengers through our Guest Information Centres. • We carry out regular passenger satisfaction surveys at all our ports.	• Our Board and Senior Management Team received regular updates from across all our ports on our interactions with our customers. During the period, the Board and Senior Management utilised virtual platforms to engage directly with cruise lines and their senior management teams on a range of topics, including operational issues and the implementation of Covid-19 measures. • Our teams virtually attend all major cruise events and meet with the cruise line executives. • Many cruise lines are also our partners in some of our cruise ports.
EXAMPLES OF SIGNIFICANT ACTIONS RESULTING FROM ENGAGEMENT:	• Across our ports, we implemented new Covid-19 health and safety measures. • Despite the global cruise shutdown, we continued our significant investment programmes in Antigua Cruise Port and Nassau Cruise Port. Once complete, this investment will transform the passenger experience at these ports.	• During H1 2020, we worked closely with cruise lines and other stakeholders to facilitate the berthing of cruise ships at our ports so passengers and crew could be repatriated. • Throughout the period, we worked with cruise lines and other stakeholders to allow cruise lines to lay-up ships at our ports. • Implemented Covid-19 health and safety measures to keep employees and cruise line crew and passengers safe.

OPERATING SUSTAINABLY FOR PEOPLE, ENVIRONMENTS AND COMMUNITIES

As the world's largest independent port operator, we take seriously our responsibilities towards the safety and well-being of our people, our passengers and the environments and communities in which we operate.

Our approach is supported by three primary pillars:

1. A GROUP-WIDE ENVIRONMENTAL POLICY

Setting out our general approach to environmental awareness and practices, and our HSE Manual, applying that approach to day-today operations and combining unified global standards with specialist local port knowledge.

2. ECOPORTS

A certification and assessment programme was launched during 2019, this environmental management system and global standard is specifically designed for ports and port terminals.

3. LOCAL STAKEHOLDER ENGAGEMENT

We consider ourselves to be guests in our host port communities, and we actively engage with them to contribute to local life and needs.

We expand on these three areas over the following pages.

NON-FINANCIAL INFORMATION

Pursuant to the European Union (Disclosure of Non-Financial and Diversity Information by certain large undertakings and groups) Regulations 2017 (the 'Non-Financial Regulations'), GPH is required to report certain non-financial information to provide an understanding of its development, performance, position and the impact of its activities. Below, we have set out the location of the information required by the Non-Financial Regulations in this Annual Report.

Requirement	Relevant policies	Section(s) in Annual Report	Pages
Environmental matters	Environmental policies	Corporate responsibility	**58 to 60**
Social matters		Corporate responsibility	**61 to 63**
Employee matters	Code of Conduct, Health and Safety Policy	Corporate responsibility	**62 and 63**
Human Rights	Human Rights Policy	Corporate responsibility, Governance report	**61 to 63** **116**
Anti-corruption and bribery	Anti-Bribery and Corruption Policy	Corporate responsibility	**63**
Business model		Business models	**10 to 13**
Principal risks		Risk report	**26 to 34**
Non-financial KPIs		Key performance indicators	**25**

1. A GROUP-WIDE ENVIRONMENTAL POLICY

Environmental Policy and HSE Manual

Our Environmental Policy sets out the Group's over-arching approach to environmental awareness and practices. It aims to ensure compliance with environment-related laws and regulations, international regulations, and the legal regulations and ethical principles in the countries where the Group operates, as well as determining relevant internal responsibilities and rules.

The Policy is on our website (www.globalportsholding.com) under – Investors – Corporate Governance – Policies.

Section four of the Policy sets out the Group's main commitments:

- to abide by the principles and guidance of the European Bank of Reconstruction and Development with respect to Environmental and Social Policy, as published from time to time, insofar as the same are compatible with the operations of a public listed company;
- to carry out its port activities in accordance with applicable environmental legislation and international standards;
- to manage and reduce the environmental impacts of its business activities and continuously improve its environmental performance;
- to reduce its greenhouse gas emissions to minimise its impact on climate change;
- to carry out activities to reduce its air emissions;
- to lower its water consumption and use of natural resources while using them in the most efficient way in all its operations, and treat and discharge water emissions (wastewater) in accordance with applicable legal requirements;
- to conduct activities to assess, reduce and recycle waste resulting from our activities at source and dispose of them as required by applicable legislation;
- to conduct activities to reduce energy use and increase energy efficiency in all stages of its operations; and

TABLE OF ALL CERTIFICATIONS

ISO	9001	10002	27001	28001	14001	45001	50001	EcoPorts*	Green Ports	QSCs for Spanish Ports
Ege Port	X		2020	X	X	X		X	X	
Port Akdeniz	X	X	2020		X	X	X	X	X	
Bodrum Cruise Port	X		2020	X	X	X		X	X	
Barcelona	2020				2020			X		X
Málaga	X				X					X
Port of Adria	X				X	X				
Lisbon	2020				2020					
Valletta	2020				2020					
Catania	2020				2020					
Cagliari	2020				2020					
Ravenna										
Zadar										
Antigua										
Nassau										

* Within the EU only port authorities can become EcoPorts Certified.

Scope 1
(tonnes CO_2e)

Scope 2
Location-based (tonnes CO_2e)

Scope 1 & 2 total
Location-based (tonnes CO_2e)

Carbon intensity
per full-time equivalent employee (tonnes CO_2e)

Carbon intensity
per sqm facility area (tonnes CO_2e)

Port of Adria:
5 injuries at work

■ 2021 ■ 2019

- to continuously monitor our operations, identify areas for improvement and set targets.

The Group has also committed to employee awareness and training and disclosure of its environmental performance to shareholders and other stakeholders.

Our HSE Manual defines all health, safety and environmental guidance across the Company. It is regularly reviewed and updated to reflect global best practice and in-house knowledge-sharing across the business.

Several important international standards create the framework for our HSE Manual:
- ISO 9001: 2015 – Quality Management System;
- ISO 14001: 2015 – Environmental Management System;
- ISO 45001: 2016 – Occupational Health and Safety Management System;
- ISO 27001: Information Security Management System;
- ISO 10002: Customer Satisfaction Management System;
- ISO 28001: Security Management Systems for the supply chain; and
- ISO 50001: Energy Management.

By attaining and maintaining international standards across our port network, we will comply with (and often exceed) the requirements of all applicable local laws. Even then, we regard these as minimum standards only and strive to improve on every aspect of our HSE performance year-on-year.

There is no higher priority at Global Ports Holding than the safety of people. It takes precedence over all other considerations, and no practical or commercial interest is allowed to override it.

Across all our ports, the goal is to prevent injury, harm and illness, and to ensure the personal safety of employees, contractors, the public and our community. Our HSE Manual ensures that we not only comply with legislation but embed activities and training into our culture to prevent incidents occurring or reoccurring.

If an incident or a ‘near-miss’ does take place, we have defined reporting procedures and where applicable, use the learning we gain to design preventative action.

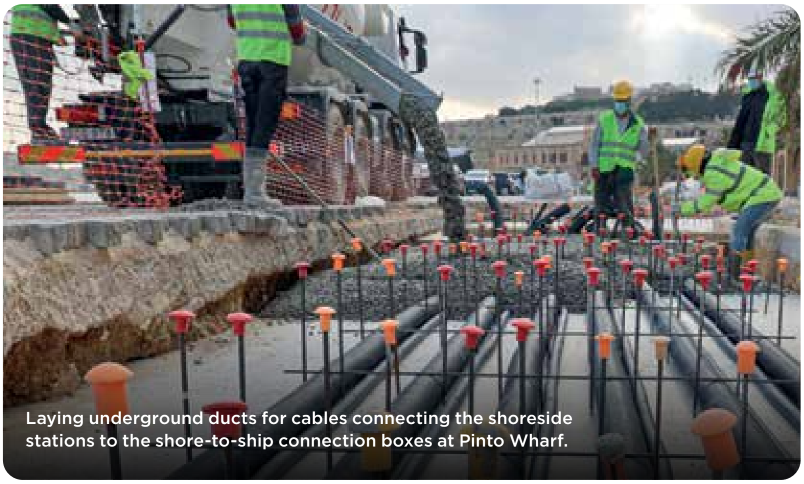
Like any business, our day-to-day operations carry potential risks that must be mitigated. In our case, we welcome many thousands of passengers who travel through our facilities; we work next to, and on, water; and we accommodate some of the world’s largest cruise ships. There were no reportable incidents that affected passenger safety. Nor were there any injuries to employees during cruise port operations that required any prolonged absence from work.

Additionally, we lift and move thousands of tonnes of cargo every week at our two commercial ports. To do this safely, we set rigid processes and make significant investments in highly trained teams, and our equipment and infrastructure.

At our commercial port, Port of Adria, there five injuries at work in the Reporting Period, in comparison with six injuries in 2019. Many factors have brought about this continuously improving picture, including a much greater awareness and buy-in to our safety culture; an emphasis on ‘toolbox’ training, techniques and procedures; and a more robust and constant reinforcement of the need for safety in everything we do.

We also commit to take the greatest care of our environments. Our HSE Manual lays down recognised procedures for diverse demands, including waste handling and effluents, noise, dredging, construction, emissions, handling dangerous substances, underwater noise and vibration, and spill prevention and control.

2. ECOPORTS


Laying underground ducts for cables connecting the shoreside stations to the shore-to-ship connection boxes at Pinto Wharf.

Ecoports

To support our environmental aims and our goal of growing sustainably, we introduced a new initiative: EcoPorts certification in all of our cruise and commercial ports for 2019. EcoPorts is the main environmental initiative of the European port sector.

Before the introduction of EcoPorts, many of our ports had already achieved high levels of external validation. Ege Port, for example, achieved ISO 14001 Environmental Management System certification as far back as 2004 and in 2015 it was certified as a Green Port by the Ministry of Transport & Infrastructure and TSI (Turkish Standards Institution).

However, as well as being globally recognised, EcoPorts is more than just a certification scheme. It is designed to start a process of continuous environmental improvement at a port. The Port Environmental Review System (PERS) builds on the policy recommendations of ESPO (European Sea Ports Organisation).

It lays down clear objectives for ports to achieve ever-greater environmental standards. Lloyd’s Register independently reviews its implementation and the certification remains valid for a period of two years. The certification process covers a wide range of initiatives and standards, including monitoring that covers everything from waste reception and recycling to water consumption and renewable energy use. But this process has no end-point; it continuously assesses where a port could do better.

Although we aim to have all our ports EcoPorts certified, the regulations in Europe state that it is port authorities, rather than the terminal operator, that gains EcoPorts certification. We see this as a technicality – the continuous driving up of environmental standards is the important point – but regardless, GPH carries out EcoPorts Environmental Self Diagnosis and prepares PERS reports on our results. Our ports have also taken all steps required to meet the EcoPorts Global Standard for environmental management for ports/port terminals and Lloyd’s Register has been retained as an independent auditor.

Our Turkish ports, Kuşadası, Bodrum and Antalya, all became EcoPorts certified in 2019 and continue to keep the standard of certification for the Reporting Period.

Importantly, this is just the beginning. Each of our ports now has an environmental improvement plan in place and is well-positioned to support their respective port authorities in achieving EcoPorts certification. An example of our self-improvement is our approach at and steps taken at Ege Port and Bodrum Cruise Port, where our new environmental investment programme means that we expect these two ports to produce as much electricity as they consume. During the Reporting Period, both ports applied for permission to install solar power plants on the roof of their terminals. We hope to have completed this investment by the end of 2021.

Similarly, a longer-term goal is to provide shore power for cruise ships, eliminating the need for them to run their engines in port. Although in most cases this will require significant investment in power infrastructure by local governments. In Valletta, during the Reporting Period, we worked with other stakeholders, including Infrastructure Malta and Transport Malta, to finalise plans to invest in the infrastructure required to enable the provision of cold ironing or shore power to cruise ships. This work has now started and is expected to be completed by the end of 2023.

GPH is ready to play its part. And with the order book for new cruise ships indicating a considerable increase in LNG-powered ships in the years ahead, we are working with all stakeholders to be able to provide LNG refuelling at some ports. While we continue to take steps to reduce emissions across the business, given the significant impact of work from home directives and the shutting down of cruise operations during the Reporting Period, our reported levels of emissions do not necessarily reflect actual levels when our operations are fully functional. You can read more about our emissions on page 59.

3. LOCAL STAKEHOLDER ENGAGEMENT

Our local communities

At GPH we are passionate advocates that, in a troubled world, travel and tourism can be a force for good. Most obviously, it delivers measurable economic growth in local economies through port fees, passenger spend, local employment and the multiplier effects that ripple outwards across regions. But there are also the less tangible, but equally important, benefits of discovering rich experiences and extending the hand of friendship to other cultures.

Indeed, in its report Tourism as a Driver of Peace, the World Travel & Tourism Council shows direct correlations between countries that embrace tourism and greater levels of harmony. GPH's Global Run, an annual celebration of community and inclusivity, was conceived in this same spirit. Each year, this 'world tour' has gone to a different GPH destination.

As well as being a joyous and fun event, it raises money for good causes around our port locations. In addition, our ports are engaged in multiple projects where a helping hand can not only help to deliver both financial, but also practical help to charity and community projects.

Just some of the examples of how our ports engaged with their local communities in the Reporting Period included:

- Port of Adria donated school kits to all first grade students in Bar municipality.
- Barcelona Cruise Port continued to work closely with the Talita Foundation, which supports the educational integration of Down's Syndrome children, both at school and in society.
- Ege Port worked with several local initiatives including providing donations to the Kuşadasi Youth and Sports Foundation to promote local youth participation in sport. In addition, they worked with the International Coastal clean up to raise awareness in the town, collecting and documenting rubbish littering the coastline.
- Valletta Cruise Port team members dedicated their time and raised funds to help socially and economically challenged children and young people. The port also hosted a summer BBQ for disadvantaged children and worked with Valletta Waterfront tenants to collect and donate contributions at a local food bank.
- Lisbon Cruise Port fundraised for the Portuguese Association of Cerebral Palsy, as well as for Aldeias de Crianças SOS Portugal, an organisation that advocates the rights and needs of children in more than 134 countries worldwide.
- In the Caribbean, we created the Yes Foundation, to support local social programmes focused on creating employment and training opportunities for young people.

Our commitment to our local communities does not stop at charitable work. We are committed to tread as lightly as we can, minimising the impact on the planet and protecting the environments in which we work.

This policy applies at any location where we might operate, but there is a double imperative at our cruise destinations. It is the inherent beauty of our ports' cities and regions that inspires passengers to want to pay a visit. Our local communities depend on this demand, as do we.

Therefore, we work to make sure that the passengers we welcome are a benefit and not a burden to local communities. We consult closely with local stakeholders, including local government and tourism agencies, to avoid any undue pressure on the local environment, infrastructure and services.

For example, we make sure that our Guest Information Centres promote a wide range of destination attractions.

This gives our incoming passengers the broadest possible choice while also dispersing more evenly the flow of passengers around the destination.

We also provide sustainable transport solutions such as electric bikes so our passengers can experience a destination in an environmentally friendly way.

The right thing for our people

We are committed to treating people equally, fairly and respectfully, applying both the letter but also the spirit of the law. We believe that how any company treats people, both inside and outside the organisation, is a measure of its true worth and standing.

GPH is a signatory to the human rights defined in the United National Global Compact, the Universal Declaration of Human Rights, and the Declaration on Fundamental Principles and Rights at Work by the International Labour Organisation (ILO).

3. LOCAL STAKEHOLDER ENGAGEMENT CONTINUED

In essence, this means we offer equal employment opportunities for all, regardless of religion, language, race, age, colour, nationality, social background, gender, orientation or disability. We hire, train and promote our people according to qualifications, performance, talent and experience. We also recognise the right to freedom of association and collective bargaining and agreements, and forbid child and forced labour of any kind.

As at end of March 2021, female employees accounted for 23% of the overall workforce; 41.5% of white-collar roles; 25% of C-suite senior management; and 20% of the Board of Directors. We define white-collar has those staff who are office and professional workers whose jobs generally do not involve manual labor or the wearing of a uniform or work clothes. GPH will continue to focus on improving the diversity of our workforce. We are committed to a better gender balance, narrowing the gap and actively supporting the development of our high-potential female talent.

In terms of race, language, colour and nationality, GPH is a truly global business and our workforce fully reflects this. When we add a new port to our portfolio, we look to fill our operational roles with local people. As at 31 March 2021, GPH employed people from at least 11 different countries and as our business grows we expect this number to grow with it.

The focus was always on identifying and employing qualified locals, but rather than leave that to an outside agency it was important to GPH and our culture that senior management led such an essential process.

Employee rights

We seek to ensure that our employees' rights are protected and that they enjoy a safe and harmonious working environment that is free from discrimination, harassment, mistreatment, exploitation, abuse and violence.

This is mandated either by law or through the Company's Code of Conduct. The Board acts with full regard to human rights considerations, as defined under the European Convention on Human Rights, and the UK Human Rights Act 1998 as applied to our UK businesses.

We are aware of our responsibilities and obligations under the Modern Slavery Act and we work to ensure that we comply across the Group. We also compensate employees fairly and in line with market conditions.

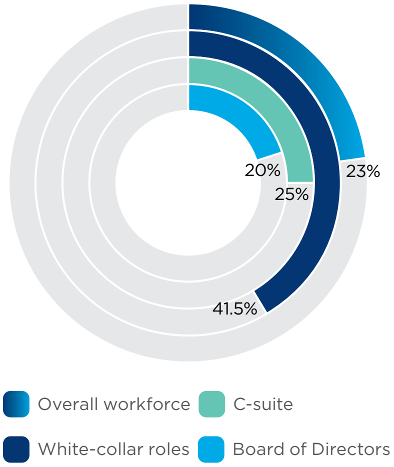
Discrimination

Everyone has the right to equal treatment and respect, and in line with this principle discrimination is prohibited at GPH.

Discrimination can manifest itself directly or indirectly:

1. Direct discrimination refers to the unfair treatment of an employee based on their gender, race, colour, disability, age, sexual orientation, pregnancy, ethnicity, social origin, nationality, ancestry, language, religion/faith, political or other views, as well as membership of any minority group; and

GPH female employees breakdown by role
As at March 2021



2. Indirect discrimination occurs where equal treatment is actually unfair; for example, assigning a pregnant employee the same task as all other employees, when the task involves heavy lifting. All decisions regarding employment processes such as recruitment, promotions, transfers, training, dismissal and determining working conditions are based on consistent and fair selection criteria. Employees or staff authorised to make such decisions are expected to act free from bias or any discriminatory factor.

GPH requires that evaluating and assessing employees takes place based on equal and objective criteria, with regard only to knowledge and skills.

Employee engagement

Our commitment to employees does not end with our legal obligation. Their individual development and success are key to GPH's ability to continue to grow.

We use a performance management system that guides how we engage with employees, and which allows both parties to identify areas for personal development and training.

The first component of this process – target planning – is completed in four phases, as follows:

1. Determining GPH targets; these are defined by the CEO and approved by the Board of Directors.
2. Determining annual Company targets; these are set by the Board of Directors for affiliated companies in line with GPH Holding's targets and shared with the management team of each company.
3. Determining department/branch targets; these are defined according to the targets determined and shared by the management team of each affiliate company.
4. Determining individual targets; these are set following the communication of department targets to employees in their respective functions.

This process allows GPH and our employees to identify areas for additional training and development, such as extra on-the-job training through to further educational opportunities such as MBAs. As a result of our Covid-19 restrictions, many of our employees spent much of the period working from home. This led to increased video calls using platforms such as Zoom to keep in touch with employees and to keep them engaged with the Company.

Although it is only a single quantitative measure, total Group employee turnover in the period to end March 2021 was 6% on a full-time equivalent basis. We continue to develop even better ways to engage with all employees, but the low rate of employee turnover is, we believe, a positive indicator of the GPH culture and work environment.

The right thing in business

Any form of bribery or corruption violates both the law and the Company's ethics. This includes making or taking any form of inducement, behaving in an anti-competitive way, false reporting, or any other action that may pervert the course of legal and honest dealing.

The Group upholds all applicable local laws and the best practices of international ethical standards. This is encompassed and published in our Anti-Bribery and Corruption Policy to which every employee and supplier is required to comply.

In a broader context, the Company's Code of Ethics guides every aspect of our actions, ranging from ethical decision-making and showing respect for every colleague, to issues around safety and security, drugs and alcohol, conflicts of interest and safeguarding the Company's reputation.

You can see our Anti-Bribery and Corruption Policy and Code of Ethics at http://www.globalportsholding.com/pdf/Anti-Bribery-and-Corruption-Policy.pdf

Industry engagement

GPH is an active participant in industry events that raise our profile among the sector's key decision-makers.

We therefore continue to be enthusiastic sponsors, speakers and exhibitors at all the 'marquee' industry gatherings. As a consequence of Covid-19, travel restrictions, industry gatherings and conferences and exhibitions were cancelled or became virtual events. While missing that important face-to-face contact, we actively participated in these virtual events, continuing to showcase our fantastic destination and our outstanding facilities.

We participated in Seatrade Virtual Events, and the events of the Florida Caribbean Cruise Association (FCCA) and Cruise Lines International Association (CLIA). We had been looking forward to welcoming Seatrade Med to Málaga Cruise Port in 2020, however the event was postponed and we now look forward to welcoming the event to Málaga Cruise Port in 2022. This will provide an excellent opportunity for us to showcase this fantastic destination and our outstanding facilities.

Aside from industry events, we are in continual contact with executives across the industry, marketing and promoting our destinations, including those recently added to our portfolio.

This Strategic report, as set out on pages 1 to 63, was approved by the Board of Directors on 23 August 2021 and signed on its behalf by:

EMRE SAYIN, CEO
MEHMET KUTMAN,
Executive Chairman

GROUP BACKGROUND AND STRUCTURE

The origins of the Group date back to 2003, when operations commenced at Ege Port in Kuşadası, Turkey. Between 2006 and 2016, additional port operations within and outside of Turkey were added, totalling 13 cruise and two commercial ports by the time of the Company's admission to the London Stock Exchange ('LSE') on 17 May 2017 ('Admission').

Immediately prior to Admission, the Group was restructured by way of a share reorganisation, pursuant to which all the shares of Global Liman İşletmeleri A.Ş. ('GLI', the Group's Turkish holding company) were ultimately transferred to the Company. As a result, the Company acquired 100% of the operating Group – then comprising GLI and its subsidiaries, which it continues to own.

Accordingly, references in this Report to 'GPH', 'Global Ports Holding' or 'the Group' mean, in any matter prior to Admission, GLI and its consolidated subsidiaries, and following Admission, the Company and its consolidated subsidiaries. References in this Report to 'the Reporting Period' or 'the Period' are to the financial Reporting Period covered by this Report, being from 1 January 2020 to 31 March 2021.

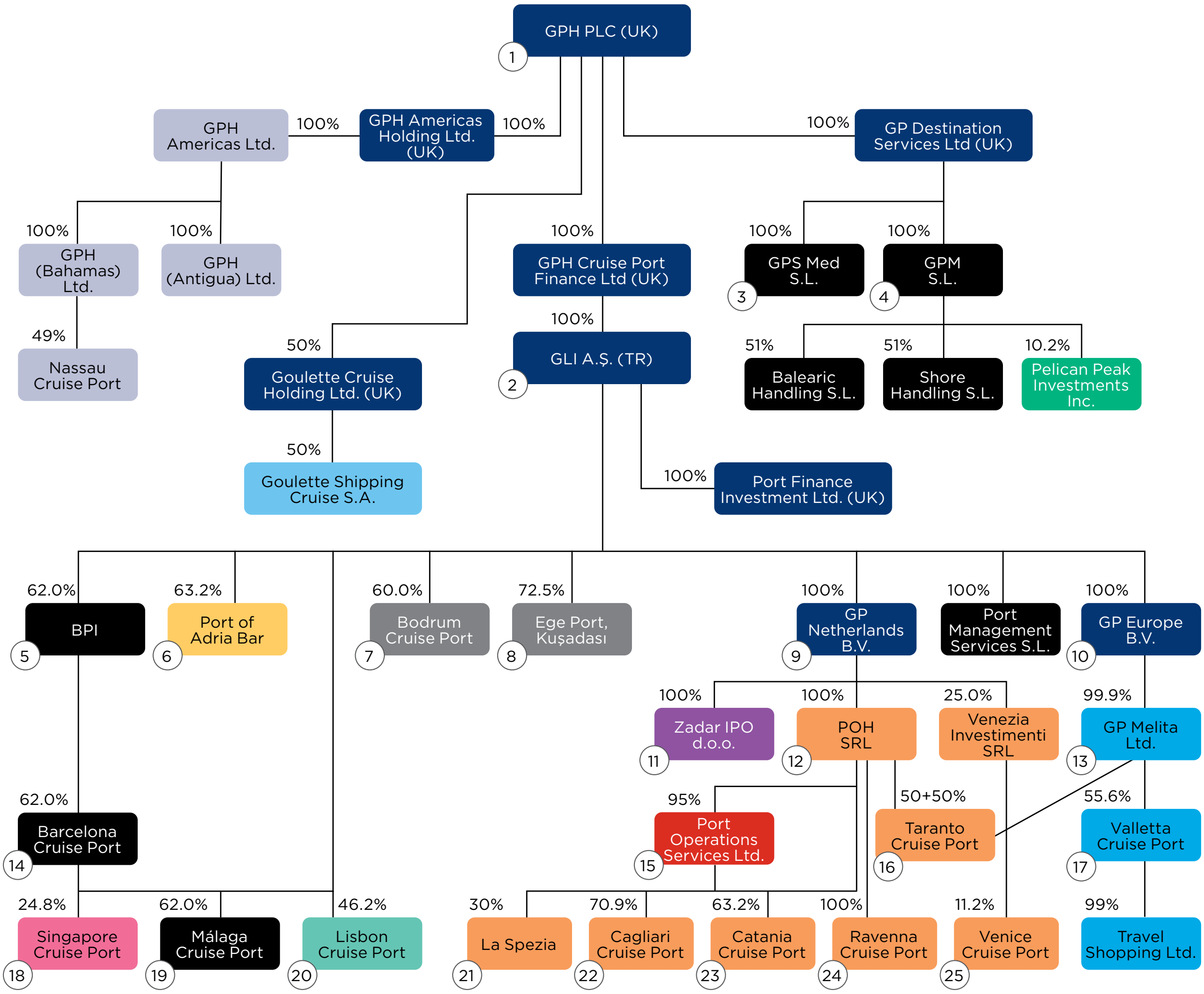
The Company's ultimate parent remains Global Yatırım Holdings A.Ş. ('GIH'). As at 20 August 2021, being the latest practicable date prior to publication of this Report, GIH has a 62.14% interest in the Company, directly and through its wholly owned subsidiary Global Ports Holding B.V. ('GPH B.V.'), which is registered under a nominee. GIH is listed on Borsa Istanbul under the ticker 'GLYHO'.

In contrast to 2019, there was limited expansion of the Group portfolio during 2020 as, in response to the Covid-19 pandemic, the Company largely focussed on cost-saving and cash conservation measures – including the suspension of a significant portion of business development expenditure for much of the Period. Accordingly, announcements in January 2020 of the Company's successful bid with partners to acquire the operator of the cruise terminal in La Goulette, Tunisia, and the Company's joint venture purchase of the 20% minority stake in the Málaga Cruise Port concession were followed by a growth hiatus. Nevertheless, capital investment at the Antigua and Nassau cruise ports, newly acquired by the Group in 2019, continued as planned, financed by committed loans for Antigua Cruise Port and raised 124.5 million through a bond offering, completed in June 2020, for Nassau Cruise Port. As 2020 wore on, the Company judiciously pursued a limited number of port projects, and in November 2020 was awarded a 20-year concession to manage the cruise port of Taranto, Italy. In the same month, the bid by Company and its partner, Baleària Group, for a 35-year concession to operate the ferry and cruise port of Valencia, Spain was accepted. The Taranto concession agreement was signed on 29 April 2021 and, at the date of this Report, negotiation of the Valencia concession agreement is progressing.

Since the start of 2021, the sale of Port Akdeniz has been completed – in line with a key strategic ambition of the Group to create a 'pure-play' cruise port operator.

As at 23 August 2021, being the date of this Report, the Group actively operated or was invested in a total of 18 cruise ports and one commercial port in 12 countries.

The chart below is a simplified structure of the Group's port investments at the date of approval of this Report – 23 August 2021:



The percentages above represent GPH's effective ownership.

1. Global Ports Holding PLC
2. Global Liman İşletmeleri A.Ş.
3. Global Ports Services Med S.L.
4. Global Ports Mediterranean S.L.
5. Barcelona Port Investments S.L.
6. Akcionarsko društvo 'Port of Adria' Bar
7. Bodrum Yolcu Limanı İşletmeleri Anonim Şirketi
8. Ege Liman İşletmeleri Anonim Şirketi
9. Global Ports Netherlands B.V.
10. Global Ports Europe B.V. (The Netherlands)
11. Zadar International Port Operations d.o.o.
12. Port Operation Holding SRL
13. Global Ports Melita LTD
14. Creuers Del Port de Barcelona S.A.
15. Port Operations Services (Cyprus) Ltd.
16. Taranto Cruise Port SRL (Tarnato, Italy)
17. Valletta Cruise Port PLC
18. SATS-Creuers Cruise Services PTE. LTD
19. Cruceros Málaga S.A.
20. Lisbon Cruise Port LD
21. La Spezia Cruise Facility SCRL (under liquidation)
22. Cagliari Cruise Port SRL
23. Catania Cruise Terminal SRL
24. Ravenna Terminal Passeggeri SRL
25. Venezia Terminal Passeggeri SPA

● Turkey
● Spain
● Italy
● Malta

● Portugal
● Montenegro
● Singapore
● Tunisia

● Croatia
● Caribbean
● Canada
● Cyprus

CORPORATE GOVERNANCE STATEMENT

2020 started out with such promise: having undertaken a strategic review in mid-2019, the Company had been launched on the agreed course of becoming a pure-play global cruise port operator.

As we know, things did not go to plan: although the sale of Port Akdeniz was completed within the Reporting Period, starting in March 2020 the emergent pandemic played havoc with other business plans – necessitating the re-routing of resources and the suspension of new investment and largely monopolising the focus of senior management and the Board of Directors (or the 'Board').

Although we were prevented from achieving certain strategic goals within the Period, I believe that we met Covid-19 -related challenges with determination and creativity. I am extremely proud of the sacrifices made, hard work contributed and optimism maintained by individuals at all levels throughout the Group, and the solidarity and proactive leadership shown by the Board and senior management. I thank them all. On behalf of myself and the Board, I also extend profound thanks to our investors, partners and other associates for their support.

Throughout the Period, the Board has remained acutely aware of the importance of strong corporate governance in order to maintain the confidence of our many stakeholder constituencies. This is reflected in the decision during the Period to appoint a dedicated compliance officer to monitor the Company's compliance with its own policies and applicable laws and regulations in its jurisdictions of operation. At the date of this Report, the Company is recruiting to fill the role.

Likewise, when implementing certain actions that we felt were necessary to respond to extraordinary market conditions and uncertainty created by the pandemic, we did so only after careful consideration of the governance implications. A case in point was the suspension in July 2020 of our pursuit of a Premium Listing on the LSE and the termination of the Company's relationship agreement with its controlling shareholders. The approval of the Independent Non-Executive Directors (the 'Independent Directors') to those actions was granted on the express basis that the interests of the Company's minority shareholders would continue to be protected by the Board's collective commitment to good corporate governance and

the regulations with which the Company is still required to comply. Since that time, the Independent Directors separately have considered and approved related party aspects of transactions involving GIH, as set out under 'Independence' on pages 74 and 75.

The Company as a standard listed company is not required to adopt the 'comply or explain' regime of the UK Corporate Governance Code (the 'Governance Code') published by the Financial Reporting Council.

The Board is committed to decision-making having regard to each of the matters set out in Section 172 of the Companies Act 2006 ('Section 172'), as set out in detail in the Section 172 Statement on pages 53 to 56 in the Strategic report. As such, the Board strives to take a long-term, responsible and sustainable approach to the Group's business and its impact on our stakeholders. This informs the Company's distinctive 'community approach' to its port projects which, together with our ports' 'green' credentials, are set out elsewhere in this Report (see pages 57 to 61).

Engagement with stakeholders is also central to the decision-making process and, during the Reporting Period, was more important than ever – with every cruise passenger, cruise line, employee, government and local authority, local community and investor being impacted in some way by the pandemic.

I believe that the Group's pre-pandemic achievements are testament to our success at keeping the interests of our varied stakeholders prominently in the decision-making frame. The Group's operations, which encompass a number of geographically dispersed port operations as well as ancillary business lines, could not prosper without our numerous stakeholder groups being 'on board'.

I am equally confident that judicious decision-making and our steadfast commitment to strong governance will ensure that the Group achieves even greater things in the years to come.

Mehmet Kutman
Executive Chairman
and Co-Founder
23 August 2021

Board of Directors

Mehmet Kutmen

Executive Chairman and Group Co-Founder

Dates of appointment:

11 April 2017, 8 May 2018,
24 May 2019 and 5 June 2020

Skills and experience:

Mr. Kutman has been Chairman of the Company since April 2017 and of GLI since April 2012, being re-appointed annually, and is a founding shareholder of GIH. In addition to his active involvement in business development and project management for the Group on a transaction-by-transaction basis, Mr. Kutman is Chairman of the Boards of Directors of GIH and Bodrum Cruise Port, and was formerly a Director of Alarko REIT, a BIST- listed real estate investment trust. He is a member of TUSIAD (Turkish Industry & Business Association) and DEIK (Foreign Economic Relations Board) where he serves as Chairman of the Turkey – Cuba Business Council. Prior to founding securities firm Global Menkul Değerler A.Ş. ('GMD') in 1990, Mr. Kutman was Project Manager at Net Holding A.Ş., a Turkish corporate group involved in tourism and related sectors, from 1989 to 1990. Between 1984 and 1989, he resided in the United States where he was Vice President of North Carolina National Bank, Sexton Roses Inc. and Philip Bush & Associates.

Other current roles:

Chairman of the Boards of Directors of GIH and Bodrum Cruise Port. Mr. Kutman also actively endows Yale University's brain tumour research program through the Gregory M. Kiez and Mehmet Kutman Foundation.

Education:

Mr. Kutman holds a BA (Hons.) degree from Boğaziçi University and an MBA degree from the University of Texas.

Ayşegül Bensel

Non-Executive Vice Chairperson

Dates of appointment:

12 April 2017, 8 May 2018,
24 May 2019 and 5 June 2020

Skills and experience:

Mrs. Bensel was first appointed to the Board on 12 April 2017 and has been re-appointed annually. She is also a member of the Boards of Directors of GLI, Barcelona Cruise Port Creuers Terminals, Valletta Cruise Port, Ege Port, Kuşadası, Bodrum Cruise Port and GIH. Mrs. Bensel was Managing Director of the Real Estate Division of GIH and Chairperson of Pera REIT Company until 2020. Previously, until the sale of Global Hayat in 2005, Mrs. Bensel was Chairperson of its Board of Directors and its CEO. Mrs. Bensel has also been a member of the Boards of Directors of Port Akdeniz, Antalya and GMD where, between 1993 and 1999, she was Assistant Director and then Co-Director of Research. Prior to joining GMD as an equity research analyst in 1991, Mrs. Bensel was a manager in foreign exchange dealings in the Turkish banking sector. Mrs. Bensel is a member of the Company's Remuneration Committee and its Nomination Committee.

Other current roles:

Vice Chairperson of GLI, member of the Boards of Directors of several Group subsidiaries, GIH and GMD.

Education:

Mrs. Bensel holds a BA degree in Business Administration and Finance from Hacettepe University, Ankara.

Lord Mandelson

Senior Independent Director (SID)

Dates of appointment:

12 April 2017, 8 May 2018,
24 May 2019 and 5 June 2020

Skills and experience:

Lord Mandelson was first appointed to the Board on 12 April 2017 and has been re-appointed annually. Lord Mandelson is Co-Founder and Chairman of Global Counsel, a regulatory, political risk and public policy advisory business based in London, Brussels and Singapore. He is a former European Trade Commissioner and British First Secretary of State. Previously, he was Minister without Portfolio; Secretary of State for Trade and Industry; Northern Ireland Secretary; and Secretary of State for Business, Innovation and Skills in the British Government between 1997 and 2010. He was MP for Hartlepool from 1992 until 2004 and Director of Campaigns and Communications for the Labour Party between 1985 and 1990. Lord Mandelson is President of the Great Britain China Centre and of the German British Forum. He is Chancellor of Manchester Metropolitan University, President of the Policy Network think tank and Senior Adviser to Lazard. Lord Mandelson is Chairman of the Company's Nomination Committee.

Other current roles:

Co-Founder and Chairman of Global Counsel, President of the Great Britain China Centre, President of the German British Forum, Chancellor of Manchester Metropolitan University, President of the Policy Network and Senior Adviser to Lazard.

Education:

Lord Mandelson studied Philosophy, Politics and Economics at St. Catherine's College, Oxford University.

The Board, as established in April 2017, consisted of the Executive Chairman and six Non-Executive Directors, of whom three were independent. As detailed in the note below and on page 73, Board membership remained unchanged until 24 February 2020, and there was a further change in November 2020. The following are the Directors who served on the Board throughout the Reporting Period and who continue to do so at the date of this Report:

Jérôme Bernard Jean Auguste Bayle
Independent Non-Executive Director

Dates of appointment:

12 April 2017, 8 May 2018, 24 May 2019 and 5 June 2020

Skills and experience:

Mr. Bayle was first appointed to the Board on 12 April 2017 and has been re-appointed annually. Over the course of 32 years, Mr. Bayle held top executive positions in various countries for Tetra Pak. As the former Managing Director of Tetra Pak Turkey, he was responsible for developing operations in Turkey, and regions including Central Asia and the Caucasus. He also worked in the Balkans. After retiring from Tetra Pak, Mr. Bayle established Magnetic North, a management consulting firm providing mentoring and consulting services to large multinational companies in the greater Middle East region, with particular emphasis on human resources, organisational processes and development. Mr. Bayle received numerous awards during his professional career and has been recognised for his many contributions to business and social organisations. Mr. Bayle is Chairman of the Company's Remuneration Committee and its Audit and Risk Committee.

Other current roles:

None.

Education:

Mr. Bayle holds a Master's degree in Business and Finance from France's Dauphine Université. He is also an alumnus of the Swiss Business School IMD.

Ercan Nuri Ergül
Non-Executive Director

Dates of appointment:

11 April 2017, 8 May 2018, 24 May 2019 and 5 June 2020

Skills and experience:

Mr. Ergül was first appointed to the Board on 11 April 2017 and has been re-appointed annually. He is also a member of the Boards of Directors of GLI and Bodrum Cruise Port. Mr. Ergül has spent his career as a private equity and investment banking professional, beginning in the corporate credit group of Citibank in Turkey in 1993. Mr. Ergül is also in the management of a private equity fund with investments in Turkey and the Balkan countries. Mr. Ergül is a member of the Company's Audit and Risk Committee.

Other current roles:

Private equity fund manager and member of the Boards of Directors of Port Akdeniz, Antalya, and Bodrum Cruise Port.

Education:

Mr. Ergül holds an undergraduate degree from the Middle East Technical University in Ankara, Turkey, and an MBA degree with a concentration in Finance from the University of Florida.

Note:
On 24 February 2020, the Board accepted the resignations of Thierry Edmond Déau and Thomas Josef Maier, and appointed Andrew Chan Stuart as an Independent Non-Executive Director to fill one of the vacancies. Mr. Stuart served on the Board until 18 November 2020, at which time he stepped down for personal reasons. The Board intends to appoint additional Non-Executive Directors to fill the two outstanding vacancies. Although that process had commenced in 2020, it was postponed in order to allow the Company to focus on responding to challenges created by the Covid-19 pandemic.

Alison Mary Chilcott
Company Secretary

Ms. Chilcott has been Company Secretary since 20 October 2017, replacing TMF Corporate Administration Services Limited, which served as the first Company Secretary from 11 April 2017 to 25 October 2017.

At the time of joining the Company, Ms. Chilcott had worked for a UK company secretarial firm since December 2015. Prior to moving to the United Kingdom in July 2014, Ms. Chilcott lived in the BVI where she practised corporate law with Conyers Dill & Pearman, specialising in investment funds and infrastructure financing, from September 2008. Previously, Ms. Chilcott was an adviser to GMD, and subsequently to GIH, in Istanbul between July 1996 and September 2008. Ms. Chilcott began her career in Toronto, where she trained and practised with the firms McCarthy Tétrault and Torys between 1990 and 1996, taking leave to lecture company law at the University of Auckland in 1993 and 1994. Ms. Chilcott has been a member of the Ontario Bar since 1990 and a solicitor (non-practising) in England and Wales since 2011.

Ms. Chilcott holds a BA (Hons.) degree from McGill University, an LLB degree from the University of Toronto and an LLM (First) degree from Queens' College, University of Cambridge.

Senior Management Team

Emre Sayın
Chief Executive Officer (‘CEO’)

Dates of appointment:

16 May 2016

Skills and experience:

Mr. Sayın has been CEO since 2016 and led the Company during its IPO, Admission and subsequent expansion. Mr. Sayın started his career as an internal consultant at Merrill Lynch, Princeton, in 1992. In 1993, he joined Unilever, where he held high-level positions in various departments, including Marketing and Management of chain stores, over a period of seven years. Following Unilever, Mr. Sayın joined Microsoft as Deputy General Manager responsible for marketing. He then continued his career as General Manager at Kodak until 2005, and was Chief Marketing Officer at Evyap, a leading personal care company, from 2005 to 2007. Over the following seven years, Mr. Sayın held high-level positions in Turkcell, including Chief Sales Officer and Chief Marketing Officer and led the consumer business which made up 80% of the company. In the three years prior to joining GPH, Mr. Sayın was Chief Business Development Officer at Vimpelcom (currently called Veon) in Amsterdam, and Senior Advisor and Marketing Board Member at Verizon in New York City.

Education:

Mr. Sayın holds an Industrial Engineering degree from Boğaziçi University, and postgraduate degrees in Systems Engineering from Rutgers and Princeton Universities.

Jan Fomferra
Chief Financial Officer (‘CFO’)

Dates of appointment:

2 July 2020 (with effect from 1 September 2020)

Skills and experience:

Mr. Fomferra took up the position of CFO on 1 September 2020. Since 2016, he had been Director of Corporate Finance at GIH, with responsibility for capital market and structured financing activities for the GIH Group of companies as a whole. In that capacity, and in his previous role as Managing Director of Global Securities/IEG-Global, Mr. Fomferra was closely involved in all of GPH’s financing transactions, including the issuance of its Eurobond in 2014 and the IPO in 2017. Prior to joining the GIH group in 2012, Mr. Fomferra was Head of Structured Finance at Fresenius VAMED Germany, focussing on international healthcare Public-Private Partnership projects in Europe. Previously, he was part of the corporate finance team at DB Mobility Logistics AG (Deutsche Bahn), working on project and capital market financings from 2009 to 2010. Mr. Fomferra started his career in investment banking, where he advised on international M&A and structured financing transactions from 2005 to 2009.

Education:

Mr. Fomferra holds an undergraduate degree in Economics from the Technical University of Berlin and an MSc. degree and Diplom-Kaufmann from ESCP Business School.

Stephen Xuereb
Chief Operating Officer (‘COO’) and General Manager of Valletta Cruise Port

Dates of appointment:

1 June 2002

Skills and experience:

Mr. Xuereb was appointed COO in August 2016. He has been involved in the cruise industry since the inception of Valletta Cruise Port Plc in 2002, serving as its CFO until 2014 and subsequently as its General Manager. He was responsible for establishing the finance and administration function and overseeing the financing of the EUR 37 million capital intensive project in Valletta Cruise Port, as well as playing an active role in developing the cruise line business and ancillary support services in Malta. Mr. Xuereb formed part of the core team during the IPO process and subsequent expansion, and is responsible for the strategic and operational direction of the ports across the GPH network. He has over 25 years of senior management experience, 16 of which are in the cruise industry. He has previously held positions in the audit and financial advisory sectors, as well as the retail, property and hospitality industries.

Education:

Mr. Xuereb is a qualified accountant and is a Fellow of the Chartered Institute of Accountants in Malta. He also holds an MBA degree from Henley Business School, University of Reading.

The following senior executives constituted the Group's senior management team ('Senior Management Team') during all or part of the Reporting Period and, except as noted, continue to do so at the date of this Report. Changes in the Senior Management Team during the Period are set out in the notes below.

Ece Gürsoy
Chief Legal Officer ('CLO')

Dates of appointment:

15 January 2018

Skills and experience:

Dr. Gürsoy, who was appointed CLO as of 15 January 2018, established the Company's centralised legal function which advises Group companies on various legal matters. Prior to joining the Company, Dr. Gürsoy was CLO, Company Secretary and an Executive Director of Lightsource Renewable Energy Holdings Limited (currently LightsourceBP). Previously, she practised with the firms Dentons and White & Case, specialising in project finance, infrastructure, energy and private equity.
Dr. Gürsoy is a member of the Law Society of England and Wales and the Istanbul Bar Association. She is also a member of the Board of the Turkish British Chamber of Commerce and Industry, where she served as Company Secretary between 2015 and 2017, and is currently Vice Chairperson.

Education:

Dr. Gürsoy holds an LLB degree from Istanbul University Law School, a GDL degree from College of Law, London and an LPC degree from BPP Law School. She also holds an LLM degree in Corporate and Commercial law from the University of London and a PhD degree in European Competition Law from King's College London. Dr. Gürsoy has also completed the Financial Times London's Non-Executive Director Diploma programme.

Colin Murphy
Head of Business Development – Americas ('HoBD Americas')

Dates of appointment:

17 April 2017

Skills and experience:

Mr. Murphy joined the Group as Regional Coordinator, Americas, in April 2017 and was appointed to his current position in June 2018. Previously, he had a 19-year career with Norwegian Cruise Line, where he managed several operational divisions including the Shore Excursion and Onboard Revenue functions which constituted approximately 30% of company revenues. More recently, Mr. Murphy was Senior Vice President, Destination and Strategic Development, at Norwegian Cruise Line Holdings, where he oversaw various port-related development projects, negotiated major port agreements and was responsible for government relations. Mr. Murphy has served as Chairman of the Operations Committee of Florida Caribbean Cruise Association and has been a member of CLIA's Global Ports Committee.

Education:

Mr. Murphy holds a degree in Business Administration from The Polytechnic of the South Bank in London.

Hande Doğu
Human Resources Director ('HRD')

Dates of appointment:

2 July 2018

Resigned August 2021

Skills and experience:

Ms. Doğu was appointed Human Resources Director as of 2 July 2018. Prior to joining the Company, Ms. Doğu was Country Human Resources Head for Avery Dennison. Previously, she spent 14 years as a Human Resources Director within Arkas Holding, where she started as a Quality Systems Manager responsible for the development of quality management systems for container ports, logistics services and shipping line companies between 2004 and 2008. In 2008, Ms. Doğu was appointed Human Resources and Quality Manager responsible for all human resource implementation and development for Logistics Group companies within Arkas Holding, and in 2015, she was appointed International Human Resources Director responsible for Turkey, Russia, Ukraine, Kazakhstan, Azerbaijan, Georgia, China and Greece, managing a team of 15. Ms. Doğu began her professional career in 1998 as a Quality Systems Engineer for a medical device manufacturer.

Education:

Ms. Doğu holds a bachelor's degree in Chemical Engineering from Hacettepe University, an MSc degree in Biomedical Engineering from Boğaziçi University and an MBA degree from Bilgi University. She is also certified as a Co-Active Coach by CTI and has been certified as a Lead Auditor and A-Class Occupational Safety Engineer.

Notes:

1. *Ferdağ Ildır was CFO from 10 May 2010 until 1 September 2020, when she took up the position of Chief Financial Officer at GIH.*
2. *Mark Robinson, who was Head of Business Development – Europe and Asia Pacific from 26 February 2016, resigned as of 21 January 2021. His responsibilities have been assumed by other senior management.*
3. *The positions of Cruise Marketing Director ('CMD'), held by Carla Salvado until 1 December 2020, and of Chief Commercial Officer ('CCO'), held by N. Mert Başar between 10 February 2020 and 30 April 2020, are vacant. The search for qualified CMD and CCO candidates was suspended in line with pandemic-related cost-saving measures, however the Company intends to fill both positions as soon as warranted by the recovery of Group business. A new HRD will also be appointed to replace Hande Doğu.*

Corporate governance framework

The role of the Board and its committees

The Board is responsible for overseeing the management of the Company and approves all its major decisions. Subject to the provisions of the Companies Act 2006, the Articles of Association (the ‘Articles’) and to directions given by special resolution of the Company, the Board may exercise all the powers of the Company, whether relating to the management of the business or not. The Board meets regularly, at least once a quarter, and is instrumental in planning the medium- and long-term strategy of the Company. Due to the pandemic, all Board meetings from March 2020 through the end of the Reporting Period were held virtually.

Board resolutions are passed by a simple majority of Directors present at a meeting or unanimously in writing. Matters reserved for consideration by the Board are detailed in a schedule which was first approved by the Board in December 2017, most recently re-affirmed by the Board in December 2020, and which will continue to be reviewed annually. These key matters include setting the Group’s values and standards, approval of long-term objectives and commercial and investment strategy, annual budgets, changes to capital structure, and of contracts, borrowing and investments over defined levels. The schedule of matters reserved for the Board can be found at www.globalportsholding.com under Investors — Corporate Governance.

The Directors have been selected for their diversity of background as well as personal attributes, and they bring a wide range of skills and varied commercial experience to the Board and its committees. The diagram below sets out Board and committee membership throughout the Reporting Period in relation to the Senior Management Team and port management (collectively with other senior managers within the Group, ‘senior management’) and the Head of Internal Audit, Risk and Compliance (or ‘HoIAC’).

The Board also considers legislative, environmental, health & safety, governance and employment issues, and approves policies. The Board is also ultimately responsible for determining the nature and extent of significant risks, and maintaining sound risk management and internal control procedures throughout the Group. The Board’s specific responsibilities in that regard are:

- to ensure the design and implementation of appropriate risk management and internal control systems that identify the risks facing the Group and enable the Board to make a robust assessment of the principal risks;

Board of Directors and Committee memberships*

Mehmet Kutman
Executive Chairman

Ayşegül Bensel
Vice Chairperson
Non-Executive Director
M ■ ●

Lord Mandelson
Senior Independent Director
CC ■

Ercan Nuri Ergül
Non-Executive Director
M ◆

Jérôme Bernard Jean Auguste Bayle
Independent Non-Executive Director
CC ◆ CC ●

Senior Management Team

Company Secretary

Board Committees

■ Nomination Committee
● Remuneration Committee
◆ Audit and Risk Committee

Port management

Head of Internal Audit, Risk and Compliance

M – Member
CC – Committee Chairman

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* Following changes to the Board on 24 February 2020 and 18 November 2020 as set out on page 73, the Board intends to appoint additional Non-Executive Directors to fill the two outstanding vacancies. Although that process had commenced in 2020, it was postponed in order to allow the Company to focus on responding to challenges created by the Covid-19 pandemic.

- to determine the nature and extent of the principal risks faced, and to gauge those risks which the Group is willing to take in achieving its strategic objectives (risk appetite);
- to ensure that the appropriate culture and reward systems have been embedded throughout the Group;
- to agree how the principal risks should be managed or mitigated to reduce the likelihood of their incidence or their impact;
- to monitor and review the risk management and internal control systems, and management's process of monitoring and reviewing, and satisfying itself that they are functioning effectively and that corrective action is being taken where necessary; and
- to ensure sound internal and external information and communication processes, and taking responsibility for external communication on risk management and internal control.

The Board also reviews the performance of, and provides counsel to, the Senior Management Team in its day-to-day running of the business, and is ultimately responsible for the safeguarding of shareholders' interests and ensuring its own effectiveness. No member of senior management is also a member of the Board; however, the CEO attends Board and most committee meetings, in whole or part. Day-to-day management of the Group is delegated to the CEO and other members of the Senior Management Team as described further below.

The Committees

There are three committees of the Board, namely: the Nomination Committee, the Audit and Risk Committee, and the Remuneration Committee, which were constituted on 12 April 2017. The members of the committees shown in the table on page 72 were all appointed on that date. The pre-existing membership of each of the committees was re-affirmed by the Board following the 2018, 2019 and 2020 AGMs at which all of the Directors standing were re-appointed.

Under the committees' Terms of Reference ('TOR'), the majority of their full membership consists of Independent Directors. The TOR for each committee can be found at www.globalportsholding.com under Investors — Corporate Governance.

The Nomination Committee reviews the structure, size and composition (including the skills, knowledge, independence, experience and diversity) of the Board and its committees, and recommends Directors for re-election. It also has responsibility to:

- consider succession planning for Directors and other senior management;
- assist the Executive Chairman with the implementation of an annual evaluation process to assess the overall and individual performance of the Board and its committees; and
- identify and nominate, for the approval of the Board, candidates to fill Board vacancies.

The Audit and Risk Committee reviews the integrity of the financial information provided to shareholders, oversees the Company's system of internal controls and risk management, approves the internal and external audit process, and monitors the process for compliance with relevant laws, regulations and policies. The Internal Audit and Compliance Function (or 'IAC Function') was established in 2019 and is accountable through the HoIAC to the Committee as set out in detail on page 77 in the Committee's report.

The acting HoIAC, Mert Taşpolat, meets with the Chairman of the Audit and Risk Committee on a weekly basis and attends meetings of the Committee. Mr. Taşpolat took over management of the IAC Function in May 2020. As set out on page 82 in its report, the Committee recommended that the compliance function be strengthened through the appointment of a separate compliance officer and is currently recruiting to fill the role.

The Remuneration Committee recommends and reviews the Remuneration Policy of the Group, ensuring it is aligned to the long-term success of the Company and overseeing the level and structure of company-wide remuneration in order to include all Group employees. It also approves the remuneration and benefits of the CEO and the Executive Chairman. The HRD, Hande Doğu, meets regularly with the Chairman of the Remuneration Committee and attends meetings of the Committee.

Retirement and election

Under the Articles, all of the Directors retire and are subject to re-election at each AGM.

On 24 February 2020, the Board accepted the resignations of Thierry Edmond Déau and Thomas Josef Maier and appointed Andrew Chan Stuart, formerly a senior executive in the cruise industry, as an Independent Director to fill one of the vacancies. Mr. Déau and Mr. Maier had decided not to stand for re-election at the 2020 AGM and agreed to step down early to allow new members to join the Board. All of the remaining Directors, including Mr. Stuart, then retired were re-elected by shareholders at the 2020 AGM held on 5 June 2020.

Mr. Stuart stepped down from the Board with effect from 18 November 2020 for personal reasons. There were no other retirements from the Board during 2020.

Operation of the Board

Meeting attendance

The Board meets regularly, at least once a quarter. The Board held a total of seven meetings during the Reporting Period, including quarterly meetings in March, June, August and December 2020. Due to the pandemic, all Board meetings from March 2020 onwards were held virtually. The Directors also approved unanimous written resolutions on five occasions during 2020, including a separate written resolution of the Independent Directors as set out under 'Independence' below.

The table below, together with the attendance tables in the Committee reports, show the number of meetings individual Directors could have attended, and their actual attendance, during the Period. Although the attendance of Directors only is shown, the CEO also attended all of the Board's meetings. Other members of senior management also attended Board meetings from time to time at the invitation of the Executive Chairman.

Director*	Attendance	No. of meetings**
Mehmet Kutman	7	7
Ayşegül Bensel	6	7
Lord Mandelson	7	7
Jérôme Bernard Jean Auguste Bayle	7	7
Ercan Nuri Ergül	7	7

* Thierry Edmond Déau and Thomas Joseph Maier attended the first Board meeting of the Period, held on 24 February 2020, at which they tendered their resignations and Andrew Chan Stuart was appointed. Mr. Stuart attended all of the four Board meetings held after his appointment and prior to his resignation from the Board as of 18 November 2020. See 'Retirement and election' below.

** Six meetings were held during 2020 and one meeting was held in February 2021.

Independence

The Board was constituted in April 2017 with seven members, of whom four were Independent Directors. Following the changes to Board membership on 24 February 2020, half of the Board's six remaining members continued to be Independent Directors until the resignation of Mr. Stuart as of 18 November 2020. As at the date of this Report, the Independent Directors are Lord Mandelson and Mr. Bayle and there are two outstanding vacancies on the Board. The Board contemplates that both vacancies will be filled by Independent Non-Executive Directors. Although that process had commenced in 2020, it was postponed in order to allow the Company to focus on responding to challenges created by the Covid-19 pandemic.

The remaining three Board members, Mr. Kutman, Mrs. Bensel and Mr. Ergül, were originally nominated by GIH in accordance with the Relationship Deed dated 2 May 2017 (the 'Relationship Agreement' or the 'Agreement') between the Company, GPH B.V. and GIH. The Company entered into the Agreement at the time of its IPO with a view to seeking a Premium Listing on the LSE ('Premium Listing') in the future, and the Agreement's principal purpose was to regulate the ongoing relationship between the parties to ensure that the Company would be capable of carrying on its business independently.

As announced on 13 July 2020, the Board suspended the Company's pursuit of Premium Listing and the Independent Directors separately approved the termination of the Relationship Agreement, which was effected on 21 July 2020. Having regard to adverse impact of Covid-19 on prevailing market conditions and to the uncertain economic environment going forward, the Board concluded that it would be inadvisable for the Company to continue to allocate human and financial resources toward the preparation for Premium Listing, and the Independent Directors considered separately that it was not necessarily beneficial or in the best interests of the Company that it carry on business independently of its controlling shareholders to the extent contemplated by the Agreement. In particular, the Independent Directors believed that termination of the Agreement would allow the Company to benefit from more efficient sharing of its controlling shareholder's resources. In granting their approvals, the Directors considered that the interests of the Company's minority shareholders would continue to be protected by the Board's collective commitment to good corporate governance and the various regulations with which the Company would still be required to comply as a UK public company with a Standard Listing on the LSE, while the decisions outlined above would afford the Board more flexibility to pursue arrangements which it determined to be in the best interests of the Company and to minimise costs and delays in doing so.

Recently, the Independent Directors separately considered and approved the related party implications of a stand-by call option agreed to be given by GIH in connection with the Financing (as defined on page 77), GIH support of financing commitments at the Antigua Port, and the support letter described in Note 3(f) to the financial statements (the 'Support Letter').

Conflicts of interest

The Companies Act 2006 places a duty on the Directors to ensure that they do not, without the Company's prior consent, place themselves in a position where there is a conflict, or possible conflict, between the duties they owe the Company and either their personal interests or other duties they owe to a third party. Under the Articles, a Director must declare actual or potential conflicts of interest and interests in existing or proposed transactions or arrangements with the Company and may be prohibited from voting on or being counted in the quorum in relation to a resolution concerning such a transaction or arrangement. The Board has the authority to resolve a conflict of interest on such terms as it may determine.

Directors' indemnity and insurance

The Company has provided indemnities to the Directors (to the extent permitted by the Companies Act 2006) in respect of liabilities incurred as a result of their office. The Company also maintains appropriate insurance cover against legal action brought against its or its subsidiaries' Directors and officers. Neither the indemnity nor insurance provides cover in some events such as when a Director is proved to have acted dishonestly or fraudulently.

The role of senior management

Day-to-day management of the Group is delegated to the Senior Management Team, consisting of the CEO, CFO, COO, CLO, CCO, HoBDs, CMD and HRD. The Senior Management Team is supported by finance, human resources, investor relations and other administrative staff. The Board communicates with senior management primarily through the CEO, who normally attends Board and committee meetings in whole or in part. An extensive update from the CEO has been a standard item on the agenda for quarterly Board meetings since the Company's re-registration as a public company.

The CFO and other members of senior management also attend Board and committee meetings on request, and the Company Secretary acts as a further liaison with the Senior Management Team. In turn, the Senior Management Team oversees and interacts with the individual port management teams.

The Company has a well-defined operating model that relies on four distinct pillars: organisation, governance, functions and technology. That operating model centralises the senior management of the operations of each port within its enterprise and is based on operational and commercial synergies to promote maximum efficiency.

There are significant differences (including the terms of concession and management agreements and applicable legislation) between the operations of each of the Group's ports and, as a result, there is no single port-level operating model. Instead, the Company's operating model pillars are defined in each case in harmony with its integration agenda: to identify and capitalise on potential synergies, service opportunities and operational efficiency. As such, the Company's headquarters and port operations are able to share and combine best practices.

Executive Chairman	Chief Executive Officer	Senior Independent Director
As Chairman of the Board, the Executive Chairman's primary role is to lead an effective Board, which provides direction to senior management. The Executive Chairman also has significant executive involvement in the Group's non-organic business development, which complements the responsibilities of the CEO.	The CEO's role is to lead the Senior Management Team. The CEO is not a member of the Board but attends Board meetings and reports to, and is accountable to, the Board.	The role of the SID is to provide an alternative communication channel between the Executive Chairman and the Board and to provide an alternative point of contact for shareholders to raise any issues and concerns.

In order to facilitate that process and to maintain operational discipline as the Group expands geographically, during 2019 the Company refined its operating model by introducing a regional division under which the Group's port operations are grouped into four regions: Western Mediterranean (Barcelona, Málaga, Lisbon, Singapore and Ha Long Bay ports), Central Mediterranean (Valletta, Venice, Cagliari, Catania, Ravenna, Taranto and La Goulette ports), Eastern Mediterranean (Ege Port, Bodrum, Zadar and Bar ports) and Americas (Antigua and Nassau ports). Management of the ports within each region is overseen by a regional director who reports to the COO. However, port performance continues to be assessed on a port-by-port basis.

Division of responsibilities

The roles of Executive Chairman and CEO are separate and clearly defined.

The Executive Chairman is primarily responsible for leadership of the Board and has a pivotal role in creating the conditions for individual Director and Board effectiveness and ensuring a culture of openness and debate in the boardroom. As its Chairman, he is responsible for setting the Board's agenda and works closely with the Company Secretary in this regard. He ensures that the discussion time afforded to agenda items at Board meetings is adequate and used effectively. It is also his responsibility to ensure effective communication with the shareholders. The Executive Chairman is also significantly involved in the Group's non-organic business development.

The CEO, supported by the other members of the Senior Management Team, is responsible for the day-to-day management of the Group and, in the course thereof, the satisfactory execution of policies and strategy agreed by the Board.

Diversity

At the employee level, the principle of diversity is recognised in the Code of Ethics, which sets out the Group's commitment to maintaining a comprehensive and diverse workplace, and in the separate Human Rights Policy, which mandates fair and equal processes in recruitment and employment. Consistent with our commitment to diversity, there is a mix of men and women with diverse backgrounds throughout the Group and a number of senior executive positions within the Company and its subsidiaries are held by women, including members of the Senior Management Team as profiled on pages 70 and 71 of this Report.

The Directors also have diverse national and ethnic backgrounds, personal attributes, skills and experience. The Board currently includes one woman member and the Company Secretary is a woman.

The Board has adopted a Diversity Policy in order to entrench the Company's commitment to maintaining diversity of approach and thought at Board level. The policy, which can be found at www.globalportsholding.com under Investors – Corporate Governance – Policies, recognises the benefits that diversity in its broadest sense can bring to the Board and its committees and, without limitation, the role that women with the right skills and experience can play in contributing to diversity of perspective in the boardroom.

During 2020, the Board re-affirmed that diversity, including increased female membership, would continue to be an important consideration in respect of future Board appointments.

Areas of focus during the Period

The Board held its first meeting of the Period in London on 24 February 2020. A key agenda item was the consideration of options arising out of the strategic review of the Group, which had been undertaken by the Company in July 2019 for the purpose of exploring ways to maximise value for all stakeholders and covered a range of potential corporate activity (the 'Strategic Review'). Among those options was the sale of Port Akdeniz, in respect of which the Company entered into exclusive negotiations in March 2020 and completed the sale in January 2021. The Board also considered options to refinance the subsidiary Eurobond USD 250 million 8.125% Senior Unsecured Notes due November 2021 (the 'Notes'), which would ultimately result in the Financing being entered into in May 2021 with investment funds managed by global investment firm Sixth Street, as more fully described below. At the same meeting, the Board received a preliminary briefing on Covid-19, the spread of which was being monitored closely by senior management although its impact on European destinations had not yet been significant.

By the time of the Board's quarterly meeting on 6 March 2020, Covid-19 was encroaching. Although national lockdowns in Europe had not yet been imposed or a pandemic declared, having regard to the continuing spread of the virus, the Board was proactive in approving the implementation without delay of a cost-saving and cash preservation plan for the Group (the 'Covid Plan'), which included postponing the acquisition of non-core assets and suspending the declaration of a final dividend for 2019. The Covid Plan also included comprehensive workforce-related measures which were approved by written resolution of the Board on 9 April 2020. Previously, all of the Board members agreed to defer payment of their Directors' fees from 1 March 2020 as set out on page 107 in the Remuneration Committee's report.

The Directors continued to monitor closely the pandemic's impact on Group businesses and the Company's responsive measures at and between Board meetings in May, June, August and December 2020, and cost-saving measures were expanded with impetus from the Board.

While pandemic response was a key area of focus throughout the Period, the Board also continued to act to strengthen the Group's cruise port business in accordance with agreed strategy and position it to take advantage of new opportunities which might arise as the pandemic receded. Although new port expenses were mostly suspended under the Covid Plan, capital investment at the Antigua and Nassau cruise ports continued as planned, with the Company's Nassau subsidiary successfully raising USD 124.5 million through a private bond issue in June 2020. At the same time, the Board continued to monitor negotiations for the sale of Port Akdeniz and to evaluate options for refinancing of the Eurobond, in respect of which it appointed advisor banks in August 2020. As the Period wore on, the Board also supported the Company's selective pursuit of a limited number of port projects, which led to the award to the Company of a 20-year concession for the cruise port of Taranto, Italy, and to the acceptance of the bid by the Company and its partner for a 35-year concession for the ferry and cruise port of Valencia, Spain, both in November 2020.

In December 2020, the Directors resolved to change the Company's accounting reference date ('ARD') from 31 December to 31 March upon recommendation of the Audit and Risk Committee. As a result of the change, the Reporting Period is a transitional period covering 15 months (from 1 January 2020 to 31 March 2021) and the Company's future financial years will be 12 months ending on 31 March. The change was made to align the Company's Reporting Period with the main cruising season in the Caribbean, which has become and is expected to be an important geographical focus of the Company's business activity. Going forward, the new reporting year will cover the main summer season in the other geographical focus of the Company, the Mediterranean, as well as the main season in the Caribbean, which is the winter period.

The Board relied heavily on its committees during the Period, and received regular reports from Committee Chairmen. Members of the Audit and Risk and the Remuneration Committees in particular were closely involved with the formulation and implementation of the Covid Plan.

Since the start of 2021, the Directors have continued to monitor closely the pandemic's impact on Group businesses and the effectiveness of the Group's responsive measures, as well as progressing the Company's strategic initiatives – reaching an initial milestone with the sale of Port Akdeniz in January 2021. The Board also maintained its focus on refinancing the Notes, simultaneously progressing alternative financing streams. The first, a Scheme of Arrangement to agree and implement an extension of the Notes' maturity, was withdrawn in April 2021 after it became clear that it would not reach the required level of support, despite widespread support from a large number of noteholders. However, a subsequent tender offer was launched, reducing the outstanding nominal amount of the Notes to USD 200.3 million at the time.

The second stream culminated in May 2021 with the Board's approval of a five-year, senior secured loan agreement for up to USD 261.3 million with Sixth Street (the 'Financing'). The Financing provides for two term loan facilities, an initial five-year term facility of USD 186.3 million and an additional five-year growth facility of up to USD 75 million.

Pursuant to the Financing, the Company has issued on a non-pre-emptive basis warrants ('Warrants') to the lenders to subscribe for ordinary shares at a subscription price equal to the nominal value per share representing 9.0% of GPH's fully-diluted share capital ('FDSC'). Utilisation of the growth facility will result in the issuing of warrants representing up to an additional 3.75% of FDSC.

Board evaluation

The Board is committed to regular evaluation of its own effectiveness and that of its committees. Toward that end, it has provided for performance evaluations of the committees, the full Board and the Directors individually to be made in three-year cycles, taking the form of an internal assessment by the Executive Chairman for each of the first two years and an assessment by an external consultant for the third year.

To date, formal Board performance evaluations have been postponed. Initially, the Board agreed that it would be premature to conduct such evaluations in respect of 2018, the Company's first full year, until the findings of the Strategic Review had been presented and considered. During the Period, having regard to the Board changes at the beginning of 2020, followed by the need to focus on pandemic response, the formal evaluation process was further suspended. However, the Executive Chairman met with individual Board members to discuss their role and performance and to obtain their feedback on governance matters.

Corporate governance framework continued

Risk and internal control

The Board is responsible for the Group's system of internal controls and for reviewing its effectiveness, while the role of senior management is to implement Board policies on risk and control. However, this system is designed to manage, rather than eliminate, the risks of failure to achieve business objectives, and internal controls can only provide reasonable assurance against misstatement or loss. We note the Governance Code recommendation that the Board should review the effectiveness of the Group's system of internal controls at least annually, including financial, operational and compliance controls, and risk management. During the Reporting Period, the IAC Function assumed a key role in enterprise risk management (or 'ERM') and, with oversight from the Audit and Risk Committee, significantly progressed and ERM programme, as set out on page 82 in the Committee's report.

Risk management

The Group's assessment of the principal risks and uncertainties is described within the Strategic report on pages 18 and 19 and in the Risk Management Framework on pages 26 to 34, which outline the ongoing process for identifying, evaluating and managing significant risks faced by the Group. A key role of the IAC Function with regard to ERM will be to provide objective assurance to the Committee and the Board on the identification and correct evaluation of risks and the effectiveness of risk management. The IAC Function will also provide guidance to senior management on responding to and reporting risks, and will be active in further developing and maintaining the ERM framework as a structured, consistent and continuous process across the Group for identifying, assessing, deciding on responses to, and reporting on, opportunities and threats that affect the achievement of its objectives.

Internal control and compliance

The Group has a framework of internal controls, which has been fully implemented since the start of 2020. The framework includes the following key elements:

- the Board reviews Group strategy, and senior management is accountable for performance within the agreed strategy;
- the Group's port control procedures are designed to ensure complete and accurate accounting of financial transactions and to limit exposure to loss of assets or fraud;
- the Audit and Risk Committee meets regularly. Its responsibilities and the matters considered by it during the Period are set out in the Audit and Risk Committee report on pages 81 to 87. The Audit and Risk Committee receives reports from the IAC Function on the results of work carried out under an annually approved audit plan, and also has full and unfettered access to the external auditors;
- in place since 2019, the IAC Function will facilitate a process whereby operating entities provide certified statements of compliance with specified and appropriate key financial controls; those controls will then be cyclically tested by internal audit to ensure they remain effective and are being consistently applied;
- although the HoIAC has previously functioned as Head of Compliance, the decision was made during the Period to appoint a dedicated compliance officer, who will develop, oversee and evaluate control systems to prevent and deal with violations of legal guidelines and internal policies in the Group's jurisdictions of operation;
- the IAC Function prescribes specific actions for senior management to take to correct any violations; and
- the Audit and Risk Committee will annually assess the effectiveness of the assurance provided by the internal and external auditors.

Share capital and shareholders

Share capital

Details of the issued share capital, together with details of the movements in the Company's issued share capital during the Period, are shown in Notes 24 and 47 to the financial statements.

The share capital of the Company consists of one class of ordinary shares with a nominal value of GBP 0.01 each. Each ordinary share carries the right to one vote at general meetings of the Company, to receive any dividends declared according to the amount paid up on the share and, under general law, to participate proportionally in any surplus assets on winding up. The Directors are not aware of any agreements between holders of the Company's ordinary shares that may result in restrictions on the transfer of securities or on voting rights.

At the date of this Annual Report, the Company has issued on a non-pre-emptive basis, in connection with the Financing, Warrants to subscribe for 6,213,656 ordinary shares. Additional Warrants will be issued pro-rata to the utilisation of the additional growth facility under the Financing, as and when it occurs.

Warrants are issued pursuant to allotment authorities granted by shareholders at the 2020 AGM and at a dedicated General Meeting held on 9 June 2021. The Warrants will become exercisable upon certain specific events, including the acceleration, repayment in full or termination of the loan, de-listing of the Company or a change of control.

At Admission, 50,000 redeemable non-voting preference shares ('Redeemable Shares') with a nominal value of GBP 1.00 each were in existence and were held by GPH B.V. The Redeemable Shares were redeemed for their nominal value in accordance with their terms and cancelled in February 2018. The Company does not intend to issue

Substantial Shareholders (at 31 March 2021)	% of total voting rights	Date of last notification*
Global Ports Holding B.V.	59.26	30 November 2018
Global Yatırım Holdings A.Ş.	2.88	25 February 2020
Landsdowne Partners (UK) LLP	6.47	7 May 2019
Första AP-fonden	4.03	27 April 2018

* Up to the end of the Period.

any further redeemable preference shares.

The LTIP was approved at the 2018 AGM for the benefit of members of senior management and any future Executive Directors, and is intended to align the interests of senior executives in the Group with those of shareholders and to incentivise executive management to maximise value over the long-term. Restricted Stock Units (or 'RSUs') under the LTIP have been granted from January 2019. Details of the LTIP and its implementation are set out on pages 102 to 106 and 94 of the Remuneration Committee report ('Remuneration Report').

No person has any special rights of control over the Company's share capital and all issued shares are fully paid. No shares were repurchased by the Company during the Reporting Period.

Substantial shareholdings

As at 31 March 2021, the Company had been notified in accordance with Rule 5 of the Disclosure and Transparency Rules, of the substantial voting rights as a shareholder of the Company set out in the table above.

As at 20 August 2021, being the latest practicable date prior to publication of this Annual Report, Global Yatırım Holdings A.Ş. has a 62.14% interest in the Company, directly and through its 100% owned subsidiary GPH BV, which is registered under a nominee. The remaining 37.86% of the total issued share capital of the Company represents free float.

There were no significant share transactions during the Period. Under the Fİnancing, the loan agreement and other agreements contain customary financial and non-financial covenants and change of control clauses regarding maintaining ownership of the Company and at GIH above a certain threshold.

The Directors do not have any direct ownership of shares of the Company. However, as at 31 March 2021, Mehmet Kutman owned, directly and indirectly, 24.24% of GIH, representing 15.06% of the Company.

Since January 2019, members of senior management have had interests in shares of the Company pursuant to the LTIP as set out above and on page 94 of the Remuneration Report.

There are no specific restrictions on the size of a holding nor on the transfer of ordinary shares, both of which are governed by the general provisions of the Articles and prevailing legislation. The Articles may be amended by special resolution of the shareholders.

Relations with shareholders

The Board considers its relationship with its shareholders to be of great importance, and readily enters into dialogue with them. On behalf of the Board, the Executive Chairman, certain Directors and members of senior management have consulted extensively with the Company's principal shareholders during the Period in relation to the ongoing progress. The Company is aware of the stewardship obligations of institutional investors as set out in the UK Stewardship Code, and will work with its institutional investors to ensure that they are able to satisfy these requirements.

All of the Directors have agreed to make themselves available for meetings with shareholders as required. The onset of the Covid-19 pandemic and global travel restrictions meant face-to-face meetings were significantly reduced during 2020, with the majority of meetings and conferences occurring virtually. The Company participated in the J. P. Morgan Global Emerging Markets Corporate Conference in February 2020, the Goldman Sachs EMEA Credit Conference in September 2020, the J. P. Morgan Credit and Equities Emerging Market Conference in September 2020 and the Berenberg UK Opportunities Conference in October 2020.

The pandemic and travel restrictions also severely impacted the Company's normal full-year and interim results roadshows. In their place, the Company held one-to-one calls with interested investors following full-year and interim results, as well as a number of ad hoc investor meetings and calls during the year. The Board receives reports with regard to relations with the major shareholders, and developments and changes in their shareholdings, and is also advised of feedback from the Company's brokers, Berenberg and Shore Capital.

Annual General Meeting

The Company's 2021 Annual General Meeting (or '2021 AGM') is to be held at the Company's registered office, 34 Brook Street, 3rd Floor, London W1K 5DN, United Kingdom provisionally on Wednesday 29 September 2021 at 11.00 a.m. As at the date of this Annual Report, the Board is closely monitoring continuing public health concerns and regulatory measures related to Covid-19 to ensure that the 2021 AGM will be held safely and in compliance with law. Please see page 118 for further information.

The AGM provides shareholders with an opportunity to discuss the Group's progress and operations directly with the Board. Whatever arrangements may be made for the 2021 AGM, the Company is committed to providing shareholders with that opportunity and will ensure that they are able to pose questions related to the business of the meeting – as was the case in advance of last year's closed AGM.

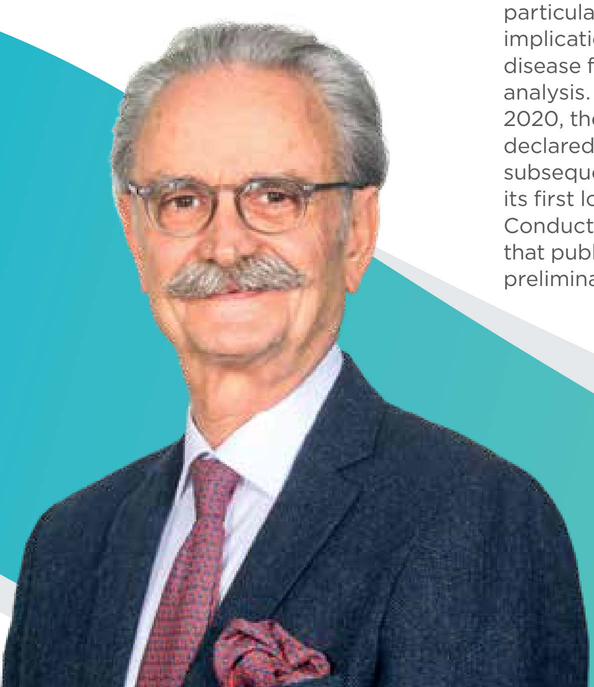
At the 2021 AGM, the Company will propose separate resolutions on each substantially separate issue and the numbers of proxy votes cast for and against each resolution will be made available to shareholders when voting has been completed. The notice of the 2021 AGM will be sent to shareholders at least 21 clear days before the meeting.

Ayşegül Bensel
Vice Chairperson
23 August 2021

Audit and Risk Committee report
Introduction by the Committee Chairman

STRONG FINANCIAL STEWARDSHIP IN CHALLENGING TIMES

As Chairman of the Audit and Risk Committee (the 'Committee') for Global Ports Holding PLC, I am pleased to present the Committee's report ('Report') in respect of the Reporting Period.



The Committee plays a vital role in the financial probity of the business with the ultimate aim of protecting shareholders' interests. In fulfilling its role, it focuses on key areas including financial controls and risk management, financial reporting and the independent external audit of this Annual Report and Accounts. The emergence during 2020 of the Covid-19 pandemic underscored the critical role of the Committee in shaping and monitoring the Company's response to consequent disruption to the global travel sector and the economies in which the Group operates.

Areas of focus during the Period

When the Committee met on 5 March 2020, the spread of Covid-19 was already casting a shadow over the global travel sector and it was agreed that additional time was needed to complete the 2019 year-end audit process having particular regard to potential implications of the spreading disease for the going concern analysis. Six days later, on 11 March 2020, the World Health Organization declared a pandemic, and subsequently the UK would enter its first lockdown and the Financial Conduct Authority would request that public companies delay making preliminary announcements as a result of the unprecedented practical challenges that the pandemic was creating for the financial reporting industry.

Committee members continued to monitor the audit process and, by the Committee's next meeting on 8 April, substantial additional work had been completed, including the preparation by senior management of a detailed port-by-port cash flow analysis extending to March 2021.

On 11 April 2020, the external auditor KPMG LLP ('KPMG') confirmed their ability to issue their opinion on the 2019 Annual Report and Accounts as a whole, and the Committee considered and approved them on behalf of the Board. During the same period, Committee members also advised on cost-saving measures for the Group in response to economic disruption caused by Covid-19, and considered and approved a related plan for the Internal Audit and Compliance Function (the 'IAC Function'). The Committee also discussed with KPMG the decision to discontinue a review of the Company's 2020 interim results having regard to ongoing uncertainties created by the pandemic and in the interest of cost-saving.

The Committee monitored the pandemic's continuing impact on Group businesses and the Company's responsive measures at and between its meetings in June, August and November 2020, and continued to do so after the Period-end. Inevitably, ongoing economic disruption created by Covid-19 has once again driven key aspects of the audit process as set out below.

Although pandemic-related issues figured prominently on the Committee's agenda during the Period, they were by no means an exclusive focus. The Committee also considered senior management updates on significant matters unrelated to pandemic response, including the sale of Port Akdeniz and options for refinancing the subsidiary Eurobond.

During the Eurobond refinanicng process, Committee members considered in detail the strategic business plan and external consultant input. They were actively involved in progressing both alternative financing streams, which culminated in Board and Independent Director approval of the Financing, described on page 77 and elsewhere in this Annual Report, in May 2021. As a result of the completion of the Financing at the end of July 2021, the Company concluded the early repayment of the USD 200.3 million outstanding amount, plus accrued interest, of the 8.125% senior unsecured Eurobond, due 14 November 2021, issued by GPH's wholly-owned subsidiary GLİ.

The internal audit plan was also progressed significantly during the Period under the direction of Mert Taşpolat, who took over as Acting Head of the IAC Function in May 2020. By the Period end, 85% of the plan had been completed, including audits of financial affairs at the Group's Italian ports, the HR Function and payroll, local contract processes at the Group's Mediterranean cruise ports and data protection within its Turkish operations, with related recommendations reported to the Committee and relayed to senior management. Remaining projects related to operational revenues postponed due to the pandemic and the annual financial results of Port Akdeniz.

The enterprise risk management ('ERM') programme, which the Committee identified as a priority for 2020, was also progressed significantly, with completion of the risk assessment and evaluation phases in March 2020 being followed by the internal circulation of a risk management handbook and the allocation of responsibilities during the second half of 2020. The final phase of the programme, the design and implementation of a formal ERM process, is expected to be completed by September 2021. During the Period, the IAC Function with Committee oversight also administered ongoing regulatory compliance training and initiated cyber security training for Group employees. Mr. Taşpolat and I meet on a weekly basis, ensuring that the Committee is continually apprised of IAC Function findings and recommendations.

The Committee also focused on the compliance function. During the first quarter of 2021, the Committee members participated in a preliminary internal review of Group company adherence with internal policies in connection with the entering into in 2019 of two advisory and development agreements relating to the Nassau port and related parties as set out in Note 36 to the financial statements (the 'Nassau Transactions'). The Committee also received reporting on this matter from the external auditor and considered an independent review of the Nassau Transactions by Bahamian legal counsel that was specially commissioned by the Company.

Further to that internal review, the Committee recommended that the compliance function be strengthened through the appointment of a dedicated compliance officer. The Executive Chairman approved the role and the Committee is currently recruiting an experienced compliance officer to fill it. The functions of the compliance officer, who will report directly to the Committee, include monitoring the Company's compliance with its own policies and applicable laws and regulations in its jurisdictions of operation. The Committee has also agreed that it would be beneficial to undertake a general governance review before the next period end (the 'Governance Review').

I would also note that September 2020 saw a transition in the office of CFO, with Ferdağ Ildır leaving to take up the same office at GIH and Jan Fomferra replacing her as CFO of the Company. In addition to his broad range of financial experience, Mr. Fomferra already has a detailed understanding of the Group, having been closely involved in its financing transactions since joining the Global Group in 2012. I would like to re-iterate here the Committee's thanks to Ms. Ildır for her skill and dedication as CFO of the Company and, previously, several of its subsidiaries since 2010, and to confirm its strong endorsement of Mr. Fomferra as her successor.

Accounting reference date and period

The Company's accounting reference date was changed from 31 December to 31 March by unanimous written resolution of the Directors dated 22 December 2020 upon recommendation of the Committee. The change was made to align the Company's financial reporting period with the main cruising season in the Caribbean, which has become and is expected to be an important geographical focus of the Company's business activity. Going forward, the new financial reporting period will cover the main summer season in the other geographical focus of the Company, the Mediterranean, as well as the main season in the Caribbean, which is the winter period.

Financial reporting and judgements for the Period

At its meetings on 8 July and 16 August 2021, the Committee considered senior management's financial reports, covering the Period-end consolidated statement of financial position and consolidated statement of profit or loss and other comprehensive income, significant accounting matters and the going concern analysis, together with the comments and written reports of the external auditor. The Committee's conclusions with respect to senior management's significant financial judgements and going concern analysis are set out below. The Committee has reviewed this Annual Report including the Company's Period-end financial statements, focusing on key judgements as well as the completeness and overall balance of reporting to shareholders.

The Committee believes that KPMG as the Company's external auditor appropriately challenged senior management's key judgements and estimates as part of their audit work and the Committee has reviewed their written reports provided. In particular, the Committee took note of the external auditor's commentary around compliance with applicable laws and regulations, the Group's internal policies including in respect of related party transactions, and appropriate due diligence including anti-bribery and corruption safeguards.

With respect to financial reporting and significant financial judgements for the Reporting Period, the Committee has considered each key audit matter identified and analysed by senior management, including:

- the recoverability of goodwill and port operation rights, and investments (parent only), having particular regard to the reasonableness of forecasts for five Group ports in the Mediterranean and Adriatic regions identified as having the highest sensitivity to traffic levels and economic uncertainty resulting from the Covid-19 pandemic. After considering senior management's detailed analysis, the Committee agreed to an impairment of Port of Adria's port operation right and the carrying amount of the Company's investment in GLİ;
- the Group's ability to capture and accurately record transactions and arrangements in relation to potential and actual new port or other development opportunities, including the completeness of liabilities and provisions and the timing for recognition of expense transactions. Following careful review and referral to the Board as a whole in respect of the Nassau Transactions, the Committee was satisfied that they did not constitute significant matters for purposes of the audit. However, the Committee agreed that policies and processes relating to such transactions should be considered as part of the Governance Review;
- the accounting treatment of Port Akdeniz, having regard to the completion of its sale in January 2021. The Committee carefully considered the accounting approach adopted by senior management as set out in Notes 7 and 3(s) to the financial statements, including exclusion of the Port from consolidation for the Period, re-representation of the 2019 income statement to exclude the Port for comparative purposes and inclusion of the Port's sale during the Period under a separate item for cash flows from discontinued operations by operating, investing and financing activities. Having also noted that presentation of the impact of the Port's sale was complicated by sub-consolidation and functional currency differences, the Committee was satisfied that senior management's accounting approach to the sale of Port Akdeniz was appropriate;
- matters potentially affecting the going concern forecast analysis, including the implications of breaching debt covenants relating to certain Group companies and continuing uncertainty regarding the impact of the pandemic on the recovery of passenger levels and the associated effect on Group revenues and cash position during the going concern assessment period; and
- potential tax consequences for Turkish companies in the Group arising from the recently announced Turkish tax amnesty, which the Committee was satisfied had been adequately considered and accounted for by senior management.

The Committee closely considered senior management's going concern analysis and scenarios having particular regard to matters listed above. With respect to debt covenants, the Committee noted the Support Letter as well as the previous grants of waivers and verbal commitments from certain banks as well as senior management's confidence that alternative debt funding options would be available if needed, and the Committee was satisfied that financing requirements for the following 18 months could be managed. The Committee noted senior management's conclusion that the Group would have sufficient cash resources to remain in operation and remain within covenant requirements for a period of not less than 12 months from the date of approval of this Annual Report (including the Company's financial statements for the Reporting Period).

Therefore, having considered the analysis prepared by senior management, the Committee was satisfied that there was a reasonable expectation that the Group would have sufficient cash resources to remain in operation and to remain within covenant requirements for a period of not less than 12 months from the date of approval of this Annual Report, and that the going concern basis of accounting should continue to be adopted in preparing the consolidated financial statements.

Having regard to the foregoing, the Committee approved the disclosure in the financial statements for the Period.

The Committee also reviewed the Strategic report, the Governance report, the Directors' remuneration report and the Directors' report for the Period to ensure that they complied with applicable legal and regulatory requirements. Noting that parts of the Annual Report had also been reviewed by the Company's Legal Department and its independent remuneration adviser, the Committee was satisfied that the Annual Report, taken as a whole, was fair, balanced and understandable, and provided the information necessary for shareholders to assess the Group's position, performance, business model and strategy.

Going forward

Despite encouraging signs that the worst effects of the Covid-19 pandemic for the Group have now been weathered, the road to recovery may be lengthy. However, it may also be paved with opportunities to grow the Company's business. By closely monitoring the Group's financial recuperation and by assisting the Board to assess the implications of new port projects and ancillary business lines, the Committee will play an important role in strengthening the Group's post-pandemic position during the remainder of 2021 and beyond.

Toward that same goal, the Committee will focus on ensuring that the Group's governance practices, and particularly its internal systems and controls, are robust and efficient.

Jérôme Bernard Jean Auguste Bayle
Chairman of the Audit
and Risk Committee
23 August 2021

Meeting attendance

The table below shows the number of meetings individual members of the Committee could have attended, and their actual attendance, during the Period. The Committee also approved one unanimous written resolution during 2020.

Only the attendance of members of the Committee is shown in the table below. In addition to the Committee members, the CEO, CFO and senior representatives of KPMG as external auditor attended all meetings in whole or in part. Mr. Taşpolat also attended all meetings of the Committee held since he took over as Acting Head of the IAC Function in May 2020.

Director*	Attendance	No. of meetings**
Jérôme Bernard Jean Auguste Bayle	7	7
Ercan Nuri Ergül	7	7

* Thierry Edmond Déau was a member of the Committee until his resignation from the Board on 24 February 2020 – prior to the Committee's first meeting of the Period held on 5 March 2020.

** Six meetings were held during 2020 and one meeting was held in March 2021.

Role of the Audit and Risk Committee

The Committee reviews the integrity of the financial information provided to shareholders, oversees the Company's system of internal controls and risk management, directs the internal and external audit process, and monitors the process for compliance with relevant laws, regulations and policies.

The Committee's key responsibilities include:

- **Financial reporting:** monitoring and ensuring the integrity of the financial statements of the Company, including its annual and half-yearly reports, interim management statements, preliminary results announcements and any other formal announcement relating to its financial performance, reviewing significant financial reporting issues and judgements which they contain having regard to matters communicated to it by the external and/or internal auditor.
- **Internal controls and risk management systems:** keeping under review the effectiveness of the Company's internal financial controls and internal control and risk management systems, and reviewing and approving the statements to be included in the Annual Report concerning internal controls and risk management.
- **Internal audit:** assisting with the establishment of the internal audit function, including vetting candidates and approving the appointment of the Head of the IAC Function; considering and approving the remit of the IAC Function and ensuring that it has adequate resources and appropriate access to information to enable it to perform its function effectively and in accordance with the relevant professional standards, and that it will be free from management or other restrictions; and reviewing and assessing the annual internal audit plan.
- **External audit:** considering and making recommendations to the Board, to be put to shareholders for approval at the AGM, in relation to the appointment, re-appointment or removal of the Company's external auditor; overseeing all aspects of the relationship with the external auditor, including assessing annually their independence and objectivity, taking into account relevant UK professional and regulatory requirements and the relationship with the auditor as a whole; meeting regularly with the external auditor, including once at the planning stage before the audit and once after the audit at the reporting stage, and at least once a year without management being present; reviewing and approving the annual audit plan at the start of the audit cycle; monitoring the statutory audit of the annual and consolidated financial statements; reviewing the findings of the audit with the external auditor; and reviewing any representation letter(s)

requested by the external auditor before they are signed by management. The Committee on behalf of the Board will ensure that the relevant authorities are notified of the outcome of the statutory audit and explain how the statutory audit contributed to the integrity of financial reporting, and the roles of the Committee and the Board in that process.

- **Compliance, whistle-blowing and fraud:** reviewing the adequacy and security of the Group's arrangements for employees and contractors to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters, and ensuring that these arrangements allow proportionate and independent investigation of such matters and appropriate follow-up action; reviewing the Group's procedures for detecting fraud and systems and controls for ethical behaviour and the prevention of bribery (in accordance with the Ministry of Justice Bribery Act 2010 Guidance or other relevant guidance) and receiving reports on non-compliance; reviewing the adequacy and effectiveness of the Group's anti-money laundering systems and controls; and reviewing the adequacy and effectiveness of the Company's compliance function.

Detailed responsibilities are set out in the Committee's Terms of Reference (or 'TOR') which can be found at www.globalportsholding.com under Investors — Corporate Governance.

Members of the Audit and Risk Committee

The members of the Audit and Risk Committee during the Reporting Period were Jérôme Bernard Jean Auguste Bayle (Chairman), Thierry Edmond Déau until his resignation from the Board on 24 February 2020 and Ercan Nuri Ergül, with Messrs. Bayle and Déau being Independent Directors.

At the date of this Report, there is a vacancy on the Committee resulting from Mr. Déau's resignation. It is expected that an additional Independent Non-Executive Director will join the Committee during 2021.

The current members of the Committee have sufficient recent and relevant financial expertise to participate and contribute competently as members of the Committee. Their educational backgrounds and professional experience in business and finance are set out on page 69.

Meetings of the Audit and Risk Committee and reports to the Board

The Committee met seven times during the Reporting Period. In addition, the Committee approved one unanimous written resolution during the Period. The table on page 85 shows the number of meetings individual members of the Committee could have attended during the Period, and their actual attendance.

Reports from the Chairman of the Audit and Risk Committee on the Committee's activities and its recommendations were included in the regular committee reports presented at meetings of the Board.

Internal controls and risk management

A key responsibility of the Committee is to keep under review the effectiveness of the Company's internal financial controls and internal control and risk management systems. With the IAC Function established since 2019 to support it, the Committee was able to step up this review during 2020 and a formal ERM process is expected to be fully in place by September 2021.

The level of risk that is considered appropriate to accept in achieving the Company's strategic objectives is regularly monitored by the Committee and reviewed and validated by the Board on an annual basis, and the appropriateness of mitigating actions is determined in accordance with the Board-approved risk appetite for each given area.

The risk management process begins with the identification of significant risks by each function, and risks will be assessed by taking into account the potential impact and likelihood of the risks occurring and the mitigations identified. The specific functions covered are the Group's cruise port operations, commercial operations, investments and strategy, and internal business functions (comprising purchasing and payables, financial reporting and accounting, revenue and receivables, plant-property-equipment, payroll, human resources and safety).

Going forward, the current level of risk will be compared with the Board's appetite to determine whether further mitigations are required. Risks that are specific to the function's activities will be managed within the function on an ongoing basis, with regular follow-up by the internal audit function. The most significant risks from each function (based on materiality or those which have common themes across the business) will be reviewed by the Committee, along with the principal risks and mitigations externally reported on pages 26 to 34 of this Report. The Committee will also support senior management and the Board in the management of risks relating to key projects, third parties and places of operation.

The Group's principal business risks will be monitored and managed during the coming year by senior management, the IAC Function and the Committee, which will report thereon to the Board. The Committee intends to provide risk reports to the Board at least on a quarterly basis starting in the second half of 2021. The Company's detailed Risk Management Framework is set out earlier in this Report.

Independence of external auditor and provision of non-audit services

KPMG has confirmed its independence as external auditor to the Company.

KPMG performed non-audit services during the Period of USD 209 thousand, of which USD 187 thousand was related to the discontinued 2020 interim review, USD 16 thousand to Turkish work, and USD 6 thousand to bank covenant reporting relating to Malta and Spain. The Committee reviewed the work completed by the external auditor, as well as the provision of non-audit services, to ensure that the auditor maintained its independence.

In conjunction with the appointment of KPMG in June 2018, the Board adopted a Non-Audit Services Policy which can be found at www.globalportsholding.com under Investors — Corporate Governance. The Non-Audit Services Policy is subject to annual review by the Committee.

In March 2020, the Committee and KPMG discussed the revised Ethical Standard published by the Financial Reporting Council on 17 December 2019 that applies to audit firms and replaces the 2016 Ethical Standard. It was noted that the changes relate mainly to non-audit services, and KPMG confirmed that the new Ethical Standard made no significant changes to the responsibilities of the Committee in respect of non-audit services provided to the Group.

The Committee will continue to review the independence of the external auditor on a regular basis.

Reappointment of the external auditor and re-tender

Following careful consideration, the Committee recommends that KPMG be re-appointed as the external auditor of the Company under the current external auditor contract, and a resolution to re-appoint them will be proposed at the forthcoming AGM. The Group will continue to carry out an annual review of external auditors to enable the Committee to assess the quality and effectiveness of the services provided by the incumbent auditor.

Under its TOR, the Committee has a duty to ensure that the audit services contract is put out to tender at least once every 10 years, to enable the Committee to compare the quality and effectiveness of the services provided by the incumbent auditor with those of other audit firms.

Introduction by the Committee Chairman

LOOKING TO THE FUTURE

As Chairman of the Nomination Committee (the 'Committee') for Global Ports Holding PLC, I am pleased to present the Committee's report ('Report') in respect of the Reporting Period.

The Committee is focused on optimising the quality and contribution of leadership within the Group, through an ongoing review of the composition and performance of the current Board and by formulating succession plans for the Board and senior management.

During the Reporting Period, I was supported on the Committee by my fellow members – Thierry Edmond Déau, until his resignation from the Board on 24 February 2020, and Ayşegül Bensel.

Areas of focus during the Reporting Period

The Committee's first meeting of the Period was held on 4 February 2020. Initially, the Committee noted that the Strategic Review (or 'Review') would be considered at a meeting of the Board later in the same month. Pending consideration of the Review by the Board, the Committee reviewed the performance during 2019 of the incumbent Directors on the assumption that all of them would be standing for re-election at the 2020 AGM. The Committee agreed that all of the Board members had performed competently and resolved that it recommend to the Board that any of the Board members who decided to stand be put forward for re-election at the 2020 AGM.

In addition to matters arising from the Review, the Committee also identified matters central to the appointment of new Board members and considered succession planning. It was agreed that the Company's notable succession issue related to the Executive Chairman– having regard to his executive involvement in new port projects, but that the related risk was manageable and could be further mitigated by strengthening the M&A function within the Company.

The Committee met again on 24 February 2020. Prior to that meeting, Mr. Déau and Thomas Josef Maier informed me of their decisions to step down from the Board as set out on page 73. I also communicated with the Executive Chairman regarding potential governance implications of the Review, including his view of particular attributes that a new Board member might bring to further the Company's strategic objectives. Following discussion at the meeting, the Committee nominated Andrew Chan Stuart for appointment as an Independent Non-Executive Director to fill one of the Board vacancies. The Committee considered Mr. Stuart's experience as a former senior executive in the cruise industry to be a strong basis for his appointment, consistent with the Group's strategic focus on cruise ports.

Shortly after that second meeting, the Covid-19 pandemic took hold, disrupting the global travel sector and the economies in which the Group operates. Responsive measures, together with ongoing strategic matters, necessarily occupied the Board for the rest of the Period and took precedence over replenishing its membership. In the circumstances, and noting that there were no other matters requiring immediate consideration by the Committee, the Committee members decided not to meet formally in December 2020. However, on behalf of the Committee, I addressed the Board at its meeting on 11 December 2020. Noting Mr. Stuart's departure for personal reasons in November 2020, it was agreed, given the ongoing disruption and uncertainty created by the pandemic, that the Board should wait for more clarity regarding the position of the Company before appointing his replacement and filling the other outstanding vacancy. I also re-iterated the Committee's position that re-dressing the gender imbalance on the Board should be an important consideration in future appointments.

The Committee met next on 5 February 2021. The Committee was briefed on the status of the Group having regard to the continuing pandemic, and agreed that Board membership should be maintained at its current level for the time being. The Committee also discussed the performance of the existing Board, which it agreed had shown strong leadership in responding to the pandemic. However, noting that the AGM was now expected to be held in the second half of 2021, the members agreed that Board member performance should be reviewed, and a formal recommendation to endorse any Board members who decided to stand for re-election made, closer to the time of the AGM.

The Committee met subsequently on 9 July 2021, at which time its members reviewed the performance of the incumbent Directors on the assumption that all of them would be standing for re-election at the 2021 AGM. The Committee agreed that all of the Board members had performed competently during and since the Period and resolved that it recommend to the Board that any of the Board members who decided to stand be put forward for re-election at the 2021 AGM.

As we look to the future, the Committee stands ready to help in restoring the Board to its full complement – with additional members who are best qualified to guide and propel the Company on its post-pandemic journey.

Lord Mandelson
Chairman of the Nomination Committee
23 August 2021

Meeting attendance

The table below shows the number of meetings individual members of the Committee could have attended, and their actual attendance, during the Period.

Director*	Attendance	No. of meetings**
Lord Mandelson	3	3
Ayşegül Bensel	3	3

* Thierry Edmond Déau was a member of the Committee until his resignation from the Board on 24 February 2020, prior to which he attended the two Committee meetings held in 2020.

** Two meetings were held during 2020 and one meeting was held in February 2021.

Role of the Nomination Committee

The Committee's key responsibilities include:

- **Structural review:** regularly reviewing the structure, size and composition of the Board (including the skills, knowledge, independence and absence of conflicts of interest, experience and diversity of the Board) and making recommendations to the Board.
- **Succession planning:** giving consideration to succession planning for Directors and other senior executives, taking into account the challenges and opportunities facing the Group and the skills, diversity and expertise needed on the Board in the future.
- **Annual evaluation:** assisting the Chairman of the Board to implement an annual evaluation process to assess the overall and individual performance of the Board and its committees, and reviewing the results that relate to the composition of the Board and its committees.
- **Board candidates:** identifying and nominating, for the approval of the Board, candidates to fill Board vacancies as and when they arise. Also, as part of that process, reviewing any interests a candidate may have which conflict or may conflict with the interests of the Company.
- **Recommendations:** making recommendations to the Board concerning succession plans; suitable candidates for the role of Senior Independent Director (SID); membership of the Audit and Risk Committee and the Remuneration Committee in consultation with the chairs of those committees; the re-election of Directors by shareholders; any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of any future executive Director as an employee of the Company; and the appointment of any Director to executive or other office.

Members of the Nomination Committee

The members of the Committee during the Reporting Period were Lord Mandelson (Chairman), Thierry Edmond Déau, until his resignation from the Board on 24 February 2020, and Ayşegül Bensel, with Lord Mandelson and Mr. Déau being Independent Directors.

In accordance with its Terms of Reference, the Committee meets formally at least once a year, however the Committee members also communicate informally between meetings.

Reports from the Chairman of the Nomination Committee on the Committee's activities and its recommendations are included in the regular committee reports that are presented at meetings of the Board.

Going forward

Going forward, the Committee expects to focus on:

- the replenishment, and continued review of the composition of the Board, having regard to diversity targets and other central considerations;
- progressing Board performance review;
- considering potential succession issues relating to other Directors, the CEO and other senior executives; and
- assisting with the implementation of any measures resulting from the Strategic Review which fall within the scope of the Committee's responsibilities.

Remuneration Committee report
Statement from the Committee Chairman

RESPONSIVE AND RESPONSIBLE REMUNERATION IN CHALLENGING TIMES

As Chairman of the Remuneration Committee (or the 'Committee') for Global Ports Holding PLC, I am pleased to present the Committee's report ('Report') in respect of the Reporting Period.

In accordance with the reporting regulations, this Report comprises three sections:

- this Statement;
- the Remuneration Policy Report on the three-year Remuneration Policy (or the 'Policy'), which was approved by shareholders at the Annual General Meeting ('AGM') held on 8 May 2018 and which comprises distinct sub-policies for:
  - the Executive Chairman;
  - the Non-Executive Directors; and
  - the Senior Management Team and other senior managers within the Group (collectively, 'senior management') and any future Executive Directors.

  As the Policy expired in May 2021, this section also sets out the changes in the updated Remuneration Policy (the 'New Policy', and together with the Policy, the 'Policies'), which will be put before shareholders for approval at the 2021 AGM; and
- our Annual Report on Remuneration ('Annual Remuneration Report'), which details the Directors' remuneration from 1 January 2020 to 31 March 2021 and the implementation of the Policy during the Period. The Annual Remuneration Report will be subject to an advisory vote at the 2021 AGM.

Apart from the Executive Chairman, all of the Company's Directors during the Reporting Period were non-executive. No change was made to the level of Board members' remuneration, and the fees of all Directors during the Period are set out in the Annual Remuneration Report on page 108. However, in conjunction with workforce-related cost-saving measures instituted by the Group in response to the Covid-19 pandemic (the 'Employment Measures'), all of the Board members agreed to a deferral of their fees to show solidarity with Group employees.

Meeting attendance

The table below shows the number of meetings individual members of the Committee could have attended, and their actual attendance, during the Period.

Director*	Attendance	No. of meetings**
Jérôme Bernard Jean Auguste Bayle (Chairman)	4	4
Ayşegül Bensel	4	4

* Thierry Edmond Déau and Thomas Josef Maier were members of the Committee until their resignations from the Board on 24 February 2020 – prior to which they both attended the Committee's first meeting of the Period held on 4 February 2020.

** Three meetings were held during 2020 and one meeting was held in February 2021.

In compliance with newly-applicable reporting requirements under The Companies (Directors' Remuneration Policy and Directors' Remuneration Report) Regulations 2019 (the '2019 Regulations'), the Annual Remuneration Report also sets out the remuneration of the Company's CEO, Emre Sayın, even though he was not a Board member during the Reporting Period. As the related requirement under the 2019 Regulations is only applicable for financial years beginning on or after 10 June 2019, prior period comparative information will be disclosed starting with the Annual Remuneration Report for 2022.

The CEO's remuneration, which is set out on pages 109 and 110, is determined mainly in accordance with the Policies' distinct Remuneration Policy for senior management and any future Executive Directors. As the Board includes only Non-Executive Directors and the Executive Chairman, that sub-policy currently only applies to the CEO and other senior management.

The current Board members do not participate in the Company's incentive schemes, and so their remuneration is not affected by a change in the Company's share price. The CEO participates in the Company's short-term and long-term incentive plans ('STIP' and 'LTIP', respectively) in accordance with the sub-policy for senior management and any future Executive Directors, and his entitlements under the LTIP are affected by changes in the Company's share price as set out on pages 103 and 106.

A challenging period

Beginning in March 2020, the Company implemented a series of cost-saving and cash preservation measures in response to challenges created by the Covid-19 pandemic that disrupted the global travel sector and the economies in which the Group operates. Those measures have included the Employment Measures, which sought to optimise available government wage support, implement work week and salary and benefit reductions and deferrals in jurisdictions where it was possible to do so, defer 2019 bonuses, and effect certain redundancies, including among senior management.

In conjunction with the Employment Measures, all of the Directors and the CEO agreed to defer their own remuneration to show solidarity with Group employees. The amounts earned by the Directors and the CEO during the Period, and the amounts deferred in response to the pandemic, are set out in the Annual Remuneration Report on pages 108 and 110, respectively.

Committee members and independence

I chair the Committee. During the Reporting Period, I was supported by my fellow Committee members Ayşegül Bensel, throughout the Period, Thierry Edmond Déau and Thomas Josef Maier until their resignations on 24 February 2020, and Andrew Chan Stuart between his appointment to the Committee in June 2020 and his resignation from the Board as of 18 November 2020. Following the resignations of Messrs. Déau and Maier, the Board amended the Terms of Reference of the Committee ('TOR') to reduce the number of members from four to three, including two Independent Directors, with a quorum of two members. The amendments restored the Committee structure to what it was at the time of the Committee's establishment in 2017.

The Committee may invite other Directors or members of senior management to attend meetings. As Committee Chairman, I liaise regularly with the Human Resources Director (or 'HRD') and CEO in particular and relay their input to the Committee, whether or not they attend meetings.

No-one is present at a meeting during any discussion or decision about their own remuneration.

The Committee members also communicated informally between meetings with each other and with members of the Senior Management Team.

Reports from the Chairman of the Committee on its activities and recommendations were included in the regular committee reports presented at meetings of the Board.

Key areas of responsibility

The Committee's key areas of responsibility include:

- recommending, monitoring (and, if necessary, vetoing) the level and structure of remuneration for all Group employees, including senior management;
- determining the structure and levels of remuneration for the Executive Chairman, any future Executive Directors and all Group employees at grades of C-level or higher; and
- preparing the Annual Remuneration Report for approval by shareholders at the AGM.

Detailed responsibilities are set out in the Committee's TOR which can be found at www.globalportsholding.com under Investors – Corporate Governance.

Activities of the Committee during the Period

The Committee met formally four times during the Reporting Period. During the Period, it continued to review and refine executive remuneration arrangements with a view to ensuring that they incorporated relevant market best practice and remained appropriate for the Company – having regard in particular to the challenges to Group business created by the Covid-19 pandemic.

The Committee held its first meeting of 2020 in February, at which time the Committee continued its review of senior management incentive schemes initiated in December 2019, focussing on Earnings Per Share ('EPS') targets under the share-based LTIP. The Committee agreed that the method of calculating EPS should be adjusted to exclude a limited number of items that were non-cash items for accounting and reporting purposes and/or beyond the control of management, but should continue to include port acquisition-related expenses. The Committee also re-affirmed the EPS targets previously set for 2020. At the same meeting, the Committee approved overall salary increases for 2020 in line with inflation rates in the Group's jurisdictions of operation, with particular increases within those amounts to be determined by the CEO.

In the weeks following that first meeting, Covid-19 emerged as a global pandemic and its potential to impact the global travel sector and the economies in which the Group operates was increasingly apparent. In response, the Company implemented wide-ranging cost-savings and balance sheet protection measures, including the Employment Measures. Committee members were closely involved in formulating the Employment Measures, which were unanimously approved by the Board on 9 April 2020.

The review and assessment of the Employment Measures, which included optimising available government wage support, implementing work week and salary reductions where practicable and deferring 2019 bonuses under the STIP, was a main agenda item at the Committee's next formal meeting on 30 June 2020. While commending senior management's implementation of the measures and their efforts to limit redundancies, the Committee agreed that further cost-savings were necessary and requested that the CEO consider what additional workforce-related measures might be implemented, including at the Caribbean and Akdeniz ports.

During the second half of 2020, while continuing to monitor the Employment Measures, the Committee members also undertook a review of the structure and components of the Policy and the remuneration principles underpinning it in order to prepare the New Policy.

The Committee's last formal meeting of 2020 was on 11 December. In addition to receiving an update on the Employment Measures, the STIP and LTIP were main agenda items discussed. In respect of the STIP, the Committee agreed that the bonus co-efficient for 2019 should be set at 'one' on the basis that Company performance was already factored into individual targets and there was no need to use the coefficient to adjust outcomes. In respect of the LTIP, the Committee agreed to review performance measures under the LTIP, particularly the appropriateness of EPS.

LTIP performance measures were discussed at the Committee's last meeting of the Period in February 2021, at which time the members agreed that, having regard to share price levels, the EPS indicator was not ideal and considered substituting EBITDA to better reflect the work done by Company management. After further discussion, it was decided to replace the EPS indicator with EBITDA – with such adjustments as may be determined by the Committee from time to time and approved by the Board. At its meeting in February 2021, the Committee also approved the CEO's proposed allocation of RSUs for 2021 and agreed that the Employment Measures should be extended during the first quarter of 2021 and deferred salaries from April and May 2020 should be paid thereafter as planned.

The Committee exercised no discretion under the Policy during the Period in relation to Board members.

Since the end of the Reporting Period, the Committee has focussed on finalising this Report and the New Policy as well as working with senior management to ease the Employment Measures – a process which started in April 2021.

Our approach to developing the Company's Remuneration Policy

The aims for executive remuneration within the Group remain unchanged: namely, to support the achievement of the Company's strategy; to help attract, retain and motivate the right executive talent; and to further align management and shareholder interests.

Remuneration levels for senior management and any future Executive Directors are set at levels that are considered by the Remuneration Committee to be appropriate for the size, nature and stage of development of the business, having regard to salary bandings commissioned by remuneration specialists. Performance-based incentives form a material part of the remuneration package for all our senior executives and are based on stretching performance targets that support both the short-term and long-term business strategy. Legacy contractual remuneration arrangements for below-Board senior managers (including the CEO) that were agreed before the New Policy will be honoured. Details will be disclosed where relevant.

In formulating the Policy, the Committee took specialist, independent advice from Mercer | Kepler with a view to ensuring that the Company's Remuneration Policy incorporates current best practice for a UK-listed company. Mercer | Kepler has also assisted the Committee with the preparation of the New Policy, which carries forward the structure and components of the Policy with additional disclosure to comply with the 2019 Regulations.

The New Policy will be put to shareholders for approval at the 2021 AGM and is intended to operate for a three-year period. The Committee believes that its approach to remuneration supported the delivery of the Company's aims during its initial years as a publicly listed company by helping to ensure close alignment of pay outcomes with the Company's performance and long-term success. The key features of the Policies are summarised below under 'Our remuneration at a glance', the Policy is set out on pages 96 to 106, and changes to it made in the New Policy are set out on page 106.

The first LTIP awards were granted in January 2019, based on two performance measures selected to reinforce our strategic drivers and support alignment of executive pay outcomes with shareholder interests: the awards vest 50% on 3-year EPS growth and 50% on 3-year Total Shareholder Return ('TSR'). As at 31 March 2021, RSUs had been allocated under the LTIP to the CEO and 15 other members of senior management. Details of the CEO's variable remuneration during the Period, including his allocation under the LTIP, are set out on page 110. The proposed change to the EPS performance measure under the New Policy is set out on page 106.

We hope you find this Report helpful in explaining the implementation of the Policy, our approach to the New Policy, and the rationale for key Committee decisions during the Reporting Period.

The Committee believes that the approach to implementing the Policy during the Period was in the best interests of shareholders, and we hope that you will approve the Annual Remuneration Report and the New Policy at the 2021 AGM.

Jérôme Bernard Jean Auguste Bayle
Chairman of the Remuneration Committee
23 August 2021

Basis of preparation of this Report

This Report has been prepared in accordance with the provisions of the UK Companies Act 2006 and Schedule 8 of the Large and Medium-sized Companies and Company's (Accounts and Reports) Regulations 2008 (as amended, including by the 2019 Regulations). It also meets the requirements of the UKLA's Listing Rules. It has been reviewed by independent remuneration consultants, Mercer | Kepler, who advised the Committee during the development of the Policy and on its implementation between 2018 and the end of the Period and have assisted the Committee with the preparation of the New Policy.

Our remuneration at a glance

Development of our Remuneration Policy

Following the admission to listing of the Company's shares ('Admission'), transitional remuneration arrangements were put in place to cover the period from Admission to 31 December 2017. During this period, the Remuneration Committee worked with Mercer | Kepler to develop the Policy, which was approved by shareholders at the 2018 AGM.

Remuneration principles

The Policy reflects the remuneration principles (see pages 93 and 94) agreed by the Remuneration Committee which help ensure that remuneration outcomes align with the Company's performance and shareholder interests. The same remuneration principles underpin the New Policy.

Shareholder consultation and approval

The views of our shareholders and the broader investor community are important to the Committee. During the development of the Policies, the Committee engaged with the Company's largest shareholder and also took account of the guidelines issued by various investor bodies on remuneration governance, including the importance of aligning executive remuneration with performance and the need to take into account remuneration arrangements for the wider workforce.

The Committee is keen to foster an open and transparent approach to setting and determining outcomes against the Remuneration Policy.

At the 2020 AGM, shareholders approved the Directors' Remuneration Report by 99.12% 'for' and 0.88% 'against' the resolution, with 1,132 votes withheld. The Policy was approved at the 2018 AGM by 100% 'for' and 0% 'against', with 337 votes withheld.

Engagement with employees

A core purpose of the Policies is to attract and retain talented management, and feedback from employees and their representatives is critical to ensure that their views and interests are reflected in Committee and Board decisions. To that end, the Committee Chairman meets regularly with the HRD, and maintains an open door policy with respect to senior managers who wish to discuss employment-related issues or bring them to the attention of the Committee. With a view to increasing its direct engagement with employees, the Board also resolved during 2019 that, going forward, Directors would meet annually with port managers and other senior managers to obtain their feedback on the Company's approach to remuneration and other matters. Those meetings were postponed during the Period while the Board focussed on responding to the Covid-19 pandemic, but will be pursued as soon as practicable.

In addition, the Committee Chairman and the Head of Internal Audit, Risk and Compliance are designated contact points for employees wishing to provide whistle-blowing or other information on an anonymous basis.

REMUNERATION POLICY REPORT

The Policy

This section of the Report sets out the Policy, which was approved by shareholders at the 2018 AGM for a period of three years. The Policy, which was developed to reflect the guiding principles set out on pages 93 and 94, comprises distinct sub-policies for the Executive Chairman, the Non-Executive Directors, and senior management and any future Executive Directors.

The Policy is structured and administered by reference to the calendar year and, except as noted in the Annual Remuneration Report, this continued to be the case during the Reporting Period.

This approach is consistent with remuneration practice within GIH and employment contracts that the Group has entered into with individual employees. Going forward, the Company intends to administer the New Policy on the same calendar-year basis, notwithstanding the change to its accounting reference date.

Remuneration Policy for the Executive Chairman:
The Executive Chairman's fee is USD 420,000 per annum, equivalent to 3.5 times' that of Non-Executive Directors other than the SID. In approving the amount of the fee in 2019, the Committee had regard to the increasing time commitment of the Executive Chairman in supporting business development for the Group, the results of independent external market benchmarking, and the growth of the Group. The Executive Chairman is not eligible to participate in any of the Company's incentive (short-term or long-term share) schemes or in any of the Company's other benefit arrangements.

Remuneration Policy for the Non-Executive Directors:
The remuneration for Non-Executive Directors comprises a Board fee and an additional fee for other duties, which include serving on one or more Board committees. Fees are set at a competitive level to recruit and retain Directors of the highest calibre. The Non-Executive Directors are not eligible to participate in any of the Company's incentive (short-term or long-term share) schemes or in any of the Company's other benefit arrangements.

Remuneration Policy for senior management and Executive Directors:
The remuneration for members of senior management and any future Executive Directors comprises salary, benefits and short-term and long-term incentive plans as described on pages 99 to 106. For members of senior management who are not Board members, the Policy may apply with minor variation.

Remuneration Policy Table for Executive Chairman

Details of the Policy on fees to be paid to our Executive Chairman are set out in the table below. No change is proposed under the New Policy:

Purpose and link to strategy	Operation	Opportunity	Performance measures
Executive Chairman's remuneration			
To recognise the Executive Chairman's time commitment to the Company and his role in business development for the Group, as well as his role as Chairman of the Board.	The Executive Chairman's fee is set by the Remuneration Committee at a level which it considers commensurate with the significant time commitment he is expected to give to the Group. The Executive Chairman is also provided with an office and full-time secretarial and administrative support in London. All reasonable travelling and other expenses (including any relevant tax) incurred in carrying out his duties are reimbursed. Without limitation to the foregoing, the Company will reimburse the Executive Chairman for the reasonable cost of obtaining independent advice in accordance with Board procedure.	The Executive Chairman is not entitled to participate in the STIP or the LTIP and does not otherwise receive share options or retirement benefits from the Company.	Not applicable.

Executive Chairman letter of appointment

The Executive Chairman has a letter of appointment which has no fixed duration. Pursuant to the Articles, he submits himself for re-election annually. The Executive Chairman was re-elected at the 2020 AGM.

The dates relating to the appointment of the Executive Chairman are below:

Director	Role	Date of original appointment and of letter of appointment	Dates of re-appointment (election)
Mehmet Kutman	Executive Chairman and Co-Founder	11 April 2017	8 May 2018, 24 May 2019 and 5 June 2020

The Executive Chairman's letter of appointment is available for inspection at the Company's registered office during normal business hours.

Remuneration Policy Table for Non-Executive Directors

Details of the New Policy on fees to be paid to our Non-Executive Directors are set out in the table below. No change is proposed under the New Policy:

Purpose and link to strategy	Operation	Opportunity	Performance measures
Non-Executive Director remuneration			
Fees for the Non-Executive Directors are set at a competitive level to recruit and retain Directors of the highest calibre, with broad commercial and other relevant experience, to guide and influence Board-level decision-making.	Fee levels will typically be reviewed annually, with any adjustments effective January in the year following review. The fees of Non-Executive Directors are set by the Board as a whole within the limits set in the Company's Articles of Association. Non-Executive Directors receive a base fee for membership on the Board and an additional fee for all other duties, including serving on one or more Board committees. The Company reimburses the Non-Executive Directors for reasonable and properly-documented expenses incurred in performing their duties. Without limitation to the foregoing, the Company will reimburse the Non-Executive Directors for the reasonable cost of obtaining independent advice in accordance with Board procedure. The Non-Executive Directors have the benefit of Directors' and officers' liability insurance and a deed of indemnity from the Company.	Fee increases may be applied, taking into account the outcome of the annual fee review. Under the Articles of Association, the aggregate amount of fees paid to the Directors is capped. At the 2018 AGM, the aggregate limit was increased from GBP 1.0 million to GBP 1.5 million per annum to cover any additional Directors. The current Non-Executive Directors are not entitled to participate in the LTIP or the STIP and do not otherwise receive share options or retirement benefits from the Company.	Not applicable.

Non-Executive Director letters of appointment

The Non-Executive Directors have letters of appointment which have no fixed duration. Pursuant to the Articles, they submit themselves for re-election annually. The current Non-Executive Directors were re-elected at the 2020 AGM.

The dates relating to the appointments of the current Non-Executive Directors, all of whom served throughout the Reporting Period*, are as follows:

Director	Role	Date of original appointment and of letter of appointment	Dates of re-appointment (election)
Ayşegül Bensel	Vice Chairperson	12 April 2017	8 May 2018, 24 May 2019 and 5 June 2020
Lord Mandelson	Board Member – Senior Independent Director	12 April 2017	8 May 2018, 24 May 2019 and 5 June 2020
Jérôme Bernard Jean Auguste Bayle	Board Member – Independent	12 April 2017	8 May 2018, 24 May 2019 and 5 June 2020
Ercan Nuri Ergül	Board Member	11 April 2017	8 May 2018, 24 May 2019 and 5 June 2020

The letters of appointment of the current Non-Executive Directors are available for inspection at the Company's registered office during normal business hours.

* On 24 February 2020, Thierry Edmond Déau and Thomas Josef Maier resigned from the Board and Andrew Chan Stuart was appointed as an Independent Director to fill one of the resulting vacancies. Mr. Stuart served until 18 November 2020 as set out on page 73 in the Governance report.

Remuneration Policy Table for Executive Directors (excluding the Executive Chairman) and senior management (including the CEO)

The Policy set out in the table below currently applies only to members of senior management with minor variation. In particular, legacy contractual remuneration arrangements for below-Board senior managers (including the CEO) that were agreed before the New Policy will be honoured. Details will be disclosed where relevant. The below Policy also would apply to an Executive Director should an Executive Director be appointed to the Board. In that case, references below to a 'senior manager' would apply to an 'Executive Director'. Changes under the New Policy are set out on page 106.

This section of the Policy does not apply to the Executive Chairman, who is remunerated in accordance with the details earlier in this Remuneration Policy report.

Purpose and link to strategy	Operation	Opportunity	Performance measures
Base salary			
To attract and retain talented executives to deliver the Company's strategy, by ensuring base salaries and total packages are competitive in relevant talent markets, while not overpaying.	Base salaries are reviewed by the Committee annually, in the context of personal and Company performance, and by reference to external market benchmarking. Any resulting changes will normally be effective from January. Salaries are positioned to reflect professional experience and level of responsibility.	There is no prescribed maximum salary payable. Salaries will be set on a case-by-case basis to reflect the role, and the experience and qualifications of the individual role-holder. Base salary % increases for the senior managers will normally be aligned with those of the wider workforce but may be made above this if there is a material change in responsibilities, size or complexity of the role, or if a senior manager was intentionally appointed to the Board on a below-market salary, but with the intention of moving it to market over time subject to performance in the role. If an Executive Director is appointed, their base salary for the year under review and proposed for the following year would be disclosed in the relevant year's Annual Report on Remuneration, together with the rationale for any changes.	Not applicable.

Purpose and link to strategy	Operation	Opportunity	Performance measures
Pension			
To provide an appropriate level of post-retirement benefit.	Although the Company currently does not have a formal pension plan, mandatory pension contributions are made by the Company on behalf of UK employees in accordance with UK law (and would also be made at the same % of salary on behalf of any UK-based Executive Directors). Likewise, other Group companies make mandatory pension contributions on behalf of their employees in accordance with applicable law, and pension contributions would be made on the same basis for any Executive Directors outside the UK.		
Other taxable benefits			
To provide other competitive benefits for comparable roles in the market in which the senior manager is employed.	The Company may also provide senior managers benefits in kind including, but not limited to, company car or car allowance, financial and/or legal advice, an expatriate allowance, relocation expenses and a housing allowance.	Benefits for executives and senior managers are generally set at a level which reflects competitive practice in the relevant market. It is not anticipated that the costs of benefits provided would increase significantly over the policy period, although the Committee retains discretion to approve non-material increases in cost. In addition, the Committee retains discretion to approve a higher cost in exceptional circumstances (e.g. to facilitate recruitment) or in circumstances where factors outside the Company's control have changed (e.g. general increases in the cost of insurance cover). In the case of an Executive Director, benefits in respect of the year under review will be disclosed in the relevant year's Annual Report on Remuneration.	Not applicable.

Purpose and link to strategy	Operation	Opportunity	Performance measures
STIP (short-term incentive plan)			
To incentivise executives to deliver strong performance on an annual basis, to reward progress towards the Company's strategic goals, and to underpin the longer-term health and growth of the business.	Performance measures, targets and corresponding weightings are set by the Committee at the start of the year. After the end of the financial year, the Committee determines the level of bonus to be paid, taking into account the extent to which targets have been achieved. Bonuses are payable in cash. Malus and clawback provisions apply to the bonuses in certain circumstances (as set out in the Notes to the Policy Tables).	The normal maximum annual bonus opportunity is 50% of base salary, with up to 75% available in exceptional circumstances. The pay-out for on-target performance is 50% of maximum.	Performance is assessed on an annual basis against specific objectives set at the start of each year. Financial measures make up the majority of the bonus opportunity, although these may be supplemented with non-financial metrics and personal objectives, as appropriate. Bonus measures are weighted according to the business priorities for the year. Targets under each measure are generally calibrated with reference to the Company's budget. The Committee may adjust the formulaic annual bonus outcomes (including down to zero) to ensure outcomes align with the Company's Remuneration Principles and with underlying Company performance, and to ensure fairness to shareholders and participants. If an Executive Director is appointed, further details will be disclosed in the relevant year's Annual Report on Remuneration. Performance targets set for each year will be disclosed at the end of the year in question.

Remuneration Committee report continued

Purpose and link to strategy	Operation	Opportunity	Performance measures
LTIP (long-term incentive plan)			
To align the interests of executives with those of shareholders, and to incentivise management to maximise value over the long-term.	Senior managers are eligible to receive annual awards of RSUs, being conditional rights to receive shares in the Company. The Committee may also award share options or restricted shares. Prior to awards being granted, the Committee sets performance conditions and targets which are stretching and aligned to the Company's strategy. LTIP awards to executives and senior managers typically have a performance and vesting period of not less than three years. If threshold performance has not been achieved at the end of the relevant performance period, the awards would not vest. The Remuneration Committee may also determine that vested LTIP shares be made subject to a holding period after the vesting date. The Remuneration Committee has discretion to award dividend equivalents on awards, in which case the number of shares which are subject to an LTIP award will be increased to reflect the value of the corresponding dividends during the performance period (or an equivalent value will be granted in cash at the discretion of the Remuneration Committee). LTIP awards granted to senior managers will be subject to malus and clawback provisions, as set out in the Notes to the Policy Tables.	The maximum annual LTIP opportunity is 100% of base salary. 25% of an award will vest if performance against each performance condition is at threshold and 100% will vest if it is at stretch (being the minimum level of performance required for full vesting), with straight-line vesting in between. Further details of any LTIP awards granted to any Executive Director will be disclosed in the relevant Annual Report on Remuneration. Having regard to the decrease in the Company's share price since Admission, the Committee has discretion during the initial two years of the LTIP to propose a decrease in the number of shares that would otherwise be allocated under the principles above, subject to Board approval of the reduction.	Vesting of the LTIP is subject to continued employment during the performance period and the achievement of performance conditions. If an Executive Director is appointed, further details will be disclosed in the relevant Annual Report on Remuneration, including the performance targets attached on any LTIP awards made, for each cycle.

Notes to the Policy Tables

Approach to target-setting and performance measure selection

The Committee considers carefully the selection of performance measures at the start of each performance cycle, taking into account the Company's strategic goals, annual priorities and the relevant political and macroeconomic environment.

Annual bonus measures under the STIP are selected to align with the Company's annual priorities. Measures may change from year to year. The rationale for any changes to bonus measures will be disclosed in the relevant Annual Report on Remuneration.

LTIP performance measures are selected to ensure they align with the Company's strategy and with long-term growth in shareholder value. They are intended to help align senior managers' interests with those of shareholders. The first LTIP awards were granted from January 2019 based 50% on three-year EPS growth and 50% on three-year absolute TSR. Under the New Policy, the EPS measure has been substituted with adjusted EBITDA as set out on page 106.

Targets are set to be stretching and motivational. EPS targets were set taking into account multiple relevant reference points, including internal forecasts, external expectations for the future performance of the Company, and typical performance ranges for these measures at other companies of comparable size in our sector.

As determined by the Board, shares issued under the LTIP are subject to a dilution limit of up to 3% over 10 years.

Malus and clawback

In respect of the STIP and the LTIP, the Committee has the discretion to reduce an award before vesting or require an award-holder to pay back shares or a cash amount in the event of serious financial misstatement of the Company, fraud on the part of the award-holder, any breach of the Company's Code of Conduct by the award-holder, excessive risk-taking, actions/decisions/behaviours that lead to serious reputational damage, corporate failure or in any other similar circumstances deemed appropriate by the Committee. The Committee may seek to claw back shares for a period of up to two years after an award-holder's departure from the Group. The malus and clawback provisions are included in the LTIP terms to which all participating employees have agreed.

Remuneration for the wider workforce

Remuneration for the wider workforce is determined based on principles consistent with those for the remuneration of senior managers and executives. Annual salary reviews take into account Company performance, local pay and market conditions to help ensure that reward within the Group remains competitive. Incentive bonus arrangements are in place for employees below the executive level which are tied to employee performance targets and EBITDA.

Approach to remuneration on recruitment

External appointments

In cases of hiring or appointing an Executive Director from outside the Company, the Committee may make use of all existing components of remuneration set out in the Policy Table, up to the disclosed maximum opportunities (where applicable). As set out in the Policy Table on pages 101 and 102, in normal circumstances the sum of maximum opportunities under the STIP and LTIP is 150% of salary, and in exceptional circumstances, 175% of salary. The Committee and Board had discretion during the initial two years of the LTIP performance period to reduce the number of shares allocated to reflect low share price levels.

When determining the remuneration package for a new Executive Director, the Committee will take into account all relevant factors, based on the circumstances at that time, to ensure that remuneration arrangements serve the best interests of the Company and its shareholders. This may include factors such as the experience and skills of the individual, internal comparisons and relevant market data.

The Committee may also make an award in respect of a new appointment to 'buy-out' incentive arrangements forfeited on leaving a previous employer. Buy-out awards may be over and above the maximum limits on incentive opportunities set out in the Policy Table on pages 101 and 102. In doing so, the Committee will consider all relevant factors, including any performance conditions attached to awards, the likelihood of those conditions being met, and the time over which they would have vested. The intention is that the expected value of any buy-out award would be no higher than the expected value of the awards foregone, and that the structure will replicate (as far as reasonably possible) that of the awards forfeited. The Committee may consider it appropriate to structure 'buy-out' awards differently from the structure described in the Policy Table, exercising its discretion under the LTIP rules to offer awards in other forms (including market value options, restricted shares, forfeitable shares or phantom awards) and the discretion available under UKLA Listing Rule 9.4.2R where necessary, to make a one-off award to an Executive Director in this context.

Internal promotion

Where an Executive Director is appointed by way of internal promotion, the Policy will be consistent with that for external appointees as detailed above (other than in relation to 'buy-out' awards). Any commitments made prior to an individual's promotion will continue to be honoured even if they would not otherwise be consistent with the Policy prevailing when the commitment is fulfilled, although the Company may, where appropriate, seek to revise an individual's existing service contract on promotion to align it with that of the other Executive Directors and good practice.

Disclosure on the remuneration structure of any new Executive Director, including details of any 'buy-out' awards, will be disclosed in the public 'RNS' notification made at the time of appointment and in the Annual Report on Remuneration for the year in which recruitment occurred.

Non-Executive Directors

In recruiting a new Non-Executive Director, the Remuneration Committee will apply the Policy as set out in the Policy Table on page 97 in this Report. A base fee in line with the prevailing fee schedule would be payable for Board membership, with an additional fee payable for all other duties, including serving on one or more of the Board's Committees.

Executive Director service contracts

In accordance with general market practice, any Executive Director within the UK will have a rolling service contract and a notice period of three months. The duration and notice period of service contracts for senior managers and Executive Directors outside the UK may differ in accordance with applicable law.

Exit payments policy

The Company's policy on termination payments is to consider the circumstances on a case-by-case basis, taking into account the relevant contractual terms in the executive's service contract and the circumstances of termination. All Executive Directors' contracts will provide for the payment of a pre-determined sum in the event of termination of employment in certain circumstances (but excluding circumstances where the Company is entitled to dismiss without compensation), comprising base salary, pension allowance and benefits in respect of the unexpired portion of the notice period. Termination payments may take the form of payments in lieu of notice. Payments would normally be made on a phased basis and subject to mitigation.

If the employment is terminated by the Company, the Committee retains the discretion to settle any other amount the Committee considers reasonable to the Executive Director including in settlement of claims, in respect of legal fees incurred in connection with the termination, and fees for any outplacement services and relocation costs.

In addition to contractual provisions, the table below summarises how awards under each discretionary incentive plan are typically treated in specific circumstances, with the final treatment remaining subject to the Committee's discretion as provided under the rules of the plan.

Disclosure in relation to any departing Executive Director, including details of any remuneration payment made to him or her after their employment ceases, will be provided in the relevant year's Directors' Remuneration Report.

Reason for cessation	Calculation of vesting/payment	Timing of vesting/payment
STIP		
Injury, ill-health, disability, death, redundancy, retirement, or other such event as the Committee determines.	The Committee may determine that a bonus is payable on cessation of employment (normally pro-rated for the proportion of the performance year worked). The bonus payable will be determined based on the performance of the Company and of the individual over the relevant period, and the executive's loss of office.	At the usual payment date.
All other reasons (including voluntary resignation).	No bonus will be paid for the financial year.	Not applicable.
LTIP		
Resignation or dismissal for cause.	Awards will lapse, unless the Remuneration Committee determines within 30 days of cessation of employment to treat the individual as a 'good leaver'.	Not applicable.
Death, ill-health or disability.	Personal representatives will be entitled to exercise their LTIP Awards within the 12-month period immediately following their death or the 10th anniversary of the Date of Grant (subject to pro-rating).	Within 12 months following death (or the 10th anniversary of the Date of Grant).
Redundancy, retirement or injury.	The Committee may determine that an LTIP is payable for the proportion of the performance period worked. The LTIP payable will be determined based on the performance of the Company and of the individual over the relevant period, and the executive's loss of office.	At the date of the event.
Change of control.	Any unvested awards will vest immediately subject to being pro-rated for time and subject to any reduction based on the Committee's assessment of whether performance conditions have been satisfied to the date of the event, or are likely to be satisfied at the end of the performance period.	At the date of the event.

The treatment of shares subject to deferral or holding periods will be subject to the Remuneration Committee's discretion and will take into account the circumstances at the time, with the normal treatment being that the relevant deferral or holding period continues to apply. In the event of an award-holder's death, any deferral or holding period will no longer be applied.

External appointments held by Executive Directors

Executive Directors may only accept external appointments subject to agreement by the Board. Details of any external appointments and the associated fees received will be included in the Annual Report on Remuneration.

Consideration of conditions elsewhere in the Company

The Committee seeks to promote and maintain good relations with employees as part of its broader employee engagement strategy. It considers pay practices across the Company and is mindful of the salary increases applying across the rest of the business in relevant markets when considering any increases to salaries for senior managers. The Committee does not currently formally consult with employees on its executive Remuneration Policy.

Consideration of shareholder views

The Committee will take into consideration all shareholder views received during the year and at the AGM, as well as guidance from shareholder representative bodies more broadly, in shaping the Company's implementation of its Remuneration Policy, as well as any future changes to the Policy. It is the Committee's intention to consult with major shareholders in advance of making any material changes to remuneration arrangements.

The New Policy

The New Policy is intended to replace the Policy, which has expired in 2021, for a further period of three years and will be put before shareholders for approval at the 2021 AGM. This section of the Report sets out the decision-making process by which the New Policy has been made and the key differences between the New Policy and the Policy.

Decision-making process

In preparing the New Policy, the Remuneration Committee initially reviewed and affirmed the remuneration principles set out on pages 93 and 94 and the structure and components of the Policy, having regard to the Company's strategy and shareholder interests and after assessing the impact of the Policy over the previous three years. It also engaged with the Company's largest shareholder, consulted with Mercer | Kepler and took account of the guidelines issued by various investor bodies on remuneration governance and newly-applicable requirements under the 2019 Regulations. On 8 July 2021, the Committee approved the New Policy and recommended it to the Board, which approved it on 9 July 2021 and resolved to put it before shareholders for approval at the 2021 AGM with the intention that it remain in place for a period of three years.

Assuming the New Policy is approved, each year's remuneration report will note how the Remuneration Policy has been implemented over the previous year and how it will be implemented in the following year.

Changes under the New Policy

The New Policy, like the Policy, is underpinned by the guiding principles set out on pages 93 and 94. The New Policy also carries forward the main structure and components of the Policy, comprising three distinct sub-policies for the Executive Chairman, the Non-Executive Directors, and senior management and any future Executive Directors. The key differences between the New Policy and the Policy are in the sub-policy for senior management and any future Executive Directors as follows:

Performance measures: under the Policy, LTIP awards are based 50% on three-year EPS growth and 50% on three-year absolute TSR. Having regard to share price levels, the Committee has reconsidered the EPS indicator and decided in the New Policy to substitute it with EBITDA – with a view to better reflecting the work done by senior management. The EBITDA indicator will be subject to such adjustments as may be determined by the Committee from time to time and approved by the Board.

Shareholding guideline for Executive Directors: under the New Policy, any Executive Directors will be expected to have, within five years, a shareholding in the Company equivalent to at least 50% of their current annual salary.

Vesting and holding periods: under both Policies, vesting and holding periods are determined by the Remuneration Committee which determined that LTIP awards have a vesting period of three years and vested LTIP shares are subject to a holding period of two years, in each case subject to the discretion of the Committee. The same vesting and holding periods, subject to the discretion of the Committee, are specified in the New Policy.

Annual review of CEO remuneration: Mr. Sayın's overall remuneration is also subject to annual review by the Committee. There is a legacy arrangement under which the Committee has committed, subject to certain terms, to top up his remuneration in cash or RSUs, to the extent that he does not receive USD 500,000 in total compensation per annum.

ANNUAL REPORT ON REMUNERATION

This section of the Remuneration report provides details of how our Remuneration Policy was implemented during the Reporting Period.

Committee membership and meeting attendance

Since 18 November 2020, the Committee has been composed of the following two Non-Executive Directors:

- Jérôme Bernard Jean Auguste Bayle – Committee Chairman (Independent); and
- Ayşegül Bensel – Non-Executive Director.

Thierry Edmond Déau and Thomas Josef Maier were members of the Committee until their resignations on 24 February 2020, and Andrew Chan Stuart served on the Committee between 5 June 2020 and 18 November 2020. The current vacancy on the Committee will be filled with an Independent Director in accordance with the Committee's TOR.

The Committee met formally four times during the Reporting Period. The table on page 92 shows the number of meetings individual members of the Committee could have attended, and their actual attendance, during the Period.

The Remuneration Committee is responsible for assisting the Board in discharging its responsibilities in relation to remuneration, including making recommendations to the Board on the Company's policy on executive remuneration (including setting the over-arching principles, parameters and governance framework of the Remuneration Policy) and determining the individual remuneration and benefits packages of each of the Executive Chairman and any Executive Directors.

Advisers

The Committee has re-appointed Mercer | Kepler as independent remuneration adviser, and they report to the Committee Chairman. Mercer | Kepler is a member of the UK Remuneration Consultants Group and operates voluntarily under the Code of Conduct in relation to executive remuneration consulting.

Mercer | Kepler does not have any other connection with the Company and is considered to be independent by the Committee. Fees paid to Mercer | Kepler are determined on a time and materials basis and totalled GBP 6,950 (excluding expenses and VAT) during the Reporting Period in their capacity as advisers to the Committee.

Board member remuneration

Single total figure of remuneration for the Executive Chairman and the Non-Executive Directors (audited)

The table below sets out a single figure for the total remuneration (i.e. fees) earned by each of the Board members (being the Executive Chairman and the Non-Executive Directors) for the Reporting Period and the financial year ended 31 December 2019. The Board members are not entitled to participate in the LTIP or the STIP and do not otherwise receive share options or retirement benefits from the Company, and accordingly, receive no variable remuneration.

There was no change to the amount of fees to which the Board members were entitled during the Period. However, in conjunction with the Employment Measures, all of them agreed to defer their own remuneration to show solidarity with Group employees. Accordingly, no fees were paid by the Company to the Board members between 1 March 2020 and 31 March 2021.

Director	Total fees for Period[1]	Total fees for 2019[1]
Mehmet Kutman (Executive Chairman)	USD 698,839[2,3]	USD 560,316.67[2,3]
Ayşegül Bensel	USD 210,212[4,5]	USD 180,930[4,5]
Lord Mandelson	USD 211,755[6]	USD 158,060[6]
Jérôme Bernard Jean Auguste Bayle	USD 150,000[5]	USD 120,000[1,5]
Ercan Nuri Ergül	USD 151,355[5,7]	USD 120,000[5]
Thierry Edmond Déau	USD 20,000[5,8]	USD 120,000[5]
Thomas Josef Maier	USD 20,000[5,8]	USD 120,000[5]
Andrew Chan Stuart	USD 86,000[5,9]	N/A

Notes:
1 Reflects the gross amount of fees earned from the Company and subsidiaries of the Company from 1 January 2020 to 31 March 2021 and 1 January 2019 to 31 December 2019, respectively. Fees (excluding subsidiary fees) for 1 March 2020 to 31 March 2021 were accrued, but not paid, during the Period.
2 Effective 1 February 2019, Mr. Kutman's fee as Executive Chairman was increased from USD 200,000 to USD 420,000 per annum (3.5 times the standard USD fee paid to Non-Executive Directors); the increase was pro-rated for 11 months of 2019.
3 Includes the additional fee from a subsidiary of the Company of USD 173,839 for Mr. Kutman during the Period (USD 158,650 in 2019).
4 Includes the additional fee from subsidiaries of the Company of USD 60,212 for Mrs. Bensel during the Period (USD 60,930 in 2019).
5 Non-Executive Director fee per annum set at USD 120,000 (USD 10,000 gross per month).
6 Lord Mandelson is the only Non-Executive Director to be paid in GBP. His fee per annum set at GBP 120,000 (GBP 10,000 gross per month).
7 Includes the additional fee from a subsidiary of the Company of USD 1,355 for Mr. Ergül during the Period. No such additional fee was received by him in 2019.
8 Covering fees for the period between 1 January 2020 and his resignation on 24 February 2020.
9 Covering fees for the period between his appointment on 24 February 2020 and his resignation as of 18 November 2020.

Annual % change in remuneration of the Executive Chairman and the Non-Executive Directors compared with employee remuneration

The table below sets out the annual change in the total remuneration from the Company of the Executive Chairman and each Non-Executive Director between 2019 and 2020 compared with the average annual change in total remuneration of the Company's employees, calculated on a full-time equivalent ('FTE') basis, during the same period. There was no change to Board member or employee remuneration between 31 December 2020 and 31 March 2021.

	Annual % change 2019-2020	
Director[1]	Total remuneration of Board member[2]	Total remuneration of Company employees (average per FTE)[3]
Mehmet Kutman (Executive Chairman)	4.5[4]	5.22
Ayşegül Bensel	0	5.22
Lord Mandelson	0	5.22
Jérôme Bernard Jean Auguste Bayle	0	5.22
Ercan Nuri Ergül	0	5.22

1 Directors who served throughout the Period and the 2019 financial year. Excludes Thierry Edmond Déau and Thomas Josef Maier, who both resigned on 24 February 2020, and Andrew Chan Stuart, who was appointed to the Board on 24 February 2020 and resigned as of 18 November 2020.
2 Consisting of fees earned for each of 2019 and 2020.
3 Average employee remuneration has been calculated by reference to the mean of employee pay.
4 Effective 1 February 2019, Mr. Kutman's fee as Executive Chairman was increased from USD 200,000 to USD 420,000 per annum (3.5 times the standard USD fee paid to Non-Executive Directors); the increase was pro-rated for 11 months of 2019.

Directors' shareholdings (audited)

The Directors did not own any shares in the Company as at 31 March 2021 as set out in the table below. Accordingly, there was no change from 31 December 2019.

		Shares		Options	
Director[1]	Owned outright or vested	Unvested and not subject to performance	Unvested and subject to performance	Vested but not exercised	Unvested and not subject to performance
Mehmet Kutman	nil	–	–	–	–
Ayşegül Bensel	nil	–	–	–	–
Lord Mandelson	nil	–	–	–	–
Jérôme Bernard Jean Auguste Bayle	nil	–	–	–	–
Ercan Nuri Ergül	nil	–	–	–	–

[1] Directors as at 31 March 2021. Excludes Thierry Edmond Déau and Thomas Josef Maier, who both resigned on 24 February 2020, and Andrew Chan Stuart, who was appointed to the Board on 24 February 2020 and resigned as of 18 November 2020.

No shares were acquired by the Directors between 31 March 2021 and 20 August 2021, being the latest practicable date prior to publication of this Report. As at 31 March 2021, the Executive Chairman Mehmet Kutman owned indirectly through GIH approximately 15.06% of the Company. As at 30 June 2021, being the latest practicable date prior to the publication of this Report, Mr. Kutman's indirect ownership through GIH was approximately 15.53% of the Company.

CEO remuneration

In compliance with newly applicable reporting requirements under the 2019 Regulations, this Annual Remuneration Report also sets out the remuneration of the Company's CEO Emre Sayın even though he was not a Board member during the Reporting Period or preceding financial years. As the related requirement under the 2019 Regulations is only applicable for financial years beginning on or after 10 June 2019, prior period comparative information will be disclosed starting with the Annual Remuneration Report for 2022.

The CEO's remuneration is determined mainly in accordance with the Policy's sub-policy for senior management and any future Executive Directors. Remuneration under that sub-policy comprises salary, benefits and short-term and long-term incentive plans as described on pages 99 to 106. Mr. Sayın's overall remuneration is also subject to annual review by the Committee. There is a legacy arrangement under which the Committee has committed, subject to certain terms, to top up his remuneration in cash or RSUs, to the extent that he does not receive USD 500,000 in total compensation per annum. However, to date, the Committee has not approved any such top-up.

CEO employment terms

Mr. Sayın, who serves as the Company's CEO, is employed by Global Liman pursuant to terms of employment approved by the Committee which have been in effect since 1 November 2018. In accordance with Turkish law, he is employed for an indefinite term with provision for termination by either party.

In the event of termination, the CEO may receive compensation in accordance with the Policies under the sub-policy for senior management and any future Executive Directors.

The CEO's terms of employment are available for inspection at the Company's registered office during normal business hours.

Single total figure of remuneration for the CEO (audited)

The table below sets out a single figure for the total remuneration earned by Mr. Sayın for the Reporting Period (1 January 2020 to 31 March 2021).

As CEO, Mr. Sayın participates in the LTIP and the STIP and receives benefits in accordance with the Policy for senior managers and any future Executive Directors as set out in the Policy Table on page 100 in this Report.

(USD '000)	Salary[1] (gross)	Benefits[2]	Pension[3]	Total fixed[6]	Bonus[4] (STIP)	LTIP[5]	Total variable	Total remuneration
Emre Sayın	249,792	52,875	18,320	356,987	0	0	0	356,987

1 Mr. Sayın is resident in Turkey and is paid in Turkish Lira in accordance with Turkish law. In accordance with the Employment Measures set out on page 92, certain amounts earned by Mr. Sayın and other employees during the Period were deferred and/or reduced.
2 Benefits are based upon market rates and include a car allowance, exclusive use of a driver and health insurance.
3 Mandatory pension contributions are made on Mr. Sayın's behalf in accordance with Turkish law.
4 No STIP was paid to (or accrued for) any employees during the Period as eligibility criteria (performance targets and outcomes) were not met.
5 An allocation of 60,000 RSUs was made to Mr. Sayın for 2020, which are due to vest in 2023.
6 Includes the additional fee from a subsidiary of the Company of USD 36,000 during the Period.

CEO annual bonus (STIP)

No STIP was paid to (or accrued for) Mr. Sayın or other employees during the Period as eligibility criteria (performance targets and outcomes) were not met.

CEO LTIP award

An allocation of 60,000 RSUs was made to Mr. Sayın for 2020, which are due to vest in 2023. As set out on page 106, the vesting period under the Policies is three years, and no RSUs will vest prior to 2022.

The table below sets out the award[1] made to Mr. Sayın under the LTIP during the Period:

	Basis of award (% of salary)	Threshold level of vesting	Face value of award (USD '000 equivalent)[2]	End of performance period	Vesting date
Emre Sayın	100	25%	186	January 2023	January 2023

1 Award was in the form of 60,000 RSUs for 2020.
2 Indicative value based upon a share price of GBP 2.39 per share exercised on the date of granting; the actual face value will depend upon the share price at the vesting date.

CEO shareholding

Mr. Sayın owned no shares in the Company as at 31 March 2021 as set out in the table below.

		Shares		Options	
	Owned outright or vested	Unvested and not subject to performance	Unvested and subject to performance	Vested but not exercised	Unvested and not subject to performance
Emre Sayın	nil	–	220,000[1]	–	–

1 Total number of RSUs granted to 31 March 2021.

Relative importance of spend on pay

As announced on 11 March 2020, in light of the unprecedented level of disruption to global trade and the cruise industry and the associated short-term uncertainty created by the spread of the Covid-19 pandemic, the Board decided that it was prudent and in the best interests of all of the Company's stakeholders to suspend the dividend for full-year 2019 until the situation became clearer. Accordingly, shareholders were not asked to declare a final dividend at the 2020 AGM.

The Board continued to monitor the situation and, having regard to the continuing impact of the pandemic on Group business, determined not to declare an interim dividend prior to the Period-end. Accordingly, total dividend paid during the Reporting Period was nil. During the Period, the Company also implemented a series of cost-saving and cash preservation measures in response to the impact of Covid-19, including deferral and reduction of employee and Board remuneration.

There were no other dividends paid or share buybacks implemented or other significant distributions, payments or other uses of profit or cashflow during the Reporting Period which the Directors consider relevant in assisting an understanding of the relative importance of spend on pay. Total staff costs – disclosed in Note 12 to the financial statements – were USD 17.4 million for the Period.

	Distributions to shareholders (USD '000)	Total employee pay (USD '000)
FY19	29,225	17,369
Reporting Period (1 January 2020 to 31 March 2021)	0	17,440

Payments for loss of office (audited)

No payments for loss of office were made during the Period.

Payments to past Directors (audited)

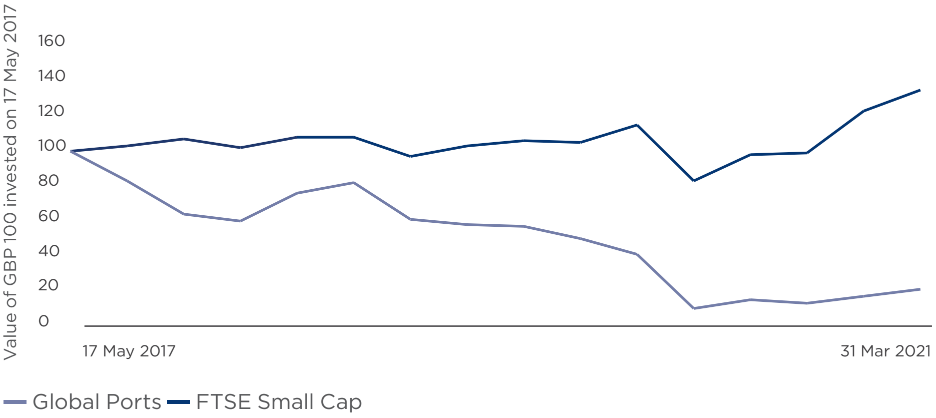
No payments were made to past Directors during the Period.

TSR performance (unaudited)

Although the Committee does not consider that there is an ideal TSR comparator for the Company, the FTSE Small Cap index is considered to be the best comparator group. The following chart shows the Company's TSR relative to the FTSE Small Cap index from Admission to 31 March 2021.

Historical TSR performance (GBP)

Growth in the value of a hypothetical GBP 100 holding from Admission to 31 March 2021.



Source: Refinitiv

Total Shareholder Return ('TSR') captures the change in the value of a shareholding, assuming that dividends are reinvested on the ex-dividend date – special cash dividends are excluded.

Implementation of the Executive Chairman Remuneration Policy for 2021-2022

The principles of the Policy governing Executive Chairman Remuneration remain the same under the New Policy.

The Committee has not recommended any change to the Executive Chairman's fee, which will remain at USD 420,000 for the financial year ending 31 March 2022. Accordingly, the fee per annum payable to the Executive Chairman will be as follows:

Role	Fee (USD '000)
Executive Chairman fee	420

Implementation of the Non-Executive Director Remuneration Policy for 2021-2022

The principles of the Policy governing Non-Executive Director Remuneration remain the same under the New Policy.

The Board has not recommended any change to Non-Executive Directors' fees, which will remain at the above levels for the financial year ending 31 March 2022. Accordingly, the fees payable to the Non-Executive Directors will be as follows:

Role	Fee ('000)
Non-Executive Director basic fee	USD 90
Additional fee:	USD 30
Senior Independent Director basic fee	GBP 90
Additional fee:	GBP 30

Implementation of the Senior Management and Executive Director Remuneration Policy for 2021-2022

The main components of the Policy governing senior management and Executive Director remuneration remain the same under the New Policy. Accordingly, between 31 March 2021 and 31 March 2022, the CEO and other members of senior management will be eligible for salary and bonus (STIP) and may be allocated RSUs under the LTIP in accordance with the New Policy assuming that it is approved by shareholders at the 2021 AGM.

The Committee has not recommended any change to the CEO's base salary, which will remain equivalent to an amount of USD 249,792 (gross) for the financial year ending 31 March 2022.

The Directors' Remuneration Report has been approved by the Board and signed on its behalf by:

Jérôme Bernard Jean Auguste Bayle
Chairman of the Remuneration Committee
23 August 2021

DIRECTORS' REPORT

The Directors, being the Directors of Global Ports Holding PLC (registered in England and Wales with Company Number 10629250), present their Report and Accounts for the Reporting Period, including the audited consolidated financial statements of the Company and Group for the Period (the 'financial statements'). These will be laid before the shareholders at the Company's 2021 Annual General Meeting ('2021 AGM') to be held provisionally on 29 September 2021.

Accounting reference date and period

The Company's accounting reference date was changed from 31 December to 31 March by unanimous written resolution of the Directors dated 22 December 2020 upon recommendation of the Audit and Risk Committee. The basis for the change is set out in the Committee's report on pages 82 to 83 of this document. As a result of the change, the Reporting Period is a transitional period covering 15 months (from 1 January 2020 to 31 March 2021) and the Company's future financial years will be 12 months ending on 31 March.

Registered office

The Company's registered office is 34 Brook Street, 3rd Floor, London W1K 5DN, United Kingdom. The Company has occupied an office at that address under a five-year lease since January 2018. Full details of the Company's offices and its auditor and advisers are given at the end of this Report.

Results and dividends

The Group made a loss after tax of USD 94.7 million for the Reporting Period (1 January 2020 to 31 March 2021), compared with a loss after tax of USD 15.2 million in 2019.

As announced on 11 March 2020, in light of the unprecedented level of disruption to global trade and the cruise industry and the associated uncertainty created by the spread of Covid-19, the Board decided that it would be prudent and in the best interests of all of the Company's stakeholders to suspend the final dividend for 2019 until the pandemic's financial implications became clearer. Accordingly, shareholders were not asked to declare a final dividend at the 2020 AGM. Having regard to the continued disruption caused by Covid-19 to the global travel sector, the economies in which the Group operates and, consequently, Group business during the Reporting Period, no dividends have subsequently been approved or declared by the Board. Accordingly, shareholders will not be asked to declare a final dividend for 2020 at the 2021 AGM.

The timing and amount of any future dividend payments will depend on the Group's existing and future financial condition, results of operations, capital requirements, liquidity needs and other matters that it may consider relevant from time to time. These may include, without limitation, the ability of subsidiaries to distribute dividends, the Group's capital needs, financial performance and prevailing equity market conditions.

Subsequent events that have occurred after the balance sheet date as at 31 March 2021 are included in Notes 38 and 52 to the financial statements.

Going concern

The Directors are required to consider the liquidity position of the Group for a period of not less than 12 months from the date of signing the 31 March 2021 consolidated financial statements.

At that date, the Group had cash and cash equivalents of USD 170.6 million and net assets of USD 90.05 million. The Directors have prepared detailed monthly cash flow forecasts for a period of not less than 12 months from the date of signing the 2020 Annual Report and Accounts, which show sufficient liquidity and compliance with relevant debt covenants. These cash flows take into account a number of risks and uncertainties regarding future trading. In particular, The Directors have considered the implications of breaching debt covenants relating to certain Group companies and continuing uncertainty regarding the impact of the pandemic on the recovery of passenger levels and the associated effect on Group revenues and cash position during the going concern assessment period.

The United Kingdom left the EU on 31 January 2020. The EU-UK Trade and Cooperation Agreement, a free trade agreement governing the relationship between the EU and the UK after Brexit, was signed on 30 December 2020 and formally entered into force on 1 May 2021. The Directors have considered potential implications of Brexit for the Company and the Group, having regard in particular to the ports which are located and operated by subsidiaries in EU countries. Although the full impact of Brexit remains uncertain and may not be known for some time, the Directors currently do not expect its implementation to have a materially adverse impact on the operations of the Company or the Group.

As set out on pages 83 and 84 in its Report, the Audit and Risk Committee has closely considered senior management's going concern analysis and scenarios. Having regard to the Audit and Risk Committee report and to all of the above, the Directors have, at the time of approving the financial statements, a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. They therefore continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

Strategic report and Management report

Details of the Group's strategy and business model during the Period, and the information that fulfils the requirements of the Strategic report, can be found on pages 1 to 63 of this document, which is deemed to form part of this Directors' report by reference. Without limitation, actions of the Directors during the Period to engage with Group employees and with its suppliers, customers and others with whom it maintains business relationships are set out on pages 53 to 56 of this document.

This Directors' report, together with the Strategic report referred to above, form the Management report for the purposes of DTR 4.1.5 R.

Change of control

Under the Financing, the loan agreement and other agreements contain customary financial and non-financial covenants and change of control clauses regarding maintaining ownership of the Company and ownership at GIH above a certain threshold. Change of control is also one of the events following the occurrence of which Warrants issued in connection with the Financing will become exercisable. Any unvested awards under the Company's share-based long-term incentive plan ('LTIP') also will vest immediately on a change of control, as set out on page 105 in the Remuneration Committee report ('Remuneration report').

The Company is not otherwise party to any significant agreements that take effect, alter or terminate in the event of a change of control of the Company. In addition, there are no agreements with the Company and its employees or Directors for compensation for loss of office or employment that occurs because of a takeover bid.

Corporate governance

The Company's Corporate Governance report ('Governance report') is set out on pages 64 to 80 of this document and is deemed to form part of this Directors' report by reference.

As set out on page 67 of the Governance report, the Company is not required to adopt the 'comply or explain' regime of the UK Corporate Governance Code. However, the matters set out in Section 172 of the Companies Act 2006 are integral to the Board's decision-making, and engagement with the Company's varied stakeholders is considered vital to the Group's success, as set out on page 67 of the Governance report and pages 53 to 56 of the Strategic report.

Directors

The names and biographical details of Directors who served on the Board throughout the Reporting Period and who continue to do so at the date of this Directors report are given in the Board of Directors section on pages 68 and 69 in the Governance report, and full details of changes to the Board membership during the Period are set out on page 73 of this document.

None of the Directors have any direct ownership of ordinary shares of the Company ('ordinary shares'). The beneficial interest of the Executive Chairman in ordinary shares is set out on page 79 in the Governance report and page 109 in the Remuneration report.

Under the current Remuneration Policy, the Executive Chairman and the current Directors are not eligible to join the Company's incentive or share schemes or to participate in any of the Company's other benefit arrangements. Accordingly, there are no outstanding awards over ordinary shares in favour of the Directors (or any members of their families).

None of the Directors has a material interest in any contract with the Company or any of its subsidiary undertakings.

Share capital

The issued share capital of the Company is shown in Notes 24 and 47 to the financial statements. As at 20 August 2021, there are 62,826,963 ordinary shares of one pence (GBP 0.01) each which have been issued, are fully paid up and are quoted on the London Stock Exchange. The rights attaching to the ordinary shares are set out in the Company's Articles of Association ('Articles').

At the date of this Report, the Company has issued, on a non-pre-emptive basis in connection with the Financing, Warrants to subscribe for 6,213,656 ordinary shares. Additional Warrants will be issued pro-rata to the utilisation of the additional growth facility under the Financing, as and when it occurs.

Further details of the Company's share capital are set out on page 79 in the Governance report.

There are no special control rights in relation to the Company's shares and the Company is not aware of any agreements between holders of securities that may result in restrictions on the transfer of securities or on voting rights.

Major interests in share capital

Notifications of shareholdings of 3% and over received by the Company are set out on page 79 in the Governance report.

Political donations

No political donations were made, and no political expenditure was incurred, during the Period.

Employee involvement and consultation

The Company places considerable value on the involvement of Group employees in the business; it regards regular communication and consultation as essential for motivating people and developing a culture of learning and initiative within the organisation. The Company endeavours to inform and obtain feedback from employees on a continuing basis, through formal and informal meetings and other internal communication channels. This dialogue relates to matters that directly affect them as employees, as well as considerations concerning the performance of the Company more widely. During 2019, the Board resolved that, going forward, Directors would meet annually with port managers and other senior managers to obtain their feedback on the Group's organisational structure, the Company's approach to remuneration and other matters. Those meetings were postponed during the Period while the Board focussed on responding to the Covid-19 pandemic, but will be pursued as soon as practicable.

Incentive plans

In accordance with remuneration principles approved at the AGM, the Company has implemented a short-term incentive plan ('STIP') and the LTIP for Group employees and senior management, in order to more closely align employee targets and company strategy in the short- and long-term, thereby increasing shareholder value. Details of the STIP and LTIP are set out on pages 101 to 106 in the Remuneration report, including changes proposed under the New Policy.

Discrimination and disability

The Board and executive management strive to ensure that employees are protected from discrimination within the Group. All decisions regarding employment processes, including recruitment, promotions, transfers, training, dismissal and working conditions, are based on consistent selection criteria. Employees or staff authorised to make such decisions are expected to act without prejudice or bias regarding employee disabilities. The Board regards it as essential that evaluating and assessing employees on their knowledge and skills is made on the basis of objective, rather than subjective, criteria. In the event of an employee becoming disabled, every effort is made to ensure that their employment with the Group continues in a capacity that accommodates their needs.

Modern Slavery and Human Trafficking statement

The Directors, on behalf of the Group as a whole, recognise and condemn slavery, servitude, forced labour and human trafficking (modern slavery) as abhorrent infringements of human rights. In February 2018, the Board adopted a Modern Slavery and Human Trafficking statement that set out the Company's commitment to preventing modern slavery in the Group's business and supply chains, and the steps taken toward that end. The statement, which was updated and approved by the Board in respect of the Reporting Period, can be found on our website at www.globalportsholding.com under Investors – Corporate Governance – Corporate Social Responsibility.

Data protection

In November 2018, the Board adopted a comprehensive Data Protection Policy. This entrenches the Group's commitment to local, international and cross-border compliance with data protection laws and regulations, including, but not limited to, the General Data Protection Regulation 2016/679 and the Turkish Personal Data Protection Law no. 6698.

Environmental responsibility

The Company is committed to responsible business and works toward embedding sustainability into the core of its business strategy. The Company is aware of the environmental risks inherent within the business and is committed to manage and reduce the environmental footprint caused by its activities.

Natural resources, water and energy consumption, emissions, dredging and impacts on marine ecosystems due to noise and vibration are the Company's material sustainability issues. The Company has adopted a proactive environmental strategy for environmental risks, including air and water pollution, risks arising from the handling of hazardous waste and effluents, and natural disasters. The Company responds to these impacts and risks in a systematic and proactive manner in line with its environmental management systems.

The Company conducts business in line with laws and regulations where the Group operates, international environmental standards and the Company's Environmental Policy.

Four of the Company's ports are certified to the ISO 14001 Environmental Management System, and five ports are in the process of obtaining accreditation. In addition, two ports have GreenPort and three ports have EcoPorts certifications. Further information about these certifications is set out on page 59 of this document.

Greenhouse gas ('GHG') emissions

The Company is aware of the risks that climate change poses to its operations and regards contributing to global efforts to tackle climate change as being among its primary environmental responsibilities. To reduce its impact on climate change, the Company tracks its energy consumption and GHG gas emissions, invests in energy efficiency and renewable energy sources, deploys low- or zero- emission vehicles and raises awareness among its employees and other stakeholders.

The Company is required to disclose GHG emissions pursuant to the Companies Act 2006 (Strategic report and Director's report) Regulations 2013. The calculations on GHG emissions data, which cover the Scope 1 and 2 GHG emissions, have been conducted by an independent consultancy in accordance with the GHG Protocol control approach using IPCC 2006 emission factors, AR5 GWP values, net calorific values from the International Energy Agency and EuroStat Energy Statistics manual and local fuel data where possible.

As stated in the table below, during the 2020 year and the 1 January 2020 to 31 March 2021 Reporting Period, the Group's Scope 1 and 2 emissions location-based totalled 3,860.9 tonnes CO_2e and 5,386.8 tonnes CO_2e, respectively.

	In tonnes CO_2e		
	2020	2019	**Reporting Period (1 January 2020 – 31 March 2021)**
Scope 1	1,318.2	2,514.20	**2,185.6**
Scope 2 Location-based	2,542.6	5,362.8	**3,201.2**
Scope 1 and 2 total Location-based	3,860.9	7,877.0	**5,386.8**
Carbon intensity			
Per full-time equivalent employee	9.49	12.32	**13.27**
Per sqm facility area	0.0168	0.0085	**0.0234**

1 Market specific EF data, in compliance with the GHG Scope 2 Guideline, is not available. Market-based emissions are reported as the same as location-based emissions.

2 Organisational boundary has been set according to the operational boundary approach. All of the Company's ports are fully covered, except for Lisbon (in respect of which 50% of emissions are covered), Singapore, Venice, Ha Long, Taranto and La Goulette.

Financial instruments

The financial risk management objectives and policies of the Company are detailed in Note 37 to the financial statements and in the Risk Management Framework on pages 26 to 34 of this document.

Acquisition of own shares

There were no acquisitions by the Company of its own shares during the Reporting Period.

Articles of Association

Unless expressly specified to the contrary therein, the Articles may be amended by a special resolution of the Company's shareholders.

Appointment and replacement of Directors

The Articles provide that Directors can be appointed by the Company by ordinary resolution or by the Board. The Nomination Committee makes recommendations to the Board on the appointment and replacement of Directors. Further details of the rules governing the appointment and replacement of Directors are set out on page 73 in the Governance report, page 90 in the Nomination Committee report and in the Articles.

Directors' indemnity and insurance

Details of the Directors' indemnity and insurance from the Company are set out on page 75 in the Governance report.

Powers of the Directors

Subject to the Articles, UK legislation and any directions given by special resolution, the business and affairs of the Company are managed by the Board which may exercise all the powers of the Company whether relating to the management of the business or not. The Directors currently have powers both in relation to the issuing and buying back of the Company's shares and will seek renewal of these powers at the 2021 AGM.

Disclosure of information to auditors

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all the steps that he/she ought to have taken as a Director to make himself/herself aware of any relevant audit information, and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

A resolution to re-appoint KPMG LLP will be proposed at the 2021 AGM in accordance with Section 489 of the Companies Act 2006.

AGM for 2021

The 2021 AGM will be held at the Company's registered office at 34 Brook Street, 3rd Floor, London W1K 5DN, United Kingdom provisionally on Wednesday, 29 September 2021. The resolutions to be proposed at the 2021 AGM are set out and fully explained in the circular containing the Notice of AGM ('AGM Notice Circular') which will be posted, together with the proxy form for the 2021 AGM and this Annual Report and Accounts, on our website at www.globalportsholding.com under Investors — Corporate Governance. These will be made available to shareholders electronically or, if they have expressed a preference otherwise, sent to them in hard copy.

The Board is committed to ensuring that the 2021 AGM is held safely having regard to Covid-19 -related public health concerns and regulatory measures. As at the date of this Annual Report, measures put in place by the UK Government in response to the pandemic, including restrictions on public gatherings and non-essential travel, have mostly been lifted. Accordingly, the 2021 AGM is intended to be open to shareholders and their appointed proxies who choose to attend it in person. However, having regard to uncertainty about the impact of lifting restrictions and the potential that new measures could be put in place by the date of the Meeting, the Directors will closely monitor the situation and, if it becomes necessary or appropriate to postpone, to move and/or to make alternative arrangements for holding the 2021 AGM, shareholders will be given as much notice as possible and further information will be made available at www.globalportsholding.com. Shareholders are reminded that proxy voting is available for the 2021 AGM and are encouraged to complete and return proxy forms as early as possible. Further details will be set out in the AGM Notice Circular.

Recommendation

The Board considers that all of the resolutions to be considered at the 2021 AGM are in the best interests of the Company and its shareholders as a whole, and unanimously recommends that you vote in favour of all of the proposed resolutions, as the Directors intend to do in relation to their own beneficial shareholdings.

By order of the Board

Ercan Nuri Ergül
Director
23 August 2021

Statement of Directors' responsibilities

Statement of Directors' responsibilities in respect of the Annual Report and the Financial Statements

The Directors are responsible for preparing the Annual Report and the Group and Parent Company financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and Parent Company financial statements for each financial year. Under that law they are required to prepare the Group financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and applicable law and have elected to prepare the Parent Company financial statements in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. In addition, the Group financial statements are required, under the UK Disclosure Guidance and Transparency Rules, to be prepared in accordance with International Financial Reporting Standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Parent Company and of their profit or loss for that period. In preparing each of the Group and Parent Company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant, reliable and prudent;
- for the Group financial statements, state whether they have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and, as regards the Group financial statements, International Financial Reporting Standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union;
- for the Parent Company financial statements, state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the Parent Company financial statements;
- assess the Group and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that complies with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and
- the strategic report includes a fair review of the development and performance of the business and the position of the issuer and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

We consider the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

Ayşegül Bensel

Ayşegül Bensel
Vice Chairperson
23 August 2021

Independent auditor's report
to the members of Global Ports Holding PLC

1 Our opinion is unmodified

We have audited the financial statements of Global Ports Holding PLC ('the Company') for the 15 month period ended 31 March 2021 which comprise the Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of financial position, Consolidated statement of changes in equity, Consolidated cash flow statement and the related notes, including the accounting policies in Note 3, and the Parent Company balance sheet, Parent Company statement of changes in equity and the related notes, including the accounting policies in Note 37.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 March 2021 and of the Group's loss for the 15 month period then ended;
- the Group financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006;
- the Parent Company financial statements have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation to the extent applicable.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)') and applicable law. Our responsibilities are described below. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion. Our audit opinion is consistent with our report to the audit committee.

We were first appointed as auditor by the Directors on 30 June 2018. The period of total uninterrupted engagement is for the 3 financial periods ended 31 March 2021. We have fulfilled our ethical responsibilities under, and we remain independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed public interest entities. No non-audit services prohibited by that standard were provided.

2 Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. We summarise below the key audit matters, in decreasing order of audit significance, in arriving at our audit opinion above, together with our key audit procedures to address those matters and, as required for public interest entities, our results from those procedures. These matters were addressed, and our results are based on procedures undertaken, in the context of, and solely for the purpose of, our audit of the financial statements as a whole, and in forming our opinion thereon, and consequently are incidental to that opinion, and we do not provide a separate opinion on these matters.

	The risk	Our response
Management override of controls **Risk vs. 2019: New** Refer to page 83 (Audit Committee Report) and page 204 (financial disclosures, Related Parties Note 36).	**Disclosure quality** The Directors and Senior Management Team are in a unique position to: • perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. • enter into material contractual arrangements without the proper recording of the accounting effect thereof by overriding controls that otherwise appear to be operating effectively. The risk for our audit was whether the control environment maintained by the Board and Senior Management Team was adequate such that: • no instances of breaches of laws and regulations have arisen or could have arisen that had not been identified and could result in material losses to the Group or potential non-compliance with laws and regulations which might result in possible penalties; and • no instances of the failure to properly record material unusual transactions have arisen or could have arisen that had not been identified and could result in material errors to the Group financial statements and material payments made to suppliers or related parties not being identified or appropriately disclosed.	Our procedures included: **– Policies and procedures assessment:** We assessed the appropriateness of the Group's policies over laws and regulations, including anti-bribery and corruption, and procedures set by the Board and by Senior Management Team, the implementation and oversight thereof across the Group. **– Controls design and operation:** We assessed the design and implementation of the Group's controls over the entering into significant unusual transactions such as business acquisitions, new port operation arrangements and major capital expenditure projects. Our testing identified significant weaknesses in the design and operation of controls. As a result, we expanded the extent of our detailed testing over and above that originally planned. **– Tests of detail:** We selected a sample of project expenses and payments made to third party suppliers by head office entities. For those items selected, we inspected the related invoice and supplier agreement and made enquiries of senior management to evaluate the business rationale and approvals for the transaction or event. We evaluated whether the transaction was appropriately approved and accounted for and whether the control environment had completely and accurately captured its impact on the accounts. We selected a sample of project expenses and payments made to third party suppliers by head office entities. For those items selected, we inspected the related invoice and supplier agreement and made enquiries of senior management to evaluate the business rationale and approvals for the transaction or event. We evaluated whether the transaction was appropriately approved and accounted for and whether the control environment had completely and accurately captured its impact on the accounts. **– Extended scope:** As a result of the identification of matters from our testing the Board of a Group subsidiary, Nassau Cruise Port Limited ('NCP') commissioned an independent legal counsel's review of transactions related to the acquisition of the concession. We used KPMG forensic specialists to assist our interpretation of its findings and to perform diligence over the counter-parties. **– Assessing transparency:** We made enquiries of senior management in respect of the completeness of the recording of arrangements with a potential impact on the accounts. We assessed whether the Group's disclosures detailing significant unusual transactions and related party transactions, including the NCP matter referred to in the Audit & Risk Committee Report, 'Areas of Focus during the Period' Section and Note 36, Related Parties, of the financial statements, adequately disclose the matters and the effect on the Group financial position and performance. **Our results** We found the disclosures within the Related Parties disclosures to be acceptable.

2 Key audit matters: our assessment of risks of material misstatement continued

	The risk	Our response
Impairment of Port Operation Rights relating to the Port of Adria & certain of the Group's smaller cruise ports in the Other Cruise segment & Impairment of Goodwill **Risk vs. 2019:** ↑ Port Operation Rights relating to the Port of Adria & certain of the Group's smaller cruise ports in the Other Cruise segment USD 3.6 million; 2019: USD 4.4 million, Goodwill USD 13.5 million; 2019 USD 13.5 million. Refer to page 83 (Audit Committee Report), pages 150 to 151 (accounting policy, Note 3j & k) and pages 169 to 172 (financial disclosures, Notes 16 & 17).	**Forecast-based valuation:** Goodwill and Port operating rights in the Group are significant and at risk of irrecoverability due to the significant decrease in operations at the ports in 2020 and 2021. The estimated recoverable amount of these balances is subjective due to the inherent uncertainty involved in forecasting and discounting future cash flows. The effect of these matters is that, as part of our risk assessment for audit planning purposes, we determined that the value in use of ports operating rights had a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole, and possibly many times that amount. The financial statements (Note 16) disclose the sensitivity estimated by the Group.	We performed the detailed tests below rather than seeking to rely on any of the Group's controls because our knowledge of the design of these controls indicated that we would be unlikely to obtain the required evidence to support reliance on controls. Our procedures included: – **Our sector experience:** Assessing whether the assumptions used to estimate the recoverable amount, in particular those relating to the discount rate used, forecast growth in container and cargo volumes at the Port of Adria and cruise passenger numbers at some of the Group's smaller cruise ports in the Other Cruise segment reflect our knowledge of the business and industry. – **Benchmarking assumptions:** Comparing the Group's assumptions to externally derived data in relation to key inputs such as projected container and cargo volumes (Port of Adria), projected passenger numbers (cruise ports) and discount rates. In particular we focussed on challenging management's forecast of the speed at which passenger levels will return to pre-Covid levels of activity. Externally derived data utilised included publicly available announcements made by customers, relevant information in customer's financial statements, and regulatory news announcements (RNS) as available from customers websites and the London Stock Exchange (LSE). Market analyst reports were utilised to develop our benchmarking of the short and long-term outlook for the cruise industry. In respect of the Port of Adria, we benchmarked revenue growth assumptions against long term GDP growth estimates for the region. – **Sensitivity analysis:** Performing sensitivity analysis on the assumptions noted above based on reasonably possible changes to the key assumptions. – **Assessing transparency:** Assessing whether the Group's disclosures reflected the risks inherent in the valuation of the operating rights associated with those ports for which an impairment was recognised and/or low headroom existed. **Our results** We found the carrying amount of port operation rights relating to the Port of Adria & certain of the Group's smaller cruise ports in the Other Cruise segment and Goodwill to be acceptable. As a result of our work, we considered the quantum of impairment recognised in the reporting period of USD 3.6 million to the Port operating rights intangible associated with the Port of Adria to be acceptable. We found the related disclosures to be acceptable.

	The risk	Our response
Going concern **Risk vs. 2019:** ↔ Refer to page 83 (Audit Committee Report) and page 143 (Basis of Preparation accounting policy, Note 3f).	**Disclosure quality** The financial statements explain how the Board has formed a judgement that it is appropriate to adopt the going concern basis of preparation for the Group and Parent Company. That judgement is based on an evaluation of the inherent risks to the Group's and Company's business model and how those risks might affect the Group's and Company's financial resources or ability to continue operations over a period of at least a year from the date of approval of the financial statements. The risks most likely to adversely affect the Group's and Company's available financial resources over this period were: • the Covid-19 pandemic and its effect on the Cruise industry, and • the Group's metrics relevant to debt covenants. There are also less predictable but realistic second order impacts, such as the broader macro-economic environment and its effect on the Port of Adria, which could result in a reduction of available financial resources. The risk for our audit was whether or not those risks were such that they amounted to a material uncertainty that may have cast significant doubt about the ability to continue as a going concern. Had they been such, then that fact would have been required to have been disclosed.	We performed the detailed tests below rather than seeking to rely on any of the Group's controls because our knowledge of the design of these controls indicated that we would be unlikely to obtain the required evidence to support reliance on controls. We considered whether these risks could plausibly affect the liquidity or covenant compliance in the going concern period by assessing the Directors' sensitivities over the level of available financial resources and covenant thresholds indicated by the Group's financial forecasts taking account of severe, but plausible, adverse effects that could arise from these risks individually and collectively. Our procedures also included: – **Funding assessment:** We inspected contractual finance agreements to ascertain the committed level of financing and any related covenant requirements, as well as waivers currently in place. In addition, we inspected the written communication from the Parent Company in regard to its indication to provide support to the Group under certain circumstances. – **Sensitivity analysis:** We considered sensitivities over the level of available financial resources indicated by the Group's financial forecasts taking account of plausible (but not unrealistic) adverse effects that could arise from these risks individually and collectively. In addition, we considered whether these scenarios led to the breach of covenants linked to the Group's borrowing facilities. – **Our sector experience:** We critically assessed the key assumptions in the base and downside scenarios notably projected container and cargo volumes (Port of Adria), projected passenger numbers (cruise ports), and considered possible no sail scenarios using our own sector experience. – **Assessing transparency:** We considered whether the going concern disclosure in Note 3f to the financial statements gives a full and accurate description of the Directors' assessment of going concern, including the identified risks, dependencies, and related sensitivities. **Our results:** We found the going concern disclosure in Note 3f without a material uncertainty to be acceptable (2019 result: acceptable).

Independent auditor's report continued
to the members of Global Ports Holding PLC

2 Key audit matters: our assessment of risks of material misstatement continued

	The risk	Our response
Impairment of parent's investment in Global Liman A.S **Risk vs. 2019:** ↑ Parent Company's investment in Global Liman A.S (USD 139.4 million; 2019: USD 354 million). Refer to page 83 (Audit Committee Report), page 218 (accounting policy, Note 39g) and page 220 (financial disclosures, Note 40a).	**Forecast-based valuation:** The carrying amount of the Parent Company's investment in Global Liman A.S. is significant and at risk of irrecoverability due significant decrease in operations in all the ports in 2020 and 2021 due to Covid-19. The estimated recoverable amount of these balances is subjective due to the inherent uncertainty in forecasting trading conditions and cash flows used in the budgets. The effect of these matters is that, as part of our risk assessment, we determined that the value in use of the parent's investment in subsidiaries has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole, and possibly many times that amount.	We performed the detailed tests below rather than seeking to rely on any of the Group's controls because our knowledge of the design of these controls indicated that we be unlikely to obtain the required evidence to support reliance on controls. Our procedures included: – **Our sector experience:** Assessing whether the assumptions, used to estimate the recoverable amount of the entities which Global Liman A.S. holds investments in, in particular those relating to the discount rate used, forecast growth in container and cargo volumes at the Port of Adria and cruise passenger numbers at the relevant cruise ports reflect our knowledge of the business and industry. – **Benchmarking assumptions:** Comparing the Group's assumptions to externally derived data in relation to key inputs such as projected container and cargo volumes (Port of Adria), projected passenger numbers (cruise ports) and discount rates. In particular we focussed on challenging management's forecast of the speed at which passenger levels will return to pre-Covid levels of activity. Externally derived data utilised included publicly available announcements made by customers, relevant information in customer's financial statements, and regulatory news announcements (RNS) as available from customer's website and the London Stock Exchange (LSE). Market analyst reports were utilised to develop our benchmarking of the short and long-term outlook for the cruise industry. In respect of the Port of Adria, we benchmarked revenue growth assumptions against long term GDP growth estimates for the region. – **Sensitivity analysis:** Performing sensitivity analysis on the assumptions noted above based on reasonably possible changes to the key assumptions. – **Assessing transparency:** Assessing the adequacy of the Parent Company's disclosures in respect of the investment in subsidiaries. **Our results** We considered the quantum of impairment recognised in 2021 of USD 215.4 million to be acceptable. We found the related disclosures to be acceptable. (2019 result: acceptable).

Following the disposal of Port Akdeniz in the period, the risk relating to the recoverability of Port Akdeniz Port Operation Right included in our 2019 report is no longer relevant and, therefore, it is not separately identified in our report this year. We continue to perform procedures over Accounting for new concession agreements signed with the government of Bahamas (Nassau Cruise Port) and the government of Antigua (Antigua Cruise Port), however, as these concession agreements continue in operation as planned and have not been significantly modified in the period, we have not assessed this as one of the most significant risks in our current year audit and, therefore, it is not separately identified in our report this year.

3 Our application of materiality and an overview of the scope of our audit

Materiality for the Group financial statements as a whole was set at USD 0.9 million (2019: USD 1.3 million), determined with reference to a benchmark of Group revenue averaged for the past three years, of which it represents 1% (2019: 1.1%). We consider Group revenue to be the most appropriate benchmark as it provides a more stable measure period on period than Group profit before tax.

We have applied averaging of the benchmark for the past 3 periods because 2021 period revenue is significantly lower than in prior years and is therefore volatile to further developments in the Covid-19 pandemic.

Materiality for the Parent Company financial statements as a whole was set at USD 0.75 million (2019: USD 1.0 million), determined with reference to a benchmark of Company total assets, of which it represents 0.4% (2019: 0.3%).

In line with our audit methodology, our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the financial statements as a whole.

Performance materiality was set at 50% (2019: 50%) of materiality for the financial statements as a whole, which equates to USD 0.45 million (2019: USD 0.65 million) for the Group and USD 0.38 million (2019: USD 0.5 million) for the Parent Company.

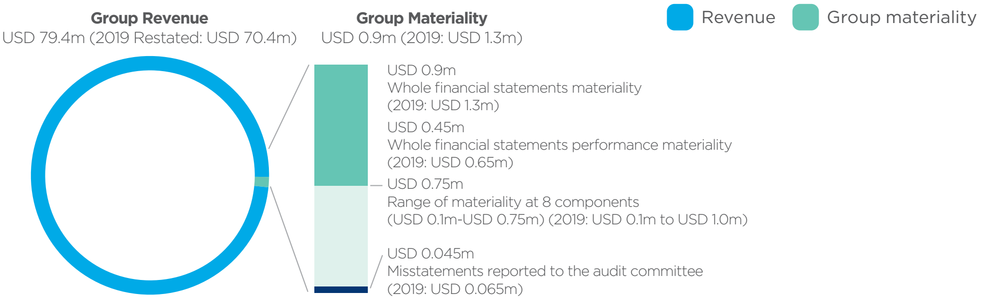
We applied this percentage in our determination of performance materiality based on the level of identified misstatements and control deficiencies during the prior period.

We agreed to report to the audit committee any corrected or uncorrected identified misstatements exceeding USD 0.045 million (2019: USD 0.065 million), in addition to other identified misstatements that warranted reporting on qualitative grounds.

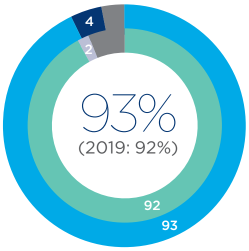
Of the Group’s 21 (2019: 19) reporting components, we subjected 7 (2019: 7) to full scope audits; 1 (2019: nil) for audit of one or more account balances for Group purposes and 1 (2019: 1) to specified risk-focused audit procedures. The components for which we performed audits of account balances and specific risk-focused procedures were not individually financially significant enough to require a full scope audit for Group purposes but did present specific individual risks that needed to be addressed.

The components within the scope of our work accounted for the percentages illustrated below. For the residual components, we performed analysis at an aggregated Group level to re-examine our assessment that there were no significant risks of material misstatement within these.

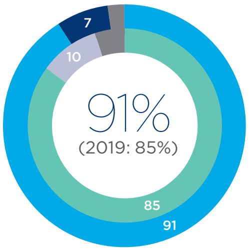
Group materiality



Group revenue



Group total assets



3 Our application of materiality and an overview of the scope of our audit continued

The Group team instructed component auditors as to the significant areas to be covered, including the relevant risks described above, and the information to be reported back. The Group team approved the component materialities, which ranged from USD 0.2 million to USD 0.65 million (2019: USD 0.15 million to USD 1.0 million), having regard to the mix of size and risk profile of the Group across the components.

The work on 5 of the 7 components was performed by component auditors (2019: 6 of the 7 components) and the rest, including the audit of the Parent Company, was performed by the Group team.

The Group team did not visit component locations due to Covid-19 related travel restrictions; video-conferences have been arranged between the Group and 5 component teams to assess the audit risk and strategy (2019: 6 components visited). Telephone conference meetings were also held with these component auditors and others that were not physically visited. At these visits and meetings, the findings reported to the Group team were discussed in more detail, and any further work required by the Group team was then performed by the component auditor.

4 Going concern basis of preparation

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Company, or to cease their operations, and as they have concluded that the Group and the Company's financial position means that this is realistic for at least a year from the date of approval of the financial statements ('the going concern period').

An explanation of how we evaluated management's assessment of going concern is set out section 2 of our report.

Our conclusions based on this work:

- we consider that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate; and
- we have not identified, and concur with the Directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group's or Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the Company will continue in operation.

5 Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ('fraud risks') we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of the Senior Management Team, Directors, the audit committee, internal audit and inspection of policy documentation as to the Group's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board and audit committee minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.
- Using our own forensic specialists to assist us in identifying fraud risks based on discussions of the circumstances of the Group and Company.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit. This included communication from the Group to full scope component audit teams of relevant fraud risks identified at the Group level and request to full scope component audit teams to report to the Group audit team any instances of fraud that could give rise to a material misstatement at Group.

As required by auditing standards and taking into account the significant decline in customer demand due to Covid-19 and there being significant overseas operations in jurisdictions where business customs and regulations exist and in jurisdictions where there is an increased risk of corruption and bribery, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that revenue arising in the Port of Adria are recorded in the wrong period and the risk that volume rebates are inappropriately calculated. We also performed procedures to address the risk that Group management may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates and judgments such as when calculating Nassau IFRIC-12 Construction Revenue.

We also identified a fraud risk related to inappropriate assumptions with respect to the carrying value of port operating rights in response to possible pressures to meet investor expectations of future forecast performance.

We also identified a fraud risk related to the risk that liabilities arising from contingent arrangements are not recognised in the correct period and the risk that ongoing legal cases require a provision to be recognised in response to possible pressures to meet investor expectations of financial performance.

In determining the audit procedures, we took into account the results of our evaluation and testing of the operating effectiveness of some of the Group-wide fraud risk management controls. Further detail in respect of this is set out in the key audit matter 'Management override of controls' in section 2 of this report.

We also performed procedures including:
- Identifying journal entries and other adjustments to test for all full scope components based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual accounts or postings to accounts linked to a fraud risk.
- Evaluating the business purpose of significant unusual transactions.
- Assessing significant accounting estimates for bias.
- For the sale of each type of good and each type of service at the Port of Adria, we determined the revenue recognition basis and an appropriate time frame around the period end representing the period of increased risk for cut-off errors, and obtained a list of sales of goods and rendering of services during this period. We tested items from this population by vouching to the relevant documentation of goods shipped and services performed, such as related sales contract and/or sales invoice, bill of lading, shipping document, proof of delivery and/ or proof of acceptance for sales of goods, and relevant documentation evidencing the performance of the services and/ or evidencing of customer acceptance for rendering of services.
- Assessing recoverability of goodwill and port rights through benchmarking, sensitivity analysis, comparing valuations and assessing transparency and challenging managements assumptions based on these procedures. Further detail in respect of these procedures are set out in the key audit matter disclosures in section 2 of this report.
- Reviewing minutes of meetings of management, documents obtained from management concerning litigation and claims, and correspondence between the entity and its external legal counsel to identify any litigation and claims not provided to us by management.
- Inspecting documentation relating to any new concession agreements and associated project expenses. Further detail in respect of this procedure is set out in the key audit matter disclosures in section 2 of this report.
- Evaluated the business purpose of significant unusual transactions. This included inspecting the report commissioned by the Board of NCP. Further detail in respect of this procedure is set out in the key audit matter disclosures in section 2 of this report.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations
We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the Directors and other management (as required by auditing standards), and discussed with the Directors and other management the policies and procedures regarding compliance with laws and regulations.

As the Group is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. This included communication from the Group to component audit teams of relevant laws and regulations identified at Group level and a request for full scope component auditors to report to the Group team any instances of non-compliance with laws and regulations that could give rise to a material misstatement at Group.

The potential effect of these laws and regulations on the financial statements varies considerably. Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, and taxation legislation, and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

5 Fraud and breaches of laws and regulations – ability to detect continued

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the Group's right to operate a port being terminated before those rights were due to expire. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery, employment law, and certain aspects of company legislation recognising the nature of the Group's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

We discussed with the audit committee matters related to actual or suspected breaches of laws or regulations, for which disclosure is not necessary, and considered any implications for our audit.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

6 We have nothing to report on the other information in the Annual Report

The Directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Strategic report and Directors' report

Based solely on our work on the other information:

- we have not identified material misstatements in the strategic report and the Directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Directors' remuneration report

In our opinion the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

7 We have nothing to report on the other matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

8 Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 119, the Directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

9 The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's 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 and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

John Luke (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL
23 August 2021

Consolidated statement of profit or loss and other comprehensive income
For the 15 month period ended 31 March 2021 and 1 year ended 31 December 2019

(USD'000)	Note	15 Month period ended 31 March 2021	Year ended 31 December 2019 restated*
Revenue	9	**79,399**	70,398
Cost of sales	10	**(98,090)**	(48,152)
Gross (loss)/profit		**(18,691)**	22,246
Other income	13	**2,878**	1,663
Selling and marketing expenses		**(1,622)**	(2,054)
Administrative expenses	11	**(20,211)**	(13,063)
Impairment loss on trade receivables and contract assets	37	**(1,339)**	(300)
Other expenses	13	**(33,369)**	(6,632)
Operating (loss)/profit		**(72,354)**	1,860
Finance income	14	**30,047**	7,274
Finance costs	14	**(80,814)**	(39,223)
Net finance costs		**(50,767)**	(31,949)
Share of (loss)/profit of equity-accounted investees	18	**465**	5,580
Loss before tax		**(122,656)**	(24,509)
Tax income/(expense)	19	**15,061**	(588)
Loss from continuing operations		**(107,595)**	(25,097)
Profit from discontinued operations	7	**12,906**	9,878
Loss for the period/year		**(94,689)**	(15,219)
(Loss)/Profit for the period/year attributable to:			
Owners of the Company		**(80,313)**	(18,558)
Non-controlling interests		**(14,376)**	3,339
		(94,689)	(15,219)

(USD'000)	Note	15 Month period ended 31 March 2021	Year ended 31 December 2019 restated*
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit liability	29	**(156)**	(40)
Income tax relating to items that will not be reclassified subsequently to profit or loss	19, 29	**39**	9
		(117)	(31)
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation differences		**65,014**	14,774
Cash flow hedges – effective portion of changes in fair value		**469**	335
Cash flow hedges – realised amounts transferred to income statement		**(244)**	(246)
Equity accounted investees – share of OCI		**(872)**	–
Losses on a hedge of a net investment		**(45,209)**	(24,725)
		19,518	(9,862)
Other comprehensive income/(loss) for the period/year, net of income tax		**19,041**	(9,893)
Total comprehensive income/(loss) for the period/year		**(75,648)**	(25,112)
Total comprehensive income/(loss) attributable to:			
Owners of the Company		**64,987**	(26,757)
Non-controlling interests		**(10,661)**	1,645
		(75,648)	(25,112)
Basic and diluted earnings/(loss) per share (cents per share)	31	**(127.8)**	(29.5)
Basic and diluted earnings/(loss) per share (cents per share) – continuing operations	31	**(148.4)**	(45.3)

* Comparative information has been re-presented due to a discontinued operation. See Note 7.

The Notes on pages 135 to 214 are an integral part of these financial statements.

Consolidated statement of financial position
As at 31 March 2021 and 31 December 2019

(USD'000)	Note	**As at 31 March 2021**	As at 31 December 2019
Non-current assets			
Property and equipment	15	**126,858**	130,511
Intangible assets	16	**331,910**	424,618
Right of use assets	33	**87,469**	81,123
Investment property	34	**2,198**	2,139
Goodwill	17	**13,485**	13,485
Equity-accounted investments	18	**18,776**	26,637
Due from related parties	36	**8,125**	6,811
Deferred tax assets	19	**11,137**	2,179
Other non-current assets	21	**2,638**	4,577
		602,596	692,080
Current assets			
Trade and other receivables	20	**26,162**	31,022
Due from related parties	36	**324**	771
Other investments		**63**	71
Other current assets	21	**12,371**	3,916
Inventories	22	**903**	1,393
Prepaid taxes		**238**	1,846
Cash and cash equivalents	23	**170,599**	63,780
		210,660	102,799
Total assets		**813,256**	794,879
Current liabilities			
Loans and borrowings	26	**295,200**	62,691
Other financial liabilities	37	**2,925**	4,536
Trade and other payables	27	**39,236**	21,367
Due to related parties	36	**1,253**	1,317
Current tax liabilities	19	**157**	2,725
Provisions	30	**7,640**	2,043
		346,411	94,679
Non-current liabilities			
Loans and borrowings	26	**253,734**	390,299
Other financial liabilities	37	**55,249**	50,394
Trade and other payables	27	**12**	–
Deferred tax liabilities	19	**49,323**	84,715
Provisions	30	**21,221**	18,175
Employee benefits	29	**344**	869
Derivative financial liabilities	37	**399**	485
		380,282	544,937
Total liabilities		**726,693**	639,616
Net assets		**86,563**	155,263
Equity			
Share capital	24	**811**	811
Legal reserves	24	**6,014**	13,144
Share based payment reserves	28	**239**	239
Hedging reserves	24	**(41,951)**	(220,029)
Translation reserves	24	**58,779**	213,715
Retained earnings		**(12,151)**	61,053
Equity attributable to equity holders of the Company		**11,741**	68,933
Non-controlling interests	25	**74,822**	86,330
Total equity		**86,563**	155,263

These financial statements were approved by the board of Directors on 23 August 2021 and were signed on its behalf by:

Ercan Nuri Ergül
Board Member
Company registered number: 10629250

The Notes on pages 135 to 214 are an integral part of these financial statements.

Consolidated statement of changes in equity
For the 15 month period ended 31 March 2021 and 1 year ended 31 December 2019

(USD'000)	Note	Share capital	Legal reserves	Share based payment reserves	Hedging reserves	Translation reserves	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 1 January 2020		**811**	**13,144**	**239**	**(220,029)**	**213,715**	**61,053**	**68,933**	**86,330**	**155,263**
(Loss)/income for the period		**–**	**–**	**–**	**–**	**–**	**(80,313)**	**(80,313)**	**(14,376)**	**(94,689)**
Other comprehensive (loss)/income for the period		**–**	**–**	**–**	**(45,856)**	**61,299**	**(117)**	**15,326**	**3,715**	**19,041**
Total comprehensive (loss)/income for the period		**–**	**–**	**–**	**(45,856)**	**61,299**	**(80,430)**	**(64,987)**	**(10,661)**	**(75,648)**
Transactions with owners of the Company										
Contribution and distributions										
Transfer to legal reserves	24(b)	**–**	**(1,276)**	**–**	**–**	**–**	**1,276**	**–**	**–**	**–**
Dividends	24(c)	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(237)**	**(237)**
Total contributions and distributions		**–**	**(1,276)**	**–**	**–**	**–**	**1,276**	**–**	**(237)**	**(237)**
Changes in ownership interest										
Equity injection	6(ii)	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**483**	**483**
Acquisition of minority shareholding	6(i)	**–**	**–**	**–**	**–**	**–**	**96**	**96**	**(1,801)**	**(1,705)**
Acquisition of subsidiary with non-controlling interest	8	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**708**	**708**
Disposal of subsidiary	7	**–**	**(5,854)**	**–**	**223,934**	**(216,235)**	**5,854**	**7,699**	**–**	**7,699**
Total changes in ownership interest		**–**	**(5,854)**	**–**	**223,934**	**(216,235)**	**5,950**	**7,795**	**(610)**	**7,185**
Total transactions with owners of the Company		**–**	**(7,130)**	**–**	**223,934**	**(216,235)**	**7,226**	**7,795**	**(847)**	**6,948**
Balance at 31 March 2021		**811**	**6,014**	**239**	**(41,951)**	**58,779**	**(12,151)**	**11,741**	**74,822**	**86,563**

The Notes on pages 135 to 214 are an integral part of these financial statements.

Consolidated statement of changes in equity continued
For the 15 month period ended 31 March 2021 and 1 year ended 31 December 2019

(USD'000)	Note	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		811	13,030	–	(195,394)	197,247	108,981	124,676	91,045	215,721
(Loss)/income for the period		–	–	–	–	–	(18,558)	(18,558)	3,339	(15,219)
Other comprehensive (loss)/income for the period		–	–	–	(24,636)	16,468	(31)	(8,199)	(1,694)	(9,893)
Total comprehensive (loss)/income for the period		–	–	–	(24,636)	16,468	(18,589)	(26,757)	1,645	(25,112)
Transactions with owners of the Company										
Contribution and distributions										
Transfer to legal reserves	24(b)(i)	–	114	–	–	–	(114)	–	–	–
Equity settled share-based payment expenses	28	–	–	239	–	–	–	239	–	239
Dividends	24(c)	–	–	–	–	–	(29,225)	(29,225)	(6,366)	(35,591)
Total contributions and distributions		–	114	239	–	–	(29,339)	(28,986)	(6,366)	(35,352)
Changes in ownership interest										
Transactions with non-controlling interest		–	–	–	–	–	–	–	6	6
Total changes in ownership interest		–	–	–	–	–	–	–	6	6
Total transactions with owners of the Company		–	114	239	–	–	(29,339)	(28,986)	(6,360)	(35,346)
Balance at 31 December 2019		811	13,144	239	(220,029)	213,715	61,053	68,933	86,330	155,263

The Notes on pages 135 to 214 are an integral part of these financial statements.

Consolidated cash flow statement

For the 15 month period ended 31 March 2021 and 1 year ended 31 December 2019

(USD'000)	Note	**15 Month period ended 31 March 2021**	Year ended 31 December 2019 restated*
Cash flows from operating activities			
Loss for the period/year		**(94,689)**	(15,219)
Adjustments for:			
Depreciation of PPE, and RoU assets, and amortisation expense	15, 16, 33, 34	**34,209**	25,906
Impairment losses on intangible/tangible assets	16	**3,941**	–
Impairment losses on investments	17	**8,410**	–
Share of profit of equity-accounted investees, net of tax	18	**(465)**	(5,580)
Gain on sale of discontinued operation, net of tax	7	**(9,071)**	–
Gain on disposal of property plant and equipment		**–**	(17)
Finance costs (excluding foreign exchange differences)		**36,867**	23,645
Finance income (excluding foreign exchange differences)		**(626)**	(225)
Foreign exchange differences on finance costs and income, net		**14,526**	6,006
Income tax (benefit)/expense	19	**(15,417)**	588
Employment termination indemnity reserve	29	**50**	33
Equity settled share-based payment expenses		**–**	239
Provision charges	30	**7,739**	544
Operating cash flow before changes in operating assets and liabilities		**(14,526)**	35,920
Changes in:			
- trade and other receivables		**5,922**	(11,106)
- other current assets		**3,480**	(1,011)
- related party receivables		**(397)**	(6,619)
- other non-current assets		**2,508**	280
- trade and other payables		**14,386**	(10,645)
- related party payables		**(65)**	591
- Post-employment benefits paid	29	**(32)**	(22)
- provisions		**(1,350)**	8,585
Cash generated by operations before benefit and tax payments		**9,926**	15,973
Income taxes paid	19	**(442)**	(3,781)
Net cash generated from operating activities		**9,484**	12,192
Cash inflows from operating activities on discontinued operations		**27,163**	24,927
Investing activities			
Acquisition of property and equipment	15	**(27,913)**	(12,757)
Acquisition of intangible assets	16	**(56,557)**	(8,110)
Acquisition of a lease asset		**–**	(21,000)
Proceeds from sale of property and equipment		**392**	33
Disposal of discontinued operation, net of cash disposed of	7	**99,943**	–
Bank interest received		**153**	147
Dividends from equity accounted investees		**1,647**	2,849
Proceeds from sale of other investments in FVTPL instruments		**–**	13,184
Investment in equity accounted investee		**(570)**	(61)
Acquisition of subsidiary, net of cash acquired	6, 8	**(2,816)**	(5)
Advances given for fixed assets		**(9,668)**	–
Net cash (used in)/from investing activities		**4,611**	(25,720)
Cash used in investing activities of discontinued operations		**(1,560)**	(3,287)
Financing activities			
Equity injection by minorities to subsidiaries		**482**	7
Dividends paid to equity owners	24(c)	**–**	(29,225)
Dividends paid to NCIs	24(c)	**(237)**	(5,062)
Interest paid		**(31,545)**	(26,164)
Proceeds from loans and borrowings		**161,096**	42,021
Repayment of borrowings		**(52,318)**	(16,864)
Payment of lease liabilities		**(3,922)**	(2,720)
Net cash from/(used in) financing activities		**73,556**	(38,007)
Cash used in financing activities of discontinued operations		**(1,167)**	17,242
Net increase/(decrease in cash and cash equivalents		**112,087**	(12,653)
Effect of foreign exchange rate changes on cash and cash equivalents		**(5,268)**	(3,396)
Cash and cash equivalents at beginning of year	23	**63,780**	79,829
Cash and cash equivalents at end of 15 month period/1 year	23	**170,599**	63,780

* Comparative information has been re-presented due to a discontinued operation. See Note 7.

The Notes on pages 135 to 214 are an integral part of these financial statements.

Notes to the consolidated financial statements

1 General information

Global Ports Holding PLC is a public company 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 W1K 5DN, United Kingdom. The majority shareholder of the Company is Global Yatırım Holding.

These consolidated financial statements of Global Ports Holding PLC (the ‘Company’, and together with its subsidiaries, the ‘Group’) for the 15 month period ended 31 March 2021 were authorised for issue in accordance with a resolution of the Directors on 23 August 2021.

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

Subsidiaries	Locations	Operations
Global Ports Destination Services (‘GPDS’)	London-UK	Service operations
GPH Cruise Port Finance Ltd. (‘GPH CPF’)	London-UK	Finance raising SPV
Port Finance Investment Ltd. (‘PFI Ltd’)	London-UK	Finance raising SPV
Global Liman İşletmeleri A.Ş. (‘Global Liman’)	İstanbul-Turkey	Port investments
Ege Liman İşletmeleri A.Ş. (‘Ege Liman’)	Aydın-Turkey	Port operations
Bodrum Liman İşletmeleri A.Ş. (‘Bodrum Liman’)	Muğla-Turkey	Port operations
Port of Adria – Bar A.d. (‘Port of Adria’)	Montenegro	Port operations
Barcelona Port Investments, S.L (‘BPI’)	Spain	Port investments
Creuers del Port de Barcelona, S.A. (‘Creuers’)	Spain	Port operations
Cruceros Malaga, S.A. (‘Malaga Port’)	Spain	Port operations
Global Ports Europe B.V (‘Global BV’)	Netherlands	Port investments
Global Ports Melita Ltd. (‘GP Melita’)	Malta	Port investments
Valletta Cruise Port PLC (‘VCP’)	Valletta-Malta	Port operations
Port Operation Holding Srl (‘POH’)	Italy	Port investments
Port Operations Services (Cyprus) Ltd. (‘POS’)	Cyprus	Port investments
Ravenna Terminal Passegeri Srl (‘Ravenna’)	Italy	Port operations
Catania Cruise Terminal Srl (‘Catania’)	Italy	Port operations
Cagliari Cruise Port Srl (‘Cagliari’)	Italy	Port operations
Global Ports Netherlands B.V. (‘GP Netherlands’)	Netherlands	Port investments
Zadar International Port Operations d.o.o. (‘ZIPO’)	Croatia	Port operations
GPH Americas Ltd (‘GPH Americas’)	Bahamas	Port investments
GPH (Bahamas) Ltd (‘GPH Bahamas’)	Bahamas	Port investments
GPH (Antigua) Ltd (‘GPH Antigua’)	Antigua & Barbuda	Port operations
Nassau Cruise Port Limited (‘NCP’)	Bahamas	Port operations
Global Ports Mediterranean S.L. (‘GP Med’)	Spain	Service operations
Shore Handling S.L.A. (‘Shore’)	Spain	Service operations
Balearic Handling S.L.A. (‘Balearic’)	Spain	Service operations
Global Depolama A.Ş. (‘Global Depolama’)	İstanbul-Turkey	Storage
Randa Denizcilik San. ve Tic. Ltd. Şti. (‘Randa’)	Antalya-Turkey	Marine vehicle trade

* Global Gemicilik was established in Turkey for the purpose of rendering transportation and logistics services to commercial lines. Company is working as an ancillary service provider to Port Akdeniz. Inline with the sale of Port Akdeniz, this company was sold at book value.

Ege Liman

Kuşadası Cruise Port was constructed in 1968 and was operated by the Turkish Maritime Organisation Inc. (Türkiye Denizcilik Isletmeleri A.Ş.) (‘TDI’) until its privatisation in 2003. On 2 July 2003, Ege Liman entered into a transfer of operational rights agreement (‘TOORA’) for Kuşadası Cruise Port for a period of 30 years with the Privatisation Administration (Özelleştirme İdaresi Başkanlığı) (‘OIB’) and TDI. The TOORA will end in 2033.

Global Liman acquired 72.50% of the shares of Ege Liman on 6 July 2005, with Royal Caribbean Cruises Ltd. (‘RCCL’) holding a 27.49% interest and the TDI owns one share.

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

1 General information continued

Bodrum Liman

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

Global Liman acquired 60% of the shares of Bodrum Liman on 16 June 2008. As of 27 December 2018, the BOT agreement period was extended 49 years to the end of 2067. As at 31 March 2021 shareholders of the remaining 30% and 10% of the shares of Bodrum Liman are Yüksel Çağlar and Setur Servis Turistik A.Ş., respectively.

Port of Adria

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

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

BPI, Creuers and Cruceros

Barcelona Port Investments, S.L (‘BPI’) was established as a joint venture between the Group and Royal Caribbean Cruises Ltd. (‘RCCL’) on 26 July 2013, where the Group held a 49% interest in BPI which was accounted for using the equity method. BPI then acquired a 43% interest in Creuers on 30 December 2013. Creuers held 100% interest in the port operation rights for the Barcelona cruise port, as well as 80% in the port operation rights for the Malaga cruise port (‘Malaga Port’) in 2014 and a 40% interest in the port operation rights for the Singapore cruise port.

On 30 September 2014, BPI acquired an additional 57% interest in Creuers which resulted in BPI obtaining control of Creuers as of that date.

Subsequently on 30 September 2014, the Group increased its interest in BPI from 49% to 62% by acquiring a 13% interest from RCCL. As a result, the Group became the controlling shareholder of Creuers. The port operation rights of Creuers and Cruceros Malaga terminate in 2030 and 2038, respectively.

At 23 January 2020, the Group has acquired 20% minority shares of Malaga Port, consolidating its shares held in Creuers to 100%.

Global BV, GP Melita and VCP

Global BV was established in the Netherlands for investments in European Ports. As of 15 November 2015, Global BV acquired 55.60% of VCP shares through Holding Companies of GP Malta and Perquisite. VCP was set up to develop the Valletta Waterfront, situated on the Grand Harbour, Malta, for the purpose of the operation and management of a cruise liner passenger terminal and an international ferry passenger terminal together with complementary leisure facilities. VCP is also responsible for the handling of international cruise and ferry passengers and was granted a license by the Malta Maritime Authority. The concession will end in 2067.

Port Operation Holding, POS, Ravenna, Catania and Cagliari

POH was established in Italy for investments made in Italian Ports. As of 31 December 2016, POH acquired 51% of Ravenna shares, 62% of Catania shares and 71% of Cagliari shares, a significant portion being through Holding Company of POS. Ravenna, Cagliari, and Catania were set up to operate the cruise liner passenger terminal together with complementary leisure facilities at their territories. The companies are responsible for the handling of international cruise passengers. The port operation rights of Ravenna, Cagliari and Catania terminate in 2021, 2025 and 2026, respectively.

Zadar International Port Operations 'ZIPO'
ZIPO was established in Zadar (Croatia) for attending to tender for concession of Gazenica cruise port operation rights. ZIPO has signed a 20-year (terminating in 2038) concession agreement ('the Agreement'), with the Port Authority of Zadar for the operating rights of the Gazenica cruise port in Zadar, Croatia. Under the terms of the Agreement, GPH will from Q4-2018, use its global expertise and operating model to manage all the cruise port operations at Gazenica port over the life of the concession. The concession includes cruise ship passenger port and terminal services, an international ferry terminal, Ro-Ro services, vehicles and passenger services. It also contains a commercial area of 2,400sqm, with leasable retail and office space.

GPH Antigua
GPH Antigua was established in Antigua and Barbuda for signing the concession agreement of St John's cruise terminal port operation rights. GPH Antigua has signed a 30-year concession agreement ('the Agreement'), with the Government of Antigua and Barbuda for the operating rights of the St John's cruise terminal in Antigua. Under the terms of the Agreement, GPH will from October 23, 2019, use its global expertise and operating model to manage all the cruise port operations at St John's cruise terminal over the life of the concession. The concession includes cruise ship passenger port and terminal services, as well as an enhancement investment in the Terminal area, to modernise the terminal and expand the berthing capacity. After completion of CAPEX, terminal will have 2,400sqm, with leasable retail spaces.

GPH Bahamas, Nassau Cruise Port Limited ('NCP')
NCP was established in Nassau (Bahamas) for signing of Port Operation and Lease Agreement ('POLA') with respect to the Nassau Cruise Port at Prince George wharf. GPH Bahamas, a wholly owned subsidiary of GPH plc, owns a 49% equity interest in NCP, Bahamian Investment Fund 'BIF' (a Company established for arrangement of financing and retail participation of the project) holds 49% shares, and YES foundation (a charitable fund dedicated to empowering generations of Bahamians by supporting local youth, education, and sports-related programs) holds remaining 2% shares of NCP. NCP has signed the POLA with a term of 25 years from the end of construction completion, with the Government of Bahamas ('GoB') for the operating rights of the Prince George wharf in Nassau, Bahamas, starting from November 11, 2019. Under the terms of the Agreement, NCP has an obligation to perform capital investments which include a Cruise Terminal with an iconic design respecting and reflecting the richness and uniqueness of the traditional Bahamian culture. The concession includes cruise ship passenger port and terminal services. It will also contain a commercial area, after completion of CAPEX, with leasable retail and office space.

GP Med, Shore Handling and Balearic Handling
Group has acquired 51% (controlling share) of Balearic Handling and Shore Handling in Spain, which have licenses in Spain to provide passenger related port services (luggage handling, loading/unloading of cargo, etc.). The acquisitions of Balearic Handling and Shore Handling were completed as part of the Group's plans to integrate its services vertically and increase ancillary service opportunities of the Group.

2 Adoption of new and revised standards and application of new accounting policies

(i) Amendments to International Financial Reporting Standards ('IFRSs') that are mandatorily effective for the current year

In the 15 month period ended 31 March 2021, the Group applied a number of amendments to IFRSs issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2020.

- Covid-19-Related Rent Concessions (Amendment to IFRS 16), effective from 1 June 2020

The Group has implemented the decisions taken by IASB, published on May 2020, easing to provide lessees with an exemption from assessing whether a Covid-19-related rent concession is a lease modification. On issuance, the practical expedient was limited to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2021, but period was extended by IASB since the effects of the Covid-19 pandemic are ongoing and significant. The Group has applied this interpretation in the financial period started at 1 January 2020. The impact of that application is limited and caused the Group to recognise an additional USD 682 thousand of other income.

2 Adoption of new and revised standards and application of new accounting policies continued

(i) Amendments to International Financial Reporting Standards ('IFRSs') that are mandatorily effective for the current year continued

Following standards are effective from 1 January 2020. The adoption of the amendments has had no impact on the Group's consolidated financial position or performance of the Group as per management analysis performed.

- Amendments to References to Conceptual Framework in IFRS Standards.
- IAS 1 and IAS 8, Definition of Material.
- IFRS 3 Definition of a Business.
- Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform.

(ii) New and revised IFRSs in issue but not yet effective

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

- Interest Rate Benchmark Reform Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16), effective from 1 January 2021.
- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37), effective from 1 January 2022.
- Annual Improvements to IFRS Standards 2018–2020, effective from 1 January 2022.
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16), effective from 1 January 2022.
- Reference to the Conceptual Framework (Amendments to IFRS 3), effective from 1 January 2022.
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1), effective from 1 January 2023.
- IFRS 17 Insurance contracts, effective from 1 January 2023.

The Group is currently evaluating the impact of adopting these new accounting standards. Management expect that the adoption of the amendments will have no material impact on the Group's consolidated financial position or performance of the Group.

3 Significant accounting policies

Group has changed its financial year closing to 31 March 2021 from 31 December 2020. This financial period change has been decided to align Group's cruise ports season with the start of the Mediterranean season being April, and the season for Caribbean region ending March. Following this change, the Group's financial year represents the high season for the two main regions the Group operates in.

The financial statements for 2021 covered the period from January 1, 2020 to March 31, 2021. Comparative financial statements for 2019 covered the twelve months ended December 31, 2019.

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements and have been applied consistently by the Group entities.

(a) Basis of preparation

Group financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and applicable law and have elected to prepare the Parent Company financial statements in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. In addition the Group financial statements are required, under the UK Disclosure Guidance and Transparency Rules, to be prepared in accordance with International Financial Reporting Standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union.

(b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis, except for financial instruments that are measured at fair value at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

(c) Functional and presentation currency

The individual financial statements of each Group company are presented in the currency of the primary economic environment in which it operates (its functional currency).

For the purpose of the consolidated financial statements, United States Dollars ('USD') is chosen as the presentation currency by management to facilitate the investors' ability to evaluate the Group's performance and financial position to similar companies. The consolidated financial statements are rounded to the nearest thousand dollars, except when otherwise indicated.

USD is the most significant currency to the operations of Global Ports Holding PLC ('the Company'), and therefore USD has been determined as its functional currency in line with IAS 21 'The Effects of Changes in Foreign Exchange Rates'.

Global Liman and its subsidiaries operating in Turkey maintain their books of account and prepare their statutory financial statements in Turkish Lira ('TL') in accordance with the Turkish Commercial Code, tax legislation and Turkish Uniform Chart of Accounts. The subsidiaries operating in Montenegro, Spain, Italy, Netherlands and Malta maintain their books of account and prepare their statutory financial statements in Euro in accordance with their respective local laws.

TL is the most significant currency to the operations of Global Liman, and therefore TL has been determined as its functional currency in line with IAS 21 'The Effects of Changes in Foreign Exchange Rates'.

USD is the most significant currency to the operations of Ege Liman, Bodrum Liman, GPH Antigua and Nassau Cruise Port, therefore USD has been determined as functional currency of these companies in line with IAS 21 'The Effects of Changes in Foreign Exchange Rates'.

Euro is significantly used in the operations of the Port of Adria, VCP, BPI, Creuers, Malaga Port, Ravenna, Cagliari, Catania, Shore and Balearic. Therefore, Euro has been determined as the functional currency of these companies in line with IAS 21 – 'The Effects of Changes in Foreign Exchange Rates'.

(d) 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 are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Group's accounting policies

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the Directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements:

Intangible assets – Scope of IFRIC-12 *'Service Concession Arrangements'*

The Group's intangible assets recognised primarily consist of the port operation rights.

Judgement is applied by management to determine whether IFRIC-12 *'Service Concession Arrangements*' applies to port operating rights arising from a service concession arrangement. For an arrangement to be within the scope of this interpretation it typically involves a private sector entity (an operator) constructing the infrastructure used to provide the public service or upgrading it and operating and maintaining that infrastructure for a specified period of time. The operator is paid for its services over the period of the arrangement. The arrangement is governed by a contract that sets out performance standards and mechanisms for adjusting prices.

Judgement is applied on whether an arrangement meets the public-to-private arrangement definition. IFRIC-12 states that a feature of public to private arrangement is the 'public service nature of the obligation undertaken by the operator'.

3 Significant accounting policies continued

(d) Critical accounting judgements and key sources of estimation uncertainty continued

Although IFRIC-12 does not define 'public-to-private service concession arrangement', it describes the typical features of such arrangements which include an infrastructure used to deliver public services, a contractual arrangement between a grantor and an operator which specifies the services the operator is to provide using the infrastructure and governs the basis on which the operator will be remunerated, supply of services by the operator which the construction or upgrade of the infrastructure and the operation and maintenance of that infrastructure.

Management has assessed that the Group's concession arrangements meet the definition of the 'public service nature of the obligation undertaken by the operator'.

Following the above judgement, IFRIC-12 specifies three scope criteria to be met in order for an arrangement to be accounted for under IFRIC-12. These are where the grantor (government or port authorities) controls or regulates what services the Group can provide within the infrastructure, to whom it must provide them to and at what price, and also controls any significant residual interest in the infrastructure at the end of the service concession arrangement. Judgment is often required to determine whether these criteria are being satisfied. Significant judgement is required to assess whether the control of price is held by the grantor or the operator ('Company') and in particular whether a capping mechanism is substantial and whether price control is exercised on all or some of the services being provided. If a concession is deemed to fall within the scope of IFRIC-12 then any payments made to acquire or operate the concession are capitalised as an intangible asset in accordance with IAS 38 and amortised over the concession period.

The carrying value of port concession intangible assets at 31 March 2021 is USD 337,846 thousand (2019: USD 423,634 thousand). Concession arrangements at Nassau, Creuers, Cruceros, Ravenna and Catania were assessed as being within the scope of IFRIC-12. The concession agreements at Turkish Ports, Port of Adria, Zadar, Valletta, Cagliari, and Antigua have been assessed not to fall within the scope of IFRIC-12 as the Group controls pricing and has been recognised as Right of use asset in accordance with IFRS 16 at an amount of USD 87,468 thousand as at 31 March 2021 (2019: USD 81,123 thousand).

Control of an entity – IFRS 10 *'Consolidated Financial Statements'*

Management assessed whether or not the Group has control over NCP based on whether the Group has the practical ability to direct the relevant activities of NCP unilaterally. In making their judgement, management considered the Group's absolute size of holding in NCP, the relative size of and dispersion of the shareholdings owned by the other shareholders, Group's ability to assign board members to NCP, voting rights and how decisions about relevant activities are being made.

After assessment, the Directors concluded that the Group has a sufficiently dominant voting interest to direct the relevant activities of NCP due to the power to appoint the majority of NCP's Directors, by having the casting vote and by having the responsibility to direct, supervise and manage the day-to-day operation of the port. Therefore, the Group has control over NCP. If the Directors had concluded that the 49 per cent ownership interest was insufficient to give the Group control, NCP would instead have been classified as an associate and the Group would have accounted for it using the equity method of accounting.

Critical estimates

Impairment review of cash generating units ('CGUs')

IFRS requires management to perform impairment tests annually for goodwill and, for finite lived assets, if events or changes in circumstances indicate that their carrying amounts may not be recoverable.

The Covid-19 outbreak that spread across the globe and preventive actions that have been taken into place to respond to the outbreak causes disruptions to business activities in all countries and affect the economic conditions adversely. As a result of this outbreak, Group has faced significant amount of cancellation in cruise calls throughout the reporting period in its Cruise business. This decrease is assessed as an impairment indicator.

Impairment testing requires management to judge whether the carrying value of Assets and the associated goodwill of Ege port and the carrying value of assets of CGUs can be supported by the net present value of future cash flows that they generate. Calculating the net present value of the future cash flows requires estimates to be made in respect of highly uncertain matters including management's expectations of:

- operational growth expectations including the forecast number of calls, passengers and container volumes; and
- appropriate discount rates to reflect the risks involved.

Management prepares formal forecast for all its CGUs for the remaining concession period, which are used to estimate their value in use.

Changing the assumptions selected by management, in particular the discount rate and growth rate assumptions used in the cash flow projections, could significantly affect the Group's impairment evaluation and hence reported assets and profits or losses. For further analysis refer to Note 16 'Intangible Assets' and Note 17 'Goodwill'.

Deferred tax

The Group is subject to income taxes in several jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

As at 31 March 2021, the Group recognised deferred tax assets of USD 8,266 thousand (2019: USD 703 thousand) in respect of tax losses amounting to USD 59,512 thousand (2019: USD 3,425 thousand) that could be carried forward against future taxable income as the realisation of the related tax benefits through future taxable profit is probable. Estimating the amount of deferred tax asset arising from tax losses requires a process that involves determining Group is planning to use tax losses of intermediary holding company during the Group organisation in connection with the new refinancing. The tax legislation in the jurisdiction does not permit Parent Company and its subsidiaries to file a consolidated tax return, accordingly Group expects a taxable income to be recognised as a consequence of reorganisation. In cases where the actual future profits generated are different from original estimates than expected, such differences will impact the recognition of deferred tax assets and income tax charges in the period in which such circumstances are changed.

Measurement of revenue from construction in service concession arrangements

Group has signed Port Operating Licence Agreement with Nassau Cruise Port Authority. This agreement includes a liability of the concessionaire to expand the marine infrastructure, construct a new terminal and upland works. This liability is expected to be a total of up to USD 250 million. For construction revenue in service concession arrangements per IFRIC-12, the Group applies revenue recognition rules of IFRS 15 based on progress towards completion. The margin on construction revenue is determined as 2% on the basis of a large number of estimates covering having construction consultancy during the tender process and detailed analysis on the cost of terminal building construction, benchmarking with the construction companies performing infrastructure operations throughout the world. 1% appreciation/depreciation of the construction margin would result in decrease/increase in the Group's profit before tax and other comprehensive income by approximately USD 591 thousand for the 15-month period ended 31 March 2021.

(e) Basis of consolidation

The consolidated financial statements includes the accounts of the Company, entities controlled by the Company (its subsidiaries) and joint arrangements on the basis set out in sections below.

(i) Subsidiaries

As at 31 March 2021 and 31 December 2019, the consolidated financial statements includes the financial results of the Company and its controlled subsidiaries.

Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it has the power to direct the relevant activities, is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by the Group. The consolidated financial statements are prepared using uniform accounting policies for similar transactions and events and is prepared with the same chart of accounts as the Company.

3 Significant accounting policies continued

(e) Basis of consolidation continued

As at 31 March 2021 and 31 December 2019, the subsidiaries in which the Group owned a majority shareholding and/or effectively controlled their operations are as shown below:

	Effective ownership (%)		Voting power held (%)	
	2021	2019	**2021**	2019
Ege Liman	**72.50**	72.50	**72.50**	72.50
Ortadoğu Liman*	**–**	100.00	**–**	100.00
Bodrum Liman	**60.00**	60.00	**60.00**	60.00
Port of Adria	**63.79**	63.79	**63.79**	63.79
BPI	**62.00**	62.00	**62.00**	62.00
Creuers	**62.00**	62.00	**62.00**	62.00
Malaga Port**	**62.00**	49.60	**100.00**	80.00
Global Depolama	**100.00**	100.00	**100.00**	100.00
Global BV	**100.00**	100.00	**100.00**	100.00
VCP	**55.60**	55.60	**55.60**	55.60
Ravenna	**100.00**	53.67	**100.00**	53.67
Cagliari	**70.89**	70.89	**70.89**	70.89
Catania	**62.21**	62.21	**62.21**	62.21
ZIPO	**100.00**	100.00	**100.00**	100.00
GPH Antigua	**100.00**	100.00	**100.00**	100.00
NCP***	**49.00**	49.00	**50.00**	50.00
Shore Handling	**51.00**	–	**51.00**	–
Balearic Handling	**51.00**	–	**51.00**	–

* Port Akdeniz has been sold at 24 January 2021. Refer to Note 7.

** Global Liman has 62% shares of BPI, which in turn has 100% ownership in Creuers and Creuers having 80% ownership in Malaga, the Group has significant voting power establish control in Cruceros Malaga. 20% minority shares in Malaga has been acquired in 2020. Refer Note 6 (i).

** As per Shareholders agreement signed, GPH (Bahamas) Ltd (wholly owned subsidiary of GPH) has the right to assign 5 out of 7 Board members, and Board shall decide by simple majority vote, which allows GPH to control the Company. Also, the Company had a casting vote on General Assembly of NCP.

(ii) Interests in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in associates and joint ventures. Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is a business arrangement in which two or more parties agree to pool their resources for the purpose of accomplishing a specific operation.

Interests in the equity-accounted investees are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements includes the Group's share of profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence or joint control ceases.

On acquisition of the investment in equity-accounted investees, any excess of the cost of the investment over the Group's share of the next fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any 'negative goodwill' is excluded from the carrying amount of the investment and is instead included as income in the investor's share of profit or loss in the associate in the period of acquisition.

The table below demonstrates the rates of the effective ownership and the voting power held in terms of percentages (%) as of 31 March 2021 and 31 March 2021 for the equity-accounted investees:

	Effective ownership rates (%)		Voting power held (%)	
	31 March 2021	31 December 2019	**31 March 2021**	31 December 2019
Lisbon Cruise Terminals	**46.2**	46.2	**50.0**	50.0
Singapore Port	**24.8**	24.8	**40.0**	40.0
Venezia Investimenti	**25.0**	25.0	**25.0**	25.0
Goulette Cruise Holding Limited	**50.0**	50.0	**50.0**	50.0
La Spezia	**28.5**	28.5	**30.0**	30.0
Pelican Peak*	**10.2**	–	**10.2**	–

* The Group has the right to appoint a Director to the board of Directors of the Company and actively participates in the investee's policy-making processes. The Group also has the right of veto over dividend policy of Pelican Peak. As a result, the Group has concluded that it has significant influence over Pelican Peak and has accordingly accounted for its investment in Pelican peak as an equity-accounted investee although the shares owned in this company is less than 20%.

(iii) Non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is deducted from equity. Gains or losses on disposals to non-controlling interests are also recorded in equity. For disposals to non-controlling interests, differences between any proceeds received and the relevant share of non-controlling interests are also recorded in equity.

(iv) Transactions eliminated on consolidation

Subsidiaries are consolidated by using the full consolidation method. Therefore, the carrying value of subsidiaries is eliminated against the related equity. The equity and net income attributable to non-controlling interests are shown separately in the consolidated balance sheet and income statement and other comprehensive income. Intra-group balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(v) Business combinations

The acquisition of subsidiaries and businesses from third parties are accounted for using the acquisition method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group. Any costs directly attributable to the business combination are recognised in profit or loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 Business Combinations are recognised at their fair values at the acquisition date.

The excess of the consideration transferred over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is accounted for as goodwill. Goodwill arising from business combinations is not amortised but tested for impairment annually or more frequently if there is any evidence that the goodwill may be impaired.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

If the share of the fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree exceed the cost of a business combination, the excess is recognised immediately in profit or loss as a gain on bargain purchase.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

(f) Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Commercial and Cruise business models on pages 10 to 13. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described in the financial review on pages 35 to 41. In addition, Notes 3 and 37 to the financial statements include the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposures to credit risk and liquidity risk.

The Group's portfolio consists of investments in or management of 19 cruise ports and one commercial port in 12 countries which diversifies economic and political risks. As a consequence, the Directors believe that the Group is well placed to manage its business risks successfully because of the benefits of diversification.

3 Significant accounting policies continued

(f) Going concern continued

The principal events and conditions identified by the Group that have the most significant impact on the going concern of the Group are:

(a) the passenger levels that will be observed during the Going Concern assessment period of not less than 12 months from the date of approval of these Annual Report and Accounts in view of the Covid-19 situation and the associated effect on Group revenues and cash position;
(b) the stability of commercial operations and cargo/container volumes at Port of Adria related to macro-economic factors such as economic growth, trade tariffs and their associated impact on global economies; and
c) maintaining liquidity based on current facilities along with covenant compliance on those facilities.

The Covid-19 outbreak that spread across the globe and preventive actions that have been taken into place to respond to the outbreak causes disruptions to business activities in all countries and affect the economic conditions adversely, both locally and globally. As a result of this outbreak, Group has faced significant amount of cancellation in cruise calls throughout the reporting period in its Cruise business. Management has taken major actions such as cancellation of dividend payments, postponement of wages of Board of Directors, reduction in consultancies, cessation of marketing activities and travels unless necessary, and stopping new port investments expect those required.

The Group has benefited from various incentives and exceptions announced by the governments of the operating countries, to eliminate the negative effects of the Covid-19 outbreak. These incentives and exceptions are supportive programs such as paying a certain part of the personnel salaries and related tax liabilities by the government and delaying the debts to the public or banks. Group applied for short-term work allowances and took advantage of opportunities such as postponing payments for social security cuts. In this way, personnel expenses were reduced, and the cash flow balance was maintained through the deferral of payments, including tax payments, regarding personnel salaries. The Group has successfully addressed the refinancing of the Group's USD 250 million Eurobond issued by Global Liman with a maturity of 14 November 2021. In May 2021, the Group has entered a new five-year, senior secured loan agreement for up to USD 261.3 million with the leading global investment firm Sixth Street to refinance the remaining Eurobond in full. The Sixth Street loan agreement reached financial close and the Eurobond has been refinanced in full at the end of July 2021. Under the terms of the Facility Agreement, the Company will have the ability to select from a range of interest payment options including an all-cash interest rate, a cash interest rate of LIBOR +5.25% plus PIK rate, or a PIK only rate of LIBOR +8.5% up until December 2022. The loan repayment is repaid with a bullet payment at final maturity in year 2026. Accordingly, the Group, at its discretion, will not be required to make any debt service (principal or interest) until year-end 2022 for this loan facility.

Additionally, management has contacted to the banks related to its current financial liabilities, and covenant compliance for Port of Adria has been waived and postponed until early 2022, and covenants compliance for Valletta Cruise Port and Barcelona Port Investment has been waived until 2021 year-end.

As of the date of this report, Cruise operations have restarted again since the closing of cruise operations in March 2020. The expectation of the sector, underpinned by agreement on health protocols with relevant authorities to contain the risk of spread of Covid-19, is a gradual revamp of cruise operations all over the world until a return to operation of the all cruise ships by the end of the year 2021. The Group, in conjunction with the leading companies of the cruise industry, has carried out a detailed traffic study which concluded that the Group's cruise ports will recover in 2022, adhering to the initial forecast with a slow acceleration after the restart of operation late 2020 in Europe and in the second quarter of 2021 in the Caribbean.

The Group believes it is well placed to manage its business risks successfully despite the fact that there is still a material impact of Covid-19 on current operations. The recovery of the cruise sector is supported by the positive economic outlook, increasing vaccination rates which together with other measures have led to a sharp decrease in Covid-19 cases in the key cruise source markets and the established of adequate health and safety protocols for cruise operations.

In view of the above the Directors have prepared cash flow forecasts for the period to 31 December 2022. In order to stress test the financial position of the Group, management has considered a plausible but severe downside scenario. The following key, severe but plausible, assumptions were used in preparing this analysis:

- A severe but plausible low case in the number of cruise passengers arriving at all ports in the GPH portfolio for a period to 31 December 2022 with a corresponding impact on passenger revenues and ports' variable expenses being a 20% reduction of the base case. The base case assumes a moderate return over 2021 to pre Covid-19 pandemic levels through 2022.

- A severe but plausible low case for the Port of Adria commercial port which is that the trading levels experienced in 2021 do not improve throughout the forecast period.

The Directors have also been mindful of an even more severe scenario, considered implausible, of a fall to zero in the number of cruise passengers arriving at all ports in the GPH portfolio for a six-month period to 31 March 2022 with a corresponding impact on passenger revenues and ports' variable expenses.

The conclusion from these scenarios, even the identified implausible scenario, is that the Group will continue to have sufficient cash resources for the period of assessment. However, as described above, certain of the Group's non-recourse financial liabilities (with a total nominal outstanding amount of USD 29.3 million as of 31 March 2021) have covenants associated with them that will be tested within the next 12 months. In the base case and implausible scenario these covenants may not be met and future waivers of forecast covenant breaches have not yet been requested and thus not yet received. The Group does not foresee any issues to receive further waivers, if and when needed, with the relevant banks regarding covenant compliance based on its past experience of receiving such waivers as mentioned above and the long track record of working together with these banks.

In view of this uncertainty surrounding future waivers of potential covenant breaches the Group has received written indication from the Parent Company Global Yatırım Holding (GIH) that it would provide financial and other support to the Group, including not seeking repayment of amounts currently made available, for at least the next twelve months from the date of approval of this Annual Report should it be necessary to enable the Group to meet the aforementioned financial liabilities in case waivers are not received and such financial liabilities cannot be refinanced if that happens, and continue to trade. The Directors, having considered the information described herein, have a reasonable expectation that the Group and the Parent Company have adequate resources to continue in operational existence. Thus they believe that it remains appropriate to prepare the consolidated and Parent Company financial statements on a going concern basis.

(g) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of the Group entities by using exchange rates at the dates of the transactions. 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 USD, Euro or TL as their functional currencies since 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. All currencies other than the currency selected for measuring items in the consolidated financial statements are treated as foreign currencies. Accordingly, 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. The Group uses USD as the presentation currency.

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'.

As at 31 March 2021 and 31 December 2019 foreign currency exchange rates of the Central Bank of the Turkish Republic were as follows:

	31 March 2021	31 December 2019
TL/USD	**0.1201**	0.1683
EUR/USD	**1.1739**	1.1196

3 Significant accounting policies continued

(g) Foreign currency continued

For the 15-month period ended 31 March 2021 and the year ended 31 December 2019, average foreign currency exchange rates of the Central Bank of the Turkish Republic were as follows:

	2021	2019
TL/USD	**0.1412**	0.1763
EUR/USD	**1.1579**	1.1194

(ii) Foreign operations

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into USD using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in OCI and accumulated in equity (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a jointly controlled entity that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences is re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or jointly controlled entities that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in OCI.

If the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the future, then foreign currency differences arising from such items form part of the net investment in the foreign operation. Accordingly, such differences are recognised in OCI and accumulated in translation reserves.

(h) Financial instruments

(i) Recognition and Initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; Fair Value through Other Comprehensive Income ('FVOCI') – debt investment; FVOCI – equity investment; or Fair Value Through Profit or Loss ('FVTPL').

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at amortised cost are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets – Business model assessment
The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest
For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

3 Significant accounting policies continued

(h) Financial instruments continued

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets – Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(iii) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(v) Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments to hedge its interest rate risk exposure. For the purpose of hedge accounting, hedges are classified as cash flow hedges when hedging exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the Group assesses the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk.

It is expected that a hedge transaction is to be effective in stabilising changes between changes in fair value or cash flow. During all financial reporting periods in which it is defined, a hedge transaction is evaluated continuously for identification of effectiveness and it is expected to be consistent with documented risk management strategy. The Group makes an assessment, both at the inception of the hedge relationship as well as on an ongoing basis, whether the hedging instruments are expected to be 'highly effective' in offsetting the changes in the fair value or cash flows of the respective hedged items during the period for which the hedge is designated, and whether the actual results of each hedge are within a range of 80-125 percent.

For a cash flow hedge of a forecast transaction, the transaction should be highly probable to occur and should present an exposure to variations in cash flows that could ultimately affect reported net income.

The derivatives are recognised initially at fair value. Attributable transaction costs are recognised in profit or loss when incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below.

Cash flow hedges

When a derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction that could affect profit or loss, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and presented in the hedging reserve in equity.

The amount recognised in other comprehensive income is removed and included in profit or loss in the same period as the hedged cash flows affect profit or loss under the same line item in the statement of comprehensive income as the hedged item. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated, exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognised in other comprehensive income and presented in the hedging reserve in equity remains there until the forecast transaction affects profit or loss. When the hedged item is a non-financial asset, the amount recognised in other comprehensive income is transferred to the carrying amount of the asset when the asset is recognised. If the forecast transaction is no longer expected to occur, then the balance in other comprehensive income is recognised immediately in profit or loss. In other cases the amount recognised in other comprehensive income is transferred to profit or loss in the same period that the hedged item affects profit or loss.

Net investment hedges

A net investment hedge is a hedge of the foreign currency exposure arising from a net investment in a foreign operation using derivative or non-derivative financial items as the hedging instrument. If a monetary item is a part of net investments made to subsidiaries of the Group whose functional currency is other than the functional currency of Holding Company, foreign exchange differences arise in consolidated financial statements of the Group. Those foreign exchange differences are recognised in other comprehensive income in the consolidated financial statements when the differences are considered as hedging instruments.

Hedges of net investments in a subsidiary whose functional currency is other than the functional currency of Holding Company are accounted for similarly to cash flow accounting hedges. Any gains or losses on the hedging instrument are accounted as follows:

- the effective portion of gain or loss arising from the hedging instrument is recognised in other comprehensive income; and
- the ineffective portion of gain or loss arising from the hedging instrument is recognised in profit or loss.

Gain or loss on hedging instruments related to the effective portion accumulated in other comprehensive income is reclassified to profit or loss on disposal of the related subsidiary.

3 Significant accounting policies continued

(i) Property and equipment

(i) Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset.

When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

(ii) Subsequent costs

The cost of replacing part of an item of property and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated.

Leasehold improvements are amortised over the periods of the respective leases and remaining life of concession agreements, also on a straight-line basis.

The estimated useful lives for the current and comparative periods are as follows:

	Years
Leasehold improvements	4-50
Furniture and fixtures	4-20
Machinery and equipment	4-30
Motor vehicles	4-18

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(iv) De-recognition

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

(j) Intangible assets

(i) Recognition and measurement

Intangible assets comprise port operation rights, contract-based customer relationships and software. Intangible assets are stated at cost, less accumulated amortisation and accumulated impairment losses.

(ii) Subsequent expenditures

Subsequent expenditures are capitalised only when they increase the future economic benefits embodied in the specific asset to which they relate. All other expenditures are recognised in profit or loss as incurred.

Intangible assets recognised in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost). The Group's intangible assets recognised in a business combination comprise the port operation rights and the customer relationships. Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

(iii) Service concession arrangements

Port operation rights arising from a service concession arrangement are recognised in line with IFRIC-12 ‘Service Concession Arrangements’ and under the intangible asset model when there is an arrangement whereby a government or other public sector body contracts with a private operator to develop (or upgrade), operate and maintain the grantor’s infrastructure assets, and the private operator charges users for a public service, and when specific conditions are met. The conditions include where the grantor (government or port authorities) controls or regulates what services the Group can provide within the infrastructure, to whom it must provide them to and at what price. The grantor also has to control any significant residual interest in the infrastructure such as property, plant and equipment, if the infrastructure is existing infrastructure of the grantor or the infrastructure is constructed or purchased by the Group as part of the service concession arrangement.

The contractual obligations to pay concession fees that are not variable but contractually fixed in amount or in substance fixed payments are recorded as financial liabilities. These liabilities are initially recognised at fair value discounting future contractually fixed concession payments using a risk-adjusted discount rate. Port operation rights received as consideration are recorded as intangible assets at the same amount. Variable concession fee and similar payments are being expensed.

The rights received as consideration for construction services are recognised at the cost of construction for the period in which the construction costs are incurred. Revenue and expenses from construction services are recognised under IFRIC-12.14 and in accordance with IFRS 15.

Subsequent to initial recognition, the intangible asset is measured at cost less any capitalised borrowing costs, accumulated amortisation and accumulated impairment losses. These assets are amortised based on the lower of their useful lives or concession period.

Provisions for maintenance are recognised if maintenance obligations of specified amounts arise from the concession agreement. Costs for regular maintenance is recognised as expense in the relevant year.

(iv) Amortisation

Amortisation is calculated over the cost of the asset, or other amount substituted for cost less its residual value. Amortisation is recognised in profit or loss on a straight-line basis over the estimated finite useful lives of intangible assets from the date they are available for use, since this most closely reflects the expected pattern of consumption of future economic benefits embodied in the assets.

The estimated useful lives for the current and comparative periods are as follows:

	Years
Port operation rights	4-49 (concession term)
Customer relationships	12
Software	5

(v) Derecognition

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in profit or loss when the asset is derecognised.

(k) Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group’s cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss in the consolidated income statement and other comprehensive income. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of profit or loss on disposal.

3 Significant accounting policies continued

(l) Investment property

Investment property is initially measured at cost and subsequently at cost less accumulated depreciation.

Any gain or loss on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

Rental income from investment property is recognised as revenue on a straight-line basis over the term of the lease.

(m) Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16.

This policy is applied to contracts entered into, on or after 1 January 2019.

(i) As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

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, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term.

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 related subsidiary's incremental borrowing rate as the discount rate for related concession arrangement.

The Group determines each subsidiary's incremental borrowing rate as borrowing rate obtained to finance its capital investment obligations in the port as specified in the concession agreement.

Lease payments included in the measurement of the lease liability comprise the following:
- fixed payments, including in-substance fixed payments; and
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets as a separate non-current asset and lease liabilities in 'loans and borrowings' in the statement of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(ii) As a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand- alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Group applies IFRS 15 to allocate the consideration in the contract.

The Group recognises lease payments received under operating leases as income on a straight- line basis over the lease term as part of ‘other revenue’.

The accounting policies applicable to the Group as a lessor in the comparative period were not different from IFRS 16.

(n) Inventories

Inventories of the Group composed of spare and replacement parts, and consumables used for the tangible assets in commercial ports, and inventories held for sale in duty free operations on Valletta Cruise Port. Costs of inventories are determined on weighted average basis. Inventories are kept at the lower of cost and net realisable value.

(o) Impairment

(i) Non-derivative financial assets

Financial instruments and contract assets

The Group recognises loss allowances for Expected Contract Losses (‘ECL’) on:

- financial assets measured at amortised cost;
- debt investments measured at FVOCI; and
- contract assets.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables (including lease receivables) and contract assets are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group’s historical experience and informed credit assessment, that includes forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

3 Significant accounting policies continued

(o) Impairment continued

The Group considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:
- significant financial difficulty of the debtor;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognised in OCI.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Group has a policy of writing off the gross carrying amount when the financial asset is 360 days past due based on historical experience of recoveries of similar assets. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

(ii) Non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than investment property, inventories, contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(p) Employee benefits

Under Turkish law and union agreements, lump sum payments are made to employees retiring or involuntarily leaving the Group. Such payments are considered as being part of defined retirement benefit plans as per IAS 19 (revised) Employee Benefits ('IAS 19'). The retirement benefit obligation recognised in the consolidated balance sheet represents the present value of the defined benefit obligation. The actuarial gains and losses are recognised in other comprehensive income. The key assumptions used in the calculation of the retirement pay liability are detailed in Note 29.

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.

(q) Provisions, contingent assets and liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(r) Share capital

Ordinary shares

Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with IAS 12.

(s) Discontinued operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographic area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographic area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale.

When an operation is classified as a discontinued operation, the statement of profit or loss and OCI is re-presented as if the operation had been discontinued from the start of the year.

3 Significant accounting policies continued

(t) Revenue

Revenue is measured based on the consideration specified in a contract with a customer, stated net of taxes. The Group recognises revenue when the related performance obligation has been satisfied. The main revenue streams are explained below:

(i) Container revenues

Container cargo revenues relate to services provided for container cargo handling including sea and land services. Revenue is recognised at the point in time services are completed, as the services are usually provided over a very short period of time. Payment terms are up to 30 days.

(ii) Port service revenues

Port service revenues relate to services provided to ships and motorboats (pilotage, towage, tugboat rents, etc.). Revenue is recognised at the point in time services are completed, as the services are usually provided over a very short period of time. Payments in Turkish Ports are made in advance, in European ports increased up to 45 days.

(iii) Cargo revenues

Cargo revenues relate to services provided for general and bulk cargo handling including sea and land services. Revenue is recognised at the point in time services are completed, as the services are usually provided over a very short period of time. Payment terms are up to 30 days.

(iv) Landing fees

Landing fees relate to services provided to cruise ships including passenger landing, luggage handling, security fees, etc. Revenue is recognised at the point in time services are completed, as the services are usually provided over a very short period of time. Payments in Turkish Ports are made in advance, in European ports are up to 45 days.

(v) Rental income

Rental income is generated from the leasing of marina and shopping centres. Revenue is recognised over time as the services are provided. Revenue is recognised on a straight-line basis over the term of the lease. Invoices are issued on a monthly basis and are usually payable within 30 days. Guarantees are taken up to 6 months' rent.

(vi) Income from duty free operations

Income from duty free operations is recognised in profit or loss at the point of sale. Invoices are issued when the products are sold and are paid in cash or by credit card.

(vii) Income from management agreements

The revenue the Group receives in respect of management agreements, such as those for the Port of Havana, Cuba, tend to include performance bonuses. These bonuses are variable consideration and are based on the port achieving certain results, for example, the number of passengers accepted at the port or control of costs compared to budget. Where revenue is variable, the Group recognises the related revenue in the period in which the condition triggering the performance bonus is met.

(viii) Construction revenue

Construction income is generated on accounting of Service concession arrangements per IFRIC-12. Revenue is recognised over time based on progress towards completion of construction. This revenue is created through IFRS application, no invoices are issued, neither any payments made by Nassau Port Authority.

(u) Operating profit

Operating profit is profit for the period/year stated before the share of results of equity-accounted investees, finance income, finance costs and tax.

(v) Finance income and finance costs

Finance income comprises interest income, gains on sale of marketable securities and net foreign currency gains that are recognised in profit or loss. Interest income is recognised as it accrues, using the effective interest method.

Finance costs comprise interest expense on borrowings, net foreign currency losses, losses on sale of marketable securities and finance costs from lease liabilities unwinding. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss in the period in which they are incurred using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

(w) Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

(i) Current tax

The tax currently payable is based on taxable profit for the period/year. Taxable profit differs from 'profit before tax' as reported in the consolidated income statement and other comprehensive income because of items of income or expense that are taxable or deductible in other years and it excludes items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

A current tax provision is recognised when the Group has a present obligation as a result of a past event and it is probable that the Group will be required to settle that obligation.

(ii) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases which are used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

(iii) Current and deferred tax for the period

Current and deferred tax are recognised as in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

(x) Inventory

The Group has two types of inventories, Commercial goods for retail operations in Valetta Cruise Port and replacement parts for machinery and equipment in commercial ports. Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on weighted average principle.

(y) Government grants

The Group recognises deferrals on concession fees related to its cruise ports concession agreements in profit or loss as other income when the written deferral or waiver approval has been received from legal authorities. Government grants are included within deferred financial liabilities in the balance sheet and credited to the profit and loss account over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

The Group has elected to present grants related to income separately under the heading 'Other income'.

4 Determination of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Group uses market and observable data as far as possible.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Further information about the assumptions made in measuring fair values is included in Note 37 – Financial risk management.

5 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 two main segments, commercial and cruise businesses. Under each main segment, Group had presented its operations on port basis as an operating segment, as each port represents a set of activities which generates revenue and the financial information of each port is reviewed by the Group's chief operating decision-maker in deciding how to allocate resources and assess performance. Spanish Ports are aggregated due to the Group's operational structure. 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. Following the disposal of Port Akdeniz, the only port within the commercial segment is Port Adria.

The CEO evaluates segmental performance on the basis of earnings before interest, tax, depreciation and amortisation 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 investments which are fully integrated into GPH cruise port network ('Adjusted EBITDA' or 'Segmental EBITDA'). Adjusted EBITDA is considered by Group management to be the most appropriate profit measure for the review of the segment operations because it excludes items which the Group does not consider to represent the operating cash flows generated by underlying business performance. The share of equity-accounted investees has been included as it is considered to represent operating cash flows generated by the Group's operations that are structured in this manner.

The Group has the following operating segments under IFRS 8:

- BPI ('Creuers' or 'Creuers (Barcelona and Málaga)'), VCP ('Valetta Cruise Port'), Ege Liman ('Ege Ports-Kuşadası'), Bodrum Liman ('Bodrum Cruise Port'), Ortadoğu Liman (Cruise port operations) (sold in January 2021; see Note 7), POH, Nassau Cruise Port ('NCP'), Antigua Cruise Port ('GPH Antigua'), Lisbon Cruise Terminals, SATS – Creuers Cruise Services Pte. Ltd. ('Singapore Port'), Venezia Investimenti Srl. ('Venice Investment' or 'Venice Cruise Port'), La Spezia Cruise Facility Srl. ('La Spezia'), Balearic Handling SLA ('Balearic'), and Shore Handling SLA ('Shore') which fall under the Group's cruise port operations.
- Port of Adria ('Port of Adria-Bar') and Ortadoğu Liman (Commercial port operations) ('Port Akdeniz-Antalya') (sold in January 2021; see Note 7) which both fall under the Group's commercial port operations.

The Group's reportable segments under IFRS 8 are BPI, VCP, Ege Liman, Nassau Cruise Port, Antigua Cruise Port, Port of Adria (Commercial port operations) and Ortadoğu Liman (Commercial port operations).

Bodrum Cruise Port, Italian Ports, Port of Adria (Cruise Operations), Ortadoğu Liman (Cruise operations), Shore, Balearic and Equity accounted investees are not exceeding the quantitative threshold, have been included in Other Cruise Ports.

Global Liman, BPI, Global BV, GP Melita, POH, GP Netherlands, Global Depolama, GP Med, GPH Americas, and GPH Bahamas do 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.

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

(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	Nassau Cruise Port	Antigua Cruise Port	Other cruise ports	Total cruise	Ortadoğu Liman**	Port of Adria	Total commercial	Elimination of discontinued operations	Total
15 month ended 31 March 2021												
Revenue	**1,886**	**4,217**	**905**	**58,748**	**2,781**	**1,546**	**70,081**	**33,465**	**9,318**	**42,783**	**(33,465)**	**79,399**
Segmental EBITDA	**(2,740)**	**2,054**	**(391)**	**432**	**627**	**(1,680)**	**(1,698)**	**22,833**	**2,852**	**25,685**	**(22,833)**	**1,154**
Unallocated expenses												**(7,879)**
Adjusted EBITDA												**(6,725)**
Reconciliation to profit before tax												
Depreciation and amortisation expenses												**(34,209)**
Specific adjusting items*												**(30,955)**
Finance income												**30,047**
Finance costs												**(80,814)**
Profit before income tax												**(122,656)**
12 months ended 31 December 2019												
Revenue	31,278	13,872	6,549	2,492	1,753	7,102	63,046	47,486	7,352	54,838	–	117,884
Segmental EBITDA	20,461	8,027	4,590	1,808	1,169	8,309	44,364	37,369	1,708	39,077	–	83,441
Unallocated expenses												(6,426)
Adjusted EBITDA												77,015
Reconciliation to profit before tax												
Depreciation and amortisation expenses												(47,737)
Specific adjusting items*												(8,391)
Finance income												8,082
Finance costs												(42,333)
Profit before income tax												(13,364)

* Please refer to glossary of alternative performance measures (APM) on pages 226 to 229.

** See Note 7.

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

5 Segment reporting continued

(b) Reportable segments continued

(ii) Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable segment for the 15 month-period and 1 year ended:

(USD'000)	BPI	VCP	Ege Liman	Nassau Cruise Port	Antigua Cruise Port	Other cruise ports	Total cruise	Ortadoğu Liman	Port of Adria	Total commercial	Total
31 March 2021											
Segment assets	**134,164**	**121,511**	**37,024**	**198,831**	**52,436**	**11,159**	**555,125**	**–**	**67,587**	**67,587**	**622,712**
Equity-accounted investees	**–**	**–**	**–**	**–**	**–**	**18,776**	**18,776**	**–**	**–**	**–**	**18,776**
Unallocated assets											**175,251**
Total assets											**816,736**
Segment liabilities	**63,260**	**64,194**	**7,767**	**206,314**	**54,572**	**11,522**	**407,629**	**–**	**42,535**	**42,535**	**450,164**
Unallocated liabilities											**276,529**
Total liabilities											**726,693**
31 December 2019											
Segment assets	151,938	117,434	46,283	79,794	30,283	14,711	440,443	231,789	72,844	304,633	745,076
Equity-accounted investees	–	–	–	–	–	26,637	26,637	–	–	–	26,637
Unallocated assets											23,166
Total assets											794,879
Segment liabilities	68,591	60,430	9,918	79,583	29,777	12,153	260,452	72,367	38,474	110,841	371,293
Unallocated liabilities											268,323
Total liabilities											639,616

(iii) Other segment information

The following table details other segment information for 15 month-period and 1 year ended:

(USD'000)	BPI	VCP	Ege Liman	Nassau Cruise Port	Antigua Cruise Port	Other cruise ports	Total cruise	Ortadoğu Liman	Port of Adria	Total commercial	Elimination of discontinued operations	Total
15 month ended 31 March 2021												
Depreciation and amortisation expenses	**(15,313)**	**(3,881)**	**(3,511)**	**(2,945)**	**(1,557)**	**(2,563)**	**(29,769)**	**–**	**(4,060)**	**(4,060)**	**(380)**	**(34,209)**
Additions to non-current assets*												
– Capital expenditures	**2,111**	**1,820**	**75**	**56,817**	**15,998**	**150**	**76,971**	**1,734**	**79**	**1,813**	**5,686**	**84,470**
Total additions to non-current assets*	**2,111**	**1,820**	**75**	**56,817**	**15,998**	**150**	**76,971**	**1,734**	**79**	**1,813**	**5,686**	**84,470**
12 months ended 31 December 2019												
Depreciation and amortisation expenses	(11,696)	(3,102)	(2,857)	(1,027)	(204)	(3,501)	(22,387)	(21,832)	(3,141)	(24,973)	(377)	(47,737)
Additions to non-current assets*												
– Capital expenditures	1,571	1,615	46	7,850	7,681	222	18,985	3,311	1,596	4,907	76	23,968
Total additions to non-current assets*	1,571	1,615	46	7,850	7,681	222	18,985	3,311	1,596	4,907	76	23,968

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

(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, Bahamas, Antigua & Barbuda 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 (USD'000)	**15 month-period ended 31 March 2021**	1 Year ended 31 December 2019 restated*
Turkey	**1,479**	9,535
Montenegro	**9,318**	7,380
Malta	**4,217**	13,872
Spain	**1,981**	31,278
Bahamas	**58,746**	2,492
Antigua & Barbuda	**2,781**	1,753
Italy	**468**	3,838
Croatia	**409**	250
	79,399	70,398

* Comparative information has been re-presented due to a discontinued operation. See Note 7.

Non-current assets (USD'000)	**As at 31 March 2021**	1 Year ended 31 December 2019
Turkey	**44,518**	222,615
Spain	**123,714**	129,114
Malta	**118,985**	115,467
Montenegro	**65,267**	70,080
Bahamas	**5,123**	69,213
Antigua & Barbuda	**138,376**	40,494
Italy	**65,355**	5,863
UK	**8,509**	7,474
Croatia	**2,833**	2,944
Unallocated	**29,916**	28,816
	602,596	692,080

Non-current assets relating to deferred tax assets and financial instruments (including equity-accounted investments) are presented as unallocated.

(v) Information about major customers

IFRIC-12 construction revenue relates entirely to ongoing construction at Nassau Cruise Port. Excluding IFRIC-12 revenue, the Group did not have a single customer that accounted for more than 10% of the Group's consolidated revenue in any of the periods presented.

6 Transactions with owners of the company

(i) Changes in ownership interest

The Group has acquired minority shares of Malaga Port at 23 January 2020. 20% of total shares of Malaga Port owned by Malaga Port Authority acquired by Creuers. Total consideration paid for 20% shares amounted to EUR 1,540 thousand (USD 1,707 thousand). Minority interest regarding this 20% shares of Malaga Port as of 31 December 2019 was 1,853 thousand, which was reversed for finalisation of acquisition accounting.

The Group has taken over all shares of Ravenna Passenger Terminal at 5 July 2020. Ravenna Passenger Terminal's equity was negative after the year end 2019 accounts. Accordingly, a raise on equity was compulsory for regulatory reasons. None of the minority shareholders accepted to inject equity to the Company, and current equity of EUR 50 thousand (USD 57 thousand) offset against retained earning losses. The Group decided to keep the company operative, so accepted to inject new equity of EUR 20 thousand (USD 23 thousand) and offset remaining losses of EUR 57 thousand (USD 64 thousand). As a result of this transaction, the Group become only shareholder of Ravenna Passenger Terminal. Minority interest provided for 46% shares of the Port as of 31 December 2019 was USD 52 thousand losses, resulting a decrease in equity attributable to owners of the company amounting to USD 50 thousand and translation reserves by USD 2 thousand.

6 Transactions with owners of the company continued

(ii) Contributions and distributions

The Group's subsidiary Bodrum Cruise Port, the Directors decided to increase paid in capital of the Company by TRY 7,924 thousand (USD 1,208 thousand) from TRY 18,000 thousand (USD 12,726 thousand) to TRY 25,924 thousand (USD 13,933 thousand). Minority shareholders paid USD 483 thousand of total share capital increase.

7 Discontinued operation

See accounting policy in Note 3 (s).

Following a strategic review the Group has announced in July 2019 that is will focus on cruise operations and has launched a disposal process for certain assets. As a result of such disposal process, the Group has, following a period of exclusive negotiations, entered into a conditional sale and purchase agreement ('SPA') on 21 October 2020 to sell Ortadoğu Antalya Liman Işletmeleri ('Port Akdeniz') to QTerminals W.L.L. ('QTerminals" or 'Purchaser'), a Qatari commercial port operating company, for an enterprise value of USD 140 million. After the approval of QTerminals' application by the Competition Authority, fulfilment of all prerequisites for the sale transaction and obtaining the necessary legal approvals, the sale was completed on January 25, 2021.

As a result of the adjustments made according to the net debt position of Port Akdeniz and debt-like items, the equity value sales price was realised as USD 115,159 thousand. Q Terminals has paid USD 103,643 thousand of the total amount in cash, and the balance amounting to USD 11,516 thousand has been withheld by the Purchaser will be paid in the fourth quarter 2021. In case any claims would arise under this agreement, the Group may cover those claims related to the sales transaction, after the full sales price is obtained on the last quarter of 2021, if applicable.

Port Akdeniz is classified as a discontinued operation because it represents a separate major line of business and geographic area of operations. Port Akdeniz was not previously classified as held-for-sale or as a discontinued operation. The comparative consolidated statement of profit or loss has been restated to show the discontinued operation separately from continuing operations.

(a) Results of discontinued operation

(USD'000)	**2021**	2019
Revenue	**33,465**	47,486
Cost of sales	**(31,192)**	(31,731)
Gross profit	**2,273**	15,755
Other income	**1,090**	1,837
Selling and marketing expenses	**(25)**	(55)
Administrative expenses	**(2,415)**	(2,141)
Other expense	**(2,763)**	(1,948)
Operating profit	**(1,840)**	13,448
Finance income	**11,830**	1,283
Finance costs	**(11,803)**	(3,585)
Net finance costs	**27**	(2,302)
Share of profit of equity-accounted investees	**–**	–
Results from operating activities	**(1,813)**	11,146
Income tax benefit/(expense)	**5,648**	(1,268)
Results from operating activities, net of tax	**3,835**	9,878
Gain on sale of discontinued operation	**9,071**	–
	12,906	9,878
Basic and diluted earnings per share (cents per share)	**20.5**	15.7

The profit from the discontinued operation of USD 12,906 thousand (2019: USD 9,878 thousand) is attributable entirely to the owners of the Company. Of the loss from continuing operations of USD 84,582 thousand (2019: USD 24,509 thousand), an amount of USD 71,208 thousand is attributable to the owners of the Company (2019: USD 28,436 thousand).

(b) Effect of disposal on the financial position of the Group

(USD'000)	As at closing date
Property and equipment	(25,166)
Intangible assets	(127,719)
Other long-term assets	(13)
Inventories	(458)
Trade and other receivables	(1,969)
Related party receivables	(3,481)
Cash and cash equivalents	(3,700)
Loans and borrowings	28,172
Trade and other payables	7,107
Provisions	2,666
Deferred tax liabilities	25,782
Current tax liabilities	390
Net assets and liabilities	**(98,389)**
Sales price	115,159
Net asset value of disposal group	(98,389)
Hedge accounting disposal	(133,265)
Disposal of translation created on consolidation	125,566
Gain on sale of discontinued operation, net of tax	**9,071**
Consideration received, satisfied in cash	103,643
Cash and cash equivalents disposed of	(3,700)
Net cash inflows	**99,943**

8 Acquisition of a subsidiary

As at 31 March 2021, the Group held 51% shares of Balearic Handling, and Shore Handling in Spain, purchased on 1 July 2020 for a total cash consideration of EUR 1,050 (USD 1,152) thousand with related customer relations of EUR 1,317 (USD 1,445) thousand recognised in the consolidated balance sheet.

The acquisitions of Balearic Handling and Shore Handling were completed as part of the Group's plans to integrate its services vertically and increase ancillary service opportunities of the Group.

The Group incurred acquisition-related costs of USD 38 thousand on legal fees and due diligence costs. These costs have been included in 'other expenses' as project expenses.

(a) Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the acquisition date.

As at 1 July 2020 (acquisition date)	(USD'000)
Property and equipment	593
Customer relations	1,445
Financial Investments	168
Trade and other receivables	1,062
Cash and cash equivalents	41
Trade and other payables	(1,049)
Total identifiable net assets acquired	**2,260**
NCI, based on their proportionate interest in the recognised amounts of the assets and liabilities of Balearic and Shore Handling	(1,108)
Consideration transferred	**1,152**

The gross contractual amount of receivables of Balearic and Shore Handling as of 1 July 2020 is USD 820 thousand and there are no contractual cash flows which are not expected to be collected.

8 Acquisition of a subsidiary continued

(b) Net cash outflow on the acquisition of Balearic Handling, and Shore Handling

	(USD'000)
Consideration paid:	1,152
Cash associated with acquired assets	(41)
Net cash outflow	1,111

(c) Impact of acquisition on results of the Group

The financial statements of these two companies for the period ended 31 March 2021 has been included in the consolidated financial statements. If the acquisitions had occurred on 1 January 2020, management estimates that consolidated revenue would have been USD 87,398 thousand, and consolidated losses for the period would have been USD 71,973 thousand.

9 Revenue

For the 15 months ended 31 March 2021 and the year ended 31 December 2019, revenue comprised the following:

	BPI		VCP		EP		NCP		ACP	
(USD'000)	**2021**	2019	**2021**	2019	**2021**	2019	**2021**	2019	**2021**	2019
Point in time										
Container revenue	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Landing fees	**1,139**	26,829	**528**	5,852	**12**	2,585	**5,044**	2,450	**2,018**	1,473
Port service revenue	**210**	1,733	**894**	1,093	**82**	2,071	**27**	18	**–**	–
Cargo revenue	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Domestic water sales	**22**	406	**–**	–	**8**	47	**215**	–	**–**	–
Income from duty free operations	**–**	–	**376**	4,001	**–**	–	**–**	–	**–**	–
Other revenue	**64**	351	**333**	384	**241**	733	**851**	24	**48**	8
Over time										
Rental income	**451**	1,959	**2,084**	2,542	**562**	1,113	**–**	–	**716**	272
IFRIC-12 Construction revenue	**–**	–	**–**	–	**–**	–	**52,609**	–	**–**	–
Habana Management fee	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Total Revenues as reported in Note 5	**1,886**	31,278	**4,215**	13,872	**905**	6,549	**58,746**	2,492	**2,782**	1,753

	Others		Cruise		Port of Adria		Commercial		Consolidated	
(USD'000)	**2021**	2019	**2021**	2019	**2021**	2019	**2021**	2019 restated*	**2021**	2019 restated*
Point in time										
Container revenue	**–**	–	**–**	–	**6,985**	5,090	**6,985**	5,090	**6,985**	5,090
Landing fees	**516**	3,108	**9,257**	42,297	**–**	–	**–**	–	**9,257**	42,297
Port service revenue	**500**	570	**1,713**	5,485	**324**	229	**324**	229	**2,037**	5,714
Cargo revenue	**–**	–	**–**	–	**1,441**	1,505	**1,441**	1,505	**1,441**	1,505
Domestic water sales	**2**	20	**247**	473	**70**	15	**70**	15	**317**	488
Income from duty free operations	**–**	–	**376**	4,001	**–**	–	**–**	–	**376**	4,001
Other revenue	**236**	1,062	**1,773**	2,562	**18**	–	**18**	–	**1,791**	2,562
Over time										
Rental income	**293**	724	**4,106**	6,610	**480**	513	**480**	513	**4,586**	7,123
IFRIC-12 Construction revenue	**–**	–	**52,609**	–	**–**	–	**–**	–	**52,609**	–
Habana Management fee	**–**	1,618	**–**	1,618	**–**	–	**–**	–	**–**	1,618
Total Revenues as reported in Note 5	**1,547**	7,102	**70,081**	63,046	**9,318**	7,352	**9,318**	7,352	**79,399**	70,398

* Comparative information has been re-presented due to a discontinued operation. See Note 7.

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

Revenue (USD'000)	**15 month-period ended 31 March 2021**	1 Year ended 31 December 2019 restated*
Receivables, which are included in 'trade and other receivables'	**5,129**	15,212
Contract assets	**839**	1,172
Contract liabilities	**(318)**	(427)
	5,650	15,957

* Comparative information has been re-presented due to a discontinued operation. See Note 7.

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 management 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 services not yet been provided. 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 USD 967 thousand recognised in contract liabilities at the beginning of the period has been recognised as revenue for the period ended 31 March 2021.

The amount of revenue recognised in the period ended 31 March 2021 from performance obligations satisfied (or partially satisfied) in previous periods is USD 839 thousand. This is mainly due to the nature of operations.

No information is provided about remaining performance obligations at 31 March 2021 that have an original expected duration of one year or less, as allowed by IFRS 15.

10 Cost of sales

For the 15 months ended 31 March 2021 and the year ended 31 December 2019, cost of sales comprised the following:

(USD'000)	**2021**	2019 restated*
IFRIC-12 Construction expenses	**51,557**	–
Depreciation and amortisation expenses	**30,783**	23,980
Personnel expenses**, ***	**7,675**	10,853
Insurance expense	**4,221**	930
Repair and maintenance expenses	**1,173**	1,503
Security expenses	**1,053**	2,882
Commission fees to government authorities and pilotage expenses	**(1,246)**	1,781
Cost of inventories sold	**247**	2,884
Replacement provision	**793**	673
Other expenses	**1,834**	2,666
Total	**98,090**	48,152

* Comparative information has been re-presented due to a discontinued operation. See Note 7.

** USD 394 thousand (2019: USD 3,474 thousand) of total personnel expenses are related to outsourced personnel expenses.

*** The Group has benefited from various supportive programs on personnel salaries and related tax liabilities announced by the governments of the operating countries amounting to USD 1,495 thousand as a decrease from Group salary expenses, to eliminate the negative effects of the Covid-19 outbreak. Group applied for short-term work allowances and took advantage of opportunities such as postponing payments for social security cuts.

11 Administrative expenses

For the 15 months ended 31 March 2021 and the year ended 31 December 2019, administrative expenses comprised the following:

(USD'000)	2021	2019 restated*
Personnel expenses	**9,544**	6,091
Depreciation and amortisation expenses	**3,419**	1,920
Consultancy expenses	**3,969**	2,008
Representation and travel expenses	**363**	502
Other expenses	**2,916**	2,542
Total	**20,211**	13,063

* Comparative information has been re-presented due to a discontinued operation. See Note 7.

The analysis of the auditor's remuneration is as follows:

(USD'000)	2021	2019
Fees payable to KPMG LLP and their associates for the audit of the Company's annual accounts	**927**	541
Fees payable to KPMG LLP and their associates for the audit of the Company's subsidiaries	**326**	163
Total audit fees	**1,253**	704
- Audit-related assurance services KPMG LLP and their associates	**303**	186
- Tax compliance services KPMG LLP and their associates	**–**	36
Total non-audit fees	**303**	222
Total fees	**1,556**	926

12 Staff numbers and costs

The average number of persons employed by the Group (including Directors) during the year, analysed by category, was as follows:

	2021	2019
Temporary	**–**	35
Permanent	**495**	605
	495	640

The aggregate payroll costs of these persons were as follows:

(USD'000)	2021	2019
Employee benefits	**17,440**	17,369
- Wages and salaries	**14,980**	13,891
- Social security contributions	**638**	1,191
- Overtime & Bonuses paid	**510**	569
- Benefits	**1,066**	1,276
- Defined benefit obligations	**246**	203
- Equity-settled share-based payment arrangements	**–**	239

13 Other income and other expenses

For the 15 months ended 31 March 2021 and the year ended 31 December 2019, other income comprised the following:

(USD'000)	2021	2019 restated*
IFRS 16 gain from concession fee waivers	**682**	–
Foreign currency income from operations	**768**	18
Insurance income	**–**	587
Gain on sale of fixed assets	**–**	17
Other	**1,428**	1,041
Total	**2,878**	1,663

* Comparative information has been re-presented due to a discontinued operation. See Note 7.

For the 15 months ended 31 March 2021 and the year ended 31 December 2019, other expenses comprised the following:

(USD'000)	2021	2019 restated*
Project expenses	**11,098**	5,146
Provisions**	**7,111**	71
Indemnity payments	**549**	–
Impairment loss on Equity Accounted investments	**8,369**	–
Impairment loss on intangible assets	**3,587**	–
Impairment losses on other assets	**41**	262
Recovery from insurance	**–**	346
Other	**2,614**	807
Total	**33,369**	6,632

* Comparative information has been re-presented due to a discontinued operation. See Note 7.

** Provisions booked under Other expenses composed of Nassau Ancillary contribution provision, legal provision and other provisions.

14 Finance income and costs

For the 15 months ended 31 March 2021 and the year ended 31 December 2019, finance income comprised the following:

Finance income (USD'000)	2021	2019 restated*
Other foreign exchange gains	**29,422**	5,362
Interest income on related parties	**469**	–
Interest income on banks and others	**54**	143
Interest income from housing loans	**30**	3
Interest income from debt instruments	**72**	1,766
Total	**30,047**	7,274

* Comparative information has been re-presented due to a discontinued operation. See Note 7.

The income from financial instruments within the category financial assets at amortised cost is USD 553 thousand (31 December 2019: USD 146 thousand). Income from financial instruments within the category fair value through profit and loss is USD 72 thousand (31 December 2019: USD 1,766 thousand).

For the 15 months ended 31 March 2021 and the year ended 31 December 2019, finance costs comprised the following:

Finance costs (USD'000)	2021	2019 restated*
Interest expense on loans and borrowings	**30,339**	24,914
Foreign exchange losses from Eurobond	**39,038**	5,222
Foreign exchange losses on other loans and borrowings	**1,224**	3,888
Interest expense on leases	**4,912**	2,405
Foreign exchange losses on equity translation**	**1,238**	414
Other foreign exchange losses	**2,447**	474
Loan commission expenses	**933**	960
Unwinding of provisions during the year (Note 30)	**408**	355
Letter of guarantee commission expenses	**17**	198
Other interest expenses	**88**	235
Other costs	**170**	158
Total	**80,814**	39,223

* Comparative information has been re-presented due to a discontinued operation. See Note 7.

** Ege Ports and Bodrum Cruise Port have functional currency of USD while their books are required to be kept as per Turkish Companies Law 'VUK 213' article 215 in TL. All equity transactions are made in TL and transaction incurred during the year are being translated to USD resulting to foreign exchange differences on the profit or loss account.

The interest expense for financial liabilities not classified as fair value through profit or loss is USD 35,251 thousand (31 December 2019: USD 27,319 thousand).

15 Property and equipment

Movements of property and equipment for the 15 months ended 31 March 2021 comprised the following:

Cost (USD'000)	1 January 2020	Additions	Disposals	Transfers	Acquisition through business combination	Discontinued operation*	Currency translation differences	31 March 2021
Leasehold improvements	**127,921**	**2,464**	**–**	**25,054**	**363**	**(23,212)**	**3,376**	**135,966**
Machinery and equipment	**56,080**	**1,302**	**(350)**	**1,295**	**229**	**(38,492)**	**938**	**21,002**
Motor vehicles	**17,896**	**291**	**–**	**345**	**–**	**(6,535)**	**14**	**12,001**
Furniture and fixtures	**11,337**	**1,646**	**(289)**	**8**	**–**	**(2,123)**	**213**	**10,792**
Construction in progress	**9,759**	**24,496**	**–**	**(27,282)**	**–**	**–**	**(139)**	**6,834**
Land improvement	**92**	**1**	**–**	**(6)**	**–**	**–**	**–**	**87**
Total	**223,085**	**30,200**	**(639)**	**(586)**	**592**	**(70,362)**	**4,402**	**186,692**

Accumulated depreciation (USD'000)	1 January 2020	Additions	Disposals	Transfers	Acquisition through business combination	Discontinued operation	Currency translation differences	31 March 2021
Leasehold improvements	**39,438**	**4,576**	**–**	**–**	**–**	**(8,238)**	**489**	**36,265**
Machinery and equipment	**34,570**	**1,645**	**(321)**	**–**	**–**	**(28,186)**	**301**	**8,009**
Motor vehicles	**11,431**	**1,447**	**–**	**–**	**–**	**(3,241)**	**(4)**	**9,633**
Furniture and fixtures	**7,093**	**853**	**(240)**	**–**	**–**	**(1,657)**	**(181)**	**5,868**
Land improvement	**42**	**16**	**–**	**–**	**–**	**–**	**1**	**59**
Total	**92,574**	**8,537**	**(561)**	**–**	**–**	**(41,322)**	**606**	**59,834**
Net book value	**130,511**							**126,858**

* Refer to Note 7 'Discontinued operation'.

Movements of property and equipment for the year ended 31 December 2019 comprised the following:

Cost (USD'000)	1 January 2019	Additions	Disposals	Transfers	Currency translation differences	31 December 2019
Leasehold improvements	122,482	2,597	(2)	4,431	(1,587)	127,921
Machinery and equipment	55,159	1,147	(30)	227	(423)	56,080
Motor vehicles	17,858	126	(6)	–	(82)	17,896
Furniture and fixtures	9,666	1,931	(18)	–	(242)	11,337
Construction in progress	4,388	9,987	–	(4,658)	42	9,759
Land improvement	67	25	–	–	–	92
Total	209,620	15,813	(56)	–	(2,292)	223,085

Accumulated depreciation (USD'000)	1 January 2019	Additions	Disposals	Transfers	Currency translation differences	31 December 2019
Leasehold improvements	33,586	6,022	–	–	(170)	39,438
Machinery and equipment	30,326	4,385	(31)	(6)	(104)	34,570
Motor vehicles	10,041	1,386	–	6	(2)	11,431
Furniture and fixtures	6,278	859	(6)	–	(38)	7,093
Land improvement	38	4	–	–	–	42
Total	80,269	12,656	(37)	–	(314)	92,574
Net book value	129,351					130,511

As at 31 March 2021, the net book value of machinery and equipment purchased through leasing amounts to USD 5 thousand (31 December 2019: USD 1,511 thousand), the net book value of motor vehicles purchased through leasing amounts to USD 2,993 thousand (31 December 2019: USD 6,810 thousand), and furniture and fixtures purchased through leasing totally depreciated (31 December 2019: USD 7 thousand). In 2021, no capital expenditure was made through finance leases (31 December 2019: nil).

As at 31 March 2021 and 31 December 2019, according to the 'TOORA' and 'BOT' tender agreements signed with the related Authorities, at the end of the agreement periods, real estate with their capital improvements will be returned as running, clean, free of any liability and free of charge. The details of the pledge or mortgage on property and equipment regarding the loans and borrowings are explained on Note 32.

For the 15 months ended 31 March 2021, borrowing costs amounting USD 2,286 thousand capitalised into property and equipment (31 December 2019: none).

As at 31 March 2021, the insured amount of property and equipment amounts to USD 288,261 thousand (31 December 2019: USD 295,721 thousand).

16 Intangible assets

Movements of intangible assets for the 15 months ended 31 March 2021 comprised the following:

Cost (USD'000)	1 January 2020	Additions	Disposals**	Transfers	Acquisition through business combination	Discontinued operation*	Currency translation differences	31 March 2021
Port operation rights	668,576	65,606	(919)	586	–	(304,993)	12,765	441,621
Customer relationships	3,937	–	–	–	1,446	–	99	5,482
Software	1,343	94	–	–	–	(803)	31	665
Other intangibles	706	427	(51)	–	–	–	151	1,233
Total	674,562	66,127	970	(586)	1,446	(305,796)	13,046	449,001

Accumulated amortisation (USD'000)	1 January 2020	Additions	Disposals	Transfers	Acquisition through business combination	Discontinued operation	Currency translation differences	31 March 2021
Port operation rights	244,922	24,350	(249)	–	–	(160,794)	3,391	111,620
Customer relationships	3,693	400	–	–	–	–	2	4,095
Software	797	167	–	–	–	(633)	168	499
Other intangibles	532	321	(51)	–	–	–	75	877
Total	249,944	25,238	(300)	–	–	(161,427)	3,636	117,091
Net book value	424,618							331,910

* Refer to Note 7 'Discontinued operation'.

** USD 3.587 thousand is impaired on Port of Adria Port operating rights. Details explained under recoverability of intangible assets.

Movements of intangible assets for the year ended 31 December 2019 comprised the following:

Cost (USD'000)	1 January 2020	Additions	Disposals	Transfers	Currency translation differences	31 December 2019
Port operation rights	605,115	70,028	(393)	–	(6,174)	668,576
Customer relationships	3,937	–	–	–	–	3,937
Software	1,268	88	–	–	(13)	1,343
Other intangibles	713	58	–	–	(65)	706
Total	611,033	70,174	(393)	–	(6,252)	674,562

Accumulated amortisation (USD'000)	1 January 2020	Additions	Disposals	Transfers	Currency translation differences	31 December 2019
Port operation rights	214,227	32,012	(79)	7	(1,245)	244,922
Customer relationships	3,365	328	–	–	–	3,693
Software	646	156	–	–	(5)	797
Other intangibles	434	144	–	(7)	(39)	532
Total	218,672	32,640	(79)	–	(1,289)	249,944
Net book value	392,361					424,618

16 Intangible assets continued

The details of Port operation rights as at 31 March 2021 and 31 December 2019 are as follows:

	As at 31 March 2021		As at 31 December 2019	
(USD'000)	**Carrying amount**	**Remaining amortisation period**	Carrying amount	Remaining amortisation period
Creuers del Port de Barcelona	**92,442**	**111 months**	100,336	126 months
Cruceros Malaga	**10,838**	**137 months**	11,400	152 months
Valletta Cruise Port	**62,561**	**548 months**	61,299	563 months
Port of Adria	**15,562**	**273 months**	19,623	288 months
Port Akdeniz	**–**	**–**	144,198	104 months
Ege Ports	**10,197**	**144 months**	11,240	159 months
Bodrum Cruise Port	**2,411**	**564 months**	2,657	579 months
Nassau Cruise Port	**132,112**	**317 months**	68,488	332 months
Cagliari Cruise Port	**1,897**	**69 months**	2,201	84 months
Catania Cruise Port	**1,981**	**81 months**	2,173	96 months
Ravenna Cruise Port	**–**	**–**	39	12 months

All port operating rights have arisen as a result of IFRS 3 Business combinations, except Barcelona Port Investments, Ravenna Cruise Port, Catania Cruise Port and Nassau Cruise Port, which arose as a result of applying IFRIC-12. Each port represent a separate CGU as per IAS 36.

For the 15 month period ended 31 March 2021, borrowing costs amounting USD 9,569 thousand capitalised into intangible assets (31 December 2019: none).

Project expenses directly attributable to the creation of the port right of USD 7,500 thousand (2019: USD 7,125 thousand) have also been capitalised as part of the port operating rights.

Recoverability of intangible assets

Management prepared formal forecasts for cruise port and commercial port operation for their remaining concession period, which are used to estimate their Value In Use ('VIU'). VIU calculations require subjective judgements based on a wide range of variables at a point in time including future passenger numbers or commercial volumes. Due to the adverse impact of the Covid-19 pandemic on the Group's trade, an indicator of impairment has been identified for all cruise ports within the Group (2019: Port of Akdeniz was the only port with an indicator of impairment; no impairment was recognised). For Nassau Cruise Port, the Group estimates the recoverable amount using a fair value less costs to sell method, using a level 3 valuation technique based on forecast future cash flows. Any significant decrease in variables used for value in use calculation is assessed as an impairment indicator. If the recoverable amount of an investment is estimated to be less than its carrying amount, the carrying amount of the investment is reduced to its recoverable amount and an impairment loss is recognised in the income statement. Each port represents a separate CGU.

The Group uses the budget and long-range plan as approved by the board as the basis for the discounted cash flow models. The period over which cash flows have been projected is the length of the relevant concession agreement. The concession period has been used instead of 5 years (and a terminal value) as the concession length best represents the future use of the assets within the CGU. Management forecasted a recovery in following two years for number of passengers based on past experience on issues impacted Cruise industry (Costa Concordia case, 2008 global economic crisis), the publications made by Cruise Industry stakeholders, and the cash flows for following seven years with the remaining concession term having minimal estimated growth or industry growth. The key assumptions used in the estimation of the recoverable amount are set out below.

	2021
Post-tax discount rate used for Ports with Euro functional currency	**4.33% - 7.64%**
Post-tax discount rate used for Ports with USD functional currency	**7.70% - 10.54%**
Annualised growth, year 2 – year 7 'Passengers'	**2.00% - 5.97%**

For all of the cruise ports, the recoverable amount estimated was in excess of the carrying amount of that CGU and thus no impairment has been recognised (2019: no impairment recognised) as the recoverable amount is higher than the carrying value of the respective CGU.

Changing the assumptions selected by management, in particular the discount rate and growth rate assumptions used in the cash flow projections, could significantly affect the Group's impairment evaluation and hence reported assets and profits or losses.

In relation to a number of the smaller cruise ports in the Other Cruise segment there is sufficient uncertainty relating to the assumptions on which the cash flow projections that have been prepared such that there is a risk of an impairment to the carrying amount of the CGUs within the next financial year. The total carrying amount of these CGUs is USD 3.6 million. When preparing the cash flow forecasts for these ports, it has been assumed that revenue in 2022 is higher than 2019 by between 10%-25%, reflecting booked cruise calls. It is then assumed that revenue will grow in line with historic growth rates for the remainder of the concessions. Due to the largely fixed cost base, EBITDA margins are also expected to grow for the remainder of the concession to a maximum of 50%. Due to the short length of the remaining concession period for these ports, a further extended 'no sail' period that could arise from further Covid-19 restrictions could lead to significant impairment of the carrying amounts.

In relation to Port of Adria, an indicator of impairment has been identified as, whilst the port has continued to operate through the period, the port has not grown as expected when acquired in 2013. As a result, long term growth assumptions have been revised and an impairment of USD 3.587 thousand (2019: no impairment recognised) has been recognised. The recoverable amount of the CGU has been estimated as USD 56.6 million (EUR 48.3 million) based on its value in use.

Assumption	Approach to determining assumption	Assumption used
Annual revenue growth 2021-2025	Bottom-up planning for key revenue items for the foreseeable period of 5 years	5.2% - 9.9%
Annual revenue growth 2026 to end of concession	In line with expected GDP growth	3.9%
EBITDA margin growth	Based on comparable container ports' margins	Growing up to 59% at the end of the concession from today's c. 28%
Discount rate	Based on comparable ports' cost of debt and cost of equity on area	7.0%

The following reasonable adverse changes to key assumptions will result the in the following impairment charge being recognised (if all other assumptions remain the same):

CGU (USD'000)	Reduction in revenue growth of 1%	Reduction in EBITDA margin of 1%	1% increase to discount rate
Port of Adria	1,470	1,470	6,000

17 Goodwill

Movements of goodwill associated with Ege Port for the years ended 31 March 2021 and 31 December 2019 comprised the following:

Cost	USD '000
At 1 January 2019	**13,485**
Exchange difference	–
At 31 December 2019	**13,485**
Exchange differences	–
At 31 March 2021	**13,485**

The recoverable amount of this CGU was based on its value in use, determined by discounting the estimated future cash flows to be generated from the continuing use of the CGU. The carrying amount of the CGU was determined to be lower than its recoverable amount of USD 21.7 million (2019: USD 75 million) and no impairment loss during 2021 (2019: nil) was recognised.

The key assumptions are the expected increase in the number of calls and passengers of the port and the discount rate used. Cash flows used to calculate value-in-use are prepared in USD. A post-tax discount rate of 10.22% (2019: 11.26%) was used for discounting future cash flows to the reporting date. The number of passengers was assumed to get back to its level on 2016 until end of 2023 based on past experience on issues impacted Cruise industry (Costa Concordia case, 2008 global economic crisis), and the announcements, publications, expectations defined by Cruise Industry stakeholders, followed by 2.4% per annum until end of concession (2019: The growth in number of passengers was assumed at 26.7% average per annum until 2023, followed by 2% per annum until end of concession).

17 Goodwill continued

12 years of cash flows (2019: 13 years) were included in the discounted cash flow instead of 5 years plus terminal value as the life of the rights are determined in the concession agreement. The discount rate was estimated based on the historical industry average weighted-average cost of capital, with a possible debt leveraging of 11.2% (2019: 12%) at a market interest rate of 6.0% (2019: 7%). The growth is forecasted based on the nature of the business and historical experience. Average days during cruise season used as 210 days, average cruise itineraries of 7 days during 2016-2019 is used during the forecast period. An average of 12 ship calls are added for every itinerary change for the region.

The cash flow model is constructed on a post-tax basis and the discount rate used is post-tax. An equivalent pre-tax discount rate would be 13.54% (2019: 12.9%).

The estimated recoverable amount of the CGU exceeded its carrying amount by approximately USD 11.5 million (2019: USD 31 million). 1% change in discount rate will result a change of USD 2.8 million, 20% change in growth rate assumptions will result a change of USD 6.1 million in total ViU computed.

Management has not identified any reasonably possible change in the number of passengers or the discount rate that could cause the carrying amount to exceed the recoverable amount.

18 Equity-accounted investments

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

Equity-accounted investees	Locations	Operations
LCT – Lisbon Cruise Terminals, LDA (‘LCT’)	Portugal	Port operations
SATS – Creuers Cruise Services Pte. Ltd. (‘Singapore Port’)	Singapore	Port operations
Venezia Investimenti Srl. (‘Venice Investment’)	Italy	Port investments
Goulette Cruise Holding (‘Goulette’)	UK	Port investments
La Spezia Cruise Facility Srl. (‘La Spezia’)	Italy	Port operations
Pelican Peak Investments Inc (‘Pelican Peak’)	Canada	Ancillary services

Lisbon Cruise Terminals

The Group has entered into the concession agreement of Lisbon Cruise Port within the framework of a public-service concession on 18 July 2014 as a part of the consortium comprising Global Liman, RCCL, Creuers and Group Sousa – Investimentos SGPS, LDA. The operation right of Lisbon Cruise Port has been transferred by the Port Authority of Lisbon to LCT-Lisbon Cruise Terminals, LDA, which was established by the Consortium on 26 August 2014. The Group has a 46.2% effective interest in Lisbon Cruise Terminals as at 31 March 2021, hence the Group can only appoint a minority of Directors to the Board and therefore does not have control over the entity. Lisbon Cruise Terminals has been recognised as an equity-accounted investee in the consolidated financial report as at and for the periods ended 31 March 2021 and 2019.

Singapore Port

Barcelona Port Investments, S.L (‘BPI’) was established as a joint venture between the Group and Royal Caribbean Cruises Ltd. (‘RCCL’) on 26 July 2013 for the purpose of acquiring Creuers. Global Liman has 62% ownership in BPI. Creuers holds a 100% interest in the port operation rights for the Barcelona cruise port, as well as an 100% interest in the port operation rights for the Malaga cruise port and a 40% interest in the port operation rights for the Singapore cruise port. Singapore cruise port has a fiscal year starting from 1 April and ending on 31 March. The entity’s financial results are aligned to the Group’s fiscal year to account for under the scope of IAS 28. The effective interest held on Singapore cruise port is 24.8%. Singapore has been recognised as an equity-accounted investee in the consolidated financial report as at and for the periods ended 31 March 2021 and 31 December 2019.

Venice Investment

Venezia Investimenti Srl is an international consortium formed for investing in Venezia Terminal Passegeri S.p.A (‘VTP’). The international consortium formed as a joint venture by GPH, Costa Crociere SpA, MSC Cruises SA and Royal Caribbean Cruises Ltd each having a 25% share of the Company.

Goulette Cruise Holding

Goulette Cruise Holding is a joint venture established 50%-50% between the Company and MSC Cruises S.A. (‘MSC’), to acquire La Goulette Shipping Cruise, which operates the cruise terminal in La Goulette, Tunisia. The Company made a share capital contribution for its 50% shareholding amounting to EUR 55 thousand and issued a loan of USD 6 million in December 2019 to fund the acquisition of La Goulette Shipping Cruise proportionately to its share.

The joint venture acquired the shares in La Goulette Shipping Cruise on 26 December 2019.

La Spezia

GPH purchased a minority interest of 28.5% through POH in La Spezia Cruise Facility Srl, which has the operating rights of La Spezia Cruise Port, Italy.

Pelican Peak

Group invested Pelican Peak, a company established in Canada and operating in the Caribbean region to provide ancillary services to cruise passengers. The investment in Pelican Peak shares were made as part of the Group's plans to integrate its services vertically and increase ancillary service opportunities of the Group.

Impairment analysis

Management prepared formal forecasts for Equity accounted investees for their remaining concession period, which are used to estimate their Value In Use ('VIU'). VIU calculations requires subjective judgements based on a wide range of variables at a point in time including future passenger numbers, growth forecast and discount rates. Due to the adverse impact of the Covid-19 pandemic on the Group's trade, an indicator of impairment has been identified for all investments within the Group.

The recoverable amount of each investment is estimated using a value in use (VIU) model. The Group uses the budget and long-range plan as approved by the boards of respective entities as the basis for the discounted cash flow models. The period over which cash flows have been projected is the length of the relevant concession agreement. The concession period has been used instead of 5 years (and a terminal value) as the concession length best represents the future use of the assets.

For the investments of Singapore, Lisbon, Goulette and Pelican Peak the recoverable amount estimated was significantly in excess of the carrying amount of that investment and thus no impairment has been recognised (2019: no impairment recognised).

In relation to Venezia Investimenti, an indicator of impairment has been identified as, whilst the port has continued to operate through the period, the port has not grown as expected since acquisition in 2016, and the concession period remaining decreased significantly. As a result, a detailed analysis for the investment has been made and taking into consideration the recent limitations and restrictions to cruise traffic in Venice, an impairment of USD 8.4 million (2019: no impairment recognised) has been recognised. The recoverable amount of the investment has been estimated as USD 2.5 million using a discount rate of 9.1% based on its value in use.

For the year ended 31 March 2021

At 31 March 2021, Venezia Investimenti, Lisbon Cruise Terminals, Goulette Cruise Holding, Singapore Port and Pelican Peak are equity-accounted investees in which the Group participates.

The following table summarises the financial information of Goulette Cruise Holding, Venezia Investimenti, Lisbon Cruise Terminals, Singapore Port and Pelican Peak as included in the consolidated financial statements as at 31 March 2021. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in Lisbon Cruise Terminals and Singapore Port.

(USD'000)	Pelican Peak	Goulette Cruise Holding	Venezia Investimenti	Lisbon Cruise Terminals	Singapore Port
Percentage ownership interest	10.23%	50.00%	25.00%	50.00%	40.00%
Non-current assets	5,323	21,106	17,083	29,980	12,093
Current assets	3	2,350	3,513	3,259	24,275
Non-current liabilities	(300)	(20,201)	(10,751)	(14,189)	(7,620)
Current liabilities	(349)	(4,719)	(34)	(1,718)	(10,800)
Net assets (100%)	4,676	(1,464)	9,811	17,332	17,948
Group's share of net assets	478	(732)	2,453	8,666	7,179
Carrying amount of interest in equity-accounted investees	478	–*	2,453	8,666	7,179
Revenue	–	–	861	2,674	22,331
Expenses	(1,112)	(1,593)	(231)	(4,908)	(18,327)
Profit and total comprehensive income for the year (100%)	(1,112)	(1,593)	631	(2,233)	4,004
Group's share of profit and total comprehensive income	(114)	(64)*	158	(1,117)	1,602

* Group has no obligation to fund the Goulette's operations or has made payments on behalf of the Goulette. The Group's interest on Goulette is reduced to zero, yearly result recognised is the balance nullifying the equity.

18 Equity-accounted investments continued

Impairment analysis continued

As at 31 March 2021, the amounts in the above table include the following:

(USD'000)	Pelican Peak	Goulette Cruise Holding	Venezia Investimenti	Lisbon Cruise Terminals	Singapore Port
Cash and cash equivalents	**3**	**9**	**3,513**	**2,892**	**11,714**
Non-current financial liabilities (excluding trade and other payables and provisions)	**(265)**	**16,250**	**–**	**(13,816)**	**(7,174)**
Current financial liabilities (excluding trade and other payables and provisions)	**–**	**–**	**–**	**(561)**	**(617)**
Interest income	**–**	**873**	**–**	**–**	**–**
Depreciation and amortisation	**–**	**–**	**(2)**	**(1,751)**	**(3,322)**
Interest expense	**–**	**(795)**	**–**	**(542)**	**(336)**
Income tax expense	**–**	**–**	**–**	**594**	**(820)**

For the 15 months ended 31 March 2021, the Group's share of profit and total comprehensive income is set out below:

(USD'000)	Net profit
Singapore Port	**1,602**
Venezia Investimenti	**158**
Pelican Peak	**(114)**
Goulette Cruise Holding	**(64)**
Lisbon Cruise Terminals	**(1,117)**
Group's share of profit and total comprehensive income	**465**

For the year ended 31 December 2019

At 31 December 2019, La Spezia, Venezia Investimenti, Lisbon Cruise Terminals and Singapore Port are equity-accounted investees in which the Group participates.

The following table summarises the financial information of La Spezia, Venezia Investimenti, Lisbon Cruise Terminals and Singapore Port as included in the consolidated financial statements as at 31 December 2019. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in Lisbon Cruise Terminals and Singapore Port.

(USD'000)	Pelican Peak	Goulette Cruise Holding	Venezia Investimenti	Lisbon Cruise Terminals	Singapore Port
Percentage ownership interest	30.00%	50.00%	25.00%	50.00%	40.00%
Non-current assets	–	13,536	34,274	29,465	7,141
Current assets	24	246	5,020	6,484	19,272
Non-current liabilities	–	(13,659)	–	(13,569)	(2,846)
Current liabilities	–	–	(37)	(3,476)	(5,312)
Net assets (100%)	24	123	39,257	18,904	18,255
Group's share of net assets	7	62	9,814	9,452	7,302
Carrying amount of interest in equity-accounted investees	7	62	9,814	9,452	7,302
Revenue	–	–	3,053	7,832	28,490
Expenses	–	–	(925)	(6,340)	(17,735)
Profit and total comprehensive income for the year (100%)	–	–	2,128	1,492	10,755
Group's share of profit and total comprehensive income	–	–	532	746	4,302

As at 31 December 2019, the amounts in the above table include the following:

(USD'000)	Pelican Peak	Goulette Cruise Holding	Venezia Investimenti	Lisbon Cruise Terminals	Singapore Port
Cash and cash equivalents	24	246	5,000	3,193	2,763
Non-current financial liabilities (excluding trade and other payables and provisions)	–	13,659	–	(13,569)	(2,403)
Current financial liabilities (excluding trade and other payables and provisions)	–	–	–	(934)	(337)
Interest income	–	–	–	–	74
Depreciation and amortisation	–	–	(2)	(1,260)	(1,885)
Interest expense	–	–	–	(456)	–
Income tax expense	–	–	–	(444)	(2,615)

For the year ended 31 December 2019, the Group's share of profit and total comprehensive income is set out below:

(USD'000)	Net profit
Venezia Investimenti	532
Lisbon Cruise Terminals	746
Singapore Port	4,302
Group's share of profit and total comprehensive income	5,580

19 Taxation

Corporate tax

Turkey

Corporate income tax is levied at the rate of 22% on the statutory corporate income tax base for the tax periods 2018, 2019, and 2020, which is determined by modifying income for certain tax exclusions and allowances.

Advance corporate income tax payments are made on a quarterly basis and are offset against the final corporate income tax liability of the Company for the period.

The tax legislation does not permit a Parent Company and its subsidiaries to file a consolidated tax return. Therefore, provision for taxes shown in the consolidated financial statements reflects the total amount of taxes calculated on each Turkish company that is included in the consolidation without taking into account any offset.

Losses can be carried forward for offsetting against future taxable income for up to 5 years. Losses cannot be carried back.

The tax rate used in the calculation of deferred tax assets and liabilities was 25% over temporary timing differences expected to be reversed in 2021, and 20% over temporary timing differences expected to be reversed in 2022 and the following years (2019: 22%).

Spain

Corporate income tax is levied at the rate of 25% on the statutory corporate income tax base (2019: 25%).

BPI files a consolidated income tax return for the Spanish companies, namely Creuers, Cruceros and BPI.

Losses can be carried forward indefinitely to offset future taxable income, subject to certain limitations. Losses cannot be carried back.

Other countries

The corporate tax rates in the Netherlands, Italy, Malta and Montenegro are 25%, 28%, 35% and 9%, respectively. Bahamas does have corporate tax rate of 0%, and Antigua & Barbuda operations are tax exempt as per the concession agreement.

19 Taxation continued

Tax expense

For the 15 months ended 31 March 2021 and the year ended 31 December 2019, income tax expense comprised the following:

(USD'000)	**2021**	2019
Current tax charge		
In respect of the current year	**(82)**	(7,476)
Adjustments for prior year	**–**	–
Total	**(82)**	(7,476)
Deferred tax benefit		
In respect of the current year	**6,877**	4,918
Origination and reversal of temporary differences	**–**	–
Reduction in tax rate	**–**	–
Recognition of previously unrecognised tax losses	**8,266**	703
Total	**15,143**	5,621
Total tax (expense)/benefit	**15,061**	(1,855)

As at 31 March 2021 and 31 December 2019, current tax liabilities for the period comprised the following:

(USD'000)	**2021**	2019
Current tax liability at 1 January	**2,725**	2,459
Current tax charge	**82**	7,476
Discontinued operations	**(2,262)**	–
Currency translation difference	**54**	(15)
Taxes paid during year	**(442)**	(7,195)
Total	**157**	2,725

The tax reconciliation for the 15 months ended 31 March 2021 and the year ended 31 December 2019 is as follows:

(USD'000)	**2021**	2019
Profit/(loss) before income tax	**(122,656)**	(13,364)
Average income tax rate of 13.21% (2019: 26.34%)	**16,124**	3,520
Income from tax exempt maritime operations*	**(114)**	670
Recognition of previously unrecognised losses**	**8,266**	703
Tax effect of share of profits on equity accounted investees	**(355)**	1,348
Permanent differences including losses not recognised for deferred tax***	**2,679**	(8,186)
Disallowable expenses	**(4,881)**	(150)
Non-qualifying depreciation	**(193)**	(191)
Donations	**–**	(9)
Other	**(1,191)**	440
	15,061	(1,855)

* Income generated through the services provided to vessels covered by the Turkish International Ship Registry Law authorised on 16 December 1999 is not subject to income tax and expenses related to these operations as they are considered disallowable expenses.

** Group is planning to use tax losses of intermediary holding company during the Group organisation in connection with the new refinancing. The tax legislation in the jurisdiction does not permit Parent Company and its subsidiaries to file a consolidated tax return, accordingly Group expects a taxable income to be recognised and netted off by deferred tax assets created, at that point in time.

*** In some jurisdictions the Group is operating, tax consolidation is not allowed, hence the losses created on investment holding companies are recognised as tax losses, and its revenue streams composed of dividend income, which is not tax able, related losses are not recognised as deferred tax.

The Group has presented the required tax reconciliation above as a reconciliation to the weighted average tax rate of the Group as opposed to the UK statutory rate as the Directors considered this to provide the most relevant analysis. This is because of the insignificant level of taxable activities in the UK.

Deferred tax

The balance comprises temporary differences attributable to:

	2021		2019	
(USD'000)	**Deferred tax assets**	**Deferred tax liabilities**	Deferred tax assets	Deferred tax liabilities
Property and equipment	**792**	**(5,352)**	1,192	(6,664)
Intangible assets	**838**	**(46,492)**	464	(79,760)
Tax losses carried forward*	**7,737**	**–**	753	–
Provision for employment termination indemnity and vacation pay	**223**	**–**	153	–
Other	**5,893**	**(1,825)**	2,169	(843)
Subtotal	**15,483**	**(53,669)**	4,731	(87,267)
Set off of tax	**(4,346)**	**4,346**	(2,552)	2,552
Total deferred tax assets/(liabilities)	**11,137**	**(49,323)**	2,179	(84,715)

* At the reporting date, the Group has statutory tax losses available for offsetting against future profits in Turkish operations. Such carried forward tax losses do not expire until 2023. Deferred tax assets have been recognised in respect of these items since it is probable that future taxable profits will be available against which the Group can utilise the benefits there from.

The following is the analysis of deferred tax assets/(liabilities) presented in the consolidated balance sheet:

(USD'000)	Property and equipment	Tax losses carried forward	Provision for employment termination indemnity and vacation pay	Intangible assets	Adjustment in the period for current tax of prior periods	Other	Total
At 1 January 2019	(4,571)	–	160	(87,201)	1,566	818	(89,228)
(Charge)/credit to profit or loss	(1,004)	753	(3)	6,880	–	525	7,151
Through equity	–	–	–	–	–	(28)	(28)
Through tax receivables	–	–	–	–	(1,530)	–	(1,530)
Exchange differences	103	–	(4)	1,025	(36)	11	1,099
At 31 December 2019	**(5,472)**	**753**	**153**	**(79,296)**	**–**	**1,326**	**(82,536)**
(Charge)/credit to profit or loss	**(1,913)**	**7,779**	**241**	**6,871**	**–**	**2,165**	**15,143**
Through equity	**–**	**–**	**–**	**–**	**–**	**(66)**	**(66)**
Disposal group	**3,067**	**–**	**(141)**	**28,906**	**–**	**300**	**32,132**
Exchange differences	**(242)**	**(795)**	**(30)**	**(2,135)**	**–**	**343**	**(2,859)**
At 31 March 2021	**(4,560)**	**7,737**	**223**	**(45,654)**	**–**	**4,068**	**(38,186)**

As at 31 March 2021 and 31 December 2019, the breakdown of the tax losses carried forward in terms of their final years of utilisation is as follows:

Expiry years of the tax losses carried forward	2021		2019	
(USD'000)	**Recognised**	**Unrecognised**	Recognised	Unrecognised
2020	**–**	**–**	–	2,446
2021	**–**	**2,026**	–	1,932
2022	**–**	**2,609**	–	2,488
2023	**1,238**	**1,362**	3,197	1,299
2024	**15,603**	**2,365**	228	2,348
2025	**14,105**	**2,066**	–	–
	30,946	**10,428**	3,425	10,513

Unrecognised deferred tax assets

At the reporting date, the Group has Turkey and Montenegro statutory tax losses available for offsetting against future profits which are shown on above table. Such carried forward tax losses do not expire until 2025. Deferred tax assets have not been recognised in respect of some portions of these items since it is not probable that future taxable profits will be available against which the Group can utilise the benefits there from.

19 Taxation continued

Amounts recognised in OCI

(USD'000)	2021 Before tax	2021 Tax (expense)/ benefit	2021 Net of tax	2019 Before tax	2019 Tax (expense)/ benefit	2019 Net of tax
Remeasurement of defined benefit liability	**(156)**	**39**	**(117)**	(40)	9	(31)
Foreign operations – foreign currency translation differences	**65,014**	**-**	**65,014**	14,774	–	14,774
Equity accounted investees – share of OCI	**(872)**	**-**	**(872)**	–	–	–
Net investment hedge	**(45,209)**	**-**	**(45,209)**	(24,725)	–	(24,725)
Cash flow hedges	**225**	**-**	**225**	89	–	89
Total	**19,002**	**39**	**19,041**	(9,902)	9	(9,893)

Uncertainty over income tax treatments

The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience.

20 Trade and other receivables

As at 31 March 2021 and 31 December 2019, trade and other receivables comprised the following:

(USD'000)	2021	2019
Trade receivables	**5,968**	20,960
Deposits and advances given*	**4,438**	8,357
Other receivables**	**15,756**	1,705
Total trade and other receivables	**26,162**	31,022

* Deposits and advances given is related to cash guarantee blocked on Italian Notary to give a letter of Guarantee to Venezia Sviluppo related to the extension of transaction explained in Note 32 (b). As per IAS 32, the Company still has the right to receive the cash back and therefore has been accounted for as a financial asset. As this asset is not held to collect interest, is measured at FVTPL as per IFRS 9 (see Note 37).

** Group had a receivable from proceeds of Port Akdeniz sale amounting USD 11,516 thousand.

As at 31 March 2021 and 31 December 2019, trade receivables comprised the following:

(USD'000)	2021	2019
Receivables from customers	**5,129**	19,195
Contract assets	**839**	1,765
Doubtful receivables	**2,770**	1,969
Expected credit loss provision	**(2,770)**	(1,969)
Total	**5,968**	20,960

Movements in the allowance for doubtful trade receivables for the years ended 31 March 2021 and 31 December 2019, comprised the following:

(USD'000)	2021	2019
Balance at the beginning of the year	**(1,969)**	(1,691)
Allowance for the year	**(1,238)**	(353)
Collections	**15**	3
Translation difference	**227**	(526)
Written off during the year	**195**	598
Balance at the end of the year	**(2,770)**	(1,969)

As at 31 March 2021, current trade receivables mature between 3-6 months (2019: 0-3 months). The increase in receivable turns is directly related to Covid-19 related arrangements Group has made for its local tenants. Group has collected significant portion of its Cruise line receivables.

Credit risk and foreign currency risk with respect to trade and other receivables are disclosed in Note 37.

Loss allowance in respect of trade receivables is recognised in administrative expenses.

21 Other assets

Other non-current assets

As at 31 March 2021 and 31 December 2019, other non-current assets comprised the following:

(USD'000)	2021	2019
Advances given*	**11**	1,807
Housing loans given to employees**	**2,344**	2,399
Prepaid expenses	**262**	350
Deposits and guarantees given	**18**	17
Other investments	**3**	4
Total	**2,638**	4,577

* Company has paid an advance for the acquisition of minority shares of Bodrum Cruise Port amounting USD 1.5 million. Minority shareholder decided to cancel this share sale transaction and agreed with the Group to pay back this amount covering the interest accrued. As per agreement, this amount has reclassified as short term receivable.

** As a state-owned company before being acquired by the Group, Port of Adria had granted housing loans to its employees with a maturity of up to 35 years. The housing loans were acquired as part of business combinations and recognised at fair value on acquisition date. Subsequent to the acquisition date the loans have been held as financial assets at amortised cost. Whilst there is credit risk associated with the collection of these loans the Group has mortgage security over the relevant properties and the value of the properties is expected to cover the outstanding amount in the event of a default.

Other current assets

As at 31 March 2021 and 31 December 2019, other current assets comprised the following:

(USD'000)	2021	2019
Prepayments*	**9,668**	–
Prepaid expenses	**1,597**	2,700
Advances given	**255**	426
Value added tax receivable	**666**	578
Housing loans	**185**	186
Other	**–**	26
Total	**12,371**	3,916

* Advances given to construction subcontractor in Nassau Cruise Port.

22 Inventories

As at 31 March 2021 and 31 December 2019, inventories comprised the following:

(USD'000)	2021	2019
Commercial goods	**251**	360
Other inventories*	**652**	1,033
Total	**903**	1,393

* Other inventories composed of replacement parts for the machinery park of Port of Adria.

The cost of inventories recognised as an expense during the year in respect of duty free operations run in Valletta Cruise Port was USD 225 thousand (31 December 2019: USD 2,321 thousand).

23 Cash and cash equivalents

As at 31 March 2021 and 31 December 2019, cash and cash equivalents comprised the following:

(USD'000)	2021	2019
Cash on hand	**72**	132
Cash at banks	**164,232**	63,601
- Demand deposits	**141,433**	39,288
- Time deposits	**22,799**	17,815
- Overnight deposits	**–**	6,498
Other cash and cash equivalents	**6,295**	47
Cash and cash equivalents	**170,599**	63,780

23 Cash and cash equivalents continued

As at 31 March 2021 and 31 December 2019, maturities of time deposits comprised the following:

(USD'000)	**2021**	2019
Up to 1 month	**21,706**	23,248
1-3 months	**1,093**	1,065
Total	**22,799**	24,313

As at 31 March 2021 and 31 December 2019, the ranges of interest rates for time deposits are as follows:

	2021	2019
Interest rate for time deposit-TL (highest)	**18.8%**	9.0%
Interest rate for time deposit-TL (lowest)	**18.0%**	8.0%
Interest rate for time deposit-USD (highest)	**–**	1.9%
Interest rate for time deposit-USD (lowest)	**–**	1.3%
Interest rate for time deposit-EUR (highest)	**0.05%**	0.01%
Interest rate for time deposit-EUR (lowest)	**0.35%**	0.15%

As at 31 March 2021, cash at bank held at BPI, Nassau Cruise Port, Ege Port and Port of Adria amounting to USD 15,639 thousand (31 December 2019: USD 5,672 thousand) is restricted due to debt service reserve amounts regarding financing agreements and subscription guarantees (Note 26). Debt service reserve guarantees were given for the following period's interest and principal payment and can be used when requested for investment purposes.

The Group's exposure to interest rate risk and sensitivity analysis for financial assets and liabilities is disclosed in Note 37.

24 Capital and reserves

(a) Share capital

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

The details of paid-up share capital as of 31 March 2021 and 31 December 2019 are as follows:

	Number of shares '000	Share capital USD'000	Share premium USD'000
Balance at 1 January 2019	62,827	811	–
Balance at 31 December 2019	62,827	811	–
Balance at 31 March 2021	**62,827**	**811**	**–**

(b) Nature and purpose of reserves

(i) Translation reserves

The translation reserves amounting to USD 58,779 thousand (31 December 2019: USD 213,715 thousand) are recognised as a separate account under equity and comprises foreign exchange differences arising from the translation of the consolidated financial statements of subsidiaries and equity-accounted investees from their functional currencies (of Euro and TL) to the presentation currency USD.

(ii) Legal reserves

Under the Turkish Commercial Code, Turkish companies are required to set aside first and second level legal reserves out of their profits. First level legal reserves are set aside as up to 5% of the distributable income per the statutory accounts each year. The ceiling of the first level reserves is 20% of the paid-up share capital. The requirement to set aside ends when the 20% of the paid-up capital level has been reached. Second level legal reserves correspond to 10% of profit distributed after the deduction of the first legal reserves and the minimum obligatory dividend pay-out, but holding companies are not subject to this regulation. There is no ceiling for second level legal reserves and they are accumulated every year. First and second level legal reserves cannot be distributed until they exceed 50% of the capital, but the reserves can be used for offsetting the losses in case free reserves are unavailable. As at 31 March 2021, the legal reserves of the Group amounted to USD 6,014 (31 December 2019: USD 13,144 thousand).

(iii) Hedging reserves

Net investment hedge

In the year ended 31 March 2021, Global Liman has used its US Dollar Eurobond financing in a net investment hedge of the US Dollar net assets of Ege Port and Bodrum Cruise Port (31 December 2019: the Company has used its US Dollar Eurobond financing in a net investment hedge of the US Dollar net assets of Ege Port, Bodrum Cruise Port and Port Akdeniz). A foreign exchange loss recognised in other comprehensive income as a result of net investment hedging was USD 45,209 thousand (2019: loss USD 24,725 thousand).

The net investment hedge of the US Dollar net asset of Port Akdeniz has been eliminated with the disposal accounting. Total hedged amount on GLI (the Group company held Port Akdeniz' shares) accounts amounted to USD 223,934 thousand. Translation reserves created during elimination of Port Akdeniz equity (GLI, sub holding company, has TL functional currency, which resulted translation gains on the elimination of subsidiaries equity against its investments held in TL) created during PA consolidation was USD 216,235 thousand, leaving a loss of USD 7,699 thousand on the disposal transaction (refer to Note 7).

Cash flow hedge

The Group entered into an interest rate swap in order to hedge its position against changes in interest rates. The effective portion of the cash flow hedge that was recognised in other comprehensive income was USD 469 thousand loss (31 December 2019, USD 335 thousand loss). The amount that was reclassified from equity to profit and loss within the cash flow hedges – effective portion of changes in fair value line item for the year was USD 244 thousand (31 December 2019, USD 246 thousand) recognised at financial expenses on profit and loss statement.

The hedge instrument payments will be made in the periods shown below, at which time the amount deferred in equity will be reclassified to profit and loss:

(USD'000)	3 months or less	More than 3 months but less than 1 year	5 years or less but more than 1 year	More than 5 years
Net cash outflows exposure				
Liabilities	**110**	**89**	**145**	**–**
At 31 March 2021	**110**	**89**	**145**	**–**
Net cash outflows exposure				
Liabilities	–	220	265	–
At 31 December 2019	–	220	265	–

(iv) Merger reserves

On 17 May 2017, Global Ports Holding PLC was listed on the Standard Listing segment of the Official List and trading on the Main Market of the London Stock Exchange. As part of a restructuring accompanying the Initial Public Offering ('IPO') of the Group on 17 May 2017, Global Ports Holding PLC replaced Global Liman Isletmeleri A.S. as the Group's Parent Company by way of a Share exchange agreement. Under IFRS 3 this has been accounted for as a Group reconstruction under merger accounting. These consolidated financial statements have been prepared as a continuation of the existing Group. Merger accounting principles for this combination have given rise to a merger reserve of USD 225 million. This has been transferred from the merger reserve to retained earnings subsequent to the share capital reduction, as it does not have any features distinct from retained earnings.

(c) 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.

The Board of the Company has decided to temporarily suspend the dividend for full year 2019, until the situation related to spread of Covid-19 ('coronavirus') becomes clearer, no dividend was decided and distributed during the reporting period ended 31 March 2021.

GPH PLC proposed and paid a 2019 interim dividend of GBP 0.155 per share to its shareholders, giving a distribution of GBP 9,738 thousand (USD 12,580 thousand).

GPH PLC declared 2018 final dividend of GBP 0.212 per share to its shareholders on 24 May 2019 and paid on 5 July 2019, giving a distribution of GBP 13,319 thousand (USD 16,645 thousand).

The total dividends in respect of the year ended 31 December 2019 were USD 29,225 thousand.

24 Capital and reserves continued

(c) Dividends continued

Dividends to non-controlling interests totalled USD 237 thousand in the reporting period (2019: USD 6,366 thousand) and comprised a distribution of USD 24 thousand (2019: USD 2,550 thousand) made to other shareholders by Valletta Cruise Port fully in cash, and a distribution of USD 213 thousand (2019: USD 3,751 thousand) made to other shareholders by Barcelona Port Investments fully paid in cash (2019: a distribution of USD 65 thousand made to other shareholders by Cagliari Cruise Port no cash settlement).

25 Non-controlling interests

Summarised financial information in respect of each of the Group's subsidiaries that have non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations for the year ended 31 March 2021:

(USD'000)	Ege Ports	Bodrum Cruise Port	Valletta	Port of Adria
NCI percentage	27.50%	40.00%	44.40%	36.21%
Non-current assets	27,075	4,735	120,217	64,703
Current assets	10,770	1,608	1,294	2,319
Non-current liabilities	3,123	2,297	58,432	33,836
Current liabilities	4,644	1,399	5,732	8,699
Net assets	30,079	2,648	57,347	24,487
Net assets attributable to NCI	8,272	1,059	25,461	9,016
Revenue	905	574	4,217	9,318
Profit	(6,269)	(1,051)	(2,387)	(10,885)
OCI	(17)	(1)	2,693	1,567
Total comprehensive income	(6,286)	(1,052)	306	(9,318)
Profit for the year attributable to NCI	(1,724)	(420)	(1,072)	(4,010)
OCI for the year attributable to NCI	(5)	–	1,207	577
Dividends paid to NCI	–	–	(24)	–
Net cash inflow/(outflow) from operating activities	(411)	533	2,453	1,440
Net cash inflow/(outflow) from investing activities	(62)	(26)	(1,681)	(51)
Net cash inflow/(outflow) from financing activities	3,851	266	2,038	(1,247)
Net cash inflow/(outflow)	3,378	773	2,810	141

Summarised financial information in respect of each of the Group's subsidiaries that have non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations for the year ended 31 December 2019:

(USD'000)	Ege Ports	Bodrum Cruise Port	Valletta	Port of Adria
NCI percentage	27.50%	40.00%	44.40%	36.21%
Non-current assets	30,512	5,749	116,138	70,080
Current assets	15,771	1,594	1,296	2,763
Non-current liabilities	(4,569)	(3,589)	(55,313)	(34,264)
Current liabilities	(5,350)	(1,262)	(5,118)	(4,211)
Net assets	36,364	2,492	57,003	34,368
Net assets attributable to NCI	10,000	997	25,347	12,445
Revenue	6,549	1,367	13,872	7,380
Profit	1,465	(2,145)	2,543	(2,709)
OCI	(16)	(5)	(1,356)	(869)
Total comprehensive income	1,449	(2,150)	1,187	(3,578)
Profit for the year attributable to NCI	403	(858)	1,162	(981)
OCI for the year attributable to NCI	(4)	(2)	(602)	(315)
Dividends paid to NCI	–	–	(2,550)	–
Net cash inflow/(outflow) from operating activities	4,285	(1,302)	6,041	1,506
Net cash inflow/(outflow) from investing activities	(16)	(50)	(1,607)	(1,592)
Net cash inflow/(outflow) from financing activities	(16,292)	1,301	(3,916)	194
Net cash inflow/(outflow)	(12,023)	(51)	518	108

BPI	Cruceros	Cagliari	Catania	Nassau	Balearic Handling	Shore Handling	Total
38.00%	38.00%	29.11%	36.83%	51.00%	49.00%	49.00%	
113,056	21,302	2,932	2,350	138,300	370	1,609	
6,346	2,375	275	420	66,081	288	382	
40,072	14,789	1,230	1,179	169,598	107	224	
7,142	1,402	487	772	36,716	45	254	
72,188	7,485	1,490	818	(1,935)	506	1,513	
27,432	2,844	434	301	(986)	248	741	74,822
1,445	441	60	144	66,399	65	18	
(12,014)	(2,174)	(982)	(511)	(1,990)	(126)	(267)	
3,323	396	101	53	–	244	307	
(8,691)	(1,778)	(881)	(458)	(1,990)	118	40	
(4,565)	(826)	(286)	(188)	(1,093)	(62)	(130)	(14,376)
1,263	150	30	20	–	223	250	3,715
(213)	–	–	–	–	–	–	237
5,660	418	124	52	6,202	(326)	(125)	
(2,217)	(4)	10	(52)	(66,367)	8	(0)	
(8,810)	(1,740)	(106)	(87)	99,567	110	106	
(5,368)	(1,326)	28	(87)	39,402	(209)	(19)	

BPI	Cruceros	Ravenna	Cagliari	Catania	Global Gemicilik	Nassau	Total
38.00%	50.40%	46.33%	29.11%	37.79%	5.00%	51.00%	
117,785	21,442	92	3,395	2,563	7	69,213	
17,511	4,413	166	850	531	95	10,479	
(45,239)	(14,497)	(9)	(1,237)	(1,349)	–	(74,512)	
(6,761)	(2,094)	(362)	(638)	(494)	(61)	(4,970)	
83,296	9,264	(113)	2,370	1,251	41	210	
31,652	4,669	(52)	690	473	2	107	86,330
27,837	3,441	178	1,900	1,760	156	2,492	
9,414	(109)	(176)	62	141	(178)	206	
(1,662)	(220)	(2)	(59)	(26)	8	–	
7,752	(329)	(178)	3	115	(170)	206	
3,577	(55)	(82)	18	53	(3)	105	3,339
(632)	(111)	(1)	(17)	(10)	(1)	–	(1,695)
(3,751)	–	–	(65)	–	–	–	(6,366)
28,041	1,020	66	143	113	(413)	105	
2,954	(9)	2	(81)	(49)	(6)	(7,850)	
(35,004)	(1,477)	(105)	(225)	98	520	23,508	
(4,009)	(466)	(37)	(163)	162	101	15,763	

26 Loans and borrowings

As at 31 March 2021 and 31 December 2019, loans and borrowings comprised the following:

Current loans and borrowings (USD'000)	**2021**	2019
Current portion of bonds issued	**272,437**	18,554
Current bank loans	**3,802**	12,497
- TL	**2,529**	3,632
- Other currencies	**1,273**	8,865
Current portion of long-term bank loans	**16,654**	29,899
- TL	**3,877**	822
- Other currencies	**12,777**	29,077
Lease obligations	**2,307**	1,741
Finance leases	**–**	622
Lease obligations recognised under IFRS 16	**2,307**	1,119
Total	**295,200**	62,691

Non-current loans and borrowings (USD'000)	**2021**	2019
Non-current portion of bonds issued	**113,734**	232,436
Non-current bank loans	**76,389**	94,156
- TL	**–**	7
- Other currencies	**76,389**	94,149
Finance lease obligations	**63,611**	63,707
Finance leases	**–**	–
Lease obligations recognised under IFRS 16	**63,611**	63,707
Total	**253,734**	390,299

As at 31 March 2021 and 31 December 2019, the maturity profile of long-term bank loans comprised the following:

Year (USD'000)	**2021**	2019
Between 1-2 years	**24,523**	270,997
Between 2-3 years	**22,052**	11,463
Between 3-4 years	**30,792**	9,130
Over 4 years	**112,756**	35,002
Total	**190,123**	326,592

As at 31 March 2021 and 31 December 2019, the maturity profile of lease obligations comprised the following:

	2021			2019		
(USD'000)	**Future minimum lease payments**	**Interest**	**Present value of minimum lease payments**	Future minimum lease payments	Interest	Present value of minimum lease payments
Less than one year	**5,118**	**(2,811)**	**2,307**	3,646	(1,905)	1,741
Between one and five years	**142,913**	**(79,302)**	**63,611**	142,638	(78,931)	63,707
Total	**148,031**	**(82,113)**	**65,918**	146,284	(80,836)	65,448

Details of the loans and borrowings as at 31 March 2021 are as follows:

					As at 31 March 2021		
Loans and borrowings type	Company name	Currency	Maturity	Interest type	Interest rate %	Principal	Carrying value
Loans used to finance investments and projects							
Unsecured Eurobonds (i)	Global Liman	USD	2021	Fixed	8.13	250,000	256,817
Unsecured Bond (vi)	Nassau Cruise Port	USD	2040	Fixed	8.00	124,470	129,355
Secured Loan (ii)	BPI	EUR	2023	Floating	Euribor + 4.00	14,445	14,403
Secured Loan (iii)	Malaga Cruise Port	EUR	2025	Floating	Euribor 3m + 1.75	3,840	3,818
Secured Loan (iv)	Valetta Cruise Port	EUR	2035	Floating	Euribor + 2.80	12,063	10,906
Secured Loan	Cagliari Cruise Port	EUR	2026	Fixed	2.20 – 5.55	556	556
Secured Loan	Bodrum Cruise Port	TL	2021	Fixed	9.50 – 19.00	375	396
Secured Loan (v)	Port of Adria	EUR	2025	Floating	Euribor + 4.25	22,892	23,049
Secured Loan	Port of Adria	EUR	2022	Fixed	3.15 – 3.30	1,186	1,189
Secured Loan	Catania Cruise Port	EUR	2027	Fixed	2.20 – 5.55	30	30
Secured Loan	Balearic Handling	EUR	2025	Fixed	1.50	132	132
Secured Loan	Shore Handling	EUR	2028	Fixed	1.50	253	253
Secured Loan	Barcelona Cruise Port	EUR	2024	Floating	Euribor + 4.00	2,816	2,819
Secured Loan (vii)	Antigua Cruise Port	USD	2026	Floating	Libor + 5.75	33,283	33,283
						466,341	477,006
Loans used to finance working capital							
Unsecured Loan	Global Liman	TL	2021	Fixed	9.25 – 9.50	1,977	2,132
Unsecured Loan	Ege Liman	TL	2021	Fixed	30.60	3,576	3,878
						5,553	6,010
Finance lease obligations (incl. IFRS-16 Finance Lease)							
Leasing	Cagliari Cruise Port	EUR	2026	Fixed	4.84	26	26
Leasing	Global Ports PLC	GBP	2022	Fixed	3.50	406	406
Leasing	Barcelona Cruise Port	EUR	2029	Fixed	4.25	2,165	2,165
Leasing	Malaga Cruise Port	EUR	2041	Fixed	2.00	9,380	9,380
Leasing	Valetta Cruise Port	EUR	2066	Fixed	4.27	67,512	26,539
Leasing	Bodrum Cruise Port	TL	2067	Fixed	18.09	1,731	1,845
Leasing	Port of Adria	EUR	2043	Fixed	3.85	14,184	9,695
Leasing	Zadar	HRK	2038	Fixed	5.50	2,775	2,775
Leasing	Cagliari Cruise Port	EUR	2026	Fixed	4.84	378	318
Leasing	Nassau Cruise Port	USD	2047	Fixed	1.79	137	137
Leasing	Antigua Cruise Port	USD	2048	Fixed	7.65	32,387	12,632
						131,081	65,918
							548,934

26 Loans and borrowings continued

Details of the loans and borrowings as at 31 December 2019 are as follows:

					As at 31 December 2019		
Loans and borrowings type	Company name	Currency	Maturity	Interest type	Interest rate %	Principal	Carrying value
Loans used to finance investments and projects							
Unsecured Eurobonds (i)	Global Liman	USD	2021	Fixed	8.13	250,000	250,989
Secured Loan (ii)	BPI	EUR	2023	Floating	Euribor + 4.00	18,224	17,857
Secured Loan (iii)	Malaga Cruise Port	EUR	2025	Floating	Euribor 3m + 1.75	4,467	4,437
Secured Loan (iv)	Valetta Cruise Port	EUR	2026	Floating	Euribor + 2.80	10,295	9,162
Secured Loan	Global BV	EUR	2020	Floating	Euribor + 4.60	5,430	5,441
Secured Loan	Cagliari Cruise Port	EUR	2026	Fixed	2.20 – 6.20	564	564
Secured Loan	Bodrum Cruise Port	TL	2020	Fixed	17.00 – 27.50	513	594
Secured Loan (v)	Port of Adria	EUR	2025	Floating	Euribor + 4.25	22,392	22,551
Secured Loan	Port of Adria	EUR	2019	Fixed	3.85	840	842
Secured Loan	Ortadoğu Liman	TL	2020	Fixed	14.50	339	339
Secured Loan	Ortadoğu Liman	USD	2020	Fixed	3.60 – 6.60	1,401	1,401
Secured Loan	Ortadoğu Liman	EUR	2020	Fixed	3.40 – 6.00	533	535
Secured Loan	Barcelona Cruise Port	EUR	2024	Floating	Euribor + 4.00	2,686	2,651
Secured Loan (vi)	Nassau Cruise Port	USD	2021	Fixed	4.50	16,000	16,000
Secured Loan (vii)	Antigua Cruise Port	USD	2026	Floating	Libor + 5.75	16,104	15,197
						349,788	348,560
Loans used to finance working capital							
Unsecured Loan	Global Liman	TL	2020	Fixed	26.34	2,694	2,701
Unsecured Loan	Ege Liman	USD	2020	Fixed	4.95	1,500	1,511
Unsecured Loan	Ege Liman	EUR	2020	Fixed	3.54	2,377	2,437
Unsecured Loan	Ege Liman	TL	2020–21	Fixed	15.84 – 30.6	534	509
Secured Loan	Ortadoğu Liman	EUR	2020	Fixed	3.80 – 8.75	20,849	21,025
Secured Loan	Ortadoğu Liman	USD	2020	Fixed	3.80 – 8.75	10,289	10,478
Secured Loan	Ortadoğu Liman	TL	2020	Fixed	26.00	320	321
						38,563	38,982
Finance lease obligations							
Leasing	Ortadoğu Liman	USD	2020	Fixed	7.35	186	186
Leasing	Cagliari Cruise Port	EUR	2021	Fixed	1.96	45	44
Leasing	Ege Liman	USD	2020	Fixed	7.75	1	1
Leasing	Ege Liman	EUR	2020	Fixed	5.50	385	385
Leasing	Global Ports PLC	GBP	2022	Fixed	3.50	690	648
Leasing	Barcelona Cruise Port	EUR	2020	Floating	3.90	3	4
Leasing	Barcelona Cruise Port	EUR	2030	Floating	4.00	2,424	2,424
Leasing	Malaga Cruise Port	EUR	2036	Floating	4.00	9,478	9,479
Leasing	Valetta Cruise Port	EUR	2066	Floating	4.27	25,386	25,001
Leasing	Bodrum Cruise Port	TL	2067	Fixed	8.30	2,441	2,474
Leasing	Port of Adria	EUR	2043	Floating	3.85	14,115	9,408
Leasing	Zadar	HRK	2038	Fixed	9.35	2,993	2,994
Leasing	Cagliari Cruise Port	EUR	2026	Fixed	4.50	328	328
Leasing	Antigua Cruise Port	USD	2048	Floating	7.65	12,072	12,072
						70,547	65,448
							452,990

Detailed information relating to significant loans undertaken by the Group is as follows:

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

Eurobonds contain the following key covenants:

- If a concession termination event occurs at any time, Global Liman (the 'Issuer') must offer to repurchase all of the Notes pursuant to the terms set forth in the indenture (a 'Concession Termination Event Offer'). In the Concession Termination Event Offer, the Issuer will offer a 'Concession Termination Event Payment' in cash equal to 100% of the aggregate principal amount of Notes repurchased, in addition to accrued and unpaid interest and additional amounts, if any, on the Notes repurchased, to the date of purchase (the 'Concession Termination Event Payment Date'), subject to the rights of holders of Notes on the relevant record date to receive interest due on the relevant interest payment date.
- According to the Eurobond issued by Global Liman, the consolidated leverage ratio may not exceed 5.0 to 1 (incurrence covenant). The consolidated leverage ratio as defined in the Eurobond includes Global Liman as the issuer and all of its consolidated subsidiaries excluding the Malaga Cruise Port (being Unrestricted Subsidiary as defined in the Eurobond). Nassau Cruise Port and GPH Antigua are subsidiaries of GPH PLC, therefore not included on the covenant computation of Global Liman 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 or Ege Ports ('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;
  - 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 in 2019.

(ii) On 30 September 2014, BPI and Creuers entered into a syndicated loan. Tranche A of this loan is paid semi-annually, at the end of June and December, with the last payment being in 2023. Tranche B already paid, Tranche C amounting to EUR 2.4 million has a bullet payment in 2024. The interest rate of this loan is Euribor 6m + 4.00%. The syndicated loan is subject to a number of financial ratios and restrictions, breach of which could lead to early repayment being requested. Under this loan, in the event of default, all the shares of BPI (a total of 3,170,500 shares each being EUR 1) and Creuers (3,005,061 shares each being EUR 1) are pledged together with certain rights of these companies. The agreement includes terms about certain limitations on dividends payments, new investments, and change in the control of the companies, change of the business, new loans and disposal of assets.

(iii) On 12 January 2010, Cruceros Málaga, S.A. entered into a loan agreement with Unicaja regarding a EUR 9 million loan to finance the construction of the new terminal. This loan had an 18-month grace period. It is linked to Euribor and has a term of 180 months from the agreement execution date. Therefore, the maturity date of the loan is on 12 January 2025. A mortgage has been taken out on the administrative concession agreement to guarantee repayment of the loan principal and accrued interest thereon.

(iv) Valletta Cruise Port's bank loans and overdraft facilities bear interest at Euribor + 3% (31 December 2019: + 3%) per annum and are secured by a mortgage over VCP's present and future assets, together with a mortgage over specific property within the concession site for a period of 65 years commencing on 21 November 2001.

26 Loans and borrowings continued

(v) Port of Adria entered into a loan agreement with EBRD amounting to EUR 20 million in total on 26 February 2018 with a 6-year maturity, 2 years grace period and an interest rate of Euribor + 4.25%. Principal and interest will be payable quarterly, in January, April, July and November of each year. Under this loan agreement, in the event of default, all shares of Port of Adria (12,040,993 Shares having EUR 0.5026 nominal value per each and 30,683,933 Shares having EUR 1.1485 nominal value per each) are pledged to the bank in accordance with a share pledge agreement. In compliance with this agreement, the Company is also guarantor of Port of Adria, and as per agreement, the Company has to comply with the consolidated leverage ratio of 5.0 to 1, as it is presented on the Eurobond of Global Liman.

(vi) In June 2020, NCP has successfully completed a private bond offering. The 20-year unsecured bond will mature in 2040 and pay a semi-annual coupon of 8.0% p.a. starting in June 2021.

(vii) On 26 September 2019, GPH Antigua entered into a syndicated loan with 6 years maturity and 2 years grace period. Repayment will be made quarterly starting from 31 December 2021, at a principal rate of 2.0835%. Remaining amount (58.33%) will be paid at 31 December 2026. The interest rate of this loan will be Libor + 5.75% prior to New Pier completion date and Libor + 5.25% after completion of New pier construction. The syndicated loan is subject to a number of financial ratios and restrictions, breach of which could lead to early repayment being requested. The agreement includes terms about certain limitations on dividends payments, new investments, and change in the control of the companies, change of the business, new loans and disposal of assets.

Reconciliation of movements of liabilities to cash flows arising from financing activities

		Liabilities		Equity		
(USD'000)	Note	Loans and borrowings	Leases	Retained earnings	NCI	Total
Balance at 1 January 2020		387,542	65,448	61,053	86,330	600,373
Changes from financing cash flows						
Proceeds from loans and borrowings		160,641	455	–	–	161,096
Repayment of borrowings/leases		(52,318)	(3,922)	–	–	(56,240)
Dividend paid	24 (c)	–	–	–	(237)	(237)
Total changes from financing cash flows		108,323	(3,467)	–	(237)	104,619
The effect of changes in foreign exchange rates		40,262	(450)	(224)	3,715	43,303
Other changes						
Liability-related						
Disposal		(29,469)	–	5,854	–	(23,615)
Interest expense		30,339	4,912	–	–	35,251
Interest paid		(17,569)	(2,803)	–	–	(20,372)
Total liability-related other changes		(36,412)	2,278	–	–	(34,134)
Total equity-related other changes		–	–	(78,834)	(14,986)	(93,820)
Balance at 31 March 2021		483,016	65,918	(12,151)	74,822	611,605

		Liabilities		Equity		
(USD'000)	Note	Loans and borrowings	Leases	Retained earnings	NCI	Total
Balance at 1 January 2019		345,146	1,905	108,981	91,045	547,077
Changes from financing cash flows						
Proceeds from loans and borrowings		74,918	–	–	–	74,918
Repayment of borrowings/leases		(31,949)	(3,066)	–	–	(35,015)
Dividend paid	24 (c)	–	–	(29,225)	(5,062)	(35,591)
Total changes from financing cash flows		42,969	(3,066)	(29,225)	(5,062)	4,312
The effect of changes in foreign exchange rates		4,782	(304)	29	–	4,507
Other changes						
Liability-related						
New leases/other financial liability		–	67,132	–	–	67,132
Interest expense		26,077	2,434	–	–	28,511
Interest paid		(26,388)	–	–	–	(26,388)
Total liability-related other changes		(5,044)	(2,653)	–	–	(7,697)
Total equity-related other changes		–	–	(18,732)	347	(18,385)
Balance at 31 December 2019		387,542	65,448	61,053	86,330	600,373

27 Trade and other payables

Current trade and other payables

As at 31 March 2021 and 31 December 2019, current trade and other payables comprised the following:

(USD'000)	2021	2019
Payables to suppliers*	**22,239**	8,887
Expense accruals**	**7,376**	2,755
Taxes payable and social security contributions	**4,713**	5,600
Due to non-controlling interest	**1,505**	1,248
Payables to personnel	**1,241**	373
Deposits received	**565**	578
Deferred revenue	**318**	967
Other	**1,279**	959
Total	**39,236**	21,367

* The increase is related to the capital expenditure made in Nassau.

** The increase in the amount is related to expense accruals made for refinancing projects.

The Group's average credit period for trade purchases is 120 days as of 31 March 2021 (31 December 2019: 37). The Directors consider that the carrying amount of trade payables approximates to their fair value. The Group's exposure to currency and liquidity risk related to the trade and other payables is disclosed in Note 37.

28 Share-based payment arrangements

At 31 March 2021 and 31 December 2019, the Group had an equity settled share-based payment program.

Description of share-based payment arrangements

On 1 January 2019, the Group established share-based award program that entitles key management personnel to receive shares in the Company based on the performance of the Company during the vesting period. Currently, this program is limited to key management personnel and other senior employees.

Shares issued under the LTIP are subject to a dilution limit of up to 3% over 10 years, which will be monitored by the Remuneration 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 appropriate authorities.

The key terms and conditions related to the grants under these programmes are as follows; all options are to be settled by the physical delivery of shares.

Grant date/employees entitled	Number of shares ('000)	Vesting conditions
Options granted to key management personnel		
		3 years' service from grant date 8.5% increase in EPS
On 1 January 2019	69	7.0% increase in TSR
On 1 January 2020	69	Same as above
On 1 January 2021	109	Same as above
Options granted to senior employees		
		3 years' service from grant date 8.5% increase in EPS
On 1 January 2019	135	7.0% increase in TSR
On 1 January 2020	137	Same as above
On 1 January 2021	119	Same as above
Total share options	**638**	

Measurement of fair values

The fair value of the employee share purchase plan has been measured using a Monte Carlo simulation. Service and non-market performance conditions attached to the arrangements were not taken into account in measuring fair value.

For the calculation of the fair value of the awards attached to the EPS non-market performance conditions, the valuation of the award is equal to the price of the share as at the grant date less the par value of each share.

The inputs used in the measurement of the fair values at grant date of the equity-settled share-based payment plans were as follows.

		Key management personnel	Senior employees	Key management personnel	Senior employees
		TSR		EPS	
Fair value at grant date	**2021**	**GBP 1.03**	**GBP 1.03**	**GBP 1.03**	**GBP 1.03**
Share price at grant date		**GBP 2.32**	**GBP 2.32**	**GBP 2.32**	**GBP 2.32**
Expected volatility		**58.5%**	**58.5%**	**N/A**	**N/A**
Expected life		**3 years**	**3 years**	**3 years**	**3 years**
Expected dividends		**0.0%**	**0.0%**	**N/A**	**N/A**
Risk-free interest rate (based on government bonds)		**0.63%**	**0.63%**	**N/A**	**N/A**
Fair value at grant date	2020	GBP 1.85	GBP 1.85	GBP 1.85	GBP 1.85
Share price at grant date		GBP 2.39	GBP 2.39	GBP 2.39	GBP 2.39
Expected volatility		58.5%	58.5%	N/A	N/A
Expected life		3 years	3 years	3 years	3 years
Expected dividends		0.0%	0.0%	N/A	N/A
Risk-free interest rate (based on government bonds)		0.63%	0.63%	N/A	N/A
Fair value at grant date	2019	GBP 2.22	GBP 2.22	GBP 3.50	GBP 3.50
Share price at grant date		GBP 3.98	GBP 3.98	GBP 3.98	GBP 3.98
Expected volatility		44.2%	44.2%	N/A	N/A
Expected life		3 years	3 years	3 years	3 years
Expected dividends		0.0%	0.0%	N/A	N/A
Risk-free interest rate (based on government bonds)		0.76%	0.76%	N/A	N/A

Under IFRS 2, historical volatility as at the valuation date is expected to be calculated from historic price data for a period commensurate with the expected life of the award, but this was not possible hence the Group is a newly public listed company with only 2 years historical data as of grant date. Per IFRS 2 guidance for newly listed entities we have computed historical volatility for the longest available period. Additionally, for a group of select peer companies indicated to us by management, we have considered whether the pattern and level of volatility in the 1.6 years since listing reasonably reflected a longer period. We found in all cases the volatilities from the first 1.6 years of share price data were close approximations of a longer-run volatility. Full details may be found in the Appendix A. We Note that our volatility estimate falls within the range of peer group volatilities when they were newly-listed.

Expected volatility has been based on an evaluation of the historical volatility of the Company's share price, particularly over the historical period commensurate with the expected term. The Group has 1.6 years of share price data. Accordingly, for a group of select peer companies indicated by management, the pattern and level of volatility in the 1.6 years since listing reasonably reflected a longer period. Volatility estimate falls within the range of peer group volatilities when they were newly-listed.

At 31 March 2021, a total amount of USD 239 thousand (2019: USD 239 thousand) was provided by the Group to key management personnel and senior employees and has been included in 'employee benefits'.

None of the existing stocks can be exercised during the year due to the vesting period. No new issue of stocks has been made during the year.

Expense recognised in profit or loss

For details of the related employee benefit expenses, see Note 29.

29 Employee benefits

Under Turkish Labour Law, the Group is required to pay termination benefits to each employee who has completed certain years of service and whose employment is terminated without due cause, who is called up for military service, dies or retires after completing 25 years of service and in addition reaches the retirement age (58 for women and 60 for men).

The amount payable consists of one month's salary limited to a maximum of USD 917 for each year of service at 31 March 2021 (31 December 2019: USD 1,074).

Retirement pay liability is not subject to any kind of funding legally. Provision for retirement pay liability is calculated by estimating the present value of probable liability amount arising due to retirement of employees. IAS 19 Employee Benefits stipulates the development of a company's liabilities by using actuarial valuation methods under defined benefit plans. In this direction, actuarial assumptions used in calculation of total liabilities are described as follows:

Ceiling amount of USD 1,143 which is in effect since 1 January 2019 is used in the calculation of the Group's provision for retirement pay liability for the year ended 31 March 2021 (1 January 2019: USD 1,144). The principal statistical assumptions used in the calculation of the total liability in the accompanying consolidated financial statements at 31 March 2021 and 31 December 2019 were as follows:

	2021	2019
Discount rate	**4,67%**	4.67%
Turnover rate for the expectation of retirement probability	**92% - 100%**	92% - 100%

Movements in the reserve for employee termination indemnity during the 15 months ended 31 March 2021 and the year ended 31 December 2019 comprised the following:

(USD'000)	**2021**	2019
1 January	**869**	797
Included in profit or loss		
Current service costs	**50**	139
Interest cost (income)	**24**	21
Disposal group	**(622)**	–
Included in OCI		
Actuarial loss/(gain)	**156**	40
Other		
Benefits paid	**(32)**	(32)
Foreign currency translation differences	**(101)**	(96)
31 March/31 December	**344**	869

30 Provisions

Non-current (USD'000)	**As at 31 March 2021**	As at 31 December 2019
Nassau Ancillary contribution provision*	**9,061**	10,395
Replacement provisions for Creuers**	**8,429**	6,925
Legal provisions***	**3,000**	–
Italian Ports Concession fee provisions****	**731**	855
Total	**21,221**	18,175

* As part of agreement between NCP and Government of Bahamas entered in 2019 (see Note 32(c)), ancillary contributions will be made to local community to increase the wealth of people of Bahamas. These payments will be made as grant and partly as interest free loan. Therefore, a provision is provided for ancillary contributions based on Management's best estimate of these payments.

** As part of the concession agreement between Creuers and the Barcelona and Malaga Port Authorities entered in 2013 (see Note 32(c)), the Company has an obligation to maintain the port equipment in good operating condition throughout its operating period, and in addition return the port equipment to the Port Authorities in a specific condition at the end of the agreement. Therefore, replacement provisions have been recognised based on Management's best estimate of the potential capital expenditure required to be incurred in order to replace the port equipment assets in order to meet this requirement.

During 2018, the Group engaged an expert to provide an updated estimate of the likely capital expenditure required to replace the port equipment assets. This estimate was significantly lower than previous estimates, which were based on the estimates at the start of the concession updated for specific known events in subsequent periods, related to a reduction in the number of components of the port equipment and infrastructure that would require replacement. As a result, an amount of USD 12,210 thousand was released from the provision in 2018.

*** Refer Note 32 (a) for detailed explanation on legal provisions.

**** On 16 December 2009, Ravenna Port Authority and Ravenna Terminal Passeggeri S.r.l. ('RTP') entered into an agreement regarding the operating concession for the Ravenna Passenger Terminal which terminated on 27 December 2019. RTP had an obligation to pay a concession fee to the Port Authority of EUR 86 thousand per year until end of concession. The expense relating to this concession agreement is recognised 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 EUR 135 thousand per year until end of concession. The expense relating to this concession agreement is recognised 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 S.r.l ('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 EUR 44 thousand per year until end of concession. The expense relating to this concession agreement is recognised on a straight-line basis over the concession period, giving rise to an accrual in the earlier years.

Current (USD'000)	**As at 31 March 2021**	As at 31 December 2019
Nassau Ancillary contribution provision	**3,320**	–
Legal provisions*	**3,118**	1,295
Unused vacation	**258**	276
Italian Ports Concession fee provisions	**156**	243
Other	**788**	229
Total	**7,640**	2,043

* Refer Note 32 (a) for detailed explanations on legal provisions.

For the year ended 31 March 2021, the movements of the provisions as below:

	Replacement provisions for Creuers	Italian Ports Concession fee provision	Nassau Ancillary contribution provision	Unused vacations	Legal	Other	Total
Balance at 1 January 2020	6,925	1,098	10,395	276	1,295	229	20,218
Charged during the period	793	–	199	141	6,193	720	8,046
Provisions created	–	–	3,137	–	–	–	3,137
Provisions utilised	–	–	(1,350)	–	–	–	(1,350)
Disposal group	–	–	–	(86)	(1,277)	–	(1,363)
Reversal of provisions	–	(271)	–	(11)	–	(23)	(305)
Unwinding of provisions	359	45	–	–	–	4	408
Currency translation difference	352	15	–	(62)	(93)	(142)	570
Balance at 31 March 2021	8,429	887	12,381	258	6,118	788	28,861
Non-current	8,429	731	9,061	–	3,000	–	21,221
Current	–	156	3,320	258	3,118	788	7,640
	8,429	887	12,381	258	6,118	788	28,861

31 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 (please refer to the glossary of APMs). There are no other transactions that can result in dilution of the earnings per share or adjusted earnings per share (please refer to the glossary of APMs).

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

(USD'000)	**2021**	2019
Profit attributable to owners of the Company	**(80,313)**	(18,558)
Weighted average number of shares	**62,826,963**	62,826,963
Basic and diluted earnings/(loss) per share with par value of GBP 0.01 (cents per share)	**(127.8)**	(29.5)
Profit attributable to owners of the Company	**(93,219)**	(28,436)
Weighted average number of shares	**62,826,963**	62,826,963
Basic and diluted earnings/(loss) per share with par value of GBP 0.01 (cents per share)	**(148.4)**	(45.3)

32 Commitments and contingencies

(a) Litigation

There are pending lawsuits that have been filed against or by the Group. Management of the Group assesses the possible results and financial effects of these lawsuits at the end of each period and as a result of these assessments, the required provisions are recognised for the possible expenses and liabilities. The total provision amount that has been recognised as at 31 March 2021 is USD 6,118 thousand (31 December 2019: USD 1,295 thousand).

The information related to the significant lawsuits that the Group is directly or indirectly a party to, is outlined below:

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 30 September, 2010. Although the Standpoint has established a precedent that has applied to the claims for the period after 30 September, 2010; there are various cases pending for claims related to the period of 1 October, 2009 – 30 September, 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. On May 17, 2021, the Supreme Court dismissed Port of Adria's case and confirmed and accepted the applicability of the conflicting articles of the collective bargaining agreement in terms of employees' lawsuits for employees.

As of 31 March 2021, the Group has allocated a provision expense of USD 3,067 thousand for this lawsuit in its consolidated financial statements (Note 30).

On 24 July 2020, the Competition Authority initiated an investigation against Ortadoğu Liman, Metlog Lojistik Gemicilik Turizm A.Ş., and MSC Gemi Acenteliği A.Ş., due to an alleged breach of Article 4 and 6 of the Law on the Protection of Competition, Law No. 4054 ('Competition Law'). Port Akdeniz has engaged legal representation and submitted a full defence against all allegations on 14 September 2020. As a result of such defence, all allegations pertaining to the breach of Article 4 have been dropped by the Competition Authority, however, in the investigation report received on 2 August 2021, the Competition Authority has alleged that Ortadoğu Liman has alleged that Ortadoğu Liman has engaged in exclusionary abuse in breach of Article 6 of the Competition Law. Whole process before the Competition Authority may take up to an additional 6 to 12 months (excluding the possibility to file an administrative lawsuit against a negative decision of the Competition Authority).

At this stage, the claim has not matured, and it depends on the decision of the Competition Authority and based on the defence against the claims. The course of the process remains uncertain. The aforementioned investigation report refers a potential monetary fine ranging from 0.5% to 3.0% of Ortadoğu Liman's annual revenue in the year prior to the final decision. At this stage, a reasonable estimation cannot be made on the liability related to potential claims, accordingly no provision is recognised.

Ortadoğu Liman has been sued for a service given to a commercial ship. Following the local court's decision accepting the claims of the ship owner, Ortadoğu Liman has filed an appeal against such decision.

As of 31 March 2021, the Group has allocated a provision expense of USD 3,000 thousand for this lawsuit in its consolidated financial statements (Note 30).

(b) Guarantees

As at 31 March 2021 and 31 December 2019, the letters of guarantee given comprised the following:

Letters of guarantee (USD'000)	2021	2019
Given to seller for the call option on APVS shares*	**5,168**	5,457
Given to Privatisation Administration/Port Authority	**2,562**	2,947
Other governmental authorities	**218**	5,715
Others	**115**	402
Total letters of guarantee	**8,063**	14,521

* Venetto Sviluppo ('VS'), 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 15 May 2017 and 15 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% to VS, which serves as a security of the full amount of the put option mentioned above.

Other collaterals are disclosed in Note 26.

(c) Contractual obligations

Ege Liman

The details of the TOORA ('Transfer of Operational Rights Agreement') dated 2 July 2003, executed by and between Ege Liman and OIB together with TDI are stated below:

The agreement allows Ege Liman to operate Ege Ports-Kuşadası for a term of 30 years for a total consideration of USD 24.3 million which has already been paid. Ege Liman's operation rights extend to port facilities, infrastructure and facilities which are either owned by the State or were used by TDI for operating the port, as well as the duty-free stores leased by the TDI. Ege Liman is entitled to construct and operate new stores in the port area with the written consent of the TDI.

Ege Liman is able to determine tariffs for Ege Ports- Kuşadası's port services at its own discretion without TDI's approval (apart from the tariffs for services provided to Turkish military ships).

The TOORA requires that the foreign ownership or voting rights in Ege Liman do not exceed 49%. Pursuant to the terms of the TOORA, the TDI is entitled to hold one share in Ege Liman and to nominate one of Ege Ports – Kuşadası's board members. Global Liman appoints the remaining board members and otherwise controls all operational decisions associated with the port. Ege Ports-Kuşadası does not have the right to transfer its operating rights to a third party.

Ege Liman is liable for the maintenance of the Port together with the port equipment in good repair and in operating condition throughout its operating right period. After the expiry of the contractual period, the real estate and the integral parts of it shall be surrendered to the Government at a specific condition, while the movable properties stay with Ege Liman.

Bodrum Liman

The details of the BOT Agreement dated 23 June 2004, executed by and between Bodrum Liman and the DLH are stated below:

Bodrum Liman had to construct the Bodrum Cruise Port in a period of 1 year and 4 months following the delivery of the land and thereafter, will operate the Bodrum Cruise Port for 12 years. The final acceptance of the construction was performed on 4 December 2007, and thus the operation period has commenced.

Bodrum Liman also executed an extension on prior Concession Agreement with the General Directorate of National Property on 15 November 2018 ('Bodrum Port Concession Agreement'). The BOT Agreement is attached to the Bodrum Port Concession Agreement and Bodrum Liman is entitled to use the Bodrum Cruise Port under these agreements for an extended period of 49 years starting from 31 December 2019. The BOT Agreement permits Bodrum Liman to determine tariffs for Bodrum Cruise Port's port services at its own discretion, provided that it complies with applicable legislation, such as applicable maritime laws and competition laws.

32 Commitments and contingencies continued

(c) Contractual obligations continued

Bodrum Liman was required to pay the Directorate General for Infrastructure Investments a land utilisation fee. This fee increases by Turkish Consumer Price index each year. With the extension signed, this fee will be revised yearly as per the agreement between Company and Directorate General.

Bodrum Liman is liable for the maintenance of the Port together with the port equipment in good repair and in operating condition throughout its operating right period. After the expiry of the contractual period, the real estate and the integral parts of it shall be surrendered to the Government at a specific condition, while the movable properties stay with Bodrum Liman.

Port of Adria

The details of the TOORA Contract dated 15 November 2013, executed by and between Global Liman and the Government of Montenegro and AD Port of Adria-Bar are stated below:

Global Liman will be performing services such as repair, financing, operation, maintenance in the Port of Adria for an operational period of 30 years (terminating in 2043).

Port of Adria has an obligation to pay to the Government of Montenegro (a) a fixed concession fee in the amount of EUR 500,000 per year; (b) a variable concession fee in the amount of EUR 5 per twenty-foot equivalent ('TEU') (full and empty) handled over the quay (ship-to-shore and shore-to-ship container handling), no fees are charged for the movement of the containers; (c) a variable concession fee in the amount of EUR 0.20 per ton of general cargo handled over the quay (ship-to-shore and shore-to-ship general cargo handling). However, pursuant to Montenegrin Law on Concessions, as an aid to the investor for investing in a port of national interest, the concession fee was set in the amount of EUR 1 for the period of three years starting from the effective date of the TOORA Contract. Tariffs for services are regulated pursuant to the terms of the concession agreement with the Montenegro port authority, where the maximum rates are subject to adjustments for inflation.

For the first three years of the agreement, Port of Adria had to implement certain investment and social programmes outlined in the agreement and had to commit EUR 13.6 million towards capital expenditure during that period. This included launching and investing EUR 6.5 million in certain social programmes at Port of Adria Bar such as retrenching employees, the establishment of a successful management trainee programme, and subsidising employees to attend training and acquire additional qualifications, as well as the provision of English lessons to employees. All the relevant investment requirements already performed by Port of Adria at the end of 2016.

Port of Adria is liable for the maintenance of the Port of Adria together with the port equipment in good repair and in operating condition throughout its operating right period. After the expiry of the contractual period, the real estate and the integral parts of it shall be surrendered to the Government of Montenegro at a specific condition, while the movable properties stay with Port of Adria.

Barcelona Cruise Port

The details of the TOORA Contract dated 29 July 1999, executed by and between Creuers del Port de Barcelona and the Barcelona Port authority are stated below:

Creuers del Port de Barcelona, S.A. ('Creuers') will be performing the management of port services related to the traffic of tourist cruises at the Port of Barcelona, as well as the development of commercial complementary activities corresponding to a seaport, in Adossat Wharf in Barcelona for an operational period of 27 years. The port operation rights for Adossat Wharf (comprised of Terminals A and B) terminates in 2030. The Port concession period can be extended automatically for three years provided that (i) Creuers has complied with all the obligations set forth in the Port Concession; and (ii) Creuers remains rendering port services on tourist cruises until the expiry of the extended term. Therefore, the concession the concession period is considered to be 30 years.

Creuers is liable for the maintenance of Adossat Wharf Terminals A and B, as well as ensuring that port equipment is maintained in good repair and in operating condition throughout its concession period. For the detailed maintenance and investment requirements, explained in the concession agreement, replacement provision has provided in the financials of the Company on the Note 30. After the expiry of the contractual period, the real estate and the integral parts of it shall be surrendered to the Barcelona Port Authority.

The concession is subject to an annual payment, which consisted of the following fees: (i) a fee for the occupancy of the public land at the port, (ii) a fee for the operation of public land for commercial activities, and (iii) a general service fee.

The details of the TOORA Contract dated 26 July 2003, executed by and between Creuers and the Barcelona Port authority are stated below:

Creuers will be performing the management of port services related to the traffic of tourist cruises at the Port of Barcelona, as well as the development of commercial complementary activities corresponding to a seaport, in WTC Wharf in Barcelona for an operational period of 27 years. The port operation rights for the World Trade Centre Wharf (comprised of Terminals N and S) terminate in 2027. However, the Port concession period can be extended automatically for three years provided that (i) Creuers has complied with all the obligations set forth in the Port Concession; and (ii) Creuers remains rendering port services on tourist cruises until the expiry of the extended term. Therefore, the concession period is considered as 30 years. Creuers is liable for the maintenance of Adossat Wharf Terminals N and S together with the port equipment in good repair and in operating condition throughout its operating right period. After the expiry of the contractual period, the real estate and the integral parts of it shall be surrendered to the Barcelona Port Authority.

Malaga Cruise Port

The details of the TOORA Contract dated 9 July 2008, executed by and between Cruceros Malaga and the Malaga Port authority are stated below:

Cruceros Málaga, S.A. obtained an administrative concession to occupy the Levante Terminal of the Malaga Port and its exploitation, for a 30-year period, terminating in 2038. The concession term can be extended for up to fifteen years, in two terms of 10 and 5 additional years (extending the total concession period to 45 years), due to an amendment to the Malaga Levante Agreement approved by the Malaga Port Authority in its resolution dated 28 October 2009. These extensions require (i) the approval by the Malaga Port Authority and (ii) Cruceros Malaga to comply with all of the obligations set forth in the concession. Cruceros will perform passenger services, terminal usage and luggage services, as well as undertake general maintenance of the Levante Terminal. Cruceros is responsible for ensuring that the port equipment is maintained in good repair and operating condition throughout the concession term.

The concession is subject to an annual payment, which consisted of the following fees: (i) a fee for the occupancy of the public land at the port, and (ii) a fee for the operation of public land for commercial activities.

The details of the TOORA Contract dated 11 December 2011, executed by and between Cruceros Malaga and the Malaga Port authority are stated below:

Cruceros Málaga, S.A. obtained an administrative concession to occupy El Palmeral Terminal of the Malaga Port and its exploitation, for a 30-year period, terminating in 2042. Cruceros will perform passenger services, terminal usage and luggage services, as well as undertake general maintenance of the El Palmeral Terminal. Cruceros is responsible for ensuring that the port equipment is maintained in good repair and operating condition throughout the concession term.

The concession is subject to an annual payment, which was EUR 154,897 in 2016, which consisted of the following fees: (i) a fee for the occupancy of the public land at the port, and (ii) a fee for the operation of public land for commercial activities.

Valletta Cruise Port

On 22 November 2001, VCP signed a deed with the Government of Malta by virtue of which the Government granted a 65-year concession over the buildings and lands situated in Floriana, which has an area of 46,197 square metres ('sqm'). VCP will perform operation and management of a cruise liner passenger terminal and an international ferry passenger terminal together with complementary leisure facilities. The area transferred is used as follows: retail 6,854sqm, office 4,833sqm, terminal 21,145sqm and potential buildings 13,365sqm.

A ground rent is payable by Valletta Cruise Port to the Government of Malta. At the end of each 12 months period, VCP is required pay to the Government of Malta (a) 15% of all revenue deriving from the letting of any buildings or facilities on the concession site for that 12-month period, and (b) 10% of revenue deriving from passenger and cruise liner operations, subject to the deduction of direct costs and services from the revenue upon which 10% fee is payable.

32 Commitments and contingencies continued

(c) Contractual obligations continued

Ravenna Passenger Terminal

On 19 December 2009, Ravenna Terminal Passeggeri S.r.l ('RTP') signed a deed with the Ravenna Port Authority by virtue of which the Port Authority granted a 10-year concession over the passenger terminal area situated within Ravenna Port. RTP will perform operation and management of a cruise passenger terminal in the area. As at the end of 2020, Port Authority extended the concession period by one year until December 2021.

A fixed rent is payable by RTP to the Port Authority in the sum of EUR 895,541.67 during the concession period. The repayment of the total amount is presented as EUR 3,000 for the year 2009, EUR 28,791.67 for the year 2010 and the remaining EUR 863,750 overall for the years 2011 to 2020.

Catania Cruise Terminal

On 18 October 2011, Catania Cruise Terminal SRL ('CCT') signed a deed with the Catania Port Authority by virtue of which the Port Authority granted a 15-year concession over the passenger terminal area situated on Catania City Center. CCT will perform operation and management of a cruise passenger terminal in the area.

A fixed rent is payable by CCT to the Port Authority in the sum of EUR 135,000.00 for each year during the concession period.

Cagliari Cruise Terminal

On 14 January 2013, Cagliari Cruise Port S.r.l ('CCP') signed a deed with the Cagliari Port Authority by virtue of which the Port Authority granted a 15-year concession over the passenger terminal area situated within Cagliari Port. CCT will perform operation and management of a cruise passenger terminal in the area.

A fixed rent is payable by CCP to the Port Authority in the sum of EUR 44,315.74 for each year during the concession period.

Nassau Cruise Port

On 28 August 2019, Nassau Cruise Port Ltd ('NCP') signed a port operation and lease agreement ('POLA') with the Government of The Bahamas by virtue of which the Government of The Bahamas granted a 25-year concession over the passenger terminal area situated within Nassau Cruise Port. The 25-year period will start from the completion of the redevelopment project. Effective from 9 October 20219, NCP manages and operates Nassau Cruise Port at Prince George Wharf, Nassau, The Bahamas. NCP will invest an amount of USD 250 million in expanding the capacity of the port. Investment amount also includes ancillary contributions made to local community to increase the wealth of people of Bahamas. These payments will be made as grant and partly as interest free loan.

The first phase of the construction has started in November 2020 and is anticipated to be completed within 20 months. The second phase of the construction is anticipated to start in the third quarter of 2021 and be finalised by the end of 2022. Once construction has been completed total revenues are expected to be in the range of USD 35-40 million per annum.

Pursuant to the POLA, variable fee payment based on the number of passengers is made to the Government of The Bahamas starting from 9 October 2019. Until the redevelopment project is completed, a minimum fixed fee will be payable to the Government of The Bahamas amounting to USD 2 million. The minimum variable fee will be increased to USD 2.5 million from construction end date until the end of concession per annum.

Antigua Cruise Port

On 31 January 2019, GPH (Antigua) Ltd signed a concession agreement with the Government of Antigua and Barbuda and Antigua and Barbuda Port Authority by virtue of which it is granted with a 30-year concession over the passenger terminal area situated within Antigua Cruise Port. Effective from 23 October 2019, GPH (Antigua) Ltd has assumed the operation and management of the cruise port in St John's, Antigua and Barbuda.

As part of its obligations under the concession agreement, GPH (Antigua) Ltd. has repaid the existing bond of USD 21 million and invested an additional of USD 22 million to complete the new pier and dredging works to accommodate the largest cruise ships in the world. All such investments have been partially financed through non-recourse project finance and the Group's cash equity contribution of 27.5% at financial close. A variable fee payment based on the number of passengers will be made to the contracting authority with a minimum fee guarantee. From the 21st year of the concession, GPH (Antigua) Ltd. will pay a share of its annual revenue to the contracting authorities.

33 Leases

Lease as lessee (IFRS 16)

The Group entered into various operating lease agreements. In the periods presented, the Group's main operating lease arrangements as lessee are the port rent agreement of Valletta Cruise Port until 2066, Port of Adria until 2043, Creuers until 2033, Cruceros until 2043, Zadar Cruise Port until 2039, Antigua Cruise Port until 2049 and Bodrum Liman until 2067. Part of the concession agreements of Creuers and Cruceros relating to the occupancy of the public land at the port and the operation of public land for commercial activities, which are out of scope of IFRIC-12, have been accounted for under IFRS 16 – Leases.

The Company has a leasing agreement to rent its office at third floor offices at 34 Brook Street London. This lease has no purchase options and escalation clauses.

Right-of-use assets

Right-of-use assets related to leased properties that do not meet the definition of investment property are presented separately.

(USD'000)	**As at 31 March 2021**	As at 31 December 2019
Balance at the beginning of the year/from initial application of IFRS 16	**81,123**	58,983
Depreciation charge for the year	**(3,963)**	(2,382)
Additions to right-of-use assets	**8,279**	25,601
Disposal group	**(49)**	–
Currency translation differences	**2,079**	(1,079)
Balance at year-end	**87,469**	81,123

The Company has created right of use asset for Antigua Cruise Port after acquisition. A variable fee payment based on the number of passengers will be made to the Port Authority with a minimum fee guarantee. From the 21st year of the concession, ACP will pay a share of its annual revenue annually to the Port Authority. Company has repaid outstanding loan amounting to USD 21,000 thousand on the initial acquisition date. The Company has recognised the loan and the discounted future payments as right of use asset and recognised an equivalent lease liability.

Amounts recognised in profit or loss

(USD'000)	**As at 31 March 2021**	As at 31 December 2019
Interest on lease liabilities	**(2,811)**	(2,385)
Expenses relating to short-term leases	**–**	(75)

Amounts recognised in statement of cash flows

(USD'000)	**As at 31 March 2021**	As at 31 December 2019
Total cash outflow for leases	**(3,922)**	(3,066)

Extension options

All concession agreements contain extension options exercisable by the Group. These options are exercisable with the submission of the extension request by the Group before expiry of current concession agreements. Extendable rights vary based on the country regulations, and current concession period. Extension options are evaluated by management on contract basis, and the decision is based on the Port's performance, and possible extension period. Extension options in concession agreements are being provided for the continuation of the port's operations. The extension options held are exercisable only by the Group and in some agreements subject to approval of the grantor. Accordingly, the Group includes only already signed contract periods for the concession life.

The Group has estimated that the potential future lease payments, should it exercise all extension options, would result in an increase in lease liability of USD 3,177 thousand (2019: USD 3,006 thousand).

33 Leases continued

Lease as lessor

The Group's main operating lease arrangements as lessor are various shopping centre rent agreements of Ege Port, Bodrum Cruise Port, Valletta Cruise Port, Barcelona Cruise Port, Malaga Cruise Port, Zadar Cruise Port, and Antigua Cruise Port. All leases are classified as operating leases from a lessor perspective.

The following table sets out a maturity analysis of lease receivables, showing the payments to be received after the reporting date.

(USD'000)	**As at 31 March 2021**	As at 31 December 2019
Less than one year	**4,511**	3,008
One to two years	**1,381**	2,075
Two to three years	**1,226**	1,843
Three to four years	**824**	1,432
Four to five years	**506**	1,175
More than five years	**204**	5,036
Total	**8,652**	14,569

During the 15 months ended 31 March 2021, USD 4,240 thousand (31 December 2019: USD 10,767 thousand) was recognised as rental income in the consolidated income statement and other comprehensive income.

34 Investment Property

See accounting policy in Note 3(l).

Reconciliation of carrying amount

(USD'000)	**As at 31 March 2021**	As at 31 December 2019
Balance at the beginning of the year	**2,139**	–
Recognition of right-of-use asset on initial application of IFRS 16	**–**	2,250
Depreciation charge for the year	**(58)**	(59)
Currency translation differences	**117**	(52)
Balance at the end of the year	**2,198**	2,139

Investment property comprises Valletta Cruise Port's commercial property that is leased to third parties. Further information about these leases is included in Note 33.

35 Service concession arrangement

(i) Creuers

The port operation rights, which belongs to Creuers, recognised under intangible assets represents fixed asset elements built or acquired from third parties to adapt Sea Stations North and South of the World Trade Center and A and B of the Adossat Wharf of Port of Barcelona, according to administrative concession contracts to adapt and exploit such terminals in order to render the basic passengers' boarding and disembarkation port services and luggage and vehicle loading and unloading under passage system on cruise terminals.

The intangible model is applied to such agreements, since the consideration received consists on the right to collect the corresponding rates on the basis of the usage degree of the public service. Rates applied by Creuers are annually reviewed and approved by the Port Authorities of Barcelona. The intangible asset represents the right to charge users a fee for use of the terminal.

The administrative concession contracts signed between the Port Authorities of Barcelona and Creuers are described below:

- Contract to adapt the Sea Station and render the tourist cruise port service of North and South terminals of the World Trade Center, signed for a 27-year period from its granting date, in October 1999.
- Contract to adapt the Sea Station A and B of the Adossat Wharf of Port of Barcelona and render the tourist cruise port service signed for a 27-year period from its granting date, in May 2003.

The Creuers' main actions in relation to the adaptation of the Sea Station refer to the construction of a building, fixed fixtures and equipment of terminals for their exploitation under the terms contemplated on concession agreements.

On the basis of obligations assumed on the concession agreement, the corresponding provision for reposition and large repair actions is recorded (Note 30).

(ii) Cruceros

The port operation rights, which belongs to Cruceros, recognised under intangible assets represents fixed asset elements built or acquired from third parties to adapt Maritime Station Levante and Maritime Station El Palmeral of Port of Malaga, according to administrative concession contracts to adapt and exploit such terminals in order to render the basic passengers' boarding and disembarkation port services and luggage and vehicle loading and unloading under passage system on cruise terminals.

The intangible model is applied to such agreements, since the consideration received consists on the right to collect the corresponding rates on the basis of the usage degree of the public service. Rates applied by Cruceros are annually reviewed and approved by the Port Authority of Malaga. The intangible asset represents the right to charge users a fee for use of the terminal

The administrative concession contracts signed between the Port Authority of Malaga and Cruceros are described below:

- Contract for transforming the authorisation to occupy and operate the 'Terminal Marítima de Levante' signed for a 30-year period from its granting date, in February 2008.
- Contract to adjust the maritime station and install a mobile walkway in dock no. 2, and operation of the whole in the Port of Malaga signed for a 30-year period from its granting date, in December 2011.

The Cruceros' main actions in relation to the adaptation of the Maritime Station Levante refer to the construction of a building, fixed fixtures and equipment of terminals for their exploitation under the terms contemplated on concession agreements.

On the basis of obligations assumed on the concession agreement, the corresponding provision for reposition and large repair actions is recorded (Note 30).

(iii) Ravenna

The port operation rights, which belongs to Ravenna, recognised under intangible assets represents acquired from third parties to operate Ravenna Cruise Port, according to administrative concession contracts to adapt and exploit such terminals in order to render the basic passengers' boarding and disembarkation port services and luggage and vehicle loading and unloading under passage system on cruise terminals.

The intangible model is applied to such agreements, since the consideration received consists on the right to collect the corresponding rates on the basis of the usage degree of the public service. Rates applied by Ravenna are annually reviewed and approved by the Port Authority of Ravenna. The intangible asset represents the right to charge users a fee for use of the terminal.

The administrative concession contracts signed between the Port Authority of Ravenna and Ravenna Passenger Terminal Srl are described below:

- Contract to operate Ravenna Cruise Port and render the tourist cruise port service of Port of Ravenna, signed for a 10-year period from its granting date, in December 2009.

On the basis of obligations assumed on the concession agreement, the corresponding provision for yearly payments are recorded (Note 30).

(iv) Catania

The port operation rights, which belongs to Catania, recognised under intangible assets represents fixed asset elements acquired from third parties to operate Catania Cruise Terminal, according to administrative concession contracts to adapt and exploit such terminals in order to render the basic passengers' boarding and disembarkation port services and luggage and vehicle loading and unloading under passage system on cruise terminals.

35 Service concession arrangement continued

(iv) Catania continued

The intangible model is applied to such agreements, since the consideration received consists on the right to collect the corresponding rates on the basis of the usage degree of the public service. Rates applied by Catania are annually reviewed and approved by the Port Authority of Catania. The intangible asset represents the right to charge users a fee for use of the terminal.

The administrative concession contracts signed between the Port Authority of Catania and Catania Cruise Terminal Srl are described below:

- Contract to operate Catania Cruise Terminal and render the tourist cruise port service of Port of Catania, signed for a 15-year period from its granting date, in June 2011.

On the basis of obligations assumed on the concession agreement, the corresponding provision for yearly payments are recorded (Note 30).

(v) Nassau Cruise Port

The port operation rights, which belongs to NCP, recognised under intangible assets represents fixed asset elements built to adapt new Cruise Passenger Terminals described on Note 32. Nassau Cruise Port was awarded exclusive long-term operational rights for a period of twenty-five (25) Years in respect of the redevelopment, operations, management and maintenance of the Port.

The intangible model is applied to such agreements, since the consideration received consists on the right to collect the corresponding rates on the basis of the usage degree of the public service.

The details of Port Operation and Lease Agreement signed between Government of Bahamas (‘GOB’) and NCP are described below:

- Company will create recreational, entertainment, shopping and food & beverages spaces for Bahamians, tourists and other visitors. The Company will finance and procure the design and construction of the Works. The Company anticipates that the Project will require an investment approximately in the region of two hundred and fifty million US dollars (USD 250,000,000).
- GoB grants to the Company during the concession period the exclusive right and privilege at the Port to use the Port and to operate, repair and maintain, the Port Superstructure, and to use the Port Infrastructure, to optimise the operations, commercial activities and ancillary facilities at the Port.
- The Passenger Facility and the Port Facility Charges, main revenue streams of the Company, are subject to annual reviews and adjustments by NCP. Further changes to Passenger Facility and Port Facility charges will be subject to the approval of Grantor.
- The Company may request to extend the Initial Term no later than 24 Months prior to expiry of the Initial Term. If grantor agrees on the terms and conditions of an extension, then the Term will be extended for a further period of fifteen (15) Years starting from the expiry of the Initial Term.

The obligations under the concession arrangements include fixed and variable fees. The obligation for payment of fixed fees are recognised as financial liabilities. Financial liabilities recognised are measured at amortised cost using effective interest method.

All other ports within the Group, namely Valletta, Cagliari, Port of Adria, Port Akdeniz, Ege Port, Bodrum Cruise Port and Antigua Cruise Port are out of scope of IFRIC-12.

36 Related parties

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

Related parties	Relationship
Mehmet Kutman	Chairman and ultimate controlling party
Ayşegül Bensel	Shareholder of ultimate Parent Company
Global Yatırım Holding	Ultimate Parent Company
Global Ports Holding BV	Parent Company
Global Sigorta Aracılık Hizmetleri A.Ş. (‘Global Sigorta’)	Ultimate Parent Company’s subsidiary
IEG Kurumsal Finansal Danışmanlık A.Ş. (‘IEG Global’)	Ultimate Parent Company’s subsidiary
Global Menkul Değerler A.Ş. (‘Global Menkul’)	Ultimate Parent Company’s subsidiary
Adonia Shipping	Ultimate Parent Company’s subsidiary
Naturel Gaz	Ultimate Parent Company’s subsidiary
Straton Maden	Ultimate Parent Company’s subsidiary
Goulette Cruise Holding	Joint-venture
LCT – Lisbon Cruise Terminals, LDA (‘LCT’)	Equity accounted investee

The Company has suspended its pursuit of a Premium Listing on the London Stock Exchange and agreed to terminate the Relationship Deed with GIH on 13 July 2020. These decisions have been taken in order to strengthen the Company’s ability to respond to challenges created by ongoing Covid-19 disruption to the global travel sector and the economies in which the Group operates and provide additional options and flexibility for intercompany support by ultimate Parent Company.

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

As at 31 March 2021 and 31 December 2019, current receivables from related parties comprised the following:

Current receivables from related parties (USD’000)	**2021**	2019
Global Yatırım Holding	**–**	312
Adonia Shipping*	**6**	59
Straton Maden*	**66**	67
IEG Global	**–**	56
Global Menkul	**6**	–
Global Ports Holding BV	**4**	4
LCT	**22**	44
Other Global Yatırım Holding Subsidiaries	**220**	229
Total	**324**	771

Non-current receivables from related parties (USD’000)	**2021**	2019
Goulette Cruise Holding**	**8,125**	6,811
	8,125	6,811

* These amounts are related with the work advances paid related with the services taken on utilities by Group Companies. The charged interest rate is 16.75% as at 31 March 2021 (31 December 2019: 11,75%).

** Company is financing its Joint venture for the payment of La Goulette Shipping Company acquisition price with a maturity of 5 years with bullet repayment at the end of term. Yearly interest up to 8% (2019: 4.5%) is accruing and paid at maturity.

Due to related parties

As at 31 March 2021 and 31 December 2019, current payables to related parties comprised the following:

Current payables to related parties (USD’000)	**2021**	2019
Mehmet Kutman	**827**	545
Global Sigorta*	**154**	527
Global Yatırım Holding	**129**	–
Ayşegül Bensel	**102**	154
Other Global Yatırım Holding Subsidiaries	**41**	91
Total	**1,253**	1,317

* These amounts are related to professional services received. The charged interest rate is 17.50% as at 31 March 2021 (31 December 2019: 12,50%).

36 Related parties continued

Transactions with related parties

For the years ended 31 March 2021 and 31 December 2019, transactions with other related parties comprised the following:

	2021			2019		
(USD'000)	**Rent income**	**Interest received**	**Other**	Rent income	Interest received	Other
Global Yatırım Holding	**265**	**–**	**106**	203	–	128
Total	**265**	**–**	**106**	203	–	128

	2021		2019	
(USD'000)	**Project expenses**	**Other**	Project expenses	Other
Global Yatırım Holding	**276**	**83**	920	138
Global Menkul	**–**	**1**	–	1
Total	**276**	**84**	920	139

As one of steps to expand the operations of the Group, a Port Operating License Agreement ('POLA') for Nassau Cruise Port was signed in 2019. During the period of the contract negotiation, the Group signed a contract with Turquoise Advisory Limited ('TAL'), which is a related party of the Group as it is owned by the General Manager and one of the Board members of NCP, being key management personnel. A contract was signed for the preparation of proposals for the port tender, negotiation of the POLA, realisation of the final partnership and financing structure, obtaining all the permits for the project, and taking an active role and providing assistance in all processes including project debt financing.

The scope of the agreement was created by the Group with the aim of achieving the successful execution of the NCP venture (including financial and construction processes), and a success premium of USD 7.500 thousand was envisaged as a fair value of the payment to TAL, considering the economic impact of the project, in return for the successful completion of the terms of the POLA. Due to the fact that the project finance and construction approval and permission processes had not been met as of the 31 December 2019, no success premium was accruedat that time. The success premium was paid in the year of 2020 after the completion of the construction permit and acceptance processes, which are the integral elements of the contract, and the successful completion of the construction and financing.

The scope of the agreement was created by the Group with the aim of achieving the successful execution of the NCP venture (including financial and construction processes), and a success premium of USD 7,500 thousand was envisaged as a fair value of the payment to TAL, considering the economic impact of the project, in return for the successful completion of the terms of the POLA. Due to the fact that the project finance and construction approval and permission processes had not been met as of the 31 December 2019, no success premium was accrued, at that time. The success premium was paid in the year of 2020 after the completion of the construction permit and acceptance processes, which are the integral elements of the contract, and the successful completion of the construction and financing.

Apart from this agreement, the Group also signed a Consultancy agreement with TAL. Under this contract, TAL will help create new revenue streams for the various aspects of the project and for NCP during the lifetime of the POLA. The price of this contract was subsequently determined as 500 thousand USD annually, but later on, this contract was subsequently revised retrospectively to be effective as of May 2020, by mutual agreement of the parties.

Business meetings were held between the parties prior to the signing date of the above-mentioned contracts, and since 2017, individual collaborations have been carried out with these individuals. When the situation that the said joint work could not be concluded with a partnership institution in the year of 2019, the above-mentioned contracts were signed at the discretion of the services they have done and will perform.

NCP issued bonds on 10 May 2020 for the financing of its construction works related to port development. The total value of the bonds issued at that date amounted to USD 125 million with an interest rate of 8% (for details see Note 26). The YES Foundation, 2% minority shareholder of NCP has bought bonds amounting to USD 1.35 million at the issuance. As of 31 March 2021, these bonds were still held by the YES foundation.

Global Gemicilik was working as an ancillary service provider to Port Akdeniz. Inline with the sale of Port Akdeniz, this company was sold at book value to the Parent Company Global Yatırım Holding.

For the year ended 31 March 2021, GPH has not distributed any dividend to Global Yatırım Holding (31 December 2019: USD 17,318 thousand).

Transactions with key management personnel

Key management personnel comprised the members of the Board and GPH's senior management. For the 15 months ended 31 March 2021 and the year 31 December 2019, details of benefits to key management personnel comprised the following:

(USD'000)	**2021**	2019
Salaries	**3,446**	3,070
Attendance fees to Board of Directors	**471**	172
Bonus	**9**	361
Termination benefits	**25**	5
Total	**3,951**	3,608

37 Financial risk management

Overview

The Group has exposure to the following risks from its use of financial instruments:

- credit risk;
- liquidity risk; and
- market risk.

This Note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout this consolidated financial statements.

Financial risk management objectives

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Capital risk management

The Group seeks to provide superior returns to its shareholders, and ensure that it is not overly dependent upon short and medium term debt that might not be available at renewal. Maintaining the flexibility to invest for growth is a key capital management consideration. The Group manages its capital structure and reacts to changes in economic conditions by varying returns to shareholders, issuing new shares or increasing or reducing borrowings.

The Group is not exposed to any externally imposed capital requirements. The total capital structure of the Group consists of net loans and borrowings (as detailed in Note 26 offset by cash and cash equivalents) and equity of the Group (comprising share capital, share premium, legal reserves and retained earnings (as detailed in Note 24).

To maintain the financial strength to access new capital at reasonable cost. The Group monitors its net leverage ratio which is operating net loans and borrowings to Adjusted EBITDA. The Group is also mindful of potential impacts on the key metrics employed by the credit rating agencies in considering increases to its borrowings. The Group is comfortably in compliance with its bank facility ratio covenants and these measures do not inhibit the Group's operations or its financing plans.

(USD'000)	**2021**	2019
Gross debt	**548,934**	452,990
Cash and bank balances	**(170,599)**	(63,780)
Short term financial investments	**(63)**	(71)
Net debt	**378,272**	389,139
Equity	**86,563**	155,263
Net debt to Equity ratio	**4.37**	2.51

37 Financial risk management continued

Credit risk

Trade receivables and contract assets

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers. Management has a credit risk policy in place to monitor the exposure to credit risk on an ongoing basis. The Group has the ability to receive collateral for its financial assets. Furthermore, the Group obtains letters of guarantee or similar collaterals from third parties for specific agreements and projects, if necessary. Regarding the credibility of the counterparty, letters of guarantee or advance payments are received as collateral for trade receivables from port operations. Within the context of credit risk policies described in this paragraph, the Group does not have significant credit risk from port operations.

Over 85% of the Group's customers have transactions with the Group for over four years and the Group has not suffered any credit loss in respect of these customers. The Group does not require collateral in respect of trade and other receivables. The Group does not have trade receivable and contract assets for which no loss allowance is recognised because of collateral.

At 31 March 2021 and 31 December 2019, the exposure to credit risk for trade receivables and contract assets by Country was as follows:

	Carrying amount	
(USD'000)	**2021**	2019
Turkey	**1,425**	7,150
Montenegro	**1,507**	1,056
Malta	**1,005**	1,387
Italy	**339**	1,177
Bahamas	**1,114**	2,400
Antigua & Barbuda	**110**	1,836
Spain	**340**	5,861
Others	**128**	93
	5,968	20,960

At 31 March 2021 and 31 December 2019, the exposure to credit risk for trade receivables and contract assets by type of counterparty was as follows:

	Carrying amount	
(USD'000)	**2021**	2019
Commercial customers	**1,507**	5,411
Cruise customers	**3,267**	15,234
Others	**1,194**	315
	5,968	20,960

At 31 March 2021, the carrying amount of the Group's most significant customer (a European Cruise Line) was USD 609 thousand (31 December 2019: a European Commercial Line amounting USD 1,842 thousand).

Expected credit loss assessment for customers

The Group uses an allowance matrix to measure the ECLs of trade receivables from customers, which comprise mainly globally well-known commercial and cruise lines, as well as international retail operators and local investors.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Roll rates are calculated separately for exposures in different groups based on the following common credit risk characteristics – scale of company, age of customer relationship and type of service provided.

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets from individual customers as at 31 March 2021.

(USD'000)	Weighted average loss rate	Gross carrying amount	Loss allowance	Credit impaired
Current – not past due	0.0%	1,705	-	No
1 to 30 days overdue	0.0%	593	-	No
1 to 3 months overdue	0.0%	537	-	No
3 to 12 months overdue	87.4%	2,874	2,511	Yes
More than 12 months overdue	100.0%	259	259	Yes
Total		**5,968**	**2,770**	

Loss rates are decided based on management experience over the past three years and expectation. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

The Group has not recognised a credit loss in respect of the amount due from Goulette Cruise Holding amounting USD 8.125 thousand (2019: USD 6,811 thousand), a joint venture, which is recognised within amount due from related parties (Note 36). This balance is not overdue.

Guarantees

The Group's policy is to provide financial guarantees only for subsidiaries' liabilities. At 31 March 2021, the Company has issued a guarantee to certain banks in respect of credit facilities granted to two subsidiaries (Note 26).

Liquidity risk

Liquidity risk management

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group has access to funding sources from banks and keeps a certain level of assets as cash and cash equivalents required for daily operations of the Group entities. The Group continuously assesses liquidity risk by identifying and monitoring changes in funding required in meeting business goals and targets set in terms of the overall Group strategy.

Current and future loan needs of the Group are supplied by continuous accessibility of a sufficient number of high quality banks for major subsidiaries of the Group.

Liquidity risk tables

The following tables detail the Group's remaining contractual maturity for its non-derivative and derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the balance sheet date. The contractual maturity is based on the earliest date on which the Group may be required to pay.

37 Financial risk management continued

Liquidity risk continued

Contractual maturities	As at 31 March 2021 Carrying value	Total cash outflow due to contracts	0-3 months	3-12 months	1-5 years	>5 years
Non-derivative financial liabilities						
Banks loans	**483,016**	**651,588**	**24,365**	**270,755**	**103,346**	**253,122**
Finance lease liabilities	**65,918**	**148,031**	**1,191**	**3,927**	**16,813**	**126,100**
Other financial liabilities*	**58,174**	**67,626**	**–**	**3,328**	**16,121**	**48,177**
Trade and other payables**	**32,976**	**32,976**	**5,785**	**27,178**	**12**	**–**
Due to related parties	**1,253**	**1,253**	**–**	**1,253**	**–**	**–**
Derivative financial liabilities						
Net settled:						
Interest rate swaps	**344**	**358**	**111**	**92**	**155**	**–**

* The contractual obligations to pay concession fees that are not variable but contractually fixed in amount or in substance fixed payments and within the scope of IFRIC-12, are recorded as other financial liabilities. These liabilities are initially recognised at fair value using a risk-adjusted discount rate. These amounts comprised of other financial liabilities created on Nassau Cruise Port, Bodrum Cruise Port and Antigua Cruise Port.

** Trade and other payables in the consolidated balance sheet includes taxes payable and social security contribution USD 4,713 thousand, payables to personnel USD 1,241 thousand and deferred revenue USD 318 thousand, which are not financial liabilities and hence excluded from the tables above.

Contractual maturities	As at 31 December 2019 Carrying value	Total cash outflow due to contracts	0-3 months	3-12 months	1-5 years	>5 years
Non-derivative financial liabilities						
Banks loans	387,542	406,971	10,892	52,620	310,381	33,078
Finance lease liabilities	65,448	132,236	1,918	2,241	11,064	115,013
Other financial liabilities*	54,930	67,917	2,909	1,544	18,583	44,881
Trade and other payables**	14,427	14,503	1,407	13,096	–	–
Due to related parties	1,317	1,317	220	1,097	–	–
Derivative financial liabilities						
Net settled:						
Interest rate swaps	485	515	–	226	289	–

* The contractual obligations to pay concession fees that are not variable but contractually fixed in amount or in substance fixed payments and within the scope of IFRIC-12, are recorded as other financial liabilities. These liabilities are initially recognised at fair value using a risk-adjusted discount rate. These amounts comprised of other financial liabilities created on Nassau Cruise Port and Bodrum Cruise Port.

** Trade and other payables in the consolidated balance sheet includes taxes payable and social security contribution USD 5,600 thousand, payables to personnel USD 373 thousand and deferred revenue USD 967 thousand, which are not financial liabilities and hence excluded from the tables above.

Market risk

Market risk management

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Market risk for all subsidiaries is monitored and managed by the Global Yatırım Holding's Treasury and Fund Management Department.

The Group has exposure to the following market risks from its use of financial instruments:
- currency risk; and
- interest rate risk.

Currency risk

The Group is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the functional currency of each company. The currencies in which these transactions primarily are denominated are USD, Euro and TL.

As of 31 March 2021, Ege Port and Bodrum Cruise Port having functional currency of USD are exposed to currency risk on purchases that are denominated in TL (31 December 2019: Port Akdeniz, Ege Port and Bodrum Cruise Port having functional currency of USD are exposed to currency risk on purchases that are denominated in TL). As of Global Liman having a functional currency of TL is exposed to currency risk on borrowings that are denominated in USD.

As at 31 March 2021, the Group had outstanding foreign-currency denominated borrowing designated as a hedge of net foreign investment of USD 256,817 thousand (31 December 2019: USD 250,989 thousand). The results of hedges of the Group's net investment in foreign operations included in hedging reserves was a net loss of USD 45,049 thousand after tax for the period ended 31 March 2021 (net loss of USD 23,604 thousand after tax for the period ended 31 December 2019). In the years ended 31 March 2021 and 31 December 2019, USD 39,038 thousand, USD 17,552 thousand respectively was recognised in profit or loss due to hedge ineffectiveness.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Group ensures that its et exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

Currency risk exposures

As at 31 March 2021, foreign currency risk exposures of the Group comprised the following:

	As at 31 March 2021			
(USD'000)	**USD equivalents**	**USD**	**EUR**	**TL**
Other non-current assets	**130**	**101**	**–**	**246**
Non-current assets	**130**	**101**	**–**	**246**
Trade and other receivables	**17,457**	**10,340**	**5,788**	**2,684**
Due from related parties	**1,879**	**64**	**43**	**14,698**
Other current assets	**698**	**380**	**–**	**2,651**
Cash and cash equivalents	**98,557**	**79,707**	**15,980**	**755**
Current assets	**118,591**	**90,491**	**21,811**	**20,788**
Total assets	**118,721**	**90,592**	**21,811**	**21,034**
Loans and borrowings	**4,911**	**2,827**	**–**	**17,354**
Other liabilities	**210**	**–**	**–**	**1,746**
Non-current liabilities	**5,121**	**2,827**	**–**	**19,100**
Loans and borrowings	**223,636**	**218,890**	**–**	**39,513**
Trade and other payables	**5,094**	**3,508**	**163**	**11,608**
Due to related parties	**162**	**–**	**32**	**1,038**
Current tax liabilities	**–**	**–**	**–**	**–**
Current liabilities	**228,892**	**222,398**	**195**	**52,159**
Total liabilities	**234,013**	**225,225**	**195**	**71,259**
Net foreign currency position	**(115,292)**	**(134,633)**	**21,616**	**(50,225)**

As at 31 December 2019, foreign currency risk exposures of the Group comprised the following:

	As at 31 December 2019			
(USD'000)	USD equivalents	USD	EUR	TL
Other non-current assets	131	101	–	246
Non-current assets	131	101	–	246
Trade and other receivables	17,457	10,340	5,788	2,683
Due from related parties	1,880	64	43	14,698
Other current assets	957	639	–	2,651
Cash and cash equivalents	98,557	79,707	15,980	755
Current assets	118,851	90,750	21,811	20,787
Total assets	118,982	90,851	21,811	21,033
Loans and borrowings	4,911	2,827	–	17,354
Other liabilities	210	–	–	1,746
Non-current liabilities	5,121	2,827	–	19,100
Loans and borrowings	223,636	218,890	–	39,513
Trade and other payables	5,094	3,508	163	11,608
Due to related parties	162	–	32	1,038
Current tax liabilities	–	–	–	–
Current liabilities	228,892	222,398	195	52,159
Total liabilities	234,013	225,225	195	71,259
Net foreign currency position	(115,031)	(134,374)	21,616	(50,226)

37 Financial risk management continued

Market risk continued

Currency risk sensitivity analysis

The foreign exchange rate sensitivity is calculated by aggregation of the net foreign exchange exposure and a simultaneous parallel foreign exchange rates shift of all the currencies by 1 per cent against the respective functional currencies of the Company and its subsidiaries.

The following tables detail the Group's sensitivity analysis based on the net exposures of each of the subsidiaries and the Group as at 31 March 2021 and 31 December 2019, which could affect the consolidated income statement and other comprehensive income.

1 per cent is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates.

This analysis assumes that all other variables, in particular interest rates, remain constant.

The Group's sensitivity to foreign currency rates has increased during the current period and is primarily due to the increase in its portfolio of ports in the Mediterranean, namely the European region.

The following tables show the Group's foreign currency sensitivity analysis as at 31 March 2021 and 31 December 2019:

Year ended 31 March 2021 (USD'000)	**USD**	**EUR**	**TL**
Net financial assets		**2,538**	
Net financial liabilities	**(13,463)**		**(603)**

10% appreciation/depreciation of the respective foreign currencies with respect to functional currency of the Group and its subsidiaries would result in decrease/increase in the Group's profit before tax and other comprehensive income by approximately USD 1,935 thousand and USD 5,763 thousand respectively, for the year ended 2021.

Year ended 31 December 2019 (USD'000)	USD	EUR	TL
Net financial assets			845
Net financial liabilities	(1,321)	(28)	

10% appreciation/depreciation of the respective foreign currencies with respect to functional currency of the Group and its subsidiaries would result in decrease/increase in the Group's profit before tax and other comprehensive income by approximately USD 1,575 thousand and USD 4,475 thousand respectively, for the year ended 2019.

Interest rate risk

The Group's operations are subject to the risk of interest rate fluctuations to the extent that interest-earning assets and interest-bearing liabilities mature or reprice at different times or in differing amounts. As at 31 December 2019 and 31 March 2021, the Group uses interest rate swaps to hedge its floating interest rate risk.

Interest rate risk exposures

The Group is exposed to interest rate risk because entities in the Group borrow funds at floating interest rates. The risk is managed by the use of interest rate swap contracts.

The Group's operations are subject to the risk of interest rate fluctuations to the extent that interest-earning assets and interest-bearing liabilities mature or re-price at different times or in differing amounts.

Interest rate exposure (USD'000)		**As at 31 March 2021**	As at 31 December 2019
Fixed-rate financial instruments			
Financial assets	Cash and cash equivalents	**22,799**	24,313
	Loans and receivables	**63**	71
	Amounts due from related parties	**324**	7,797
Financial liabilities	Loans and borrowings	**(460,656)**	(375,693)
	Other financial liabilities	**(58,174)**	(54,930)
		(495,644)	(398,442)
Effect of interest rate swap		**(14,596)**	(18,888)
		(510,240)	(417,330)
Floating-rate financial instruments			
Financial liabilities	Loans and borrowings	**(88,278)**	(77,696)
Effect of interest rate swap*		**14,596**	18,888
		(73,682)	(58,808)

* 75% of the loan to BPI has been hedged by entering into an interest rate swap requiring the Group to pay a fixed interest rate of 0.97 percent and receive Euribor until maturity of the loan (31 December 2023).

Floating rate loans with a principal amount of USD 14,596 thousand (31 December 2019: USD 18,888 thousand) have been designated in a cash flow hedge relationship.

Interest rate swap contracts

Under the interest rate swap contracts, the Group agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Group to mitigate the risk of changing interest rates on the fair value of issued fixed rate debt held and the cash flow exposures on the issued variable rate debt held. The fair value of interest rate swaps at the reporting date is determined by discounting the future cash flows using the curves at the reporting date and the credit risk inherent in the contract and is disclosed below. The average interest rate is based on the outstanding balances at the end of the financial year.

The following tables detail the notional principal amounts and remaining items of interest rate swap contracts outstanding as at the reporting date.

Cash flow hedges

	As at 31 March 2021		
Fixed rate contract	**Average contract fixed interest rate (%)**	**Notional principal value (USD'000)**	**Fair value (USD'000)**
Less than 1 year	**0.97**	**5,583**	**199**
1 to 2 years	**0.97**	**6,023**	**112**
2 to 5 years	**0.97**	**2,989**	**33**
5 years +	**–**	**–**	**–**
	0.97	**14,595**	**344**

	As at 31 December 2019		
Fixed rate contract	Average contract fixed interest rate (%)	Notional principal value (USD'000)	Fair value (USD'000)
Less than 1 year	0.97	4,968	220
1 to 2 years	0.97	5,325	165
2 to 5 years	0.97	8,595	125
5 years +	–	–	–
	0.97	18,888	510

The interest rate swaps settle on a semi-annual basis. The floating rate on the interest rate swaps is 0.97%. The Group will settle the difference between the fixed and floating interest rate on a net basis.

37 Financial risk management continued

Market risk continued

A fundamental review and reform of major interest rate benchmarks is being undertaken globally. There is uncertainty as to the timing and the methods of transition for replacing existing benchmark interbank offered rates ('IBORs') with alternative rates.

As a result of these uncertainties, judgement is involved in determining whether certain hedge accounting relationships that hedge the variability of interest rate risk due to expected changes in IBORs continue to qualify for hedge accounting as at 31 March 2021. IBOR continues to be used as a reference rate in financial markets and is used in the valuation of instruments with maturities that exceed the expected end date for IBOR.

Therefore, the Group believes the current market structure supports the continuation of hedge accounting as at 31 March 2021.

All interest rate swap contracts exchanging floating rate interest amounts for fixed rate interest amounts are designated as cash flow hedges to reduce the Group's cash flow exposure resulting from variable interest rates on borrowings. The interest rate swaps and the interest payments on the loan occur simultaneously and the amount accumulated in equity is reclassified to profit or loss over the period that the floating rate interest payments on debt affect profit or loss.

Interest rate risk sensitivity analysis

As at 31 March 2021, had the interest rates been higher by 100 basis points where all other variables remain constant, interest expense would have been higher by USD 737 thousand (31 December 2019: higher by USD 588 thousand) and equity attributable to equity holders of the Company, excluding tax effects, would have been lower by USD 657 thousand (31 December 2019: lower by USD 543 thousand).

This analysis assumes that all other variables, in particular currency rates, remain constant.

The Group's sensitivity to interest rates has decreased during the current period mainly due to the reduction in variable rate debt instruments and the repayment of principal amounts.

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 in directly (i.e. derived from prices); and
- Level 3: Inputs for the asset or liability that is not based on observable market data (unobservable inputs).

As detailed in the following table, the Directors consider the carrying amounts of the financial assets and financial liabilities recognised within the financial statements approximate to their fair values other than loans and borrowings.

		As at 31 March 2021		As at 31 December 2019	
Financial assets (USD'000)	Note	**Carrying amount**	**Fair value**	Carrying amount	Fair value
Loans and receivables	20, 21, 36	**47,074**	**47,074**	34,344	34,344
Other financial assets		**63**	**63**	71	71
Financial liabilities					
Loans and borrowings	26	**483,016**	**447,078**	387,542	381,373
Leases	26	**65,918**	**65,918**	65,448	65,448

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

The Groups Eurobond liability has been included in level 1 of the fair value hierarchy as it has been valued using quotes available on its quoted market.

The fair value of loans and borrowings has been determined in accordance with the most significant inputs being discounted cash flow analysis and discount rates.

Financial instruments at fair value

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

(USD'000)		Level 1	Level 2	Level 3	Total
As at 31 March 2021	Derivative financial liabilities	**–**	**399**	**–**	**399**
As at 31 December 2019	Derivative financial liabilities	–	485	–	485

Fair value measurements

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.

38 Events after the reporting date

Cruise operations have restarted again late summer 2020 in the Mediterranean with low number of calls and passengers. Activity during the first part of the year 2021 remained slow. However as of the date of this report, cruise activity has restarted in almost all cruise ports of the Group and activity is building up with number of call, occupancy rations and passenger numbers increasing around the world.

Group has withdrawn the Scheme of Arrangement it had launched 18 February 2021, relating to the proposed refinancing of the USD 250,000,000 8.125% Senior Unsecured Notes due 2021 issued by Global Liman İsletmeleri A.S. as of the 6 April 2021.

Group launched a tender offer for up to USD 75.0 million of its USD 250,000,000 8.125% Senior Unsecured Notes due 2021 ('Notes') on 7 April 2021. Following the unmodified Dutch Auction procedure conducted in connection with the offer, the weighted average purchase price of the Notes validly tendered and accepted by Group was determined to be USD 899.4 for each USD 1,000 in principal amount of such Notes. The total amount of cash used in connection with the Offer is USD 44.7 million excluding accrued interest on the Notes validly tendered and accepted. The settlement for Notes accepted for purchase by Group was made on 19 April 2021. Following the completion of the tender offer, Group's total Eurobond issued outstanding amounts to USD 200.3 million. At the end of July 2021, Group has concluded the early repayment of the USD 200.3 million outstanding amount, plus accrued interest, of the 8.125% senior unsecured Eurobond, due 14 November 2021, issued by Global Liman Isletmeleri.

38 Events after the reporting date continued

GPH has entered into a five-year, senior secured loan agreement for up to USD 261.3 million with the investment firm Sixth Street. The loan agreement provides for two term loan facilities, an initial five-year term facility of USD 186.3 million and an additional five-year growth facility of up to USD 75.0 million. The net proceeds of the initial facility will be used to refinance the outstanding amount of the 8.125% senior unsecured Eurobond, due 14 November 2021. The initial facility will also be used to pay related fees and expenses and general corporate purposes. The loan agreement contains customary financial and non-financial covenants, including restriction on dividend payments, maintaining minimum liquidity in the holding companies of the Group, and change of control clauses regarding maintaining ownership of GPH Plc and ownership at the Company's parent above a certain threshold. Under the terms of the loan agreement, GPH will have the ability to select from a range of interest payment options including an all-cash interest rate, a cash interest rate of LIBOR +5.25% plus PIK rate or a PIK-only rate of LIBOR +8.5% up until December 2022 that will be subject to LIBOR reform. The Group expects that the interest rate benchmark for this loan will be changed to SOFR. As part of the financing arrangement, the Company has agreed to issue warrants to investor for a subscription price equal to the nominal value per share (the 'Warrants') representing 9.0% of GPH's fully-diluted share capital (subject to customary adjustments). As and when the growth facility is utilised, GPH has agreed to issue further Warrants, pro-rata to the utilisation of the USD 75.0 million growth facility, representing up to an additional 3.75% of the fully-diluted share capital. The Warrants will become exercisable upon certain specific events including the acceleration, repayment in full or termination of the loan, de-listing of GPH or a change of control.

Group has now signed a 20-year concession agreement with the Autorità di Sistema Portuale del Mar Ionio and taken over the management of the cruise terminal and cruise services in the Port of Taranto, Italy in May 2021.

After the reporting date, the Group has entered a USD 3 million financing arrangement at arm's-length terms with its parent GIH to fund certain infrastructure works in Antigua; the Group will derive considerable benefits from the timely completion of these infrastructure works. These funds have been offset against future payment obligation of GPH Antigua towards the Government of Antigua & Barbuda under the concession agreement.

Parent Company balance sheet
As at 31 March 2021 and 31 December 2019

(USD'000)	Note	**2021**	2019
Non-current assets			
Investments	44	**139,410**	354,810
Investments in jointly controlled entities	45	**65**	61
Tangible assets		**12**	26
Due from related parties	49	**8,125**	6,811
Total non-current assets		**147,612**	361,708
Current assets			
Due from related parties	49	**21,725**	27,719
Trade receivables and other receivables		**108**	153
Prepayments	46	**236**	3,810
Cash and cash equivalents		**268**	32
Total current assets		**22,337**	31,714
Total assets		**169,949**	393,422
Current liabilities			
Trade and other payables		**(5,503)**	(1,675)
Due to related parties	49	**(17,777)**	(24,365)
Total current liabilities and total liabilities		**(23,280)**	(26,040)
Net current (liabilities)/assets		**(943)**	5,674
Total assets less current liabilities		**146,669**	367,382
Net assets		**146,669**	367,382
Capital and reserves			
Share capital	47	**811**	811
Share based payments	42	**239**	239
Retained earnings		**145,619**	366,332
Shareholders' funds		**146,669**	367,382

These financial statements were approved by the board of Directors on 23 August 2021 and signed on its behalf by:

Ercan Nuri Ergül
Board member
Company registered number: 10629250

The accompanying Notes form part of these financial statements.

Parent Company statement of changes in equity

As at 31 March 2021 and 31 December 2019

(USD'000)	Note	Share capital	Share based payment reserves	Retained earnings	Total
Balance as at 1 January 2019		811	–	371,614	372,425
Income for the period		–	–	23,943	23,943
Total comprehensive loss for the period		811	–	395,557	396,368
Equity settled share-based payment transactions	42	–	239	–	239
Dividend payment	50	–	–	(29,225)	(29,225)
Balance as at 31 December 2019		811	239	366,332	367,382

(USD'000)	Note	**Share capital**	**Share based payment reserves**	**Retained earnings**	**Total**
Balance as at 1 January 2020		**811**	**239**	**366,332**	**367,382**
Loss for the period		**–**	**–**	**(220,713)**	**(220,455)**
Total comprehensive loss for the period		**811**	**239**	**145,619**	**146,669**
Equity settled share-based payment transactions	42	**–**	**–**	**–**	**–**
Dividend payment	50	**–**	**–**	**–**	**–**
Balance as at 31 March 2021		**811**	**239**	**145,619**	**146,669**

The accompanying Notes form part of these financial statements.

Notes to the Parent Company financial statements

For the period ended 31 March 2021 and 31 December 2019

39 Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the period.

(a) General information

Global Ports Holding (the 'Company') was incorporated on 20 February 2017 in the United Kingdom under the Companies Act 2006.

On 17 May 2017, the Company undertook a share for share Group restructure and became the 100% Parent Company of Global Liman Isletmeleri A.S.

Also on 17 May 2017, the Company and enlarged Group completed an IPO and achieved a standard listing on the London Stock Exchange. The net proceeds received were USD 73,035 thousand.

On 12 July 2017, a reduction of capital and cancellation of the share premium account was approved by the High Court of Justice of England and Wales (the 'Court'), creating distributable reserves of USD 427,029 thousand for the Company.

The Company is a public company limited by shares and is registered in England and Wales. The address of the Company's registered office is 100 New Bridge Street, London, United Kingdom EC4V 6JA.

(b) Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ('FRS 102'). All amounts in the financial statements have been rounded to the nearest USD 1,000.

On incorporation, the Company was determined to have a functional and presentation currency of GBP. These were changed to USD with effect from 17 May 2017, being the date of the IPO, at which point the Company's circumstances changed significantly following the receipt of cash held primarily in USD and the establishment of dividend policy under which amounts would be received and declared in USD.

Under section s408 of the Companies Act 2006 the Company is exempt from the requirement to present its own profit and loss account.

In these financial statements, the Company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:
- Cash Flow Statement and related Notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of the Company include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:
- Certain disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the Directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in Note 35.

(c) Going concern

The Directors have considered estimates of cash flows for a period of 12 months from the date of the approval of the financial statements and have a reasonable expectation that the Company and its subsidiaries have adequate resources to continue in operational existence. The Directors have considered the potential impact of Covid-19 on the Company's results. The Company's resources ultimately depend on the intra group dividends received from subsidiaries as there is no operation. Other than the dividends, there is no further impact on the Parent Company accounts. Based on the conclusion reached in Note 3f of the Group accounts, Directors continue to adopt the going concern basis of accounting in preparing the consolidated financial statements. The financial statements have therefore been prepared using the going concern basis of accounting.

39 Accounting policies continued

(c) Going concern continued

The Company is not expecting any significant impact on its operations from the UK decision to leave European Union. Refer to Note 3(f) for detailed analysis on Group.

(d) Financial instruments

When a financial asset or financial liability is recognised initially, the Company measures it at its fair value, which is normally the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through profit or loss).

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

(e) Share-based payment transactions

The grant date fair value of share-based payments awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period in which the employees become unconditionally entitled to the awards. The fair value of the awards granted is measured based on an monte carlo model, taking into account the terms and conditions upon which the awards were granted. The amount recognised as an expense is adjusted to reflect the actual number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

(f) Short-term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Where intercompany loans receivable and payable are repayable on demand, they are treated as short term debtors and creditors. Any losses arising from impairment are recognised in the income statement in other operating expenses.

(g) Investments

Investments are carried at cost less accumulated impairment. As permitted by Section 615 of the Companies Act 2006 and FRS 102, the cost of the Company's investments in Global Liman Isletmeleri A.S., GPH Americas, and GPH Antigua have been measured at the nominal value (USD 172,540,231, USD 5,000 and USD 0.01, respectively) of the shares issued by the Company in consideration, reflecting the application of Group reconstruction relief to that issue of shares.

(h) Investments in jointly controlled entities

Investments in jointly controlled entities are carried at cost less accumulated impairment.

(i) Impairment excluding stocks and deferred tax assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The investment balance is carried at historical cost less any provision for impairment. Each reporting period, the carrying value of the investment in GLI is compared to its recoverable amount, which is assessed with reference to the discounted cash flow forecasts generated by the underlying operations of the subsidiaries represented by the investment. The discounted cash flow forecasts are adjusted to reflect the requirements of IAS 36 'Impairment of Non-Current Assets'. An impairment loss is recognised if the carrying amount of the investment exceeds the estimate of its recoverable amount.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists.

(j) Operating lease commitments

The Group has entered into commercial property leases as a lessee it obtains use of property, plant and equipment. The classification of such leases as operating or finance lease requires the Group to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the statement of financial position.

(k) Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the Company is able to control the reversal of the timing difference and it is probable that it will not reverse in the future.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to non-depreciable property, plant and equipment measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset. In other cases, the measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

39 Accounting policies continued

(l) Foreign currencies

The Company records cash flows arising from transactions in a foreign currency in the Company's functional currency by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the cash flow or an exchange rate that approximates the actual rate. Unrealised gains and losses arising from changes in foreign currency exchange rates are not cash flows. The Company remeasured cash and cash equivalents held during the reporting period (such as amounts of foreign currency held and foreign currency bank accounts) at period-end exchange rates. Intercompany receivables and payables are revalued with period-end exchange rates.

(m) Interest income

Interest income is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

40 Critical accounting judgements and key sources of estimation uncertainty

Key sources of estimation uncertainty

(a) Impairment of investments in subsidiaries

Determining whether the Company's equity investments in subsidiaries have been impaired requires estimation of the recoverable amount of the investments. Recoverable amount is the higher of fair value less costs of disposal and value in use.

The recoverable amount was calculated based on VIU of the individual ports.

The VIU calculations require the Company to estimate the future cash flows expected to arise from the underlying operations and suitable discount rates in order to calculate present values. VIU calculations requires subjective judgements based on a wide range of variables at a point in time including future passenger numbers or commercial volumes. Any significant decrease in variables used for value in use calculation is assessed as an impairment indicator. If the recoverable amount of an investment is estimated to be less than its carrying amount, the carrying amount of the investment is reduced to its recoverable amount and an impairment loss is recognised in the income statement. The resulting ViU gives a recoverable amount higher than the market capitalisation of the Company, accordingly computed ViU result was used to consider the impairment requirement on GLI investment. This is mainly due to the low trading activity and the small free float in the stock market. The Investment in the Parent Company is computed as to USD 139,410 thousand as of 31 March 2021 (31 December 2019: USD 354,805 thousand) and USD 215,400 thousand impairment was booked on company accounts.

Calculating the Value in use of the future cash flows requires estimates to be made in respect of highly uncertain matters including management's expectations of:

- operational growth expectations including the forecast number of calls, passengers and container volumes; and
- appropriate discount rates to reflect the risks involved.

Management prepares formal forecast for its subsidiaries operations for the remaining concession periods, which are used to estimate their VIU. Management forecasted a recovery in following two years for number of passengers, and the cash flows for following seven years with the remaining concession term having minimal estimated growth or industry growth. The key assumptions used in the estimation of the recoverable amount are set out below.

	2021
Average post-tax discount rate used – EUR	**6.40%**
Average post-tax discount rate used – USD	**9.17%**
Average annualised growth, year 2 – year 7 'Passengers'	**3.4%**
Average annualised growth, first 4 years 'Container'	**11.1%**

Changing the assumptions selected by management, in particular the discount rate and growth rate assumptions used in the cash flow projections, could significantly affect the Group's impairment evaluation and hence reported assets and profits or losses.

41 Staff numbers and costs

The average number of persons employed by the Company (including Directors) during the year, analysed by category, was as follows:

	2021	2019
Permanent	**11**	12
	11	12

The aggregate payroll costs of these persons were as follows:

(USD'000)	**2021**	2019
Employee benefits	**2,647**	2,185
- Wages and salaries	**2,550**	1,736
- Social security contributions	**–**	108
- Overtime and bonuses paid	**97**	102
- Equity-settled share-based payment arrangements	**–**	239

42 Share-based payment arrangements

At 31 March 2021 and 31 December 2019, the Group had an equity settled share option program. Details presented on Note 28.

43 Auditor's remuneration

Fees payable to auditor and their associates for non-audit services to the Company are not required to be disclosed because the consolidated financial statements of the Parent Company are required to disclose such fees on a consolidated basis.

44 Investments

(USD'000)	**2021**	2019
Global Liman A.S	**139,405**	354,805
GPH Americas	**5**	5
Total	**139,410**	354,810

Investments

The Company has investments directly or indirectly in the following subsidiary undertakings, associates and other significant investments.

All Subsidiaries has regular shares, without any privileged shareholding structure, except Nassau Cruise Port, in which Company has Type A shares, which allows Company to assign 5 out of 7 Board members, while Board decisions requiring a simple majority.

44 Investments continued

Investments continued

Name of the Company	Registered office address	Holding	%
Global Liman A.S.*	Büyükdere Cad. No:193 Levent 193 Plaza Giriş kat 34394 Şişli, İstanbul, Turkey	Intermediary Holding Company	100.0
Global Ports Destination Services*	34 Brook Street 3rd Floor, London W1K 5DN, United Kingdom	Intermediary Holding Company	100.0
GPH Cruise Port Finance Ltd.*	34 Brook Street 3rd Floor, London W1K 5DN, United Kingdom	Intermediary Holding Company	100.0
Port Finance Investment Ltd.	34 Brook Street 3rd Floor, London W1K 5DN, United Kingdom	Intermediary Holding Company	100.0
Ege Liman İşletmeleri A.Ş.	Büyükdere Cad. No:193 Plaza Giriş kat 34394 Şişli, İstanbul, Turkey	Subsidiary	72.5
Bodrum Liman İşletmeleri A.Ş.	Büyükdere Cad. No:193 Levent 193 Plaza Giriş kat 34394 Şişli, İstanbul, Turkey	Subsidiary	60.0
AD Port of Adria – Bar	Obala 13 jula, Bar – Montenegro	Subsidiary	63.2
Barcelona Port Investments, S.L	World Trade Center 08039 Barcelona – Spain	Subsidiary	62.0
Creuers del Port de Barcelona, S.A.	Estacio Maritima Nord Atell WTC 08039 Barcelona – Spain	Subsidiary	62.0
Cruceros Malaga, S.A.	Estación Marítima de Levante 29001 Málaga – Spain	Subsidiary	62.0
Global Ports Europe B.V	Prins Bernhardplein 200, 1097 JB Amsterdam, Netherlands	Subsidiary	100.0
Global Ports Mediterranean Ltd	ML DE BCN, Ed. World Trade Center, Est. Maritima Sur Barcelona	Subsidiary	100.0
Balearic Handling	C/Gordillo, 13, 7ª Planta, 35008 Las Palmas de Gran Canaria, Spain	Subsidiary	51.0
Shore Handling	C/Les Rafeletes, 1 Planta Entlo. 07015, Palma de Mallorca, Spain	Subsidiary	51.0
Global Ports Melita Ltd.	Suite 21, Block A, Il-Pjazzetta, Tower Road Sliema Malta	Subsidiary	100.0
Valletta Cruise Port PLC	45/46 Pinto Wharf Floriana FRN 1913	Subsidiary	55.6
Port Operation Holding Srl	Viale Andrea Doria 7 Milano –20124 Italy	Subsidiary	100.0
Port Operations Services (Cyprus) Ltd.	10-12 Florinis Street, STADYL Building 4th Floor Nicosia, 1065 Cyprus	Subsidiary	95.0
Ravenna Terminali Passegeri Srl	Porto Corsini 48123 Ravenna, Italy	Subsidiary	100.0
Catania Cruise Terminal Srl	Terminal Crociere sporgente centrale – Porto 95121 Catania	Subsidiary	63.2
Cagliari Cruise Port Srl	Molo Rinascita – Porto 09123 Cagliari – Italy	Subsidiary	70.9
Zadar International Port Operations d.o.o.	Ulica Tadije Smičiklasa 21/II, Zagreb, Croatia	Subsidiary	100.0
GPH (Americas) Ltd	Lyford Manor (West Bldg), Western Road, Lyford Cay P. O. Box CB-13007, Nassau, The Bahamas	Subsidiary	100.0
GPH (Bahamas) Ltd	Lyford Manor (West Bldg), Western Road, Lyford Cay P. O. Box CB-13007, Nassau, The Bahamas	Subsidiary	100.0
Nassau Cruise Port Ltd	Lyford Manor (West Bldg), Western Road, Lyford Cay P. O. Box CB-13007, Nassau, The Bahamas	Subsidiary	49.0
GPH (Antigua) Ltd	No.11, Old Parham Road, St John's, Antigua, West Indies	Subsidiary	100.0
Global Depolama A.Ş.	Rıhtım Caddesi No: 51 Karaköy 34425 Istanbul – Turkey	Subsidiary	100.0
La Goulette	100 New Bridge Street, London, United Kingdom, EC4V 6JA	Joint Venture	50.0
LCT – Lisbon Cruise Terminals, LDA	Rua Da Instituto Industrial,18 1ºE 1200-225 Lisboa – Portugal	Associate	46.2
SATS – Creuers Cruise Services Pte. Ltd.**	61 Marina Coastal Drive, Singapore, 018947	Associate	24.8
Venezia Investimenti Srl.	Via Cappuccina N 20 Venezia Mestre, 30174 Italy	Associate	25.0
La Spezia Cruise Facility Srl.	Viale San Bartolomeo, 109 19126 La Spezia	Associate	28.5
Pelican Peak Investment Inc.	3200 – 650 West Georgia Street Vancouver BC V6B 4P7 Canada	Associate	10.2

* Company is controlled directly by GPH PLC.

** All companies have the same fiscal year with the Parent, January 1 – December 31, except Singapore Cruise Port and Nassau Cruise Port, which have fiscal year starting on April 1, to March 31 next year.

Subsidiary undertakings

	(USD'000)
Cost	
At 1 January 2020	**354,810**
Impairment	**(215,400)**
At 31 March 2021	**139,410**
Carrying value	**139,410**

	(USD'000)
Cost	
At 1 January 2019	354,810
At 31 December 2019	354,810

45 Investments in jointly controlled entities

(USD'000)	**2021**	2019
Goulette Cruise Holding (Note 18)	**65**	61
Total	**65**	61

46 Prepayments

Short term prepayments composed of advances given to consultants as per the agreement for project basis due diligence works.

47 Called up share capital and reserves

(USD'000)	**2021**	2019
Allotted, called up and fully-paid		
62,826,963 ordinary shares of GBP 0.01 each	**811**	811

The Company has one class of ordinary shares which carry no right to fixed income. The ordinary shares carry full voting rights and the right to receive dividends. The ordinary shares do not confer any right of redemption. In connection with the new refinancing, the Company has issued warrants over its shares. Refer to Note 38.

48 Obligations under leases and hire purchase contracts

The Company use operational lease to rent its office at third floor offices at 34 Brook Street London. This lease has no purchase options and escalation clauses.

Future minimum rentals payable under non-cancellable operating leases are as follows:

(USD'000)	**2021**	2019
Within one year	**241**	237
In two to five years	**241**	473
Total	**482**	710

USD 286 thousand has been recorded as rent expense in the current year (2019: USD 224 thousand).

49 Related party transactions

Directors' transactions

Key management personnel comprised the members of the Board. For the period ended 31 March 2021 and year ended 31 December 2019, details of benefits to key management personnel comprised the following:

(USD'000)	**2021**	2019
Salaries	**1,857**	1,224
Bonus	**–**	–
Total	**1,857**	1,224

Other related party transactions

The related parties of the Company which are disclosed in this Note comprised the following:

		31 March 2021	
Current	**Relationship**	**Amounts due from USD'000**	**Amounts owing to USD'000**
Global Yatırım Holding A.Ş.*	Parent Company	**–**	**1,200**
Global Liman İşletmeleri A.Ş.**	Subsidiary	**–**	**15,708**
Global Ports Europe B.V.***	Subsidiary	**6,859**	**–**
Ad Port of Adria – Bar	Subsidiary	**–**	**–**
Lisbon Cruise Terminals	Subsidiary	**21**	**–**
Ege Liman Işletmeleri A.Ş.	Subsidiary	**–**	**–**
Nassau Cruise Port****	Subsidiary	**–**	**–**
Antigua Cruise Port*****	Subsidiary	**13,484**	**–**
GP-Med	Subsidiary	**1,343**	**–**
Zadar International Ports	Subsidiary	**18**	**–**
Mehmet Kutman	Chairman	**–**	**767**
Ayşegül Bensel	Member of BoD	**–**	**102**
Total		**21,725**	**17,777**
Non-current			
Goulette Cruise Port******	Subsidiary	**8,125**	**–**
Total		**8,125**	**–**

		31 December 2019	
Current	Relationship	Amounts due from USD'000	Amounts owing to USD'000
Global Yatırım Holding A.Ş.*	Parent Company	–	97
Global Liman İşletmeleri A.Ş.**	Subsidiary	–	23,511
Global Ports Europe B.V.***	Subsidiary	6,541	–
Ad Port of Adria – Bar	Subsidiary	23	–
Lisbon Cruise Terminals	Subsidiary	21	–
Ege Liman Işletmeleri A.Ş.	Subsidiary	–	43
Nassau Cruise Port****	Subsidiary	7,625	–
Antigua Cruise Port*****	Subsidiary	13,291	–
GP-Med	Subsidiary	200	–
Zadar International Ports	Subsidiary	18	–
Mehmet Kutman	Chairman	–	560
Ayşegül Bensel	Member of BoD	–	154
Total		27,719	24,365
Non-current			
Goulette Cruise Port******	Subsidiary	6,811	–
Total		6,811	–

* Company is using consultancy from its ultimate owner for business development.

** Global Liman (fully owned holding subsidiary) paid advance dividend to the Company for acquisition and all relevant transactions made by the Company.

*** Company is financing its subsidiary for the repayment of its debt. Yearly interest of 4.5% is charged to subsidiary.

**** Company reimbursed its project expenses made for that project during development period.

***** Company has given a loan to fulfil requirements for financial closing of the concession agreement in Antigua. Company also reimbursed its project expenses made for that project during project period.

****** Company had provided a long-term loan to its JV for financing the acquisition of Goulette Cruise Company.

For the years ended 31 March 2021 and 31 December 2019, transactions with other related parties comprised the following:

	2021		2019	
(USD'000)	**Rent income**	**Fees**	Rent income	Fees
Global Yatırım Holding	**240**	**–**	203	18
Nassau Cruise Port	**–**	**5,828**	–	–
Total	**240**	**5,828**	203	18

	2021		2019	
(USD'000)	**Project expenses**	**Other**	Project expenses	Other
Global Yatırım Holding	**257**	**83**	747	–
Global Liman Isletmeleri A.S.	**–**	**170**	–	–
Total	**257**	**253**	747	–

50 Dividends on equity shares

(USD'000)	**2021**	2019
Amounts recognised as distributions to equity holders in the period:		
Interim dividend paid of 15.5p (2018: 21.5p) per ordinary share	**–**	12,580
	–	12,580

The Board of the Company has decided to temporarily suspend the dividend for full year 2019, until the situation related to spread of Covid-19 ('coronavirus') becomes clearer, no dividend distribution was made during the financial year ended 31 March 2021.

GPH PLC declared 2018 final dividend of GBP 0.212 per share to its shareholders on 30 May 2019 and paid on 14 July 2019, giving a distribution of GBP 13,319 thousand (USD 16,645 thousand).

51 Controlling party

In the opinion of the Directors, the Company's ultimate Parent Company is Global Yatırım Holding A.Ş. ('GYH'), a Company incorporated in Turkey. The parent undertaking of the largest group, which includes the Company and for which Group accounts are prepared, is Global Yatırım Holding A.Ş., a Company incorporated and public company in Turkey, Esentepe Mahallesi Büyükdere Caddesi 193 No:2 Şişli/İstanbul.

Mr. Mehmet Kutman, chairman of GYH, with his shares in Turkcom A.Ş., controls the Company as a result of controlling, directly or indirectly 24.24 per cent of the issued share capital of GYH as of 11 March 2021. Refer to Note 36 for further details on related parties.

52 Events after balance sheet date

After the reporting date, the Group has entered a USD 3 million financing arrangement at arm's-length terms with its parent GIH to fund certain infrastructure works in Antigua; the Group will derive considerable benefits from the timely completion of these infrastructure works. These funds have been offset against future payment obligation of GPH Antigua towards the Government of Antigua & Barbuda under the concession agreement.

Glossary of alternative performance measures (APM)

These financial statements include 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. 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 project specific development expenses as well as unallocated expenses, gives a more comparable year-on-year measure of port-level trading performance.

Management is using Segmental EBITDA for evaluating each port and Group-level performances on operational level. As per management's view, some specific adjusting items included on the computation of Segmental EBITDA.

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 income include project expenses; being the costs of specific M&A activities, the costs associated with appraising and securing new and potential future port agreements which should not be considered when assessing the underlying trading performance and the costs related to the refinancing of Group debts, the replacement provisions, being provision created for replacement of fixed assets which does not include regular maintenance, other provisions and reversals related to provisions provided, being related to unexpected non-operational transactions, impairment losses, construction accounting margin, being related to IFRIC-12 computation and main business of the Group is operating ports rather than construction, employee termination expenses, income from insurance repayments, income from scrap sales, gain/loss on sale of securities, other provision expenses, redundancy expenses and donations and grants.

Specific adjusting items comprised as following,

(USD'000)	**15-month period ended 31 March 2021**	Year ended 31 December 2019
Project expenses	**11,098**	5,146
Employee termination expenses	**228**	215
Replacement provisions	**793**	673
Provisions/(reversal of provisions)*	**8,489**	1,569
Impairment losses	**11,997**	–
Construction accounting margin	**(1,052)**	–
Other expenses	**(598)**	788
Specific adjusting items	**30,955**	8,391

* This figure composed of expected impairment losses on receivables, provision expenses excluding vacation pay and replacement provisions (refer Note 30) and impairment losses related to assets (refer Note 13).

Adjusted EBITDA

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

Management uses 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 IPO or 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 5 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, non-cash foreign exchange transactions, 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: amortisation expense in relation to Port Operation Rights, non-cash provisional income and expenses, non-cash foreign exchange transactions 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 gain on reversal of provisions, non-cash provisional income and expenses, gain or loss on foreign currency translation on equity, unhedged portion of investment hedging on Global Liman, adjusted for the non-cash port intangibles amortisation charge, and adjusted for change in accounting policies, 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. Management decided this year that in the light of a more meaningful presentation of the underlying profit, the unhedged portion of the investment hedge on Global Liman and any gain or loss on foreign currency translation on equity as explained in Note 14 have been excluded.

Underlying profit and adjusted earnings per share computed as following;

(USD'000)	**15-month period ended 31 March 2021**	Year ended 31 December 2019
(Loss)/Profit for the Period, net of IFRS 16 impact	**(94,689)**	(13,597)
Impact of IFRS 16	**(3,300)**	(1,622)
(Loss)/Profit for the Period	**(97,989)**	(15,219)
Amortisation of port operating rights/RoU asset/Investment Property	**25,126**	34,453
Non-cash provisional (income)/expenses*	**9,510**	2,457
Impairment losses	**11,997**	–
Unhedged portion of Investment hedging on Global Liman (Note 14)	**39,038**	5,222
(Gain)/loss on foreign currency translation on equity (Note 14)	**1,238**	414
Underlying (Loss)/Profit	**(11,080)**	27,327
Weighted average number of shares	**62,826,963**	62,826,963
Adjusted earnings per share (pence)	**(17.61)**	43.5

* This figure composed of employee termination expense, replacement provision, and provisions/(reversal of provisions) under specific adjusting items.

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;

(USD'000)	**As at 31 March 2021**	As at 31 December 2019
Current loans and borrowings	**295,200**	62,691
Non-current loans and borrowings	**253,734**	390,299
Gross debt	**548,934**	452,990
Lease liabilities recognised due to IFRS 16 application	**(65,918)**	(64,828)
Gross debt, net of IFRS 16 impact	**483,016**	388,162
Cash and bank balances	**(170,599)**	(63,780)
Short term financial investments	**(63)**	(71)
Net debt	**312,354**	324,311
Equity	**86,563**	155,263
Net debt to Equity ratio	**3.61**	2.09

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:

(USD'000)	**15-month period ended 31 March 2021**	Year ended 31 December 2019
Gross debt	**548,934**	452,990
Lease liabilities recognised due to IFRS 16 application	**(65,918)**	(64,828)
Gross debt, net of IFRS 16 impact	**483,016**	388,162
Adjusted EBITDA	**(6,725)**	77,015
Impact of IFRS 16 on EBITDA	**(6,592)**	(3,204)
Adjusted EBITDA, net of IFRS 16 impact	**(13,317)**	73,811
Leverage ratio	**N/A**	5.26x

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.

(USD'000)	**15-month period ended 31 March 2021**	Year ended 31 December 2019
Acquisition of property and equipment	**27,913**	30,200
Acquisition of intangible assets	**56,557**	66,467
CAPEX	**84,470**	96,667

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.

(USD'000)	**15-month period ended 31 March 2021**	Year ended 31 December 2019
Adjusted EBITDA	**(6,725)**	77,015
Impact of IFRS 16 on EBITDA	**(6,592)**	(3,204)
Adjusted EBITDA, net of IFRS 16 impact	**(13,317)**	73,811
CAPEX	**(84,470)**	(23,968)
Cash converted after CAPEX	**(97,787)**	49,843
Cash conversion ratio	**N/A**	67.5%

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 year ended 31 March 2021 and 2019, the relevant hard currencies for the Group are US Dollar, Euro and Singaporean Dollar.

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Notes

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