ANNUAL REPORT 2022

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 and a commercial port in the Adriatic.

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 13 countries and a commercial port in the Adriatic.

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. At the same time, our 'all stakeholder' philosophy brings a mindful approach to the development and promotion of our destinations.

Our cruise business

Read more in the Cruise industry report on page 40

Our commercial business

Read more in the Commercial sector report on page 49

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Strategic report
2022 highlights

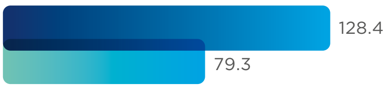
For the most part, the Reporting Period for the year to the end of March 2022 remained a challenging period for the Company. The second half experienced a pick-up in activity levels, which accelerated towards the end of the Reporting Period, as cruising returned to the Caribbean in a meaningful way and the industry prepared to return to significant cruising levels in the Mediterranean over summer 2022. In the first half of the Reporting Period, the cruise industry remained effectively shut down, with only a small number of ships sailing.

We made further progress on delivering our strategic goal to grow the number of cruise ports, signing agreements for Taranto Cruise Port, Italy, Kalundborg Cruise Port, Denmark and Crotone Cruise Port, Italy.

2022   15 month period ended March 2021

Revenue (USD million) +61.7%

128.4



Adjusted revenue* (USD million) +50.5%

40.3

Segmental EBITDA* (USD million) +1,020%

12.9

Segmental EBITDA margin (Cruise)*

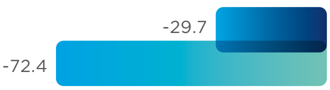
30.1%

Segmental EBITDA margin (Commercial)*

39.5%

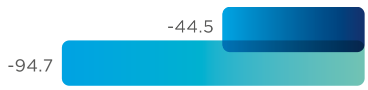
Operating loss (USD million)

-29.7

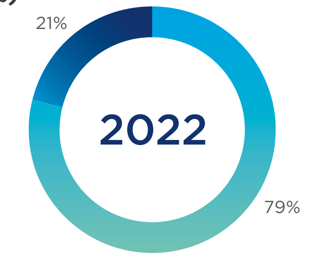


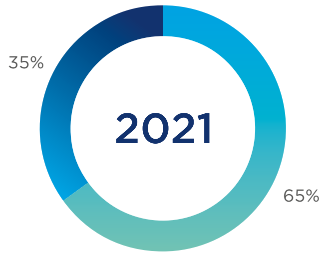
Loss after tax (USD million)

-44.5



Adjusted revenue breakdown (%)





Cruise   Commercial

* Please refer to the Glossary of Alternative Performance Measurements on page 223 for the definition of these terms.

Group highlights

- The first half of the Reporting Period, in particular, remained challenging, with widespread travel restrictions and Covid-19 protocols meaning that cruise activity remained significantly below pre-pandemic levels.
- In the second half of the Reporting Period, the recovery in the cruise industry accelerated, with GPH's passenger volumes in the final quarter reaching 48% of pre-pandemic volumes.
- Adjusted revenue, which excludes IFRIC 12 construction revenue, was USD 40.3 million for the 12 months to 31 March 2022, compared with USD 26.8 million in the prior Reporting Period (15 months ended 31 March 2021). Total revenue was USD 128.4 million for the 12 months to March 2022, compared with USD 79.4 million.
- Adjusted EBITDA of USD 7.0 million compared with USD -6.7 million and loss before tax of USD 43.9 million compared with USD 122.7 million. Underlying loss for the period was USD 18.0 million.
- During the year, GPH signed a five-year, senior secured loan agreement for up to USD 261.3 million with Sixth Street, a leading global investment firm. As well as enabling the early repayment of the USD 250 million 8.125% senior secured November 2021 Eurobond, the agreement's growth facility will be key to the continued success of our growth strategy.

Cruise highlights

- Passenger volumes of consolidated and managed portfolio ports of 2.4 million were up significantly on the 50,000 passengers reported for the 12 months to March 2021. Our Caribbean ports' strong performance in the second half of the Reporting Period drove this increase.
- Our investment programme in Nassau continued, with USD 89.6 million invested. The marine construction works are now expected to complete in the first half of the 2023 Reporting Period and the new arrival terminal is scheduled to be open before the end of 2023 Reporting Period.
- We continued to deliver on our strategic ambition to grow the number of cruise ports in the portfolio. We signed agreements for Taranto Cruise Port, Italy, Kalundborg Cruise Port, Denmark, and Crotone Cruise Port, Italy.
- After year-end, we signed concession agreements for Tarragona Cruise Port, Spain, began cruise operations began at Vigo Cruise Port, Spain and agreed terms for a 40-year concession for Las Palmas de Gran Canaria, Canary Islands.

Commercial highlights

- Container volumes fell by 13%, while General Cargo volumes rose by 434%, driven by strong volumes in certain low margin items.
- Port of Adria reported revenue of USD 8.6 million and EBITDA of USD 3.4 million, up by 19.0% despite the shorter Reporting Period.

Current trading and outlook

- The outlook for the cruise industry continues to improve.
- The world's major cruise lines expect to have returned their entire fleets to sailing during the 2022 summer cruise season.
- Occupancy rates, which have remained low at the start of the 2022 cruise season, are expected to build towards pre-Covid 19 levels by the end of the 2023 Reporting Period.
- Looking beyond the next 12 months, the cruise ship order book remains strong and implies continued growth in the industry's capacity for many years to come, while demand for cruising is expected to continue to grow.
- We remain confident of further delivery of our inorganic growth story in the years ahead.

Rise in cruise passengers

We welcomed 2.4 million cruise passengers to our ports, a significant increase in passenger volumes year-on-year, albeit they will rise much further in the year ahead as we return to normal activity levels.

New ports added

We added three new cruise ports to our network during the Reporting Period.

Record port Investment

Another year of record investment into transforming our ports, with USD 89.6 million invested in Nassau Cruise Port.

2.4m

Passengers
A significant increase in passengers handled

3

New cruise port operations signed during the year

$40.3

Adjusted revenue (USD million) rose 50.5% in the period, reflecting the start of the recovery

Where we operate

A TRULY GLOBAL NETWORK

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

20

we operate or invest in 20 ports worldwide

13

countries

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 and a commercial port operation in the Adriatic.

The first half of the 12 months to March 2022 remained a challenging period for GPH. While there was significantly more cruise activity in this period than the year before, widespread travel restrictions and Covid-19 protocols meant that activity levels were significantly below pre-pandemic levels.

In the second half of the Reporting Period, the recovery in the cruise industry accelerated, with GPH's passenger volumes reaching 48% of pre-pandemic volumes in the fourth quarter, driven by a strong performance from our Caribbean ports.

We continued to deliver our inorganic growth strategy, adding Taranto Cruise Port, Italy, Kalundborg Cruise Port, Denmark, and Crotone Cruise Port, Italy, to the network in the Reporting Period.

After the end of Reporting Period we began cruise operations in Vigo Cruise Port, Spain for the first time, signed a concession agreement for Tarragona Cruise Port, Italy and agreed concession terms for Las Palmas de Gran Canaria, Canary Islands.

- **Unrivalled size and reach:** GPH owns and operates the world's largest independent cruise port network. Our presence and track record in the Mediterranean represents a barrier to entry for aspiring competitors.
- **Long-term revenues:** The concessions we operate are long term in nature.
- **Year-on-year organic expansion:** While Covid-19 has had a material adverse impact on the cruise industry, activity levels across the industry are expected to recover quickly to pre-Covid 19 levels and then resume their long term growth trajectory. The number of cruise ships continues to grow and the ships are getting larger, leading to increased demand for new and comprehensive port infrastructure and services.
- **Scope for ancillary revenues:** Our network has significant opportunities to grow ancillary services as we expand our port 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 cruise ship and cruise passenger volume.
- **Strong cash-generative business model:** Covid-19 aside, our business model requires low or negative working capital and requires limited maintenance Capex, ensuring strong cash conversion.
- **A demonstrable market leader:** We have a proven and dynamic management team, 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 as of 31 March 2022. Please see the individual port reports on pages 44 to 48 for more information on each.

○ Cruise port
● Commercial port

THE CRUISE INDUSTRY RECOVERY IS WELL UNDERWAY

Over the last year, we successfully navigated through the continued impact of Covid-19 and I believe we have emerged from the pandemic in a stronger position to welcome the return to normal cruise operations across our network and continue to grow our port network successfully.

The Reporting Period remained a challenging one for the Group. However, as the second half progressed, the widespread easing of travel restrictions led to a significant increase in activity across the cruise industry.

The first half of the Reporting Period was characterised by continued travel restrictions and limited cruise activity, albeit higher than the year before.

An increase in activity occurred towards the end of the normal Mediterranean cruise season in summer 2021. Therefore, our ports in this region experienced a welcome pick-up in activity ahead of their normal seasonal reduction in cruise activity.

In the Caribbean, the easing of travel restrictions coincided with the start of the main Caribbean cruise season. As a result, our ports in the Caribbean experienced a significant and sustained recovery in volumes, a trend that strengthened as the second half progressed.

Our flexible business model, which helped us navigate the challenges of the pandemic and the associated extensive travel restrictions, is now working in reverse as we scale up our operations for the return of cruising.

As we emerge from the crisis, I believe our business has never been as strong and I look forward to GPH reaching new milestones and records in the years ahead.

Mehmet Kutman, Executive Chairman, CEO and Co-Founder

Growth strategy

In last year's annual report, I talked about how I was excited by our pipeline of opportunities to grow the business and how our partnership with Sixth Street provided us with the financial flexibility to support our ambitions to be the cruise port operator of choice for leading cruise port stakeholders all over the world.

I am therefore very pleased to report that, despite the continued challenges of the Covid-19 pandemic, we have continued to grow our network successfully. We added three new ports to our network during the Reporting Period. Furthermore, shortly after the end of the Reporting Period we added a further three new cruise ports to our network.

In April 2021, we signed a 20-year concession agreement for Taranto Cruise Port, Italy. In October 2021, we added our first cruise port in Northern Europe when we signed a 20-year lease agreement for Kalundborg Cruise Port, Denmark, marking a significant milestone for GPH. This was followed by the signing of a four-year renewable concession for Crotone Cruise Port, Italy, in March 2022. Offsetting these additions, in December 2021, Ravenna Cruise Port, which accounted for less than 1% of our cruise passenger volumes in calendar year 2019, exited the portfolio when the concession agreement came to an end.

After the end of the Reporting Period, we signed a 12-year concession agreement, with a six-year extension option, for Tarragona Cruise Port, Spain, and through a 50/50 joint venture with local partners, we started non-exclusive cruise port operations at Vigo Cruise Port, Spain, under a concession agreement that currently runs until the end of 2024.

In July 2022, our 80/20 venture with a local partner agreed terms for a 40-year concession for Las Palmas de Gran Canaria, Canary Islands. This agreement followed the award of preferred bidder status to GPH in November 2021 for three cruise ports in the Canary Islands. We currently expect agreements to be signed for the three ports shortly, with operations commencing at all three ports in calendar Q4 2022.

The sun never sets

The sun no longer sets on our cruise port network. When GPH listed on the London Stock Exchange five years ago, we had 13 cruise ports in eight countries and welcomed over 7.0 million passengers per annum at our consolidated, managed and equity accounted cruise ports. By the end of the Reporting Period, this increased to 19 cruise ports and has now increased to 22 cruise ports.

Based on pre-pandemic 2019 passenger volumes at each port, of our current cruise network of 22 ports, annual passenger volumes will rise to 10.0 million for our consolidated and managed ports when the industry fully recovers. In total, including equity accounted ports, annual passenger volumes would be 14.0 million.

To deliver this level of growth under any circumstances is an achievement to be proud of, but doing so under the cloud of the Covid-19 pandemic is an incredible achievement by our team. I am incredibly grateful for their continued hard work and dedication to the successful delivery of our strategy.

The growth we have delivered is not just about adding new ports. We now have a more balanced cruise business in terms of regional exposure and seasonality, with cruise ports in the East and West Mediterranean, Northern Europe, the Canary Islands, the Caribbean and Asia.

In 2017, the lion's share of our cruise activity was centred in the Mediterranean, with 88% of the passenger volume at our consolidated and managed cruise ports being generated in the Mediterranean, meaning the majority of our revenue was generated between May and October each year.

As a result of the growth in our network, as at 20 July 2022, based on 2019 pro-forma* passenger volumes at each port, GPH passenger volumes have increased to over 14 million, with the Mediterranean now representing 50% of the passenger volume at our

* Comparative information for the major ports acquired during the calendar year 2019 Antigua Cruise Port and Nassau Cruise Port represent 12 month volumes for the full calendar year, not the pro-rata period under GPH control.

Geographic breakdown of GPH cruise ports in 2017 and 2023

	2017		2023	
	No. Ports	% PAX	No. Ports	PAX
Med	12	88%	14	50%
Northern Europe	0	0	1	0%
Caribbean	0	0	2	33%
Canary Islands	0	0	1	5%
Asia	1	12%	2	12%
Total Cruise Ports	**13**		**22**	

consolidated and managed cruise ports, while the Caribbean represents 33% and GPH has now entered the Northern European and Canary Island markets for the first time.

The addition of these new ports not only reduces our reliance on any one cruise market, they also remove seasonality from our cruise operations.

Cruise port investment

At the beginning of the Reporting Period, 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 entered a five-year, USD 261.3 million senior secured loan agreement with the international investment firm Sixth Street. In July 2021, proceeds from this loan facility were used to repay the outstanding amount of the Eurobond.

Importantly, this agreement provides us with additional funding to support our plans to grow our cruise port network. Our cruise port investments often require financing and despite the impact of the pandemic on industry activity levels, we have continued to access financing when necessary.

During the period, Nassau Cruise Port successfully raised USD 110 million in non-recourse financing from US-based investors in three tranches from June 2021 to November 2021.

The work to transform Nassau Cruise Port continued during the year, with USD 89.6 million CAPEX spent on the marine works and the start of work on the landside.

The work scheduled to be carried out over the next 12 months will bring to life the vision we had for the transformation of this cruise port.

Once we complete this exciting project, I believe it will showcase to global cruise industry stakeholders our capabilities to transform an important cruise port into an iconic cruise port destination.

Cruise operations

The cruise industry finally came out of hibernation in the Reporting Period. However, it was not until the second half of the Reporting Period that a sustained increase in activity levels was experienced across the cruise industry.

With ongoing and frequently changing travel restrictions in many countries, the first half of the Reporting Period was characterised by a relatively small number of ships sailing limited itineraries.

GPH welcomed 563 thousand passengers in the first half of the Reporting Period, a sizable increase from the comparable period but significantly below pre-pandemic levels.

In the second half of the Reporting Period, as travel restrictions began to ease more broadly, activity levels increased across the industry. At this time, GPH experienced increased activity levels in the important Mediterranean market, before the activity levels reduced as the industry in this region wound down for the winter. In Asia, activity levels remained low, with many countries remaining closed to tourism or operating limited cruises or cruises to nowhere rather than normal itineraries.

As travel restrictions eased, activity levels in the important Caribbean market increased sharply. In the fourth quarter of the Reporting Period, Nassau welcomed 333 cruise ship calls, a 5% increase from the 316 calls in the same period of 2019.

In total for the second half of the Reporting Period, GPH welcomed 1.8 million passengers, a significant increase compared with the first half and the 2021 Reporting Period.

Throughout the Reporting Period, occupancy rates on cruise ships remained significantly below normal levels. These lower occupancy rates were the result of a number of factors, including shorter booking windows as the industry restarts, uncertainty around travel restrictions, passengers failing pre-boarding Covid-19 tests, on-board Covid-19 measures and staffing issues.

The industry had expected occupancy rates to rise steadily through the second half of the Reporting Period. However, unfortunately, the emergence of the Omicron variant negatively impacted occupancy rates at the start of the fourth quarter. However, this impact has proven temporary, with occupancy levels rising strongly in February and March 2022.

Cost focus

When the cruise industry shut down in 2020 due to the pandemic, GPH moved quickly to reduce costs.

A combination of our flexible business model and cost-cutting measures helped to support and sustain the business through the pandemic.

Naturally, many of these costs will return as our cruise operations ramp up. However, our experience through the pandemic has taught us that we cannot rely on a steady revenue stream each year from a continuously growing industry and we are now more alert to the structure and size of our cost base at all times.

Commercial operations

Port of Adria delivered revenue of USD 8.6 million and EBITDA of USD 3.4 million for the 12 months ended March 2022, an increase of 19.0% compared to the 2021 Reporting Period, despite the shorter 2022 Reporting Period. Of particular note was the strength of General cargo volumes, which were driven by high volumes in certain low margin cargo items.

The Board of Global Ports Holding continues to consider its options regarding Port of Adria, including its potential sale.

Board and management

Shortly after year-end, we announced that Emre Sayin, Chief Executive Officer, was stepping down from his role to pursue new business opportunities. Emre joined the Global Ports Holding Group in 2016 as CEO and led the Company through its IPO and admission to the London Stock Exchange the following year. Emre left the Group in May 2022. I want to thank Emre on behalf of the Board of Directors for his commitment and leadership throughout his tenure at GPH and I am grateful for his efforts to grow and evolve the business and brand.

Aborted takeover bid

On 15 June 2022 GPH confirmed that it had received an approach regarding a potential cash offer for all of the shares in the Company by SAS Shipping Agencies Services Sarl (SAS), a wholly owned subsidiary of MSC Mediterranean Shipping Company. On 12 July 2022, GPH's Board of Directors announced that it had terminated these talks and SAS confirmed that it did not intend to make an offer for GPH.

GPH's Board of Directors remain confident in GPH's strategic direction as an independent port operator with open access cruise port concessions and arm's length treatment of berthing rights for all its customers.

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 at our cruise ports.

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.

The GPH board continues to be focussed on delivery of our strategic goals and long-term value creation, that reflects the strategic strength of GPH and its growing network of cruise ports, for the benefit of all shareholders

The future

Long term, the outlook for the cruise industry continues to be positive. The passenger capacity of the industry is forecasted to grow by 45% by 2027, from 2019 levels. Driven by the 75 cruise ships currently in the cruise ship order book and due for delivery by 2027. This growth in the number of ships and the size of ships means that many cruise ports will need to invest in their infrastructure in order to be able to accommodate the new ships. There is no better example of this type of investment than GPH's significant investments in Antigua Cruise Port and Nassau Cruise Port. Our strategic ambition to grow the number of cruise ports in the network remains a key focus for the Board and management. Despite the unprecedented nature of the Covid-19 crisis and its significant impact on our business, we have continued to grow the number of cruise ports in our network.

Since the onset of the crisis, we have added seven new cruise ports to the portfolio and disclosed details of a further three cruise ports expected to be added to shortly. This would be considered a significant achievement in any period.

This success stands as a testament to the strength of our operational capabilities and the appeal of our global expertise and operating model to a fragmented global growth industry.

In the near term, with the major cruise lines reporting strong booking patterns in March and April 2022,

OUR MILESTONES

2004

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

2006

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

2008

- Acquired a 60% stake in Bodrum Cruise Port.

2010

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

2013

- Acquired a minority stake in Creuers (Barcelona, Málaga and Singapore Cruise Ports).
- Won a tender for a 62% stake in Adria-Bar Commercial Port.

2014

- Acquired the 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.

travel restrictions continuing to ease, the global cruise fleet returning to the sea and occupancy rates expected to return to pre-Covid 19 levels by the end of the 2023 Reporting Period. The outlook for the year to March 2023 and beyond is positive.

Mehmet Kutman
Executive Chairman, CEO and Co-Founder

Our 2023 reporting period

- To successfully welcome the return of normal cruise operations at all our cruise ports.
- To complete our investment into Nassau Cruise Port.
- Successfully reach financial close on recently signed major concession agreements.
- To successfully on-board the cruise ports recently added to our network.
- Deliver at least four new cruise port investments or management agreements.

2016

- Acquired an effective 11.2% stake in Venice Cruise Port as part of a strong consortium together with Costa Crociere, MSC Cruises and Royal Caribbean Cruises.
- Acquired a 53.7% indirect stake in Ravenna Cruise Port.
- Acquired a 62.2% indirect stake in Catania Cruise Port.
- Acquired a 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 Gaženica 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 a 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 to manage Taranto Cruise Port, Italy.
- Signed a concession agreement for Kalundborg Cruise Port, Denmark.

2022

- Signed a concession agreement for Crotone Cruise Port, Italy.
- Signed a concession agreement for Tarragona Cruise Port, Spain.
- Began cruise operations at Vigo Cruise Port, Spain.
- Agreed concession terms for Las Palmas de Gran Canaria Cruise Port, Canary Islands.

OUR CRUISE BUSINESS

WHAT WE DO

We consider our cruise revenue based on two defined segments:

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

   These revenues are generated primarily 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:
   - **Port services;**
   - **Destination services; and**
   - **Area management.**

   This breakdown focuses the type of service more closely to where we provide them at our ports. All three of these key ancillary services areas provide a portfolio of services, each differing according to the terms of each port agreement and the physical layout of the port. The focus is on providing the most efficient, flexible and value-adding services at each port.

We provide our services direct to cruise lines, passengers, cruise ships and crew, as well as working with destination stakeholders such as retailers, office tenants and third-party service providers. We also serve ferries and super- and mega yachts in some ports.

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 most of our revenue and are the key to successfully delivering organic growth. Passenger volumes are driven by the number of calls at our ports, each ship's capacity and occupancy rate.

Typically, cruise ships sail with occupancy levels of over 100%, which provides good visibility on our business's most important driver. However, occupancy levels are currently materially below 100%.

As cruise activity recovers over the next year, occupancy levels are expected to normalise. The long-term outlook for passenger volumes continues to be supported by the rising number of cruise ships coming to the market over the next decade.

Ancillary services
While terminal and marine services generate our core cruise revenue, ancillary services are also central to our business model, improving ports' profitability through port services, area management services and destination services.

Costs
Flexible costs are a vital component of our model and success. Our ports always contend with monthly, weekly and daily changes in resourcing needs. The majority of our costs rise and fall with volume, using third parties and contractors to best match the ports' staffing needs day-to-day.

Competitive advantage
Our cruise ports are located in some of the most enticing, must-see destinations in the world. One cannot replicate the allure of these destinations just anywhere. The waterfronts surrounding our ports are nearly always largely developed and carefully protected, creating a significant competitive advantage.

Our experience and know-how, coupled with our global operating procedures, create a distinct competitive advantage compared to other potential operators when it comes to new concessions and agreements.

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. 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 focuses 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 provide ancillary services to cruise lines and services and goods directly to cruise passengers, thereby growing our revenue yield per PAX.

Our inorganic strategy focuses on expanding our network through either investment into or management of carefully chosen cruise ports. We then enable 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. We have a proven track record of transforming traditional cruise ports and terminals into world-leading destinations and delivering excellent customer experiences. Due to our reputation as a leading and reliable port operator, GPH is the natural partner for cruise lines and local stakeholders.

Operational excellence
We excel at operating our ports and running them professionally and safely. We understand all stakeholders' needs and bring a mindful 'all stakeholder' approach to developing destinations. This includes our proprietary GPH security code and rigorous health and safety procedures.

Modern infrastructure
We are significant investors in the physical infrastructure of our cruise ports, with state-of-the-art cruise terminals and modern and energy-efficient equipment. We are significant investors in optimisation technology, including our proprietary GPH security code and cloud-based port operating systems.

Marketing and influential strength
Our local management teams leverage our centralised marketing capability to promote and present a superior branded value proposition for our destinations and all stakeholders as an integrated cruise port network.

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 16

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. 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 55.

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 54 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 54 to 63.

Our stakeholders
Read more about how we engage with our stakeholders on pages 50 to 53

OUR COMMERCIAL BUSINESS

WHAT WE DO

Our Commercial port handles cargo from two distinct categories:

1. **Containers:** the shipping industry standardised intermodal containers used to store and move materials and products, such as marble, aluminium, cigarettes, fertiliser and furniture. The containers are loaded and sealed intact onto container ships.
2. **General bulk:** this cargo requires special handling at the port and is typically transported in bags, boxes or crates.

   We offer a range of complementary services, including stuffing and un-stuffing containers, warehouse services and cargo weighing.

Our mission and our values underpin our business

Read more on page 9

KEY INPUTS & DRIVERS

Key inputs
The key input to our commercial port is the volume of goods that we handle. This volume is driven primarily by global trade volumes and the health of both the global economy and the local economy 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. Our ports contend with monthly, weekly and daily changes in resourcing needs. Therefore, controlling and managing our costs is a key focus of the management team at the port.

Competitive advantage
The location of our port provides a competitive advantage. The port has strong rail links to land-locked neighbour Serbia, particularly the industrial area around Belgrade. It also has significant storage capacity, which allows it to act as a distribution centre for the region. The cost of transporting by road to and from alternative ports can be prohibitive.

Our Commercial business generates the majority of its revenue from handling goods for export and import through our dedicated commercial port. We are 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 the 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 have significantly invested in and expanded the physical infrastructure, with state-of-the-art 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 with current and potential new stakeholders on new cargo solutions that could hopefully increase our cargo volumes and diversify the types of cargo we handle.

Our strategy

Read more about our strategy on page pages 16 to 21

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 pages 54 to 57.

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 50 to 53

Our strategy

When GPH effectively became a pure-play cruise port operator, the Board and senior management team committed to reviewing the current strategic pillars during the 2022 Reporting Period. However, during the Reporting Period, the Board and senior management decided to focus on the return of cruise passengers to our ports and the continued successful expansion of the cruise port network. Therefore, the strategic pillars will be reviewed in the 2023 Reporting Period. The strategic pillar, improved experiences, has been merged with the continued transformation pillar in the interim. This change better reflects the role that ancillary services play in the transformation of our cruise ports and passenger experiences.

STRATEGIC PILLARS		PROGRESS DURING THE PERIOD
1. CONTINUED EXPANSION	Continued expansion in cruise ports through targeted, disciplined new port investments in selective strategic locations in the Caribbean, North America, Europe and Asia. **See case study on page 19**	• Awarded three new cruise port concession agreements in the Reporting Period. • Awarded preferred bidder status for three cruise ports in the Canary Islands. • Completed the induction of Taranto Cruise Port during the Reporting Period.
2. CONTINUED TRANSFORMATION	Continued transformation of our cruise terminals and passenger experience, including implementing and expanding B2C and B2B ancillary service opportunities to deliver revenue growth and higher per PAX yield. **See case study on page 20**	• Invested USD 89.6 million in Nassau Cruise Port as part of our plans to transform the cruise port experience for cruise lines and cruise passengers at this port. • Successfully introduced an integrated services package at a number of our cruise ports.
3. DELIVERING GROWTH AND CASH	Focusing on delivering growth while maintaining a low cost and cash generative business model from operating port concessions. **See case study on page 21**	• The Covid-19 pandemic had a severe impact on the business's financial performance. • Implementation of financial reporting and accounting systems across all current ports and new ports added to the network. • Continued careful management of cash and profitability at our commercial port. • Successfully deliver diversification through the on-boarding of new cruise ports.

KPIs	GOALS FOR 2023	PRINCIPAL RISKS
Adjusted revenue (USD million): 2022 40.3 2021 26.8 Number of cruise ports: 2022 19 2021 17	• Complete onboarding of recently announced cruise ports. • Closing up to four port investments or agreements in the 2023 Reporting Period.	• The legal and regulatory environment in respective countries. • Potential competition by private investors. • Conflicting agendas with major cruise lines in strategic ports. • Political or public opposition to concession awards.
Cruise segmental EBITDA (USD million): 2022 9.5 2021 -1.7 Ports offering integrated service package: 2022 7.0 2021 0.0	• Transform port retail infrastructure at a number of ports for improved passenger and cruise line experience and new revenue opportunities. • Successfully grow the number of ports offering an integrated services package.	• Macroeconomic conditions. • Resistance to change by the industry stakeholders. • Relevant authorities do not grant licenses etc. or regulation changes. • Disagreements with sub concessionaires, tenants etc. • Disruptive nature of some ancillary services causing unintentional misalignment with stakeholders. • Performance of partners.
Adjusted EBITDA (USD million): 2022 7.0 2021 -6.7	• Successfully manage the return to cruising at our cruise ports in a cash generative and safe manner.	• Geopolitical events that affect demand. • Reintroduction of travel restrictions • A complex regulatory environment where changes may negatively affect our profitability.

Strategy in action

1. CONTINUED EXPANSION

New ports added to the portfolio

While the cruise industry remained effectively shut down for a large part of the Reporting Period, GPH continued to pursue expansion through targeted, disciplined new port investments in selective strategic locations in the Caribbean, North America, Europe and Asia.

During the Reporting Period, GPH achieved another milestone, when it signed a 20-year agreement for Kalundborg Port, Denmark, our first cruise port in Northern Europe. Kalundborg Port is located in the north western region of Denmark and is just over one hour from Copenhagen city centre. The geographic location of the port means that it can provide cruise lines with an important time-saving and fuel-efficient alternative to Copenhagen Cruise Port. As part of the agreement to manage the cruise services at the port, GPH, subject to certain milestones, will invest up to EUR 6 million by the end of 2025 into a purpose-built cruise terminal.

At the beginning of the 2022 Reporting Period, GPH signed a concession agreement for Taranto Cruise Port, Italy. And shortly before the end of the 2022 Reporting Period, GPH signed a four-year renewable concession to manage the services for cruise passengers in the Port of Crotone, Italy.

After the end of the Reporting Period, GPH signed a number of new and important cruise port concessions.

In April 2022, GPH signed a 12-year concession agreement with a six-year extension option, for Tarragona Cruise Port, Spain, and also began cruise port operations at Vigo Cruise Port, Spain.

In July 2022, GPH agreed terms for a 40-year cruise port concession for Las Palmas de Gran Canaria Cruise Port, Canary Islands.

2. CONTINUED TRANSFORMATION

Virgin Voyages port agency agreement

We signed a contract with Virgin Voyages, a new cruise line, to provide a range of services to all their cruise ships in all Spanish ports during the Reporting Period, including those where we are not the concessionaire. This agreement marks an important step in expanding our port services footprint.

Operating from April until October, Virgin Voyages will homeport in Barcelona while sailing a number of different West-Med itineraries.

At Barcelona, GPH will provide and manage an encompassing range of services either directly or via third parties, including stevedoring, port agency and crew services.

In addition, we will provide services at our ports in Málaga and Lisbon. However, GPH will also provide services to Virgin Voyages at an additional four Spanish ports throughout the term of the agreement.

This port agency agreement is an exciting new development that builds on the work we started in 2019 to build an integrated services package that we can offer to cruise lines.

3. DELIVERING GROWTH AND CASH

Managing growth

The Reporting Period saw a significant increase in cruise passengers compared with the prior Reporting Period, albeit the majority of this increase came in the second half of the Reporting Period.

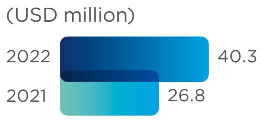
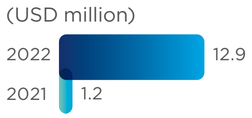
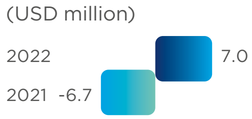
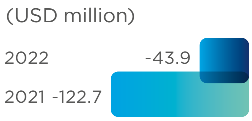
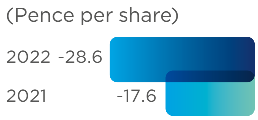
We welcomed 2.4 million passengers in total in the Reporting Period, with all of our cruise ports welcoming the return of cruise passengers.

Despite this being only 25% of the like-for-like calendar year 2019 passenger volumes of 8.9 million, we still generated Cruise EBITDA of USD 9.5 million, delivering a Cruise EBITDA margin of 30.1% and an Adjusted EBITDA margin for the Group of 17.4%.

The performance at Valletta Cruise Port and Nassau Cruise Port were particularly pleasing.

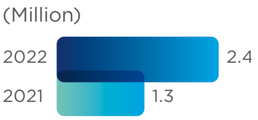
Valletta secured homeport operations with passengers flying direct from the US to Malta for the first time and benefited from its strong ancillary services offering, particularly around retail and F&B. Nassau Cruise Port experienced a strong increase in passenger numbers in the Reporting Period, reflecting the pick-up in cruise activity in the Caribbean and our work to promote the port, with Nassau carrying out homeport operations for the first time.

Key performance indicators

FINANCIAL KPIs		STRATEGIC LINKAGE	2022 PERFORMANCE
Adjusted revenue Calculated as revenue from all majority owned cruise and commercial ports and subsidiaries. Adjusted revenue is revenue excluding IFRIC 12 construction income.	 	1 2	Strong growth in Adjusted revenues during the Reporting Period, reflecting the increase in cruise activity in the second half of the Reporting Period.
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.	 	1 2 3	Strong Segmental EBITDA growth in the Reporting Period, primarily driven by the recovery in cruise activity in the second half of the Reporting Period.
Adjusted EBITDA Segmental EBITDA less unallocated costs or 'HQ' costs.	 	1 2 3	Adjusted EBITDA rose during the Reporting Period, reflecting the improvement in Segmental EBITDA, which was driven by the increased cruise activity.
Operating profit/loss Operating profit is profit for the year stated before the share of results of equity-accounted investees, finance income, finance costs and tax.	 	1 2 3	The Group reported a significantly lower operating loss than in the previous Reporting Period, reflecting the improvement in cruise activity.
Profit/loss before tax Operating profit plus share of profit from equity accounted ports less net finance costs.	 	1 2 3	The loss before tax for the Reporting Period was USD -43.9 million, a significant improvement on the USD -122.7 million in the prior Reporting Period.
Adjusted EPS Calculated as profit/(loss) for the year after adding back: amortisation expense in relation to Port Operation Rights and any one-off expenses divided by the weighted average number of shares in issue.	 	1 2 3	Adjusted EPS for the Reporting Period was -28.63 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.



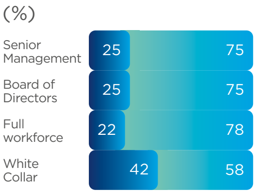
Strategic linkage: 1 3

The number of cruise passengers at our consolidated and management ports increased significantly in the Reporting Period, reflecting the pick-up in cruise activity in the second half of the Reporting Period. Most notably at our Caribbean ports.

Gender
Percentage workforce that are females and males.

Female

Male



Strategic linkage: 2

As of March 2022 female employees accounted for 22% of the overall workforce and 42% 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 Reporting Period, carbon intensity fell by 36% to 8.55. However, this decrease reflects a change in methodology. GPH now measures its carbon intensity based on the area M^2 rather than just the Terminal M^2.

Accident reduction
All 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 Reporting Period, there were six incidents that resulted in an absence from work.

RISK MANAGEMENT FRAMEWORK

The Group is exposed to various risks and opportunities that can impact its ability to achieve its strategic objectives and impacts its business performance. The Board recognises that creating shareholder value involves the effective management of risk. Therefore, it is critical for the Board to determine the nature of these risks and ensure 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 new port investment process.

The Board of Directors retains ultimate responsibility for risk management and establishing the framework of prudent and effective controls. As such, it systematically monitors and assesses the risk attributable to the Group's performance and delivery of its strategy. Where a risk has been identified and assessed, the Group selects the most appropriate risk measure available in order to reduce the likelihood of its occurrence and mitigate any potential adverse impact.

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.

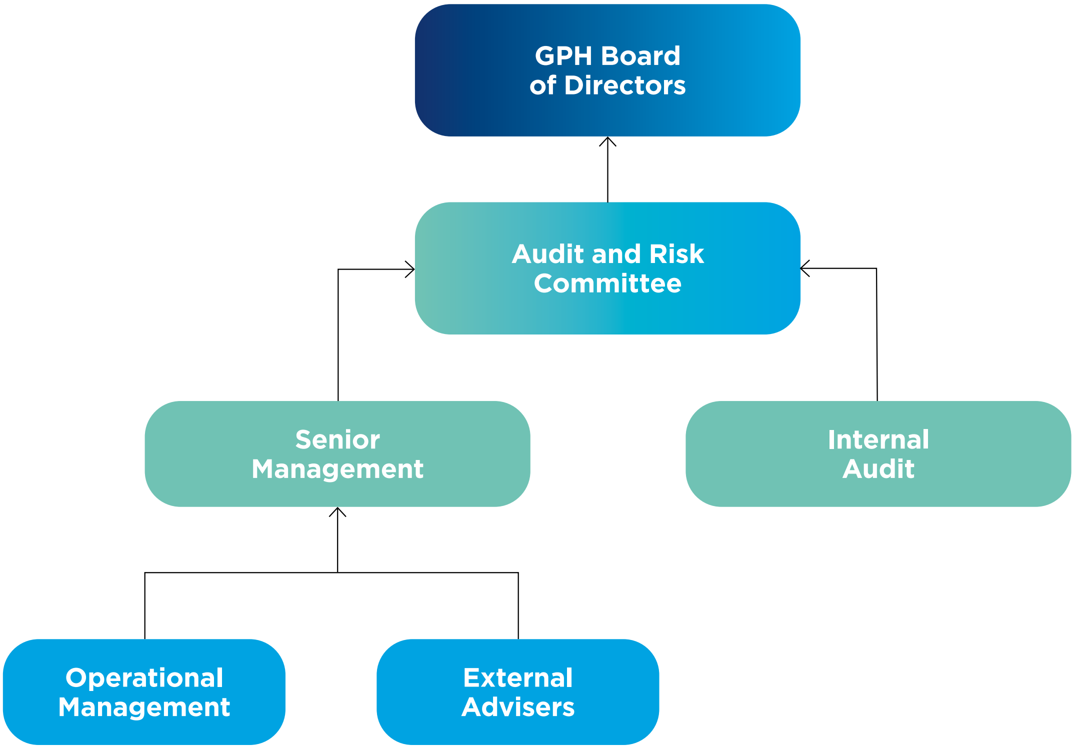
The Group's principal business risks are monitored and managed throughout the period by senior management, the internal audit function and the Audit and Risk Committee, which reports to the Board. Although that Committee has been delegated the authority from the Board to monitor risks, it provides the 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 its strategy and operations.

The management team considers this bottom-up risk reporting 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 into a Group-wide view and presented to our Board, who add their own input from a strategic, functional and emerging risk perspective. After the final consolidation of risks, we define proposed action plans to mitigate risks. We define owners who are responsible for confirming that adequate controls are in place and that the necessary action plans are implemented to bring risk profiles



within an acceptable tolerance. As an ongoing process, we develop formalised and documented procedures that are increasingly centralised.

The most significant risk is the ongoing impact of the Covid-19 pandemic. We are monitoring the situation carefully as it evolves to understand the impact on our employees and our business. While the current position is that the impact is dissipating, we remain alert to the fact that this could change and any change could have a significant impact on the short-term performance of our ports.

We continue to take all necessary steps to protect our employees' health and mitigate the risk to our business.

Several principal risks materialised simultaneously due to the Covid-19 pandemic, which has led to travel restrictions across the world, both within the markets and in destination countries. These include customer demand, input cost volatility, cash flow profile and health & safety. 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.

Principal risks and uncertainties

The risks and uncertainties described in the following pages are currently considered to have the most significant potential effect on GPH's strategic objectives. This list is not intended to be exhaustive. The order in which risks are presented does not necessarily indicate 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 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 its operations. This can include natural catastrophes such as earthquakes, floods, wildfires, hurricanes or tsunamis or 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. Changes in climate may increase the frequency and intensity of such adverse weather patterns, make specific destinations less desirable or impact the Group's business in other ways. The spread of Covid-19 and the recent developments surrounding the global pandemic had material adverse effects on all aspects of the Group's business. The impact has been most pronounced with respect to its cruise operations.	The Group expanded its Group risk strategy and framework regarding crisis management to address the Covid-19 pandemic specifically. Internal controls impacted by the pandemic continue to be assessed, monitored and amended where relevant, including controls that 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 pandemic, GPH 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, focusing on the welfare of our customers, staff and our local communities. Our port operations have flexible business models that help offset any revenue impact from a reduction in cruise passenger demand or the movement of goods. While the risk from Covid-19 has significantly reduced, our processes and rapid response teams remain alert to the fact that the current situation may change. Natural disasters tend to be localised or regional. Our General Managers and senior management 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 our commercial ports to commercial lines and importers and exporters. Property and business interruption insurance is the main risk mitigant against natural disasters, particularly 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, with the relevant state owner of the port. The length of concessions varies and the Group's concession agreements are granted for a fixed term. On average, the Group's long-term concessions have 23 years of cash generation ahead of them (with respect to the Group's consolidated ports only), based on 2019 (pre-Covid-19) pro-forma revenues. The concession terms of the Group's main ports, based on management's assumptions of revenue-generating potential and historical 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, Singapore Cruise Port was extended from 2022 to 2027 by bilateral agreement. In addition, the Company's stated strategy of increasing the number of ports it operates, and the network effect that comes from operating a growing number, means that the potential impact from a single 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 that such an outcome is improbable, 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 network 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 management 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 ensures that obligations are being met regarding materiality. 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 of visitors to 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. These actions could impact 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 network of cruise ports provides some structural protection. In addition, a number of our cruise ports are located near 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 that one of our key roles when operating a cruise port is to work with all stakeholders to integrate the port into the destination and manage the impact of cruise tourism on the destination and local environment. 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 can potentially harm our business and reputation, for example, by excluding the Group from Public Private Partnership (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. The Group encourages its employees, clients and other stakeholders to report cases or raise concerns about potentially unethical, unlawful or suspicious conduct or practices. A new Whistleblowing Policy was adopted in September 2021. A separate compliance function has recently been established for monitoring the Company's compliance with its own policies and applicable laws and regulation.
Cyber security and data privacy. ↔	As a complex global organisation, there is a risk that the Group falls victim to increasingly sophisticated cyberattacks aimed at disrupting our information assets by circumventing confidentiality, integrity or availability controls.	We are continuing to align our IT strategy with the business objectives. We regularly review, update and evaluate all software, applications, systems, infrastructure and security. We have policies covering the protection of both business and personal information and 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 backup 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 UK 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. These factors may impact 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 bookings mean that 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 mean that cruise holidays are often booked way ahead of any event that could negatively impact or reduce demand. If demand falls, cruise lines tend to reduce pricing to fill their ships and maintain passenger volumes. This means cruise ports are not affected, given they are per passenger revenue model. Cruise lines can re-deploy ships to other ports or regions in more extreme cases. However, as the Group continues to expand the number of cruise ports it operates, the network effect helps reduce this risk. Indeed, a Group port may also benefit from a re-deployment from another port. As the Group expands into regions such as the Caribbean and the Asia-Pacific, it is better positioned to offset any significant re-deployment of ships by cruise lines. In addition, GPH's commercial port revenues assist in providing some off-setting impacts to our cruise business.
Demand for cruise port services can be influenced by trends and perceptions beyond the Group's control.	Factors outside our control may negatively affect passenger demand for cruise holidays. 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 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: • countries where the Group operates its ports; • countries of destination ports in cruise itineraries that include the Group's ports, and • the major source markets (primarily the US, UK and Germany);	We recognise that it is healthy for cruise lines and cruise passengers to have variety and choice when selecting cruise ports. Our port investment strategy has been selective, choosing ports in marquee destinations (such as Barcelona, Kuşadası, Nassau, Venice 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. Historically, the global travel industry has proven remarkably resilient to external shocks and has recovered from setbacks relatively quickly. Where necessary, GPH is ready to work with national and local regulatory authorities to put in place enhanced measures, including, where appropriate, passenger and crew screening.

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. Passenger spending habits and traffic volumes, therefore, influence its performance. 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 developed port-specific models, improved our retail facilities at Ege Liman, and completely refurbished our retail areas in Barcelona. We also successfully tendered additional retail operations across the cruise port network. While the risk theoretically remains, the introduction of leading retail operators with extensive experience in 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 to minimum guaranteed rents with third-party retail tenants. We continually monitor passenger satisfaction and use passenger feedback to influence our new services and products. GPH fosters positive relationships with all stakeholders and is in regular contact with port authorities and government officials. New regulations can have both a positive and negative impact on the business. We would always seek to participate in 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 based on 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 reduce 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 port investment strategy primarily focuses on ports in marquee destinations (such as Antigua, Barcelona, Nassau, Venice, Lisbon, Kuşadası and Valletta), which we believe are less likely to replace 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, act as a competitive advantage. The cruise market continues to grow, driven by a growing number of cruise ships and an increase in the size of cruise ships. The cruise market continues to attract passengers from new source markets and demographics, increasing demand for cruise ports. This growth means more ports need to be capable of handling larger ships and more ports are needed. We actively monitor industry dynamics and can adjust our new port network strategy accordingly.

Risk	Description	Mitigation/action
Risks relating to commercial port operations		
External factors may affect demand at the Group's commercial port.	Port of Adria-Bar is primarily used to export and import steel, aluminium, cement and timber. Accordingly, the demand for the Group's commercial port operation is significantly influenced by regional and global demand for commodity construction materials, particularly in Montenegro and surrounding countries. Such demand is sensitive to changes in general economic conditions, both globally and in important export markets of the Group's customers. It is also influenced by foreign trade volumes, cargo trade volumes and commodity and fuel prices. As a result, if these general economic conditions deteriorate, the demand for commodities may decrease, thus driving down the 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. In addition, Port of Adria has responded to throughput volatility in demand by focusing on quality and value-driven services, investments in infrastructure development and equipment, and effective cost containment.
Barriers to trade may adversely affect the Group's commercial port.	The success and profitability of the Group's commercial port operation 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 beyond the Group's control. 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 of a global crisis such as pandemics.	Diversification is the priority action that we continue to take to mitigate this risk. By broadening our base of the export and import markets we serve, we can reduce the potential impact of the 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 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. 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. This is particularly applicable with regard to the facilities where hazardous substances are used, transported, stored, processed, discharged, managed and disposed of, as well as the other facilities and storage areas used by the Group.	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 an environmental and social mitigation plan, prepared according to European Bank of Reconstruction and Development'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 or investments. The Group intends to make further cruise port acquisitions or investments in the future. Growth by this means 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; • 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 18 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 consistently 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 substantial capital investment that requires the Group to obtain funding sufficient to meet increased capital needs. Such funding could have an adverse effect on the Group's leverage ratio and financial stability. Due to adverse cruise market conditions resulting from the Covid-19 pandemic, the Group may not be able to secure funding when existing indebtedness needs to be refinanced, or to fund committed investments that may negatively impact the respective concession agreement.	For new ports, the Group believes that there is strong interest from a wide range of financing parties willing to provide non-recourse financing for new port investments. The Group always seeks to engage with potential financing parties for a new port investment during the early stages of the process, making them a key part of any proposal or bid, thereby reducing the risk of a funding shortfall. The use of non-recourse financing significantly reduces the risk to the Group from such investments. In addition, where appropriate, the Group has invested with a partner, such as in Nassau, lowering the investment requirement. The Board and management monitor the Group's debt levels regularly, using a range of financial metrics. 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.

Risk	Description	Mitigation/action
Risks relating to investments and strategy continued		
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 EUR and has EUR 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 positive and negative. In recent years, this has tended to be primarily a positive as TL has devalued 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 EUR.

CRUISE ACTIVITY CONTINUING TO RECOVER

The 2022 Reporting Period began with continued travel restrictions imposed by governments and authorities across the world. However, as these were lifted in the second half of the Reporting Period our cruise operations experienced an encouraging increase in activity that gained momentum throughout the second half.

2022 financial review

Group revenue for the Reporting Period was 128.4 million USD (2021: USD 79.4 million), with Adjusted revenue of USD 40.3 million (2021: USD 26.8 million). The latter reflects the operating performance as it excludes the impact of IFRIC 12 construction revenue in Nassau of USD 88.1 million (2021: USD 52.6 million). Under IFRIC 12, the expenditure for certain construction activities in Nassau is recognised as operating expenses and added with a margin to the Group's revenue. IFRIC 12 construction revenue has no impact on cash generation.

Adjusted EBITDA, reflecting Cruise and Commercial EBITDA less unallocated expenses, was USD 7.0 million compared with a loss of USD 6.7 million in 2021. This turnaround in Adjusted EBITDA was driven by the increase in cruise activity in the Reporting Period, particularly in the second half and our continued control of costs while our cruise operations are returning to normal operating conditions.

After depreciation and amortisation of USD 28.5 million (2021: USD 34.2 million), including USD 20.7 million (2021: USD 25.1 million) of port operating rights amortisation, and specific adjusting items of USD 10.6 million (2021: 31.0 million), the Group reported an operating loss for the Reporting Period of USD 29.7 million (2021: USD 72.4 million).

After net finance costs of USD 11.8 million (2021: USD 50.8 million), loss before tax was USD 43.9 million (2021: USD 122.7 million).

Cruise activity

Our Cruise business welcomed 2.4 million passengers to our consolidated and managed ports during the Reporting Period, a substantial increase on the 1.3 million in the 2021 Reporting Period, which covered 15 months, and the 50k welcomed in the 12 months to end March 2021. Cruise revenue, excluding the impact of IFRIC 12 construction revenue, was USD 31.7 million (2021: USD 17.5 million).

Cruise activity picked up in the second half of the Reporting Period as travel restrictions began to ease globally. Our ports in the Caribbean in particular experienced a sharp pick-up in activity, with easing in restrictions coinciding with the start of the Caribbean cruise season.

Nassau Cruise Port was particularly strong, benefiting from its close proximity to the world's largest sourcing market and the key Florida homeports in the US, reporting Adjusted revenue of USD 12.2 million. On a number of days, the port hosted six cruise ships simultaneously, during the main winter season 2021/22 utilising the new berthing capacity that has been recently added as part of our significant investment into this port.

The Mediterranean was one of the first cruise markets in the world to welcome the return of cruising, with Valletta Cruise Port recommencing operations as early as August 2020. However, activity levels remained low until the easing of travel restrictions in the second half of the Reporting Period, when the main summer season in the Mediterranean was already over.

Valletta Cruise Port was our best performing port in the Mediterranean, reflecting the higher number of cruise passengers welcomed compared with the other ports in the region and the strength of the ancillary services offering in Valletta, particularly around retail and F&B.

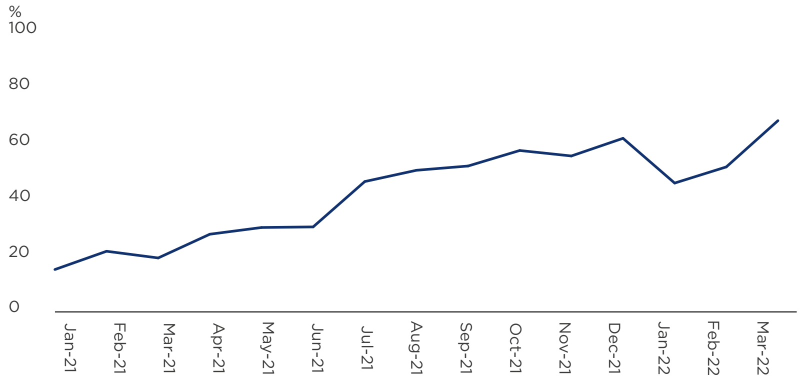
The majority of our cruise revenue is driven by the number of cruise passengers, rather than cruise ships. This means that cruise ship occupancy levels are a key determinant of our financial performance.

While cruise ship volumes have risen and the global cruise fleet is close to 100% deployed as of mid-2022, occupancy rates during the Reporting Period were significantly lower than normal; being very low at the start of the Reporting Period and picking up in particular in the fourth quarter. This lower occupancy rate has been driven by a number of factors, including shorter booking windows as the industry restarts, uncertainty around travel restrictions, passengers failing pre-boarding Covid-19 tests, on-board Covid-19 measures and cruise lines limiting passenger numbers due to staff shortages.

The volume-weighted average cruise ship occupancy rate at GPH's consolidated and managed ports increased steadily throughout the Reporting Period. Rising from just 25% in March 2021 to 47% by September 2021 and 57% by December 2021. The response from governments to the emergence of the Omicron variant and the subsequent re-introduction of some travel restrictions had a negative impact on occupancy rates, dropping sharply in January 2022 to 42%, a level that had not been experienced since July 2021.
As fears over the Omicron variant dissipated and travel restrictions were eased once again, the occupancy rate rose sharply, reaching 62% in March 2022.
In the near-term, the trajectory of the recovery in occupancy rates will be a key determent of our financial performance in the upcoming Reporting Period to March 2023.

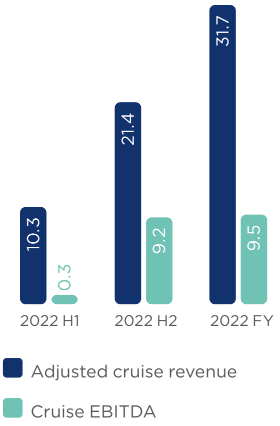
The cruise industry currently expects occupancy levels to recover to normal pre-Covid levels by the end of the 2023 Reporting Period, which bodes well for the medium to long-term recovery at GPH.

GPH capacity ratio (%)
Volume weighted average (Consolidated Ports)



Source: Global Ports Holding

Cruise performance 2022



Cruise segmental performance

	2022		2021	
	Adjusted revenue	EBITDA	Adjusted revenue	EBITDA
Antigua Cruise Port	2,550	(37)	2,781	627
BPI (Barcelona & Malaga Cruise Ports)	6,210	518	1,886	(2,740)
Ege Cruise Port	1,504	401	905	(391)
Nassau Cruise Port	12,168	5,081	6,137	432
Valletta Cruise Port	6,333	3,784	4,217	2,054
Other Cruise Ports	2,940	(203)	1,546	(1,680)
Total	**31,704**	**9,544**	**17,472**	**(1,698)**

Cruise EBITDA for the Reporting Period was USD 9.5 million compared with a loss of USD 1.7 million in 2021 Reporting Period. It is worthwhile noting that the 15-month reporting period 2021 included the strong, first calendar quarter 2020 with a Cruise EBITDA of USD 5.7 million, which makes the growth in the 2022 Reporting Period even more impressive.

The increase in cruise activity in the second half of the Reporting Period was the key driver of this improvement in Cruise EBITDA. In the second half of the Reporting Period, Cruise revenue was USD 21.4 million compared with USD 10.3 million in the first half, and Cruise EBITDA in second half was USD 9.2 million, compared with just USD 0.3 million in the first half.

Commercial activity

Following the sale of Port Akdeniz in January 2021, our commercial port operations are represented by just the operation of Port of Adria in Montenegro. Commercial Revenue in the Reporting Period was USD 8.6 million compared with USD 9.3 million in the 2021. Commercial EBITDA was USD 3.4 million for the Reporting Period compared with USD 2.9 million in 2021.

This was a pleasing performance from Port of Adria during the Reporting Period, with 19% growth in EBITDA, despite the shorter Reporting Period 2022, primarily driven by an increase in general cargo volumes.

Flexible cost base

Our extensive use of outsourcing through third parties and contractors to manage the volume-related work across our cruise ports means our cost base has low fixed costs and is inherently flexible.

This flexibility, which sees a high percentage of our costs automatically expand and contract in line with activity levels, was key to our ability to reduce costs when the cruise industry shut down. Furthermore, we also took action to reduce our fixed costs, which means that as activity levels recover across our cruise operations, this increased activity is being managed on a lower cost base than before the pandemic.

In the Reporting Period, our cruise operations generated an EBITDA margin of 30.1% and our Group Adjusted EBITDA margin was 17.4% (both in relation to Adjusted revenue). While significantly below the 60% plus EBITDA margins achieved historically, this is still a pleasing performance when cruise passenger volumes in the 2022 Reporting Period were just 25% of those achieved on a like-for-like basis for the calendar year 2019.

Waivers and deferrals

In response to the shutdown of the cruise industry, we engaged with our financial partners across the Group regarding our current financial liabilities and covenant compliance. 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 the operating company 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 the port authority and local government partners regarding our concession fee liabilities, agreeing on several deferrals or waivers of concession fees and receiving direct cash support in certain jurisdiction.

In 2021, we recognised the positive impact from concession fee waivers as an IFRS 16 gain in other income of USD 0.7 million, with additional cash flow impact from deferrals. In the Reporting Period to 31 March 2022, thanks to waivers and other Covid-19 related government support, USD 1.0 million was recognised as a gain in other income.

As the cruise industry recovers, we expect normal servicing of our financial liabilities and the reinstatement of covenants during the upcoming Reporting Period 2023.

Unallocated expenses
Unallocated expenses, which consist of Holding Company costs, were USD 5.9 million for the Reporting Period compared with USD 7.9 million for the longer Reporting Period for the 15-months to end March 2021.

Adjusted EBITDA
Adjusted EBITDA for the Reporting Period was USD 7.0 million, reflecting Cruise and Commercial EBITDA less unallocated expenses. This compares with Adjusted EBITDA loss of USD 6.7 million in 2021, which included a strong pre-pandemic calendar year Q1 2020, with Adjusted EBITDA of USD 5.7 million generated during this quarter.

Depreciation and amortisation costs
Depreciation and amortisation costs were USD 28.5 million for the Reporting Period, compared with USD 34.2 million in 2021. The difference is driven by the 12-month Reporting Period for 2022 compared to the 15-month Reporting Period in 2021, offset by higher 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 was USD 10.7 million compared with USD 31.0 million in 2021. This reduction was primarily the result of USD 5.7 million lower provisions in the Reporting Period and USD 12.0 million of impairment losses incurred in the prior Reporting Period, compared to no impairment losses in the current Reporting Period.

Finance costs
The Group's net finance charge in the Reporting Period was USD 11.8 million compared with USD 50.8 million in 2021. In addition to the impact of the shorter Reporting Period, the decrease was driven by a significant decrease in non-cash foreign exchange losses.

GPH's finance income and finance costs have historically been subject to material non-cash FX impacts due to USD-denominated assets and liabilities held by the Turkish subsidiary Global Liman. As a result of the repayment of the Eurobond in the Reporting Period and sale of Port Akdeniz just before, such material impacts from FX on finance income and costs should not occur in future Reporting Periods.

Net interest expenses was realised as USD 21.9 million compared with USD 34.7 million for 2021. The difference was primarily driven by the shorter 12-month 2022 Reporting Period and interest income of USD 3.8 million from the partial repurchase of the Eurobond in a tender process. This was offset by the additional borrowing, mainly the USD 110 million at Nassau in form of the non-recourse financing from US-based investors in three tranches from June 2021 to November 2021.

The net non-cash FX impact on finance expense was a positive USD 13.0 million compared to a negative USD 14.5 million in 2021. Following the repurchase of the Eurobond in the Reporting Period, the large non-cash, FX movements in finance income and finance costs are expected to not repeat in the future.

Taxation
The Group's effective tax rate was 19.4% for the Reporting Period compared to 13.2% in 2021. GPH is a multinational group and is liable for taxation in multiple jurisdictions worldwide. Despite the loss before tax of USD 43.9 million, the Group reported a tax expense of USD 0.6 million, as tax income and tax expense offset across the Group. This compares with a tax income of USD 15.1 million in 2021, which was mainly driven by a non-cash deferred tax benefit.

The Group pays corporate tax due to specific components being profitable and because 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 0.2 million compared with USD 0.4 million in 2021.

Investing activities
Capital expenditure during the Reporting Period was USD 94.6 million, with this expenditure primarily focused on our continued commitments to invest in Nassau Cruise Port.

Elsewhere, all material capital expenditure plans except essential maintenance capital expenditure, which is minimal anyway, remained deferred as we focused on preserving cash. After two years of cancelled or deferred maintenance capital expenditure, maintenance capital expenditure is expected to rise in the current Reporting Period.

During the Reporting Period, Nassau Cruise Port borrowed an additional USD 110 million in form of the non-recourse financing from US-based investors in three tranches from June 2021 to November 2021 as we moved into the final phase of the transformational investment at this port.

CFO's statement continued

Cash flow

(in USD million)	2022	2021
Operating (loss)/profit (exc. equity accounted investees)	**(29.7)**	**(72.4)**
Depreciation and amortisation	28.5	34.2
Specific adjusting Items	10.7	31.0
Share of (loss)/profit of equity-accounted investees	(2.4)	0.5
Adjusted EBITDA	**7.0**	**(6.7)**
Working capital	(2.2)	24.5
Other	(11.2)	(7.9)
Operating cash flow	**(6.4)**	**9.9**
Net interest expense	(36.2)	(31.4)
Tax paid	(0.2)	(0.4)
Net capital expenditure incl. advances	(108.3)	(93.7)
Free cash flow	**(151.1)**	**(115.6)**
Investments	23.4	(2.9)
Change in gross debt	56.5	104.9
Dividends	1.8	1.4
Disposals	–	99.9
Cash flow from discontinued operations	–	24.4
Net cash flow	**(69.4)**	**112.1**

We invested USD 89.6 million in the port infrastructure at Nassau during the Reporting Period compared with USD 56.8 million in 2021. The main elements of the marine works have been completed, significantly expanding the port's berthing capacity and work has begun on the landside works, including an iconic new cruise terminal.

Cash flow

The Group generated an Adjusted EBITDA of USD 7.0 million in the Reporting Period, compared to USD 6.7 million loss in the 2021 Reporting Period.

Operating cash flow was a negative USD 6.4 million, reflecting a change in working capital in the Reporting Period of USD 2.2 million, and further other operating outflows in the Reporting Period of USD 11.2 million, which primarily reflects the cash portion of project expenses included in specific adjusting items.

The movement in working capital includes a cash outflow of USD 9.7 million due to changes in trade payables and prepayments in Nassau relating to progress of construction works, offset by the receipt of USD 11.5 million deferred consideration for the sale of Port Akdeniz (reduction in trade receivables). Adjusted for these two one-offs the increase in working capital is slightly higher than reported, which is a reflection of the working capital build-up as we come out of the cruise industry shut-down.

Net interest expense of USD 36.2 million reflects the cash costs of the outstanding gross debt, with the increase compared with the USD 31.4 million incurred in 2021, primarily the result of the increased borrowings at Nassau Cruise Port and the fact that the first interest payment for the local bond in Nassau, issued in June 2020, was made for the first full year in June 2021 (vs. semi-annual interest payments going forward).

Net capital expenditure including advances of USD 107.5 million, primarily reflects the continued investment in Nassau Cruise Port, advances given for tangible assets were USD 13.7 million (2021: USD 9.7 million), which are paid for future capital expenditure.

Debt

Gross debt at 31 March 2022 was USD 598.6 million compared with USD 548.9 million at 31 March 2021. Excluding IFRS 16 finance leases, gross debt at 31 March 2022 was USD 534.7 million compared with USD 483.0 million at 31 March 2021.

The increase in the gross debt liabilities was primarily driven by the USD 110 million of new notes issued in Nassau for investment in the port, partially offset by the repayment of the USD 250 million Eurobond through the use of cash resources and the new secured loan from Sixth Street, as well as scheduled repayment of other borrowings.

Pre-IFRS 16 net debt was USD 435.0 million at 31 March 2022 compared with USD 312.4 million at 31 March 2021. This increase was driven by the movement in gross debt described above and the cash resources used to partially tender and eventually fully repay the Eurobond.

During the Reporting Period, GPH refinanced the USD 250 million Eurobond ahead of the scheduled maturity 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 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 remained undrawn as of 31 March 2022.

Capital commitments

The committed investments in Nassau continue to progress in line with our plans and commitments. The marine works in Nassau have been essentially completed and the second phase of the investment programme, the landside works, continues to progress to plan. This work is currently scheduled to be completed by the end of the 2023 Reporting Period. The financing of the remaining works has been secured through USD 110 million of non-recourse loans and a USD 50 million equity capital increase subscribed by the Group and our local partners in Nassau Cruise Port, pro-rata shareholding.

After the end of the Reporting Period we announced that Global Ports Canary Islands S.L. (‘GPCI’), a 80:20 joint venture between GPH and local partner, Sepcan S.L. had agreed a 40-year concession for Las Palmas de Gran Canaria, the Canary Islands. GPCI continues to work towards finalising 20-year concessions for the port of Arrecife and Puerto del Rosario in the Canary Islands.

GPCI will invest approximately EUR 40 million into constructing new cruise terminals and modular terminal facilities at these ports. The debt financing for this project is expected to be secured by local banks, and GPH is in advanced discussion regarding the financing.

Jan Fomferra
Chief Financial Officer

POSITIVE SIGNS OF A RECOVERY

There was always a high level of uncertainty surrounding the timing and speed of the expected pick-up in global cruise activity in the Reporting Period to March 2022. As the first half of the Reporting Period progressed, it became clear that the industry was not going to see the improvement in activity levels that had initially been expected, particularly over the important Mediterranean summer season.

In the first half of the Reporting Period, ongoing and frequently changing travel restrictions for many countries and destinations meant that cruise activity remained low across the industry. Those cruises that did set sail experienced much lower than normal occupancy levels.

A combination of factors was responsible for these lower occupancy rates, including on-board Covid-19 protocols, reducing a ship's passenger capacity, heightened cancellation rates due to passengers testing positive for Covid-19 prior to their cruise and the often short lead time on itinerary setting and bookings as the cruise lines adapted to the ever-changing travel restrictions and general passenger uncertainty around travel restrictions.

For much of the year, in the important source market of the United States of America, the cruise industry was at loggerheads with the US Centers for Disease and Control Prevention (CDC). The CDC's Framework for Conditional Sailing Order (CSO), first issued in October 2020, was updated numerous times. Certain restrictions of the CSO restrictions effectively remained in place for much of the Reporting Period.

While many of the CDC's restrictions remained in place, the Caribbean market was the first global market to experience a meaningful pick-up in cruise activity when a change in travel restrictions led to an increase in cruise activity in the region in the second half of the calendar year 2022.

Increase in activity in the second half

Activity levels in the Caribbean, while initially low, accelerated throughout the second half of the Reporting Period. With those ports in close proximity to mainland USA in particular benefiting.

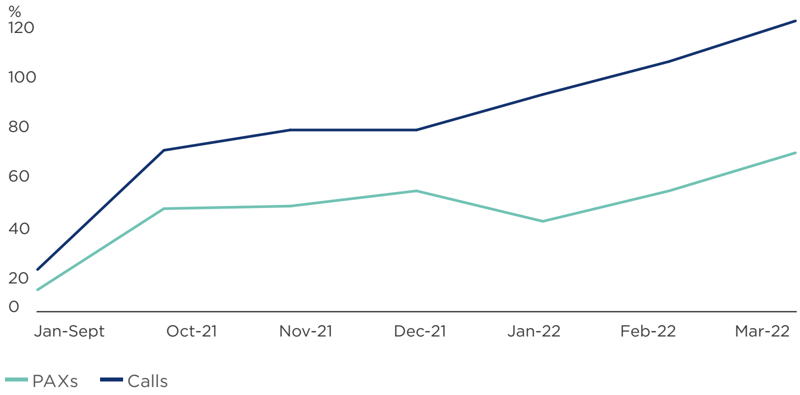
GPH's Caribbean ports welcomed more cruise calls in the fourth quarter of the Reporting Period than they had welcomed in the same period in 2019. Although continued lower occupancy levels meant that passenger volumes were still significantly below those achieved by the ports for the same period in 2019.

Industry expectations were for occupancy levels in the Caribbean to pick up steadily throughout the fourth quarter. Unfortunately, the emergence of the Omicron variant in December 2021 negatively impacted occupancy rates at the beginning of the fourth quarter.

Cruise activity picked up in the second half of the calendar year in the Mediterranean, with the major ports in the region, in particular, benefiting from the increase in activity. However, with the Mediterranean cruise season effectively ending in November each year and not starting in a meaningful way until May, the overall impact on the industry of this pick-up in activity was relatively limited.

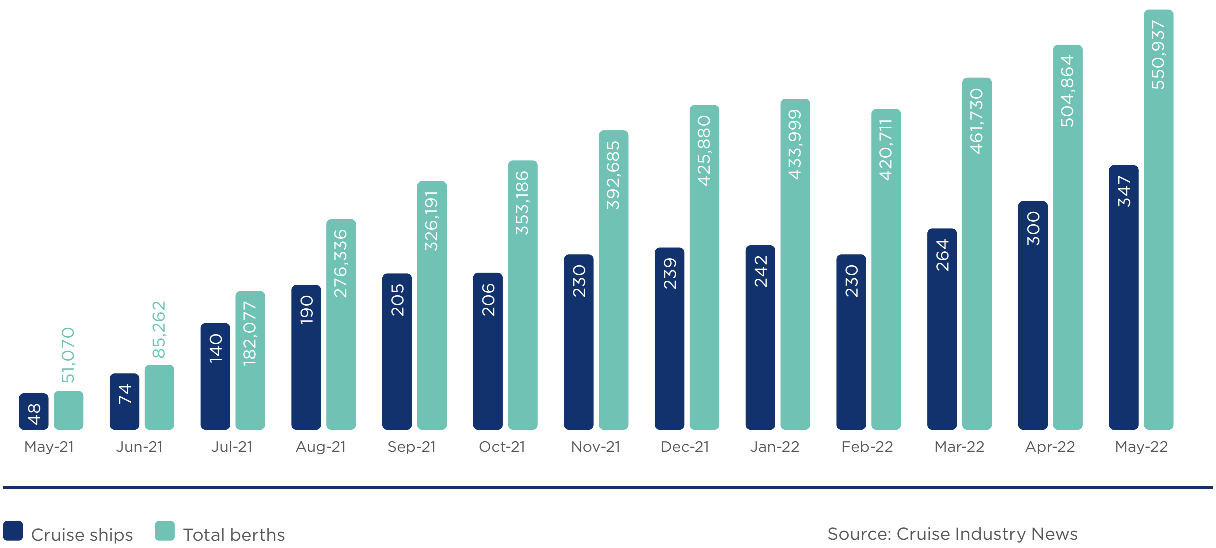
The sharp improvement in activity levels as the second half progressed, particularly in the Caribbean, could be seen in GPH's significantly improving passenger volumes. Third-quarter passenger volumes were 42% of 2019 levels on a like-for-like basis and for the fourth quarter, passenger volumes on a like-for-like basis had risen to 62% of 2019 levels.

GPH 2022 Calls & PAXs as a percentage of 2019 in the same month



Source: Global Ports Holding; like-for-like comparison, 2019 data adjusted to reflect full calendar year for ports added to network during the year

Development of in-service cruise capacity during recovery



Source: Cruise Industry News

Full fleet deployment
There has been a steady pick-up in cruise fleet deployment since the summer of 2021 and the fleet deployment schedules of the major cruise lines mean that, during the summer 2022, their cruise fleets will be fully deployed for the first time since before the pandemic. The extent of the pick-up in fleet deployment is such that in May 2022 alone, the industry returned to service nearly as many ships and berths as were sailing in May 2021.

Traditionally, one of the strengths of the cruise industry is the long lead time between itineraries being set and the date of departure, with berth reservations at ports often being made 12 to 24 months in advance, with some passengers making bookings 12 to 18 months in advance of departure, providing the industry with much stronger visibility than land-based tourism.

The current challenge for the cruise industry is that, while lead times are expected to return to historical norms, because of a lack of visibility over ever-changing travel restrictions, many cruise itineraries for the calendar year 2022 were only recently set. Furthermore, there was a reluctance to book, given that many passengers until recently were still subject to domestic Covid-19 restrictions and travel restrictions kept changing.

The result of this has been that while on-board Covid measures have eased and allowed the practical capacity of cruise ships to rise, occupancy rates or load factors remain significantly below the pre-Covid level of over 100%.

At Royal Caribbean, during the first quarter of the calendar year 2022, the average occupancy rate for Royal Caribbean on itineraries operating for more than four weeks was just 57%. Carnival reported a similar trend, with an occupancy rate of 54% for its first quarter.

However, the industry is experiencing a sharp rise in occupancy rates, a trend that is expected to continue over the remainder of the calendar year 2022, supported by the improvement in booking trends that the cruise lines are experiencing.

Royal Caribbean's booking volumes in March and April 2022 were significantly higher than those achieved for the same period in 2019, particularly in North America. While in March 2022, Carnival reported that weekly booking volumes had recently been higher than at any point since they restarted guest operations.

In March 2022, Royal Caribbean's occupancy rate was 68%. For the second quarter of the calendar year 2022, Royal Caribbean expects the occupancy rate to rise to 75–80% and by the end of the calendar year 2022, it is expected to reach over 100%. Carnival has reported similar trends, with occupancy rates close to 70% in March 2022 and some sailings already achieving rates in excess of 100%.

These trends support strong cruise industry performance in the months ahead and support passenger volumes at GPH's ports for the 2023 Reporting Period.

The medium to long term out look for the cruise industry remains positive, with berth capacity growth of 45% expected between 2019 and 2027

Long-term growth

Despite the impact of the pandemic, the cruise industry remains poised for a period of significant medium to long-term growth. Long-established demand and supply trends that have driven growth in the industry for decades are expected to re-establish themselves as key drivers of cruise industry growth.

On the demand side, in the medium to long term, the growing middle classes and the increasing appetite for leisure travel mean that demographics are supportive of the industry. At the same time, the industry's near-constant reinvention of 'the cruise', with new ships, brands and concepts, is expected to continue to attract new passengers and demographics to the industry.

On the supply side, the strength of the cruise ship order book is very supportive of industry growth over the medium term. In 2023, the planned introduction of new cruise ships is expected to increase the passenger capacity of the cruise industry by 15%, from just under 30 million in 2022 to 34.2 million in 2023.

With 75 cruise ships on the order book out to 2027, cruise market capacity is expected to grow to 40.1 million passengers, a 45% increase in market capacity over 2019. These new ships will support growth in the core cruise markets of North America, Europe and Asia, and smaller regions such as Australia and developing markets such as the Middle East and Eastern Europe.

As well as growth in the number of ships, the ships are generally getting larger. In March 2022, Wonder of the Seas, Royal Caribbean's newest ship, set sail on its maiden voyage, becoming the largest cruise ship in the world. In gross tonnage terms, Wonder of the Seas is over 50% larger than Liberty of the Seas, the largest ship in the world just 15 years ago.

The growth in the number and size of cruise ships means that many cruise ports need to invest in their infrastructure in order to be able to accommodate these new ships and the associated increase in passenger volumes per call. There is no better example of this type of investment than GPH's significant investment in Antigua Cruise Port and Nassau Cruise Port.

A greener future for the industry

The cruise industry has often been criticised for its attitude towards the environment and sustainability. However, the industry is taking significant steps to reduce its environmental impact. In 2021, the Cruise Lines Industry Association members agreed to reduce carbon emissions by 40% by 2030 compared with 2008 and target net carbon neutral cruising by 2050.

One of the challenges for the industry is the service life of its ships, which is decades rather than years. This means that while action can be taken to improve the environmental impact of new ships, action must also be taken to retrofit technologies to improve the environmental impact of older ships.

This service life challenge is evidenced by the industry's apparent slow adoption of LNG powered ships. LNG emits virtually zero sulphur emissions, reduces particulate emissions by 95–100%, greenhouse gases by up to 20% and nitrogen oxides emissions by 85%.

Despite this, just four cruise ships operating today are powered by LNG. However, the industry has made significant LNG commitments, with 52% of new cruise ship capacity committed to using LNG for primary propulsion.

It will, of course, take time for these new ships to enter the market and, in the meantime, the industry is retrofitting exhaust cleaning systems to reduce emissions. These systems can have a materially positive impact on emissions, reducing sulphur oxide emissions by as much as 98% and nitrogen oxide by up to 12%.

The industry's focus on the environment and sustainability goes beyond just emissions. 74% of global cruise ship capacity utilises Advanced Wastewater Treatment Systems to treat effluent discharges, with this figure rising to 100% for planned new capacity.

Market capacity (total number of passengers each year at 100% occupancy)

	2019	2022	2023	2024	2025	2026	2027
Passenger numbers	27,736,118	29,733,288	34,180,677	36,880523	38,418,107	39,604,161	40,133,463

Source: Cruise Industry News 2022 Annual Report

Shoreside power is another area of focus for the industry. Today, 35% of global capacity is capable of using shoreside electricity. However, 82% of new-build capacity is to be either fitted with shoreside power capability or built in such a way as to allow the capability to be added later.

A barrier to the widespread adoption of shoreside power is the often significant investment in power infrastructure required by local governments or port authorities before it can be provided.

As well as being expensive, such work requires close collaboration amongst stakeholders. In 2021 and 2022, at Valletta Cruise Port, GPH worked closely with Infrastructure Malta and Transport Malta to finalise plans and start the work required to provide shore power at Valletta Cruise Port.

A growing and sustainable future

In the near term, the cruise industry is expected to experience rapid growth in cruise passenger volumes as the global cruise fleet returns to sailing and occupancy levels recover back towards 100%.

The industry is poised for significant growth in the medium to long term, driven by the global fleet's rising number of cruise ships. More important than ever, this growth will be delivered in an ever-increasing sustainable manner.

Expected improvement in sustainability credentials of global cruise fleet

	No. LNG-powered ships	Advanced waste water treatment systems (% of fleet)	Shoreside power connectivity (% of fleet)	Exhaust gas cleaning systems (% of fleet)
2021	4	74%	35%	76%
2027	26	81%	66%	81%

Source: Oxford Economics

Cruise port report

With cruise activity picking-up in the second half of the reporting period, our cruise ports have been preparing for a significant return to cruise operations in the year ahead.

ANTIGUA CRUISE PORT

100%
GPH ownership

Acquisition date: 2019
End of concession: 2049

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

Developments in the Reporting Period

GPH cruise operations at Antigua Cruise Port were curtailed by Covid-19 shortly after we took over the port in Q4 2019. Despite the challenges that this created, we pushed ahead with our planned USD 30 million investment in the port's infrastructure, completing a new fifth pier and significantly increasing the port's capacity. Our investment efforts will now focus on land-based port areas as we seek to improve the passenger experience further.

The port experienced a significant pick-up in activity in the fourth quarter, including hosting seven cruise ships simultaneously, the highest single-day arrival in the port's history.

BAR CRUISE PORT

63.2%
GPH ownership

Acquisition date: 2013
End of concession: 2043

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

Developments in the Reporting Period

With Covid-19 travel restrictions continuing throughout most of the financial year, our plans to invest in a small cruise terminal and retail area at Bar Cruise Port remained on hold.

We will reassess our plans to invest in the facilities next year.

BARCELONA CRUISE PORT CREUERS TERMINALS

62.0%
GPH ownership

Acquisition date: 2013-2014
End of concession: 2026 (WTC Wharf), 2030 (Adossat Wharf)

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

Developments in the Reporting Period

Cruise activity remained subdued for much of the year, although activity levels increased significantly in the second half. During the Reporting Period we started work to transform the World Trade Centre South Terminal into a 'boutique' terminal for luxury cruise ships. This work was completed in time for the summer 2022 high season.

During the Reporting Period, we signed a joint statement with leading cruise lines signalling our intention to collaborate on creating and implementing an onshore power supply at the cruise port. The Port Authority is leading the project and a target date of 2030 has been set to complete the work.

BODRUM CRUISE PORT

60.0%
GPH ownership

Acquisition date: 2007
End of concession: 2067

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

Developments in the Reporting Period

Greek sea border restrictions meant that cruise activity remained subdued at Bodrum throughout 2021. The decision to lift all restrictions in February 2022 means that the outlook for the year ahead has materially improved. We now look forward to welcoming a significant increase in passengers to our recently renovated terminal and improved duty-free shopping experience.

CAGLIARI CRUISE PORT

70.9%

GPH ownership

Acquisition date: 2016
End of concession: 2027

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

Developments in the Reporting Period

At Cagliari Cruise Port, we hosted cruise calls for much of the year but at levels far below normal. In addition to the lower volume of activity, actions required to adhere to Covid-19 protocols meant that our retail facilities remained closed for most of the year.

Normal cruise activities have now recommenced, and the port welcomed its first cruise call of the 2022 season in February. Later in the year, we plan an educational tour for cruise line executives and tour operators to showcase the port and the surrounding area.

CATANIA CRUISE PORT

63.2%

GPH ownership

Acquisition date: 2016
End of concession*: 2026
* Potential extension being discussed with Port Authority

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

Developments in the Reporting Period

Cruise activity remained minimal during the year. However, the work we carried out to renovate the commercial area at the port meant that we were able to generate some revenue by renting our facilities for events not related to the cruise sector.

Later this year, we expect to present our plans for a new eco-friendly cruise terminal to the Port Authority, with an expectation that the new terminal will be ready in time for the 2023 cruise season. If agreed, the investment in the new terminal is expected to result in an extension to the concession.

CROTONE CRUISE PORT

100%

GPH ownership

Acquisition date: 2022
End of concession: 2026

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

Developments in the Reporting Period

In Q4 of the Reporting Period, we signed a four-year renewable concession, to manage the services for cruise passengers in Crotone, Italy.

As part of the concession, GPH will improve the systems and technology to improve the operational performance of the cruise port. Crotone Cruise Port is expected to welcome c24k passengers in 2022.

EGE PORT KUŞADASI

72.5%

GPH ownership

Acquisition date: 2003
End of concession: 2033

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

Developments in the Reporting Period

Due to Greek sea border restrictions, passenger movements in the Reporting Period remained far below normal levels. The lifting of these restrictions in the second half of the Reporting Period, while coinciding with the low season for the port, has materially improved the outlook for the summer 2022 season. We look forward to a material increase in passenger volumes in the year ahead.

Shortly after year-end, the new local ferry service between Kuşadası and Samos, Patmos Island, in Greece, began operating. Our plans to install solar energy capability at the port are awaiting approval from the authorities. Once installed, this new capability will significantly reduce the port's environmental footprint and energy costs.

HA LONG CRUISE PORT

Management agreement

Start date: 2019
End of agreement: 2034

Ha Long Cruise Port is a management contract of Global Ports Holding PLC

Developments in the Reporting Period

Our management agreement for Ha Long Bay Cruise Port began shortly before the outbreak of Covid-19 and cruise activity at the port has been severely limited since then. Vietnam reopened to tourism in the fourth quarter of the Reporting Period and we welcomed our first cruise ship in February 2022.

We had planned to host familiarisation trips with cruise line itinerary planners in 2021. However, these were postponed due to Covid-19. The resumption of tourism in Vietnam now means that we can push ahead with our plans to introduce and promote this fantastic destination to cruise lines in the year ahead.

KALUNDBORG CRUISE PORT

100%

GPH ownership

Acquisition date: 2021
End of concession: 2041

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

Developments in the Reporting Period

In October 2021, GPH signed a 20-year lease agreement with the Port Authority of Kalundborg to manage the cruise services in Kalundborg Port, Denmark. This is our first cruise port in Northern Europe, marking a significant new milestone for GPH.

Kalundborg is a cruise destination that historically has only received a handful of cruise calls per season. However, its location means that it offers cruise lines a time saving and fuel-efficient alternative to Copenhagen Cruise Port.

LA GOULETTE CRUISE PORT

50.0%

GPH ownership

Acquisition date: 2019
End of concession: 2036

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

Developments in the Reporting Period

Our plans for a gradual return to cruise activity during the 2021 cruise season, after an absence of several years, were postponed due to the continuation of Covid-19 restrictions. However, shortly before the end of the financial year, we were delighted to welcome the first cruise call at the port for seven years, a very welcome sight. Ahead of this call, our local team spent time preparing the infrastructure for the return of cruising, including refurbishing La Goulette village.

We look forward to building on this success and steadily growing the number of cruise calls at La Goulette in the years ahead.

LISBON CRUISE PORT

46.2%

GPH ownership

Acquisition date: 2014
End of concession: 2049

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

Developments in the Reporting Period

After the Portuguese government lifted the cruise ship ban, cruise activity in Lisbon restarted in May 2021. However, while the resumption of cruising was welcome, activity levels did not meaningfully increase until September.

During the year, we intensified our efforts to grow our ancillary revenues by starting a project to consider the feasibility and benefits of adding new retail stores in the terminal. Lisbon Cruise Port received for the seventh time and sixth year in a row the award for 'Europe's Leading Cruise Port 2021' by World Travel Awards.

MALAGA CRUISE PORT

62.0%

GPH ownership

Acquisition date: 2013-2014
End of concession: 2038 (Levante), 2041 (Palmeral)

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

Developments in the Reporting Period

Málaga Cruise Port welcomed the return to cruising in June 2021. However, activity levels remained low until the second half of the Reporting Period, when Málaga experienced a welcome pick-up in activity towards the end of the Mediterranean cruise season.

Our planned refurbishment of the retail area in 2020 was postponed and we now expect this work to commence next year. As part of this process, we plan to open a tender process for an operator of the retail area. We are also currently considering enhancing the F&B offering with a new gourmet delicatessen in the cafeteria corner of Terminal A.

NASSAU CRUISE PORT

49.0%

GPH ownership

Acquisition date: 2019
End of concession: 2047

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

Developments in the Reporting Period

Our investment into the infrastructure at Nassau Cruise Port continued throughout the year. Phase two of the works, including the marine works that will expand the port's berthing capacity, is expected to finish in summer 2022 and phase 3, including the landside works, is now scheduled to be completed before the end of the 2023 financial year.

The year ahead is set to be a historic one for this marquee port. The completion of the landside works will see the opening of the new terminal and a wide range of retail and F&B opportunities for cruise passengers, transforming this port as we complete our vision to create a must-see cruise destination.

TARANTO CRUISE PORT

100%

GPH ownership

Acquisition date: 2021
End of concession: 2041

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

Developments in the Reporting Period

We welcomed Taranto into our cruise port network in the first quarter of the financial year 2022, with cruise operations starting in May 2021.

The cruise port infrastructure in Taranto is currently undergoing a state-funded, cEUR28 million investment programme, including the relatively recent completion of the eastern quay by the Port Authority, which means that the port can now berth two large cruise ships simultaneously. A new cruise terminal is also being built, with the work scheduled to be completed by the end of the calendar year 2022.

SINGAPORE CRUISE PORT

24.8%

GPH ownership

Acquisition date: 2014
End of concession: 2027

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

Developments in the Reporting Period

The protocols put in place by the port and local authorities allowed Singapore to restart cruise operations successfully in 2020. However, it was not until the second half of the 2022 Reporting Period that the authorities changed the rules to allow international guests to take a cruise from Singapore. This change is expected to drive a significant increase in passenger volumes in the year ahead.

VALLETTA CRUISE PORT

55.6%

GPH ownership

Acquisition date: 2015
End of concession: 2066

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

Developments in the Reporting Period

Valletta welcomed a steady flow of cruise passengers throughout the financial year 2022, although cruise activity remained significantly below normal levels. During the year, Valletta Cruise Port hosted Viking cruise ships. While the hosting of these ships is not particularly unique, this was part of a collaboration with Viking that meant there were transatlantic flights from Newark to Malta for the first time.

During the year, the work to provide cold ironing or shore power to cruise ships at Valletta made significant progress. The cable infrastructure was laid on Quays 4/5 and similar works are now in progress for Pinto 1/2, while the construction of the sub-station is now also underway.

VENICE CRUISE PORT

11.2%

GPH ownership

Acquisition date: 2016
End of concession: 2024

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

Developments in the Reporting Period

Passenger numbers remain subdued in Venice throughout the year.

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.

ZADAR CRUISE PORT

100%

GPH ownership

Acquisition date: 2018
End of concession: 2038

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

Developments in the reporting period

Our plans to gradually increase the available services and retail opportunities for cruise passengers, crew and locals began to be adopted during the Reporting Period. Our F&B offering at the terminal was expanded and has been well received by passengers and crew. We plan to further increase our services and retail opportunities by introducing a new retail offering into the terminal in the year ahead.

Zadar welcomed the return of cruise ships in Q2 of the Reporting Period 2021, but the number of calls remained low. The outlook for summer 2022 is much improved and we look forward to welcoming a sharp rise in cruise ships and passengers in 2022.

GLOBAL SEABORNE TRADE

Almost everything we use, build, drive, eat or manufacture is enabled directly or indirectly by global seaborne trade. Therefore, the global economy is heavily dependent upon the effectiveness and reliability of the global commercial shipping market.

After the Covid-19-driven supply and demand shock in the first half of 2020, the global shipping industry then experienced a strong recovery as consumers in Western economies switched discretionary spending from activities such as travel, sporting events and meals out to goods such as electricals and exercise equipment.

In the calendar year 2021, global shipping activity levels continued to be strong, with maritime container volumes increasing 8.2% in the first nine months of the year. According to the Global Shippers Forum and MDS Transmodal quarterly market review, the strength was universal, with all primary maritime routes growing year on year.

Outlook

The impact of the war in Ukraine on the global economy is as yet unclear. However, as well as rising inflation to contend with, there is an increased risk of a global economic shock that could follow the current humanitarian crisis in Ukraine. China's continued adoption of Covid-19 related lockdowns means that supply chains to and from China remain open to disruption and delay, potentially exacerbating any supply chain shortages.

While household finances are generally in good shape, sharp rises in global energy and food prices mean that a cost of living crisis is looming for many consumers. Ultimately, this will filter down and impact consumer spending.

Longer-term, the global shipping market must contend with the fact that deployed container shipping capacity is currently fully utilised and that shippers driven by a lack of capacity and pricing are turning to alternatives such as air freight and rail to ship goods.

This problem has thus far been primarily attributed to bottlenecks at ports and key logistics hubs, often due to Covid-19-related staffing shortages and a backlog in supply chain fulfilment. The industry must now wait to see whether shippers' use of alternatives remains a temporary phenomenon due to the current lack of capacity or whether having shifted to alternative transportation shippers make the shift permanent.

However, despite this uncertainty, the global market for cargo shipping is expected to continue to grow, driven by the same supportive long-term trends that have been well established over the last 20 years. Global economic growth, wider economic prosperity, off-shoring of manufacturing and increasingly globalised trade policies all remain long term drivers of growth in global shipping.

STAKEHOLDER ENGAGEMENT

The support of our stakeholders is key to how we operate and we engage with them as part of our day-to-day business.

The Directors are aware of their duty under Section 172 of the Companies Act 2006 to act in the way that 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.

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:	Across the Group we have over 602 employees from 20 nations. 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 and generating long term sustainable value for our shareholders.	Strong engagement with governments and local authorities at all levels is essential to our business. Our focus on port concessions means that 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. • Strict environmental controls and management of cruise ports.
HOW WE ENGAGE:	• We communicate and engage with our employees in many ways to ensure that they understand our mission and values. • All of our teams have individual performance reviews, which allows the identification of training needs and career aspirations. • In the fiscal year 2022, we introduced a new quarterly newsletter 'GPH News' to help keep internal and external stakeholders informed of developments across the business. • Although face-to-face Port GM and senior management meetings remained suspended during the period, regular online meetings were held to allow the sharing of best practice from across the Group.	• Our Board, senior management and Port GMs meet regularly, either in person or virtually, with senior government ministers, local government officials and port authorities. • Our senior team regularly present on the benefits that GPH can bring to a port and destination in terms of investment, passenger growth and direct and indirect employment.
EXAMPLES OF SIGNIFICANT ACTIONS RESULTING FROM ENGAGEMENT:	• There was regular engagement throughout the pandemic period regarding the implementation and easing of HR-related cost-savings measures and initiatives.	• Signed new cruise port agreements for Kalundborg Cruise Port, and Crotone Cruise Port. • Awarded cruise port concession for Tarragona Cruise Port. • Preferred bidder for Las Palmas Cruise Port. • Commencement of shore power project at Valletta Cruise Port.

STAKEHOLDER:	LOCAL COMMUNITIES	INVESTORS
WHY THESE STAKEHOLDERS ARE IMPORTANT TO US:	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.
ISSUES THAT MATTER TO THEM:	• Employment opportunities. • Good employment practices and supporting local communities. • Local businesses able to benefit from tourism and trade. • Environmental impact of our port operations and promotion of sustainable practices. • Environmental and social impact of cruise tourism in the destination.	• Current and long-term financial performance of the Group. • Strong communication on strategy. • Successful delivery of the Group's strategy. • Sustainability Strategy and performance.
HOW WE ENGAGE:	• Our senior management and Board members engage directly with local communities, particularly at new ports. • Our senior management and port management teams engage directly with local interest groups and stakeholders, such as local business owners and taxi driver associations. At new ports, this engagement, where possible, occurs before a port is added to the network.	Our investor relations programme drives most of our engagement with our investors to help them understand our strategy and how each new development fits into it. In the 2022 Reporting Period, 'stay at home' and travel restrictions meant that engagement included: • a significant number of ad hoc calls and meetings with equity and bond investors and credit agencies; • annual report, statements and investor presentations; • ongoing engagement and reporting with our financing banks and debt investors; and • a significant number of presentations and calls with credit investors about the refinancing of the Eurobond.
EXAMPLES OF SIGNIFICANT ACTIONS RESULTING FROM ENGAGEMENT:	• We provide training to local businesses so they can be better placed to benefit from cruise tourism. • We work with local businesses to develop and promote excursion programmes that will appeal to cruise passengers. • Our GPH operating procedures and health and safety procedures ensure strict adherence to environmental and health and safety protocols.	• 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. • Successful repayment of the subsidiary Eurobond USD 250 million 8.125% Senior Unsecured Notes due November 2021. • Entered into a new five-year loan agreement with Sixth Street. • Raised USD 110 million for Nassau Cruise Port from US-based investors.

CRUISE PASSENGERS	CRUISE LINES
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.
• Safe and welcoming environment. • Covid-19-compliant processes and measures at our ports. • Well-invested port facilities. • Helpful information about the destination. • Convenient transport links. • Enjoyable things to do in the port and the destination.	• Safe and welcoming environment for their ship, passengers and crews. • Berthing and pricing policies. • Berths being available when expected. • Good provision of ship and port services. • High passenger satisfaction when in port.
• Every time a ship calls, our port teams and our partners engage with cruise passengers through our Guest Information Centres and the provision of a range of ancillary services at each port. • We carry out regular passenger satisfaction surveys at all our ports. Albeit these have been limited due to low passenger volumes as a result of the pandemic.	• 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 continued to utilise virtual platforms to engage directly with cruise lines and their senior management teams on a range of topics and where possible face-to-face meetings occurred. • Our teams attend virtually all major cruise events, which always includes formal and informal meetings with cruise line executives. • Many cruise lines are also our partners in some of our cruise ports.
• We changed and updated our processes and procedures at each port to ensure that passengers were welcomed at our ports in a Covid-19 safe and compliant manner. • Our investment into Antigua Cruise Port and Nassau Cruise Port continued and once completed this investment will transform the passenger experience at these cruise ports.	• During the Reporting Period, we continued to work with cruise lines to provide lay-up services where possible and appropriate. • We worked with cruise lines to change our processes and procedures to the ever-changing rules around Covid-19 across our ports and destinations. • During the Reporting Period, we worked with cruise lines to ensure the successful restart of cruise operations at all of our cruise ports.

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-to-day operations and combining unified global standards with specialist local port knowledge.

2. ISO CERTIFICATION AND SUSTAINABILITY

Our HSE Manual is very closely aligned with ISO standards and ISO accreditations. Where possible and practical we seek to achieve relevant ISO certifications for our ports. We also consider the globally recognised EcoPort certification and assessment programme. Importantly, we are also focused on facilitating, where possible, the cruise industry's targets for reduced emissions and a smaller environmental impact.

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	**55 to 59**
Social matters		Corporate responsibility	**60 to 63**
Employee matters	Employee Rights Health and Safety Policy	Corporate responsibility	**54 to 63**
Human rights	Human Rights Policy	Corporate responsibility, Governance report	**60 to 63** **76 and 114**
Anti-corruption and bribery	Anti-Bribery and Corruption Policy	Corporate responsibility	**63**
Business model		Business models	**12 to 15**
Non-financial KPIs		Key performance indicators	**22**

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. Our Environmental Policy can be found on our website at (www.globalportsholding.com/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
- 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. It was most recently updated in April 2022.

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.

1. A GROUP-WIDE ENVIRONMENTAL POLICY CONTINUED

Table of all certifications for consildated subsidiary ports

	ISO standards					Other standards			Covid-19 related certifications
ISO	9001	28001	14001	45001	50001	EcoPorts*	Green Ports	QSCs for Spanish Ports	
ANTIGUA									X
PORT OF ADRIA	X		X	X					
BARCELONA	2023		2023					X	X
BODRUM	X	X	X	X			X		X
CAGLIARI	X		X			2023			X
CATANIA	X		X			2023			X
CROTONE	2023		2023			2023			
HA LONG	X								
KALUNDBORG									
KUSADASI	X	X	X	X			X		X
LA GOULETTE									
MALAGA	X		X			2023		X	X
NASSAU									X
TARANTO	X		X			2023			
VALLETTA	2023		2023				2023		X
ZADAR									X

* 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

Like any business, our day-to-day operations carry potential risks that must be mitigated. In our case, we welcome many millions 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.

During the year there was two reportable incidents involving cruise passengers. The first occurred when a cruise passenger fell into the sea at Antigua and the second occurred when a guest fell and hit their head in Antigua. Both passengers received assistance and departed with their ship. There were no injuries to employees at work during cruise port operations that required any prolonged absence from work.

Additionally, we lift and move thousands of tonnes of cargo every month at our commercial port. 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 were six injuries at work in the Reporting Period, in comparison with five in the 2021 Reporting Period. We have worked hard to increase our employees greater awareness of health and safety issues and to secure their buy-in to our safety culture. We have put 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. ISO CERTIFICATIONS AND SUSTAINABILITY

Our HSE Manual creates the overarching framework for our environmental policies, with a key focus on ISO standards and ISO accreditations. To support our environmental aims and our goal of growing sustainably, we introduced a EcoPorts certification in 2019. EcoPorts is the main environmental initiative of the European port sector.

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. Nevertheless, EcoPorts is more than just a certification scheme, its processes provide a good framework for environmental standards and improvement.

EcoPorts 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.

Before we adopted EcoPorts as a guiding factor on our ports environmental management, 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).

Each of our ports has an environmental improvement plan in place and is well-positioned to support their respective port authorities in achieving EcoPorts certification.

Sustainable power

The cruise industry is taking significant steps to reduce its environmental impact. In 2021, the Cruise Lines Industry Association members agreed to reduce carbon emissions by 40% by 2030, compared with 2008 and target net carbon neutral cruising by 2050.

One of the challenges for the industry is the service life of its ships, which is decades rather than years. This means that while action can be taken to improve the environmental impact of new ships, action must also be taken to retrofit technologies to improve the environmental impact of older ships.

This challenge is evidenced by the industry's apparent slow adoption of LNG-powered ships. LNG emits virtually zero sulphur emissions, reduces particulate emissions by 95-100%, greenhouse gases by up to 20% and nitrogen oxides emissions by 85%. Despite this, just four cruise ships operating today are powered by LNG.

However, the industry has made significant LNG commitments, with 52% of new cruise ship capacity committed to using LNG for primary propulsion. It will, of course, take time for these new ships to enter the market.

In the meantime, the industry is retrofitting exhaust cleaning systems to ships to reduce their emissions. These systems can have a materially positive impact on emissions, reducing sulphur oxide emissions by as much as 98% and nitrogen oxide by up to 12%.

The industry's focus on the environment and sustainability goes beyond just emissions. 74% of global cruise ship capacity utilizes Advanced Wastewater Treatment Systems to treat effluent discharges. With this figure rising to 100% for planned new capacity.

Shoreside power is another area of focus for the industry. Today, 35% of global capacity is capable of using shoreside electricity. However, 82% of new-build capacity is to be either fitted with shoreside power capability or built-in such a way as to allow the capability to be added later.

However, a significant barrier to the widespread adoption of shoreside power is the sizable investment in power infrastructure required by local governments or port authorities before it can actually be provided. As well as being expensive, such works require close collaboration amongst stakeholders. And in many cases, local power grids are not able to either provide the required power or are not able to provide the required power from clean energy sources.

Credit: Infrastructure Malta

Nevertheless, the combination of shoreside power and LNG will drive a significant improvement in the industry's emissions and environmental impact.

As the world's largest independent cruise port operator, GPH is ready to play its part in enabling shore power and LNG at our ports.

During the Reporting Period, the infrastructure work in Valletta to enable the provisioning of cold ironing or shore power to cruise ships began. This work is enabled through a partnership with GPH, Infrastructure Malta and Transport Malta and is expected to be completed by the end of 2023. In 2021 and 2022, at Valletta Cruise Port, GPH worked closely with Infrastructure Malta and Transport Malta to finalise plans and start the work required to provide shore power.

At Antigua Cruise Port, there are plans for the installation of an LNG power plant by April 2023. In Lisbon, GPH and the port authority are in the process of carrying out a feasibility study for the provision of shore power at the port.

Barcelona Cruise Port recently signed a joint statement with the port authority and major cruise lines that use the port, committing to the implementation of shore power at all cruise berths before 2030.

Expected improvement in sustainability credentials of global cruise fleet

	No. LNG powered ships	Advanced waste water treatment systems (% of fleet)	Shoreside power connectivity (% of fleet)	Exhaust gas cleaning systems (% of fleet)
2021	4	74%	35%	76%
2027	26	81%	66%	81%

Source: Oxford Economics

3. LOCAL STAKEHOLDER ENGAGEMENT

We consider ourselves to be guests in our port destinations and we work hard to engage with our local stakeholders. This can range from helping good causes in our local communities, engaging with local stakeholders and business or promotion of the business interests of minority groups.

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

- 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.
- Valletta Cruise Port team members provided goodie bags for children in children's homes around Malta for the Feast of St. Martin. Our team also worked with Valletta Waterfront tenants to collect and donate contributions at a local food bank. We provided space on the Valletta waterfront at a reduced rate for locally based, start-up female entrepreneurs.
- 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 Catania, we hosted a show 'A port beyond all limits', open to the public and held at the cruise terminal, to promote the overcoming of all inequalities, especially gender inequalities.
- In Nassau, we built small kiosks for small artisans to sell their products and provided training on what and how to sell.

We are committed to tread as lightly as we can, minimising the impact on the planet and protecting the environments in which we work.

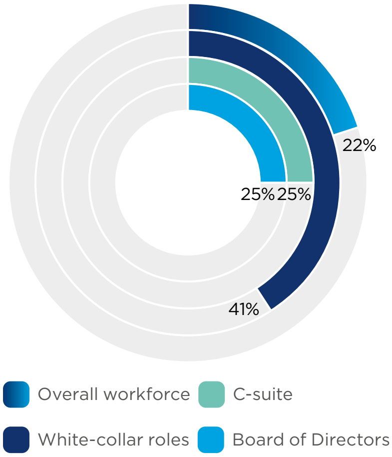
This policy applies at any location where we might operate, but there is a double imperative at our cruise destinations. It is the inherent beauty of our ports' cities and regions that inspires passengers to want to pay a visit. Our local communities depend on this demand, as do we.

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.

GPH female employees share by role
As at March 2022



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).

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 2022: female employees accounted for 22% of the overall workforce; 41% of white-collar roles; 25% of C-suite senior management; and 25% of the Board of Directors.

We define white-collar as those staff who are office and professional workers whose jobs generally do not involve manual labour 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 2022, GPH employed people from at least 13 countries and as our business grows we expect this number to grow with it.

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.
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.

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.

The Board has also resolved that the Directors should 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 Covid-19 pandemic but will be pursued as soon as practical.

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

3. LOCAL STAKEHOLDER ENGAGEMENT CONTINUED

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 Covid-19 restrictions eased over the period, we began to welcome back employees into our offices and ports. This process was managed by the Port GMs or head office personnel, with processes and rules put in place to ensure a safe environment for all and all local Covid-19 laws and guidance adhered to at all times.

Although it is only a single quantitative measure, total Group employee turnover in the period to end March 2022 was 4.7% on a full-time equivalent basis. The process of engaging with employees is always evolving 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.

Our Code of Ethics was revised and updated during the year, before being shared with all head office employees and Port GMs shortly after the end of Reporting Period. The Port General Managers then subsequently shared the updated Code of Ethics with all employees. In addition, our Code of Ethics is available on our website and internal web portal.

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

Industry engagement

GPH is in continual contact with executives across the industry. In a number of our ports, our customers, the cruise lines, are also shareholders in the port. Even when there is no official tie, we consider the cruise lines to be our partners in all our ports.

We regularly market and promote our destinations, including those recently added to our portfolio, to the cruise lines. But we also engage with them to better understand their and their customers' needs and how we can improve the port and destination experience for the cruise lines, crew and passengers.

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 continued Covid-19 travel restrictions, many industry gatherings and conferences and exhibitions remained virtual events during the Reporting Period. We actively participated in these virtual events, continuing to showcase our fantastic destinations and our outstanding facilities.

Shortly after the end of Reporting Period, we were delighted to actively participate at Seatrade Cruise Global 2022 in Miami. After so long, it was fantastic to be back meeting delegates face to face and having the opportunity to formally and informally talk about our ports and our plans for the future.

In September 2022, we look forward to welcoming Seatrade Med to Málaga Cruise Port, an event that was postponed from 2020. This will provide an excellent opportunity for us to showcase this fantastic destination and our outstanding facilities.

This Strategic report, as set out on pages 1 to 63, was approved by the Board of Directors on 27 July 2022 and signed on its behalf by:

Mehmet Kutman,
Executive Chairman and CEO

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' are to the financial year covered by this Report, being from 1 April 2021 to 31 March 2022. References in this Report to the 'Previous Reporting Period' are to the transitional 15-month reporting period from 1 January 2020 to 31 March 2021.

The Company's ultimate parent remains Global Yatırım Holdings A.Ş. ('GIH'). As at 29 June 2022, being the latest practicable date prior to publication of this Report, GIH has a 62.54% 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'.

During the Reporting Period, the Company resumed its business development activities at increased levels. In addition to progressing a number of prospects in its development pipeline, in May 2021, the Group took over the management of terminal and cruise services at Italy's Taranto Cruise Port under a 20-year concession agreement, offering partial turnaround services for the first time. In October 2021, the Group marked an important milestone in its growth and development by signing a 20-year lease to manage cruise services at Kalundborg Port in Denmark – the first Northern European cruise port in the GPH portfolio.

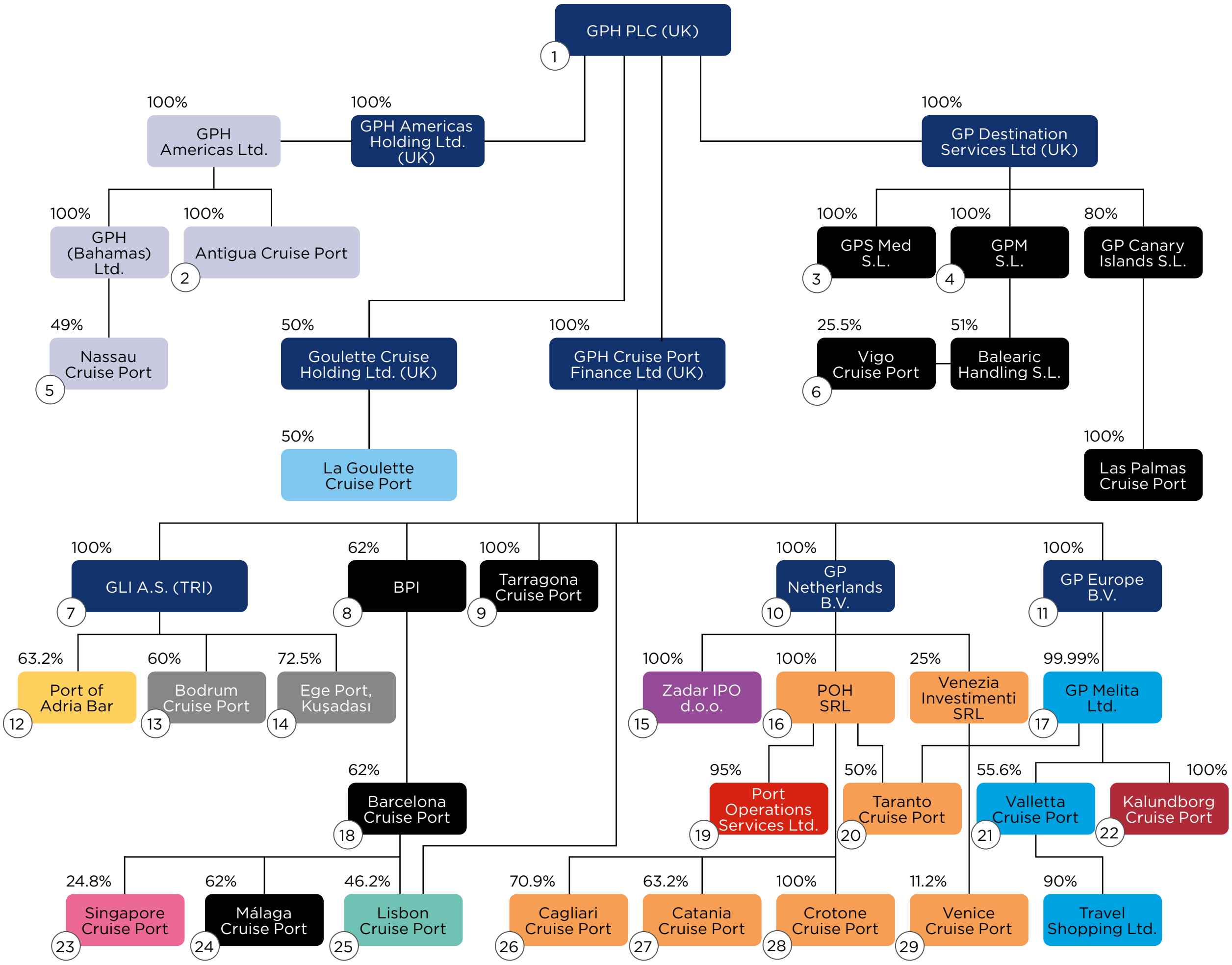
Since the start of 2022, the Group also has been awarded concessions to operate cruise port services in Vigo and Tarragona, Spain and at the Crotone Cruise Port in Italy's Calabria region.

Once its concession agreement is signed, the cruise port at Las Palmas de Gran Canaria in the Canary Islands will be the latest addition to the Group's portfolio – adding another new geographic region to the Group.

As at 31 March 2022, being the end of the Reporting Period, the Group actively operated or was invested in a total of 20 ports in 13 countries.

As set out in detail on page 76, a reorganisation was implemented during the Reporting Period by which most non-Turkish assets of the Group were transferred from GLI to GPH Cruise Port Finance Ltd. ('GPH CPF'), a UK subsidiary of the Company.

The chart below is a simplified structure of the Group's port investments at the date of approval of this Annual Report – 27 July 2022:



The percentages above represent GPH's effective ownership.

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

- Turkey
- Spain
- Italy
- Malta
- Portugal
- Montenegro
- Singapore
- Tunisia
- Croatia
- Caribbean
- Cyprus
- Denmark

CORPORATE GOVERNANCE STATEMENT

During much of 2020 and 2021, the Covid-19 pandemic caused unprecedented disruption in the global travel sector and the economies in which the Group operates. Now that the worst appears to be over and signs are that the cruise industry and GPH's business are recovering well, I can reflect with pride on the Group's response to the challenges we faced.

Since the start of the Reporting Period, senior management and the Board have continued to monitor closely developments affecting the industry as a whole, the countries in which the Group operates and the Group's financial position. This has enabled the Company to respond promptly to the improved outlook by adjusting cost-saving and cash preservation measures including, as a priority, the easing of measures affecting the remuneration of Group employees.

Business development activity also accelerated and expanded during the Reporting Period, as the Company pursued a number of opportunities, which the Board expects to strengthen the Group's competitive position in the post-pandemic environment.

Throughout the Reporting Period, the Board remained acutely aware of the importance of strong corporate governance in order to maintain the confidence of our many stakeholder constituencies. As well as frequent decision-making by the Board as a whole, Board committees were active. As set out in their respective reports, the Audit and Risk Committee and the Remuneration Committee in particular were highly engaged throughout the Reporting Period.

Specific corporate governance initiatives included the appointment of a dedicated legal compliance manager, the adoption of a comprehensive Whistleblowing Policy and the implementation of an internal audit plan and an enterprise risk management ('ERM') system.

Against the backdrop of the conflict in Ukraine, the Company has also reviewed and is supplementing its Sanctions Compliance Policy, with a view to ensuring that the Group adheres strictly to applicable international sanctions and laws and the legal conditions and responsibilities under its concession agreements.

The Company is a standard listed company on the LSE and therefore is not required to adopt the 'comply or explain' regime of the UK Corporate Governance Code published by the Financial Reporting Council (the 'Governance Code'). Nevertheless, the Board is committed to strong corporate governance and decision-making having regard to each of the matters set out in Section 172 of the Companies Act 2006, as set out in detail in the Section 172 Statement on pages 50 to 53 in the Strategic report.

As we look forward with optimism, I am extremely proud of the hard work and loyalty of individuals at all levels throughout the Group, and the solidarity and proactive leadership shown by the Board and senior management, over the past two years. I thank them all. On behalf of the Board, I also thank our investors, partners and other associates for their continuing support.

Mehmet Kutman
Executive Chairman,
CEO and Co-Founder
27 July 2022

Board of Directors

The Board, as established in April 2017, consisted of the Executive Chairman and six Non-Executive Directors of whom, until 2020, at least three were independent. As detailed in Notes 1 and 2 below and on page 73, there was one retirement from the Board in September 2021 in addition to pre-existing vacancies. 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:

Mehmet Kutmen
Executive Chairman, Chief Executive Officer and Group Co-Founder

Dates of appointment:
11 April 2017, 8 May 2018, 24 May 2019, 5 June 2020 and 29 September 2021

Skills and experience:
Mr. Kutman has been Chairman of the Company since April 2017, being re-elected annually, and is Chairman and 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 GPH Cruise Port Finance Ltd. ('GPH CPF'), Barcelona Cruise Port Creuers Terminals, Bodrum Cruise Port and Nassau Cruise Port, and former Charman of the Board of Directors of GLI. He is a member of TUSIAD (Turkish Industry & Business Association) and DEIK (Foreign Economic Relations Board) and a former Director of Alarko REIT, a BIST – listed real estate investment trust. 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.

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

Other current roles:
Chairman of the Board of Directors of GIH and of the Boards of Directors of several Group subsidiaries. Mr. Kutman also actively endows Yale University's brain tumour research program through the Gregory M. Kiez and Mehmet Kutman Foundation.

As more fully set out on page 75, effective May 2022, Emre Sayın, who was CEO during the Reporting Period, stepped down and Mr. Kutman was appointed CEO.

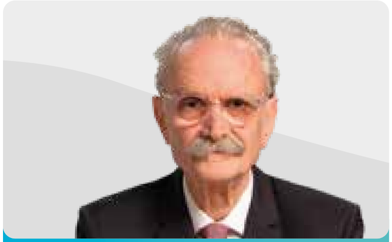
Ayşegül Bensel
Non-Executive Vice Chairperson

Dates of appointment:
12 April 2017, 8 May 2018, 24 May 2019, 5 June 2020 and 29 September 2021

Skills and experience:
Mrs. Bensel was first appointed to the Board on 12 April 2017 and has been re-elected annually. She is also a member of the Boards of Directors of GLI, GPH CPF, Barcelona Cruise Port Creuers Terminals, Valletta Cruise Port, Ege Port (Kuşadası), Bodrum Cruise Port, Nassau Cruise Port, Antigua Cruise Port and Global Ports Americas Holding Limited. Mrs. Bensel is a member of the Board of Directors of GIH and was Managing Director of its Real Estate Division 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 was formerly a member of the Board of Directors of 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.

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

Other current roles:
Member of the Boards of Directors of several Group subsidiaries and of GIH.



Jérôme Bernard Jean Auguste Bayle
Independent Non-Executive Director

Dates of appointment:
12 April 2017, 8 May 2018, 24 May 2019, 5 June 2020 and 29 September 2021

Skills and experience:
Mr. Bayle was first appointed to the Board on 12 April 2017 and has been re-elected annually. He is also a member of the Board of Directors of GPH CPF. 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 Nomination Committee, its Remuneration Committee and its Audit and Risk Committee.

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.

Other current roles:
Member of the Board of Directors of GPH CPF.

Ercan Nuri Ergül
Non-Executive Director

Dates of appointment:
11 April 2017, 8 May 2018, 24 May 2019, 5 June 2020 and 29 September 2021

Skills and experience:
Mr. Ergül was first appointed to the Board on 11 April 2017 and has been re-elected annually. He is also a member of the Boards of Directors of GLI, GPH CPF, Global Ports Destination Services Ltd. ('GPDS') 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 involved 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.

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.

Other current roles:
Private equity fund manager and member of the Boards of Directors of several Group and GIH subsidiaries.

Notes:

1. *Lord Peter Mandelson, who had served on the Board as Senior Independent Director since April 2017, decided not to stand for re-election at the 2021 Annual General Meeting in order to take on other business commitments. Accordingly, Lord Mandelson ceased to be a Director as of 29 September 2021, and Mr. Bayle was appointed in his place as Chairman of the Nomination Committee.*
2. *The vacancy created by Lord Mandelson's retirement from the Board is in addition to two vacancies resulting from Board resignations during 2020, and the Board intends to appoint one or more new 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 continuing Covid-19 pandemic and on post-pandemic recovery.*

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. She also serves as secretary to the three Committees of the Board and is Company Secretary to GPDS and GPH CPF.

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 UK in July 2014, Ms. Chilcott lived in the British Virgin Islands 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 was admitted to the Ontario Bar in 1990 and has been 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 Executive Team

The following senior executives constituted the Group's senior management team ('Senior Executive Team') throughout the Reporting Period:

Emre Sayın
Chief Executive Officer ('CEO')[1]

Date of appointment:

16 May 2016 (to May 2022)

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.

As more fully set out on page 75, effective May 2022, Mr. Sayın stepped down and Mehmet Kutman was appointed CEO.

Jan Fomferra
Chief Financial Officer ('CFO')

Date 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

Date of appointment:

1 August 2016

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.

Ece Gürsoy
Chief Legal Officer ('CLO')

Date 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')

Date 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.

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, normally once a quarter, and is instrumental in planning the medium– and long-term strategy of the Company. Due to the continuing Covid-19 pandemic, all Board meetings during 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 that was first approved by the Board in December 2017 and is reviewed annually. These reserved 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 – Policies.

The diagram below sets out Board and committee membership throughout the Reporting Period and the reporting structure of the Senior Executive Team and port management (collectively with other senior managers within the Group, 'senior management'), the Company Secretary, the Head of Internal Audit (or 'HoIA') and the Compliance Manager (or 'CM') who heads the legal compliance function (the 'Compliance Function'), in relation to the Board and its committees.

The Board 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;
- to determine the nature and extent of the principal risks faced,

Board of Directors and Committee memberships[1]

Mehmet Kutman
Executive Chairman

Ayşegül Bensel
Vice Chairperson
Non-Executive Director
M ■ ●

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

Ercan Nuri Ergül
Non-Executive Director
M ◆

Senior Executive Team

Port management

Company Secretary

Head of Internal Audit
Compliance Manager

Board Committees

■ Nomination Committee
● Remuneration Committee
◆ Audit and Risk Committee

M – Member
C – Chairman

1 As set out on page 73, the vacancy created by Lord Mandelson's retirement as of 29 September 2021 is in addition to two vacancies resulting from Board resignations during 2020, and the Board intends to appoint one or more new 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 continuing Covid-19 pandemic and on post-pandemic recovery.

and to gauge those risks that 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 Executive 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. During the Reporting Period, no member of senior management was also a member of the Board; however, the CEO attended 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 Executive 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.

Following the 2021 AGM, the Board re-affirmed the pre-existing membership of each of the Audit and Risk Committee and the Remuneration Committee and Mrs. Bensel's membership on the Nomination Committee, and appointed Mr. Bayle to take over from Lord Mandelson as Chairman of the Nomination Committee. The committees' Terms of Reference (or 'TOR') contemplate that the majority of their full membership shall consist 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 Function (or 'IA Function') was established in 2019. As set out in detail on page 81 in the Audit and Risk Committee's report, in order to strengthen the legal compliance component, the decision was made during the Reporting Period to create the separate Compliance Function beginning with the appointment of an experienced compliance manager. The IA Function and the Compliance Function are accountable to the Audit and Risk Committee, and the HoIA and the CM meet with the Chairman of the Audit and Risk Committee on a regular basis and attend meetings of that Committee.

The Remuneration Committee recommends and reviews the Remuneration Policy of the Group, ensuring that it is aligned to the long term success of the Company, and oversees 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 Human Resources Director meets regularly with the Chairman of the Remuneration Committee and attends meetings of that Committee.

Retirement and election

Under the Articles, all of the Directors retire and are subject to re-election at each Annual General Meeting (or 'AGM').

There was one retirement from the Board during the Reporting Period: Lord Mandelson, who had served on the Board as Senior Independent Director since April 2017, decided not to stand for re-election at the 2021 Annual General Meeting in order to take on other business commitments. Accordingly, Lord Mandelson ceased to be a Director as of 29 September 2021, and Mr. Bayle was appointed in his place as Chairman of the Nomination Committee.

The vacancy created by Lord Mandelson's retirement from the Board is in addition to two vacancies resulting from Board resignations during 2020, and the Board intends to appoint one or more new 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 and on post-pandemic recovery.

Operation of the Board

Meeting attendance

The Board meets regularly, and normally at least once per fiscal quarter. The Board held a total of four meetings during the Reporting Period, in May, July, September and December 2021. Due to continuing restrictions related to the Covid-19 pandemic, all Board meetings during the Reporting Period were held virtually. During the Reporting Period, the Directors also approved unanimous written resolutions on eleven occasions.

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 Reporting Period. Although the attendance of Directors only is shown, the CEO and the CFO 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[1]	Attendance	No. of meetings
Mehmet Kutman	4	4
Ayşegül Bensel	4	4
Jérôme Bayle	4	4
Ercan Nuri Ergül	3	4

1 Prior to his retirement from the Board as of 29 September 2021, Lord Mandelson attended the first two Board meetings of the Reporting Period, held on 7 May and 9 July 2021. See 'Retirement and election' on page 73.

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 Andrew Chan Stuart as of 18 November 2020.

As at the date of this Annual Report, Jérôme Bayle continues as an Independent Director and there are outstanding vacancies on the Board.

As set out in its report on page 87, the Nomination Committee has determined to proceed with the search for one or more qualified candidates for appointment as Independent Non-Executive Director. 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 and on post-pandemic recovery.

The Relationship Deed dated 2 May 2017 between the Company, GPH B.V. and GIH, pursuant to which Board members Mehmet Kutman, Ayşegül Bensel and Ercan Nuri Ergül were originally nominated by GIH, was terminated in July 2020.

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 Executive Team, consisting during the Reporting Period of the CEO, CFO, COO, CLO and HoBD Americas. The Senior Executive Team is supported by finance, human resources, marketing, investor relations and other administrative staff. The Board communicates with senior management primarily through the CEO, who attended all Board meetings and most meetings of the Audit and Risk Committee and of the Remuneration Committee, in whole or in part, during the Reporting Period. 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 Executive Team. In turn, the Senior Executive 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. As 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, 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.

In order to facilitate that process and to maintain operational discipline as the Group expands geographically, the Company refined its operating model by introducing a regional division under which the Group's port operations are currently grouped into four regions: Western Mediterranean, Northern Europe and Asia (Barcelona, Málaga, Vigo, Lisbon, Kalundborg, Singapore and Ha Long Bay ports), Central Mediterranean (Valletta, Venice, Cagliari, Catania, Ravenna, Taranto, Crotone 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 monthly on a port-by-port basis.

Division of responsibilities

The roles of Executive Chairman and CEO continued to be held by Mehmet Kutman and Emre Sayın, respectively, throughout the Reporting Period. However, effective May 2022, Mr. Sayın, who was not a member of the Board, stepped down as CEO in order to pursue new business opportunities outside the Group, and Mr. Kutman was appointed by the Board to take on the CEO role as the business continues its path to recovery from the Covid-19 pandemic. Nevertheless, the responsibilities of each role remain separate and clearly defined. In the capacity of CEO, Mr. Kutman is able to rely on the experienced support of the CFO, COO and other members of the Senior Executive Team in overseeing the day-to-day management of the Group, enabling him to continue to lead the Board and steer business development strategy as Executive Chairman.

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.

Executive Chairman	Chief Executive Officer
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 has also assumed significant executive responsibilities for the Group's non-organic business development, which complement the responsibilities of the CEO.	The CEO's role is to lead the Senior Executive Team. The position of CEO is not in itself a Board membership, however the CEO attends Board meetings and reports and is accountable to the Board. As set out above, during the Reporting Period, the CEO was not a member of the Board, however the current CEO is.

The CEO, supported by the other members of the Senior Executive 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.

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 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.

As set out in its report on page 87, the Nomination Committee has re-affirmed that diversity, including increased female membership, will continue to be an important consideration in respect of future Board appointments.

Areas of focus during the Reporting Period

At its first meeting of the Reporting Period in May 2021, following further consideration of options to refinance the subsidiary Eurobond USD 250 million 8.125% Senior Unsecured Notes due November 2021 (the 'Notes'), the Board approved the entering into of a five-year, senior secured loan agreement for up to USD 261.3 million with investment funds managed by global investment firm Sixth Street (the 'Financing').

As set out in the Company's last annual report, the Financing provides for two term loan facilities, consisting of an initial five-year facility of USD 186.3 million and an additional five-year growth facility of up to USD 75 million. Implementation of the Financing, which was completed on 30 July 2021, subsequently required considerable action by the Board, including convening a special general meeting to seek authority for the issuance to the lenders of warrants ('Warrants') to subscribe for ordinary shares of the Company. As a result of completing the Financing, the Company concluded the early repayment of the Notes.

The Board also approved the implementation of a post-Financing reorganisation intended to better consolidate cruise port operations under a UK-based structure by transferring non-Turkish assets (apart from the Adria port) from GLI to GPH CPF, a UK subsidiary.

Group response to the ongoing Covid-19 pandemic also continued to be a major focus area throughout the Reporting Period. The Board closely monitored the pandemic's continuing impact and the results of the cost-saving and cash preservation plan for the Group (the 'Response Plan') implemented in March 2020, which included comprehensive workforce-related measures (the 'Employment Measures') and suspended the acquisition of non-core assets. Having regard to signs of recovery in the second half of 2021, the Response Plan was modified, with priority being given to easing the Employment Measures – culminating in December 2021 with the Board approving the reinstatement of pre-pandemic salaries.

Prospective recovery also fuelled the acceleration and expansion of business development initiatives. Between June and December 2021, the Board approved the submission of bids for several new cruise port concessions. In September 2021, the Board also approved the addition to the Group's portfolio of the Kalundborg Port in Denmark – the first Northern European cruise port to be operated by the Group.

The Board interacted closely with its committees during the Reporting Period and received regular reports from Committee Chairmen. The Board accepted recommendations from the Remuneration Committee to ease the Employment Measures and to approve the new Remuneration Policy adopted at the 2021 AGM. It also relied heavily on the Audit and Risk Committee, including when approving the comprehensive Whistleblowing Policy and appointing the Group's new external auditors.

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 undertaken in mid-2019 had been presented and considered. Subsequently, the formal evaluation process was further suspended having regard to the Board changes at the beginning of 2020, followed by the need to focus on Covid-19 pandemic response and recovery. However, the Executive Chairman meets regularly with individual Board members to discuss their role and performance and to obtain their feedback on governance matters.

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. Within the Company, the Audit and Risk Committee undertakes such review and reports thereon to the Board.

Risk management

The Group's assessment of the principal risks and uncertainties is described within the Strategic report on page 17 and in the Risk Management Framework on pages 24 to 33, which outline the ongoing process for identifying, evaluating and managing significant risks faced by the Group.

The Group's risk management activities are based on a series of well-defined risk management principles, derived from experience, best practice, and corporate governance regimes. The Group's ERM processes are designed to identify, assess, respond, monitor and, where possible, mitigate or eliminate threats to the business caused by changes in the business, financial, regulatory and operating environment.

The Board delegates to the CEO responsibility for the effective implementation and maintenance of the risk management system. Day-to-day responsibility for risk management lies with senior management. The Audit and Risk Committee is authorised by the Board to monitor, review and report on the organisation, functionality and effectiveness of ERM processes.

A comprehensive ERM system was implemented during the Reporting Period as set out on page 84 in the Audit and Risk Committee's report. Under the system, the IA Function provides guidance to senior management on responding to and reporting risks. Another key role of the IA Function with regard to ERM is to provide objective assurance to the Committee and the Board on the identification and correct evaluation of risks and the effectiveness of risk management. Going forward, the IA Function and the CEO will be active in further developing and maintaining the ERM system as a structured, consistent and continuous system 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 IA Function includes a process whereby operating entities provide certified statements of financial compliance with specified and appropriate key controls; those controls are then cyclically tested by the IA Function to ensure they remain effective and are being consistently applied. The IA Function prescribes specific actions for senior management to take to correct any violations;
- the Compliance Manager, who assumed her position in October 2021, is establishing the Compliance Function that 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; and
- the Audit and Risk Committee, which meets regularly, is central to the framework of internal controls. Its responsibilities and the matters considered by it during the Reporting Period are fully set out in the Audit and Risk Committee report on pages 80 to 85, and include:
  - receiving reports from the HoIA on the results of work carried out under the annually approved internal audit plan and from the external auditors – to whom the Committee has full and unfettered access;

- annually assessing the effectiveness of the assurance provided by the IA Function and the external auditors; and
- receiving and assessing reports from the CM on legal compliance within the Group.

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 Reporting 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 have been issued pursuant to allotment authorities granted by shareholders at the 2020 AGM and at a special 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 any further redeemable preference shares.

The long-term incentive plan (or 'LTIP'), for the benefit of members of senior management and any future Executive Directors, was originally approved at the 2018 AGM. As revised, it is continued under the Company's current Remuneration Policy and was re-approved at the 2021 AGM. The LTIP 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 100 to 104 and 92 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 2022, 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 below.

As at 29 June 2022, being the latest practicable date prior to publication of this Annual Report, GIH has a 62.54% interest in the Company, directly and through its 100% owned subsidiary GPH BV, which is registered under a nominee. The remaining 37.46% of the total issued share capital of the Company represents free float.

There were no significant share transactions during the Reporting Period. 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 at GIH above a certain threshold.

The Directors do not have any direct ownership of shares of the Company. However, as at 31 March 2022, Mehmet Kutman owned, directly and indirectly, 30.48% of GIH, representing 19.06% 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 92 of the Remuneration Report.

Substantial Shareholders (at 31 March 2022)

	% of total voting rights	Date of last notification[1]
Global Ports Holding B.V.	62.47	30 November 2018
Global Yatırım Holdings A.Ş.	0.07	25 February 2020
Lansdowne Partners	6.47	7 May 2019
Första AP-fonden	4.03	27 April 2018

1 Up to the end of the Reporting Period. On 19 May 2022, the Company was notified that Lansdowne Partners had decreased their holding to 0.54%.

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 with the Company's principal shareholders on various occasions during the Reporting Period in relation to Group strategy, financial position and post-pandemic recovery. The Company is aware of the stewardship obligations of institutional investors as set out in the UK Stewardship Code and works 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 Covid-19 pandemic and global travel restrictions continued to curtail face-to-face meetings during the Reporting Period, with the majority of meetings and conferences occurring virtually, and also 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 Reporting Period. The Board also received reports with regard to relations with the major shareholders and developments and changes in their shareholdings.

Annual General Meeting

The Company's 2022 Annual General Meeting (or '2022 AGM') is scheduled to be held at the Company's registered office, 34 Brook Street, 3rd Floor, London W1K 5DN, UK on Tuesday, 20 September 2022 at 11.00 a.m. BST.

As at the date of this Annual Report, the Board intends that the 2022 AGM will be open to shareholders and their appointed proxies who choose to attend it in person. However, the Directors will continue to monitor the public health situation and regulations to ensure that the 2022 AGM can be held safely and in compliance with law. Should it become necessary or appropriate for any reason to postpone, to move and/or to make alternative arrangements for holding the 2022 AGM, the Board may do so and shareholders will be given as much notice as possible. Please see page 116 for further information.

The notice of the 2022 AGM (the 'AGM Notice') will be sent to shareholders at least 21 clear days before the meeting. The AGM provides shareholders with an opportunity to discuss the Group's progress and operations directly with the Board, and the Company is committed to providing shareholders with that opportunity. Accordingly, the AGM Notice will include details of how shareholders can submit questions related to the business of the meeting in advance, and the Company will endeavour to answer key themes of the questions on its website as soon as practical.

At the 2022 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.

Ayşegül Bensel

Ayşegül Bensel
Vice Chairperson
27 July 2022

STRONG FINANCIAL STEWARDSHIP FOR RECOVERY

As Chairman of the Audit and Risk Committee (the 'Committee') for Global Ports Holding PLC, I am pleased to present the Committee's 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 of the Covid-19 pandemic during the Previous Reporting Period (being the transitional 15-month reporting period from 1 January 2020 to 31 March 2021) underscored the critical role of the Committee in helping to shape the Group's response to resulting disruption in the global travel sector and the economies in which we operate. During the same period, Committee members were actively involved in the Eurobond refinancing process, helping to progress alternative financing streams, which culminated in Board approval of the Financing, described on page 76 of the Corporate Governance report (or the 'Governance report'), in May 2021.

Areas of focus during the Reporting Period

During the Reporting Period, the Committee continued to monitor closely pandemic-related developments and changes in the Group's financial position as well as the completion of the Financing and early repayment of the Eurobond, in addition to overseeing a number of internal initiatives and the selection of the Company's new external auditor.

Finalisation of the Company's consolidated financial statements and report for the Previous Reporting Period was a main focus at and between the Committee's meetings in July and August 2021. Although the external auditors delivered an unqualified opinion, the extraordinary impact of the Covid-19 pandemic, combined with the complexity of the Group's expanding business and specific transactions, including the sale of Port Akdeniz and Eurobond refinancing initiatives, significantly complicated the accounts and protracted the audit process. The Committee wishes to acknowledge the efforts of the CFO and his Finance Team toward completing the audit of what was a very challenging period for the Group.

During the Reporting Period, the Committee also reviewed and discussed with management the Company's financial statements for the quarters ending 30 June and 31 December 2021, and oversaw the preparation of consolidated financial statements for the six months ended 30 September 2021. Having regard to ongoing uncertainties created by the pandemic and in the interest of cost-saving, an interim review was discontinued during the Previous Reporting Period; however, the provision of interim results has since been mandated by the Financing.

In the fourth quarter of 2021, a competitive tender process (the 'Tender') led by the Committee was undertaken to select and formalise the appointment of an external auditor and resulted in the appointment of PKF Littlejohn LLP ('PKF') as the Company's auditor for the Reporting Period. KPMG LLP ('KPMG'), who had served as the Company's external auditor since June 2018 and been re-appointed at the 2021 AGM, did not participate in the Tender and subsequently resigned.

The Tender was commenced and executed in line with the procedural requirements stipulated in s. 489A of CA 2006. The Committee regarded the Tender as good corporate governance and played a central role in assessing submissions. After careful consideration, the Committee recommended to the Board that PKF be appointed as external auditor. In doing so, the Committee considered a number of criteria, including experience in providing statutory audit services in line with LSE requirements, capability and resources to cover the Group's current and expected countries of operation, and the estimated cost efficiency of the audit process.

Throughout the Reporting Period, the Committee liaised closely with the Internal Audit Function to progress internal control and risk management initiatives. These included: a detailed review of the updated risk assessment framework immediately prior to the start of the Reporting Period; the implementation of the ERM system; completion of internal audits according to plan and audit process enhancement; and measures to strengthen cyber security within the Group, including staff awareness training, external consultation and software upgrades. The Committee also oversaw the formulation of a comprehensive Whistleblowing Policy, which was adopted by the Board in September 2021.

During the Reporting Period, the Committee also initiated the creation of a compliance function separate from the IA Function with a view to strengthening legal compliance within the Group and recruited an experienced Compliance Manager to lead it. As Committee Chairman, I meet regularly with the CM and the HoIA, and they attend and report at most meetings of the Committee.

Financial reporting and judgements for the Reporting Period

At its meetings on 5 July and 20 July 2022, the Committee considered senior management's financial reports, covering the Reporting Period-end consolidated statement of financial position and consolidated statement of profit or loss and other comprehensive income and significant accounting matters, together with the comments and written reports of the external auditor. The Committee's conclusions with respect to senior management's significant financial judgements are set out below. The Committee has reviewed this Annual Report including the Company's Reporting Period-end financial statements, focusing on key judgements as well as the completeness and overall balance of reporting to shareholders.

The Committee believes that PKF 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 the key audit matters set out in the independent auditor's opinion on pages 119 to 125 of this document.

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 appropriate recognition of revenue from all sources, including core port services, ancillary services and construction revenue, having particular regard to the correct application of IFRS 15 and IFRIC 12 and the calculation of construction revenue in accordance with underlying contracts;
- the recoverability of intangible assets, including goodwill, port operation rights and investments (parent only), having particular regard to potential impairment due to the continuing negative impact of Covid-19 on the number of cruise calls and passengers during the Reporting Period. The Committee considered senior management's impairment assessments and value in use calculations, including judgments and estimations relating to cruise call and passenger numbers, container volumes and other key inputs, and was satisfied that no impairment was called for;
- the effectiveness of internal controls to manage risks, including the risk of fraudulent activity, and to promote compliance with laws and regulations having regard to the complex, multi-jurisdictional regulatory environment in which the Group operates. The Committee considered in particular various measures implemented during the Reporting Period to address weaknesses identified during the audit of the Previous Reporting Period; and
- matters potentially affecting the going concern forecast, having particular regard to the continuing negative impact of Covid-19 during the Reporting Period.

The Committee closely considered senior management's going concern analysis having regard to matters listed above and noted, among other circumstances, the use of bond proceeds to finance major construction works in Nassau and Antigua, the draw-down of the initial facility and availability of the growth facility under the Financing, and waivers obtained from Group banks in respect of prospective debt covenant breaches. The Committee also 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 Reporting Period.

The Committee also reviewed the Strategic report, the Governance report, the Remuneration Committee report and the Directors' report for the Reporting 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

Although the worst of the pandemic appears to be over and signs of recovery in the Group's business are encouraging, the Committee continues to monitor closely changes in the Group's financial position and pandemic-related developments in the cruise industry and our jurisdictions of operation. The Committee will also continue to assist the Board in assessing the financial implications of proposed courses of action, with a view to strengthening the Group's post-pandemic position during the remainder of 2022 and beyond.

Toward that same goal, the Committee will also seek to ensure that the Group's governance practices, and particularly its internal controls and risk management, are robust.

Jérôme Bernard Jean Auguste Bayle
Chairman of the Audit and Risk Committee
27 July 2022

Meeting attendance

The table below shows the number of meetings individual members of the Committee could have attended, and their actual attendance, during the Reporting Period. The Committee also approved three unanimous written resolutions and recommendations to the Board during the Reporting Period.

Only the attendance of members of the Committee is shown in the table below. In addition to the Committee members, the CFO attended all meetings of the Committee during the Reporting Period. Other members of senior management and representatives of the external auditors also attended meetings at the invitation of the Committee chairman.

Director	Attendance	No. of meetings[1]
Jérôme Bayle	5	5
Ercan Nuri Ergül	5	5

1 Four meetings were held during 2021 and one meeting was held at the end of January 2022.

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 IA Function; considering and approving the remit of the IA 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 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 – Committee Terms of Reference.

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, an Independent Director and Chairman of the Committee, and Ercan Nuri Ergül. At the date of this Report, there is one vacancy on the Committee.

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 pages 68 and 69 in the Governance report.

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

The Committee met five times during the Reporting Period. In addition, the Committee approved three unanimous written resolutions and recommendations to the Board during the Reporting Period. The table on page 83 shows the number of meetings individual members of the Committee could have attended during the Reporting 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. To aid in that review, the Internal Audit Function developed a comprehensive ERM system, which was implemented during the Reporting Period.

Under the system, the IA Function provides guidance to senior management on responding to and reporting risks and gives objective assurance to the Committee and the Board on the identification and correct evaluation of risks and the effectiveness of risk management. Operating entities also provide certified statements of financial compliance with specified and appropriate key controls. Those controls are then cyclically tested by the IA Function to ensure they remain effective and are being consistently applied, and the IA Function prescribes specific actions for senior management to take to correct any violations.

Going forward, the IA Function and the CEO will further develop and maintain the ERM system as a structured, consistent and continuous system across the Group for identifying, assessing, deciding on responses to, and reporting on, opportunities and threats that affect the achievement of its objectives.

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).

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 current level of risk is compared with the Board's appetite to determine whether further mitigations are required. Risks that are specific to the function's activities are managed within the function on an ongoing basis, with regular follow up by the IA Function. The most significant risks from each function (based on materiality or those that have common themes across the business) are reviewed by the Committee, along with the principal risks and mitigations externally reported on pages 25 to 33 of this Annual Report. The Committee also supports 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 are monitored and managed by senior management, the IA Function and the Committee, which regularly reports thereon to the Board. The Company's detailed Risk Management Framework is set out earlier in this Report.

In order to strengthen the monitoring of legal compliance within the Group, the decision was made during the Reporting Period to create a legal compliance function separate from the IA Function, beginning with the appointment of an experienced Compliance Manager (or 'CM') in October 2021. The CM is currently establishing the Compliance Function that will develop, oversee and evaluate control systems to prevent and deal with violations of legal guidelines and internal policies across the Group's jurisdictions of operation. The Compliance Function will report and be accountable to the Committee, and since her appointment, the CM has attended Committee meetings and met regularly with the Chairman of the Committee.

External auditor transition, independence and provision of non-audit services

Following the Tender, PKF, of 15 Westferry Circus, Canary Wharf, London E14 4HD, was appointed as the Company's external auditor in respect of the Reporting Period. KPMG resigned effective 1 March 2022 by notice unders.516 of CA 2006. In accordance with s. 520(2)(a) of CA 2006, the Company sent a copy of KPMG's statement under s. 519 of CA 2006, setting out the reason for its resignation, to every person entitled to receive a copy of the Company's accounts.

PKF was appointed by the Board pursuant to s. 489(3)(c) of CA 2006 on the basis that any proposal to re-appoint PKF in respect of the financial year beginning 1 April 2022 is subject to shareholder approval at the 2022 AGM. See 'Reappointment of external auditor' below.

PKF has confirmed its independence as external auditor to the Company. PKF performed no non-audit services during the Reporting Period.

The Group's Non-Audit Services Policy can be found at www.globalportsholding.com under Investors — Corporate Governance. The Non-Audit Services Policy is subject to annual review by the Committee.

The Committee reviewed the work completed by the external auditor, as well as the provision of non-audit services, during the Reporting Period to ensure that the auditor maintained its independence.

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

Reappointment of the external auditor

Following careful consideration, the Committee recommends that PKF 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 2022 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.

MAINTAINING STRONG LEADERSHIP FOR THE FUTURE

As Chairman of the Nomination Committee (the 'Committee') for Global Ports Holding PLC, I am pleased to present the Committee's 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, Lord Mandelson continued to chair the Committee until his retirement from the Board as of 29 September 2021. On the same date, I was appointed to the Committee to replace him as its independent Chairman.

Ayşegül Bensel served as a member of the Committee throughout the Reporting Period and continues to do so at the date of this Report, and there is one vacancy on the Committee.

Areas of focus during the Reporting Period

At its first meeting of the Reporting Period on 9 July 2021, the Committee focussed on its annual functions of reporting in respect of the Previous Reporting Period and reviewing Board member performance in advance of the 2021 AGM.

In assessing Board member performance, the Committee reprised the discussion commenced at its previous meeting in February 2021, at which time the Committee members agreed that the existing Board had shown strong leadership in responding to the Covid-19 pandemic and its individual members had all performed well. At the July meeting, the Committee concluded that the Board had continued to perform strongly despite its reduced size, and each of its members should be endorsed for re-election at the 2021 AGM on the assumption that all of them would stand for re-election – although Lord Mandelson later decided not to do so. The Committee made a corresponding recommendation to the Board, which in turn recommended to shareholders that each of the incumbent Directors be re-elected at the 2021 AGM.

In July 2021, the Committee also noted the outstanding vacancies on the Board but agreed that, until revenues increased and the Eurobond refinancing was concluded, it would be premature for the Board to consider appointing new members to fill them.

By the time of the Committee's second meeting of the Reporting Period however, positive developments on both fronts brought the issue of Board membership to the fore. The Committee agreed that the recruitment process for at least one new independent Board member, which had been commenced prior to the pandemic, should be resumed as a priority. At the same time, the Committee considered that the option of reducing the size of the Board by one or two seats should be explored with a view to maintaining an effective and experienced Board at reasonable cost.

The Committee has identified gender and governance and/or industry experience as the two main criteria in assessing any potential new Board member and has agreed that particular effort should be made to recruit a qualified female candidate.

The Committee has met once since the Reporting Period-end, at which time it assessed positively the Board's performance, and endorsed the existing Directors for re-election at the 2022 AGM. The Committee members also discussed criteria relating to potential candidates for appointment as Independent Director and considered Board size, with a view to making recommendations to the Board within 2022.

The Committee looks forward to playing an active role in ensuring that the Board and the Senior Executive Team are optimally equipped to guide and propel the Group on its post-pandemic journey.

Jérôme Bernard Jean Auguste Bayle
Chairman of the
Nomination Committee
27 July 2022

Meeting attendance

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

Director	Attendance	No. of meetings
Jérôme Bayle[1]	1	1
Ayşegül Bensel	2	2

1 Lord Mandelson was Chairman of the Committee and attended the first Committee meeting of the Reporting Period, which was held prior to his retirement from the Board as of 29 September 2021. On the same date, Mr. Bayle was appointed to the Committee, and he attended the Committee's second meeting of the Reporting Period held in March 2022.

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 that conflict, or may conflict, with the interests of the Company.
- **Recommendations:** making recommendations to the Board, including concerning succession plans; 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 until his retirement from the Board as of 29 September 2021 and Ayşegül Bensel, who served as a member of the Committee throughout the Reporting Period. Jérôme Bayle, who is an Independent Director, was appointed to the Committee on 29 September 2021 and replaced Lord Mandelson as Chairman of the Committee.

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

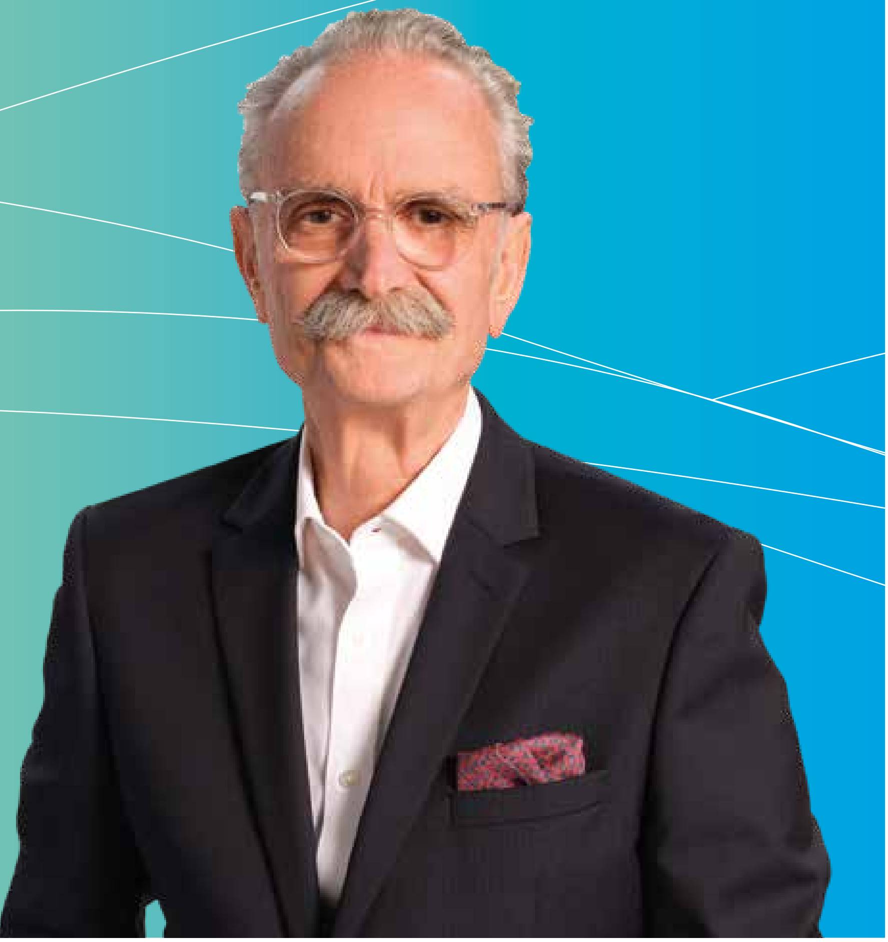
Going forward, the Committee expects to focus on:

- the recruitment of at least one new independent Board member, and continued review of the size and composition of the Board, having regard to diversity targets, effectiveness and efficiency, and other central considerations;
- progressing an in-depth Board performance review; and
- considering potential succession issues relating to the Executive Chairman, other Directors and members of the Senior Executive Team.

Remuneration Committee report
Introduction by the Committee Chairman

REMUNERATION IN RECOVERY

As Chairman of the Remuneration Committee (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 current three-year Remuneration Policy (or the 'Policy'), which was approved by shareholders at the Annual General Meeting held on 29 September 2021 and which comprises distinct sub-policies for:
  - the Executive Chairman;
  - the Non-Executive Directors; and
  - any future Executive Directors, and which is applied generally to the Senior Executive Team and other senior managers within the Group (collectively, 'senior management'); and
- our Annual Report on Remuneration ('Annual Remuneration Report'), which details the Directors' remuneration from 1 April 2021 to 31 March 2022 and the implementation of the Policy during the Reporting Period. The Annual Remuneration Report will be subject to an advisory vote at the 2022 AGM.

Other than the Executive Chairman, all of the other Directors during the Reporting Period were Non-Executive. No changes were made during the Reporting Period to the fees for the Board members which are set out in the Annual Remuneration Report on page 105. In conjunction with workforce-related cost-saving measures instituted by the Group in 2020 in response to the Covid-19 pandemic (the 'Employment Measures'), all of the Board members agreed to the continued deferral of

Meeting attendance

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

Director	Attendance	No. of meetings
Jérôme Bayle	2	2
Ayşegül Bensel	2	2

their fees during the Reporting Period in solidarity with the wider Group employees.

In compliance with 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. The related requirement under the 2019 Regulations is only applicable for financial years beginning on or after 10 June 2019, and accordingly, prior period comparative information is limited to the prior reporting period from 1 January 2020 to 31 March 2021 (the 'Previous Reporting Period').

CEO Emre Sayın's remuneration during the Reporting Period, which is set out on pages 106 and 107, was determined broadly in accordance with the Policy's distinct sub-policy for future Executive Directors. As such, Mr. Sayın participated in the Company's short-term incentive plan ('STIP') and LTIP, and his entitlement under the LTIP was affected by changes in the Company's share price as set out on page 101. As the Board included only Non-Executive Directors and the Executive Chairman, the sub-policy for future Executive Directors only applied, with minor variation, to the CEO and other senior management.

As more fully set out on page 75 in the Corporate Governance report, effective May 2022, Mr. Sayın stepped down and left the Group, and Mehmet Kutman was appointed CEO. As set out on page 106, Mr. Sayın received a lump sum payment in accordance with the Policy relating to exit payments and his RSU awards under the LTIP lapsed.

The Board members do not participate in the Company's incentive schemes, and so their remuneration is not subject to changes in the Company's share price.

Easing of pandemic-related measures

The Previous Reporting Period covered a time of unprecedented challenges arising from the Covid-19 pandemic. Beginning in April 2020, the Company implemented a series of cost-saving and cash-preservation measures in response to disruption in the global travel sector and the economies in which the Group operates. Those measures 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 bonuses, and effect certain redundancies, including among senior management.

During the Reporting Period, the Committee was pleased to oversee the gradual easing of the Employment Measures, starting in April 2021 and culminating with the reinstatement in January 2022 of pre-pandemic salaries. Further details are set out below under 'Activities of the Committee during the Reporting Period'.

Committee members and independence

I have served as the Chairman of the Committee since its establishment. During the Reporting Period, I was supported by my fellow Committee member Ayşegül Bensel. There is one vacancy on the Committee, which the Board expects to fill through the appointment of one or more new Board members within the 2022-2023 reporting period.

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.

During the Reporting Period, the Committee members also communicated informally between meetings with each other and with members of senior management.

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 Terms of Reference of the Committee ('TOR') which can be found at www.globalportsholding.com under Investors – Corporate Governance – Committee Terms of Reference.

Activities of the Committee during the Reporting Period

The Committee met formally two times during the Reporting Period and shortly after the Reporting Period-end. At and between meetings, the Committee 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 signs of industry and Group recovery from the impact of the Covid-19 pandemic.

Between the Committee's last formal meeting of the Previous Reporting Period, held in February 2021, and its first formal meeting of the Reporting Period, the Committee members worked with senior management to formulate a plan for gradual easing of the Employment Measures, including the scheduled repayment of salary amounts deferred during 2020 and a modified scheme to defer 20% of salaries during the first three quarters of the Reporting Period. Following approval by the Board, the new measures (the 'Revised Measures') were agreed to by Group employees and implemented as of 1 April 2021. The Committee closely monitored the impact of the Revised Measures, which were reported on at its meetings in August and December 2021. At the latter meeting, the Committee approved the reinstatement of pre-pandemic salaries as of January 2022 and a schedule for the repayment within 2022 of all amounts deferred under the Revised Measures. The new measures were subsequently approved by the Board upon recommendation of the Committee and implemented. As set out below, the adjustment and repayment of deferred Turkish salaries was considered separately by the Committee, having regard to Turkey's exceptional, country-specific, inflationary conditions.

The Committee also reviewed and updated the Policy, which replaced the Company's original three-year remuneration policy (the 'Original Policy', and together with the Policy, the 'Policies') and was approved by shareholders at the AGM on 29 September 2021. The Policy carries forward the main structure and components of the Original Policy with additional disclosure to comply with the 2019 Regulations and is comprised of three distinct sub-policies: for the Executive Chairman, the Non-Executive Directors, and any future Executive Directors (currently applied generally to senior management).

The key differences between the Policy and the Original Policy are in the sub-policy for any future Executive Directors and consist of the substitution of the LTIP EPS indicator with adjusted EBITDA ('Adjusted EBITDA') and a shareholding guideline whereby any Executive Directors will be expected to have, within five years, a shareholding in the Company equivalent to at least 50% of their annual salary. In recommending the substitution of the EPS indicator with Adjusted EBITDA, Committee members noted the Group strategy of growth through the acquisition of new port concessions and the impact of accompanying amortisation and project finance-related interest – which decrease the relevance of EPS as a measure of employee performance. The Committee therefore recommended that the EPS indicator be substituted in the Policy with Adjusted EBITDA – with a view to better reflecting the work done by senior management. The Adjusted EBITDA indicator is subject to such adjustments as may be determined by the Committee from time to time and approved by the Board.

The Policy also specifies the vesting and holding periods under the LTIP as determined by the Committee and provides for annual review by the Committee of the CEO's overall remuneration.

Having previously replaced the EPS indicator with Adjusted EBITDA as set out above, toward the end of 2021 the Committee continued its review of LTIP performance measures with a view to ensuring their attainability and the LTIP's overall functioning as a viable incentive plan, asking senior management to make recommendations for the reform of specific targets. The Committee also approved the CEO's proposed allocation of Restricted Stock Units (to recipients other than the CEO) for 2022.

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

Shortly after the Reporting Period-end, the Committee considered the adjustment and repayment of deferred Turkish salaries having regard to Turkey's exceptional country-specific inflationary conditions, and its recommendation was approved by the Board. At the same meeting, held on 5 April 2022, the Committee in its discretion recommended that 60% of RSUs allocated under the LTIP for 2019 be vested as of the 1 January 2022 vesting date, subject to applicable holding periods, even though performance targets had not been met. In making their recommendation, Committee members noted the extraordinary adverse impact of the Covid-19 pandemic on Group business and the sacrifices made by the recipients who, having accepted the Employment Measures and the Revised Measures, had continued to serve under employment terms less favourable to them. Re-affirming the Company's commitment to the LTIP as a viable reward programme, the Committee therefore proposed the partial vesting in order to incentivise the recipients and to recognise their loyalty. Committee recommendations from that meeting were subsequently adopted by the Board.

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 independent reward consultants. 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 that were agreed before the Policy will be honoured. Details will be disclosed where relevant.

In formulating the Policies, the Committee took 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.

The shareholder-approved Policy is intended to operate for a three-year period from the 2021 AGM date (29 September 2021). 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 Policy are summarised below under 'Our remuneration at a glance', and the Policy itself is set out on pages 94 to 104.

LTIP awards are 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 Adjusted EBITDA (subject to such adjustments as may be determined by the Committee from time to time and approved by the Board) and 50% on 3-year Total Shareholder Return ('TSR'). As at 31 March 2022, RSUs had been allocated under the LTIP to CEO Emre Sayın and 15 other members of senior management. Details of Mr. Sayın's variable remuneration during the Year, including his allocation under the LTIP, are set out on page 107.

We hope you find this Report helpful in explaining the implementation of the Policies and the rationale for key Committee decisions during the Reporting Period.

The Committee believes that the approach to implementing the Policies during the Reporting Period was in the best interest of shareholders, and we hope that you will approve the Annual Remuneration Report at the 2022 AGM.

Jérôme Bernard Jean Auguste Bayle
Chairman of the
Remuneration Committee
27 July 2022

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 Policies and on their implementation between 2018 and the end of the Reporting Period.

Our remuneration at a glance

Development of our Remuneration Policy

Following the admission to listing of the Company's shares ('Admission'), the Remuneration Committee worked with Mercer | Kepler to develop the Original Policy, which was approved by shareholders at the 2018 AGM.

Remuneration principles

The Policy reflects the remuneration principles (see page 92) agreed by the Remuneration Committee, which help ensure that remuneration outcomes align with the Company's performance and shareholder interests.

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 2021 AGM, shareholders approved the Directors' Remuneration Report and the Policy, in each case, by 99.97% 'for' and 0.03% 'against' the resolution, with 1,772 votes withheld. At the same meeting, the LTIP was approved by 99.95% 'for' and 0.05% 'against' the resolution, with 1,825 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 Human Resources Director 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. The Committee Chairman is also a designated contact person for employees under the Group's Whistleblowing Policy. With a view to increasing its direct engagement with employees, the Board also resolved that from 2019 onwards, 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 with the onset of the Covid-19 pandemic but will be resumed as soon as it is possible to do so in a safe manner for all participants.

REMUNERATION POLICY REPORT

The Policy

This section of the Report sets out the Policy, which was approved by shareholders at the 2021 AGM for a period of three years. The Policy, which was developed to reflect the guiding principles set out on page 92, comprises distinct sub-policies for the Executive Chairman, the Non-Executive Directors, and any future Executive Directors (currently applied generally to senior management).

Except as noted in the Annual Remuneration Report, the Policy is structured and administered by reference to the Company's financial year (1 April to 31 March).

Decision-making process

In preparing the Policy, the Remuneration Committee initially reviewed and affirmed the remuneration principles set out on page 92 and the structure and components of the Original Policy, having regard to the Company's strategy and shareholder interests and after assessing the impact of the Original 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.

Remuneration Policy for the Executive Chairman:

The Executive Chairman's fee is USD 420,000 per annum, equivalent to 3.5 times' that of the current Non-Executive Directors. 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 additional 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 any future Executive Directors comprises salary, benefits and short-term and long-term incentive plans as described on pages 97 to 104. For members of senior management who are not Board members, the Policy generally applies 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:

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 that 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 that has no fixed duration. Pursuant to the Articles, he submits himself for re-election annually. The Executive Chairman was re-elected at the 2021 AGM.

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

Director	Role during Reporting Period	Date of original appointment and letter of appointment	Dates of re-appointment (election)
Mehmet Kutman	Executive Chairman and Co-Founder	11 April 2017	8 May 2018, 24 May 2019, 5 June 2020 and 29 September 2021

In recognition of his executive function, the scope and terms of the Executive Chairman's executive role are also set out in an employment contract with the Company consistent with the Policy. The letter of appointment and contract are available for inspection at the Company's registered office during normal business hours.

Remuneration Policy Table for Non-Executive Directors

Details of the Policy on fees to be paid to our Non-Executive Directors are set out in the table below:

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 GBP 1.5 million per annum. 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 that 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 2021 AGM.

The dates relating to the appointments of the current Non-Executive Directors, all of whom served throughout the Reporting Period[1], are as follows:

Director	Role	Date of original appointment and letter of appointment	Dates of re-appointment (election)
Ayşegül Bensel	Vice Chairperson	12 April 2017	8 May 2018, 24 May 2019, 5 June 2020 and 29 September 2021
Jérôme Bayle	Board Member – Independent	12 April 2017	8 May 2018, 24 May 2019, 5 June 2020 and 29 September 2021
Ercan Nuri Ergül	Board Member	11 April 2017	8 May 2018, 24 May 2019, 5 June 2020 and 29 September 2021

1 As set out on page 73 in the Governance report, Lord Mandelson decided not to stand for re-election at the 2021 AGM, and accordingly, ceased to be a Director as of 29 September 2021.

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

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

In the absence of Executive Directors (other than the Executive Chairman), the Policy set out in the table below currently applies (with minor variation) only to members of senior management. In particular, legacy contractual remuneration arrangements for below-Board senior managers that were agreed before the Policy will be honoured. Details will be disclosed where relevant. The below Policy would apply to an Executive Director should they be appointed to the Board, in which case references below to a 'senior manager' would apply to an 'Executive Director'.

This section of the Policy does not apply to the Executive Chairman, who is remunerated in accordance with the details provided 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 that 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 on page 101).	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.

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 that are stretching and aligned to the Company's strategy. LTIP awards to executives and senior managers typically have a performance and vesting period of three years. If threshold performance has not been achieved at the end of the relevant performance period, the awards would not vest. Vested LTIP shares are subject to a holding period of two years after the vesting date. Vesting and holding periods are determined by the Remuneration Committee and may be waived or changed from time to time at its discretion. The Remuneration Committee has discretion to award dividend equivalents on awards, in which case the number of shares that 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 on page 101.	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 Listing, the Committee had 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.

Purpose and link to strategy	Operation	Opportunity	Performance measures
Annual review of CEO remuneration			
To ensure base salary and total package remain appropriate and competitive, while not overpaying.	The CEO's overall remuneration is subject to annual review by the Committee.	Not applicable.	Not applicable.
Shareholding guideline for Executive Directors			
To incentivise Executive Directors to commit to the Company, and further to align their interests with those of shareholders and to incentivise them to maximise value over the long-term.	Executive Directors will be expected to achieve, within five years of appointment to the role, a shareholding in the Company equivalent to at least 50% of their current annual salary.	Not applicable.	Not applicable.

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 granted under the Original Policy, were based 50% on 3-year EPS growth and 50% on 3-year absolute TSR. As set out above, during the Reporting Period, the EPS indicator was substituted in the Policy with Adjusted EBITDA – with a view to better reflecting the work done by senior management. The Adjusted EBITDA indicator is subject to such adjustments as may be determined by the Committee from time to time and approved by the Board.

Targets are set to be stretching and motivational. Adjusted EBITDA targets are 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 99 and 100, 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 99 and 100. 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 market announcement 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 95 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 wider workforce views
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.

ANNUAL REPORT ON REMUNERATION
This section of the Remuneration report provides details of how the Policies were implemented during the Reporting Period.

Committee membership and meeting attendance
During the Reporting Period, the Committee was composed of the following two Non-Executive Directors:
- Jérôme Bayle – Committee Chairman (Independent); and
- Ayşegül Bensel – Non-Executive Director.

The current vacancy on the Committee will be filled with an Independent Director in accordance with the Committee's Terms of Reference.

The Committee met formally two times during the Reporting Period. The table on page 90 shows the number of meetings individual members of the Committee could have attended, and their actual attendance, during the Reporting 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 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 7,500 (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 individual remuneration (i.e., fees) earned by the Board members (being the Executive Chairman and the Non-Executive Directors) for the Reporting Period and the Previous Reporting Period. 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 Reporting Period. However, all of them agreed to continue to defer their remuneration from the Company in solidarity with Group employees subject to the Revised Measures. Accordingly, no fees were paid by the Company to the current Board members between 1 April 2021 and 31 March 2022.

Director	Total fees for Reporting Period[1]	Total fees for Previous Reporting Period[1]
Mehmet Kutman (Executive Chairman)	USD 561,507.05[2,3]	USD 698,839[2,3]
Ayşegül Bensel	USD 211,479.84[4,5]	USD 210,212[4,5]
Lord Mandelson	USD 93,731.07[6,7]	USD 211,755[6]
Jérôme Bayle	USD 120,000[4]	USD 150,000[4]
Ercan Nuri Ergül	USD 120,861.63[4,8]	USD 151,355[4,8]

Notes:
1 Reflects the gross amount of fees earned from the Company and subsidiaries of the Company from 1 April 2021 to 31 March 2022 (12 months) and 1 January 2020 to 31 March 2021 (15 months), respectively. Fees (excluding subsidiary fees) from 1 March 2020 to 31 March 2022 were accrued but not paid during the Reporting Period for Directors continuing on the Board. Accrued fees were paid to Lord Mandelson upon his retirement from the Board.
2 Executive Chairman fee per annum set at USD 420,000 (USD 35,000 gross per month).
3 Includes the additional fee from subsidiaries of the Company of USD 141,507.05 for Mr. Kutman during the Reporting Period (USD 173,839 for the Previous Reporting Period).
4 Non-Executive Director fee per annum set at USD 120,000 (USD 10,000 gross per month).
5 Includes the additional fee from subsidiaries of the Company of USD 91,479.84 for Mrs. Bensel during the Reporting Period (USD 60,212 for the Previous Reporting Period).
6 Lord Mandelson was the only Non-Executive Director to be paid in GBP. His fee per annum was set at GBP 120,000 (GBP 10,000 gross per month).
7 Covering fees for the period between 1 April 2021 and his retirement from the Board on 29 September 2021.
8 Includes the additional fee from a subsidiary of the Company of USD 861.63 for Mr. Ergül during the Reporting Period (USD 1,355 for the Previous Reporting Period).

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 remuneration of the Executive Chairman and each Non-Executive Director between 2020 and 2021 and 2019 and 2020 compared with the average annual change in remuneration of the Company's employees, calculated on a full-time equivalent ('FTE') basis, during the same periods. There was no change to Board member or employee remuneration between 31 December 2021 and 31 March 2022.

	Annual % change in base salary[1]	
	2020/21	2019/20
Mehmet Kutman[2]	–	4.5[4]
Ayşegül Bensel[2]	–	0
Jérôme Bayle[2]	–	0
Ercan Nuri Ergül[2]	–	0
Company employees (average per FTE)[3]	10.41	5.22

Notes:
1 For each calendar year. Consisting for Directors of fees earned from the Company only. Directors do not receive annual bonus or taxable benefits, and accordingly, the corresponding columns have been omitted from the table.
2 Director who served throughout the Reporting Period and the Previous Reporting Period. The table excludes Lord Mandelson who retired from the Board as of 29 September 2021.
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 2022 as set out in the table below. Accordingly, there was no change from 31 March 2021.

	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	–	–	–	–
Jérôme Bayle	nil	–	–	–	–
Ercan Nuri Ergül	nil	–	–	–	–

Note:
1 Directors as at 31 March 2022. Excludes Lord Mandelson, who retired from the Board as of 29 September 2021.

No shares were acquired by the Directors between 31 March 2022 and 25 July 2022, being the latest practicable date prior to publication of this Report. As at 31 March 2022, the Executive Chairman Mehmet Kutman owned indirectly through GIH approximately 19.06% of the Company. As at 30 June 2022, being the latest practicable date prior to the publication of this Report, Mr. Kutman's indirect ownership through GIH was approximately 20.19% 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 reporting periods. 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 is limited to the Previous Reporting Period.

Mr. Sayın's remuneration was determined mainly in accordance with the Policy's sub-policy for future Executive Directors. Remuneration under that sub-policy comprises salary, benefits and short-term and long-term incentive plans as described on pages 97 to 104 and is subject to annual review by the Committee. There was a legacy arrangement with Mr. Sayın under which the Committee committed, subject to certain terms, to top up his remuneration in cash or RSUs, to the extent that he did not receive USD 500,000 in total compensation per annum. However, the Committee did not approve any such top-up.

As more fully set out on page 75 in the Corporate Governance report, effective May 2022, Mr. Sayın stepped down as CEO and left the Group. In accordance with the Policy as set out on pages 102 and 103, the Committee considered the particular circumstances of Mr. Sayın's departure having regard to salary and other his terms of employment, and it was determined that he receive a lump sum payment of USD 393,600. Also in accordance with the Policy as set out on page 103, his RSU awards under the LTIP lapsed and he was not entitled to any annual bonus under the STIP.

CEO employment terms

Mr. Sayın, who served as the Company's CEO during the Reporting Period, was 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 was employed for an indefinite term with provision for termination by either party.

Mr. Sayın'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 and the Previous Reporting Period.

As CEO, Mr. Sayın participated in the LTIP and the STIP and received benefits in accordance with the sub-policy for any future Executive Directors as set out in the Policy Table on page 97 in this Report.

(USD '000)	Salary[1] (gross)	Benefits[2]	Pension[3]	Total fixed[6]	Bonus[4] (STIP)	LTIP[5]	Total variable	Total remuneration
Reporting Period (12 months)	227,614	33,193	13,057	300,782	0	62,217	0	362,999
Previous Reporting Period (15 months)	249,792	52,875	18,320	356,987	0	0	0	356,987

Notes:

1 Mr. Sayın is resident in Turkey and was paid in Turkish Lira in accordance with Turkish law. In accordance with the Employment Measures and Revised Measures set out on pages 90 and 91, certain amounts earned by Mr. Sayın and other employees during the period from 1 March 2020 to 31 March 2022 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 were made on Mr. Sayın's behalf in accordance with Turkish law.

4 No STIP was paid to (or accrued for) any employees during the Reporting Period or the Previous Reporting Period as eligibility criteria (performance targets and outcomes) were not met.

5 RSU allocations to Mr. Sayın under the LTIP are set out under 'CEO LTIP award' below. 60% of his RSU allocation for 2019 vested as of 1 January 2022 (please see 'Activities of the Committee during the Reporting Period' above). Value is based upon a share price of GBP 1.28 per share on 1 January 2022.

6 Includes additional fees from a subsidiary of the Company of USD 36,000 during the Previous Reporting Period and USD 26,918.40 during the Reporting Period.

CEO annual bonus (STIP)

No STIP was paid to (or accrued for) Mr. Sayın or other employees during the Reporting Period or the Previous Reporting Period as eligibility criteria (performance targets and outcomes) were not met.

CEO LTIP award

Allocations of 100,000 RSUs and 60,000 RSUs were made to Mr. Sayın for 2021 and 2020, respectively, which were due to vest in 2023. The vesting period under the Policy is three years, and no RSUs were due to vest prior to 2022. However, as set out on pages 91 and 92, it was decided in April 2022 that 60% of RSUs allocated under the LTIP for 2019 should vest (please see 'Activities of the Committee during the Reporting Period' above). That decision applied to Mr. Sayın and all other members of senior management eligible under the LTIP, however Mr. Sayın's RSUs lapsed as a result of him stepping down as CEO and leaving the Group in May 2022.

The Committee will review the value of the awards at the date of vesting and may decide to lower the vesting level of awards in order to ensure participants do not benefit from windfall gains. The Committee will consider the stretching performance targets associated with the awards alongside the share price performance of the Company and its sector peers as well as the prices of the indices of the market in which the Company is listed; and any other factors deemed relevant.

The table below sets out the awards[1] made to Mr. Sayın under the LTIP during the Reporting Period and the Previous Reporting Period for the calendar year indicated:

	Basis of award (% of salary)	Threshold level of vesting	Face value of award (USD '000 equivalent)[2]	End of performance period	Vesting date[3]
2021	100	25%	262	January 2024	January 2024
2020	100	25%	186	January 2023	January 2023

Notes:

1 Awards were in the form of 100,000 RSUs for 2021 and 60,000 RSUs for 2020. Mr. Sayın's RSUs lapsed as a result of him stepping down as CEO and leaving the Group in May 2022.

2 Indicative value based upon a share price of GBP 2.39 per share for 2020 and 2.03 for 2021 exercised on the date of granting; the actual face value would depend upon the share price at the vesting date.

3 Once vested, LTIP shares are subject to a holding period of two years, although holding periods are determined by the Remuneration Committee and may be waived or changed from time to time at its discretion.

CEO shareholding

Mr. Sayın owned no shares in the Company as at 31 March 2022 as set out in the table below. Accordingly, there was no change from 31 March 2021.

	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
CEO (Emre Sayın)	nil	–	320,000[1]	–	–

Note:
1 Total number of RSUs granted to 31 March 2022. Mr. Sayın's RSUs lapsed as a result of him stepping down as CEO and leaving the Group in May 2022.

Relative importance of spend on pay

In light of the unprecedented level of disruption to global trade and the cruise industry and the associated 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 full-year dividends until the situation became clearer. Accordingly, shareholders were not asked to declare a final dividend at the AGMs in 2020 or 2021.

The Board has continued to monitor the situation and, having regard to the continuing impact of the pandemic on Group business, determined not to declare any interim dividend prior to the Reporting Period-end. Accordingly, total dividend paid during the Reporting Period was nil.

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 14.9 million for the Reporting Period.

	Distributions to shareholders (USD '000)	Total employee pay (USD '000)
Previous Reporting Period (15 months)	0	17,440
Reporting Period (12 months)	0	14,885

Payments for loss of office (audited)

No payments for loss of office were made during the Reporting Period.

Payments to past Directors (audited)

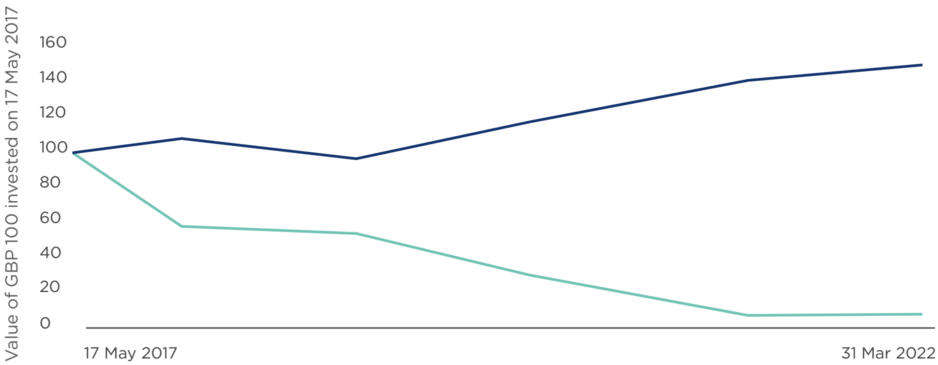
No payments were made to past Directors during the Reporting Period.

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 2022.

Historical TSR performance (GBP)

Growth in the value of a hypothetical GBP 100 holding from Admission to 31 March 2022.



Source: Refinitiv

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 2022-2023

As more fully set out on page 75 in the Corporate Governance report, effective May 2022, Emre Sayın stepped down and Mehmet Kutman was appointed CEO in addition to being Executive Chairman. Mr. Kutman's remuneration as Executive Chairman for the financial year ending 31 March 2023 will continue to be determined in accordance with the remuneration sub-policy for the Executive Chairman, pursuant to which the Committee sets the Executive Chairman's fee at a level that it considers to be commensurate with the significant time commitment he is expected to give the Group. At the date of this Report, the Executive Chairman's fee remains at USD 420,000 per annum. However, the Committee continues to review Mr. Kutman's remuneration having regard to the CEO transition and may recommend an increase to it in the future. Any change will be reported in next year's annual report on remuneration.

Role	Fee (USD '000)
Executive Chairman	420

Implementation of the Non-Executive Director Remuneration Policy for 2022-2023

At the date of this Report, the Board has not recommended any change to Non-Executive Directors' fees for the financial year ending 31 March 2023. Accordingly, the fees payable to the Non-Executive Directors are as follows:

Role	Fee (USD '000)[1]
Non-Executive Director	
Basic fee:	USD 90
Additional fee:	USD 30

Note:

1 The fees paid in GBP to Lord Mandelson as Senior Independent Director ceased when he retired from the Board as of 29 September 2021.

Implementation of the Senior Management and Executive Director Remuneration Policy for 2022–2023

As more fully set out on page 75 in the Corporate Governance report, effective May 2022, Mr. Sayın stepped down as CEO and left the Group, and therefore this sub-policy has ceased to apply to him. This sub-policy will apply to any new Executive Director who may join the Company during the term of the Policy.

This 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
27 July 2022

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 Reporting Period (the 'financial statements'). These will be laid before the shareholders at the Company's 2022 Annual General Meeting scheduled to be held on 20 September 2022.

Registered office

The Company's registered office is 34 Brook Street, 3rd Floor, London W1K 5DN, UK. 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.

Accounting period

In December 2020, the Company's accounting reference date was changed from 31 December to 31 March. Accordingly, the Reporting Period is the 12-month period from 1 April 2021 to 31 March 2022. The Previous Reporting Period refers to the transitional 15-month reporting period from 1 January 2020 to 31 March 2021.

Results and dividends

The Group made a loss after tax of USD 44.5 million for the Reporting Period, compared with a loss after tax of USD 94.7 million for the Previous Reporting Period.

Having regard to the unprecedented disruption to global trade and the cruise industry and the associated uncertainty created by the Covid-19 pandemic, shareholders were not asked to declare a final dividend at the AGMs in 2020 or 2021, and no dividends have subsequently been declared or approved by the Board. Pending the fuller recovery of Group business from the effects of the pandemic, shareholders will not be asked to declare a final dividend for the Reporting Period at the 2022 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 2022) 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 2022 consolidated financial statements.

At that date, the Group had cash and cash equivalents of USD 99.7 million and net assets of USD 50.4 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 2022 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 continuing uncertainty regarding the impact of the pandemic on the recovery of call and passenger levels and the associated effect on Group revenues and cash position during the going concern assessment period.

The UK 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 the implications of Brexit for the Company and the Group, having regard in particular to the ports that are located and operated by subsidiaries in EU countries. Although the full impact of Brexit may not be known for some time, the Directors do not consider that its implementation has had any materially adverse impact on the operations of the Company or the Group to date.

As set out on pages 81 and 82 in its Report, the Audit and Risk Committee has closely considered senior management's financial reports. Having regard to the Audit and Risk Committee report and to the considerations set out 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 Reporting Period to engage with Group employees and with its suppliers, customers and others with whom it maintains business relationships are set out on pages 50 to 53 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 LTIP (the Company's share-based long-term incentive plan) also will vest immediately on a change of control as set out on page 103 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 79 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 79 of the Governance report and pages 50 to 53 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 details of the retirement from the Board during the Reporting Period are set out on page 73 of this document.

None of the Directors has 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 78 in the Governance report and page 106 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 cash 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 25 July 2022, 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. Ordinary shares entitle holders (i) to one vote on a show of hands and one vote per share on a poll, (ii) to share in dividends according to the amount paid up on shares held, and (iii) to rights under general law to participate in any surplus assets on winding up in proportion to their shareholding. Ordinary shares are not redeemable other than pursuant to Chapter 5 of Part 18 of the Companies Act 2006.

At the date of this Directors' 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 pages 78 and 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 up to the Reporting Period-end are set out on page 78 in the Governance report.

Political donations

No political donations were made, and no political expenditure was incurred, during the Reporting 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. The Board has also resolved that the Directors should 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 with the onset of the Covid-19 pandemic but will be pursued as soon as it is possible to do so in a safe manner for all participants.

As set out on page 81, a comprehensive Whistleblowing Policy also was adopted during the Reporting Period, with a view to facilitating and encouraging reports of wrongdoing and protecting whistle blowers, while ensuring that allegations are properly substantiated.

Incentive plans

In accordance with remuneration policy approved by its shareholders, the Company has implemented the 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 99 to 104 in the Remuneration report.

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

The Company has a comprehensive Data Protection Policy, that 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 managing and reducing 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 and HSE Manual.

The HSE Manual is very closely aligned to ISO standards and, where possible and practical, the Group seeks to achieve relevant ISO certifications for its ports. EcoPorts has been adopted as a further guiding factor on the ports' environmental management, and the Group also focuses on facilitating, where possible, the cruise industry's environmental targets. Detailed information about the Group's environmental initiatives is set out on pages 54 through 59.

A number of the Company's ports are certified to the ISO 14001 Environmental Management System and/or have GreenPort or EcoPorts certifications.

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 Directors' report) Regulations 2013. The calculations on GHG emissions data, which cover 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 ('IEA') and EuroStat Energy Statistics manual and local fuel data where possible.

As stated in the table below, during the Reporting Period, the Group's Scope 1 and 2 emissions location-based totalled 4,555.5 tonnes CO_2e, compared with 7,877.0 tonnes CO_2e, 3,860.9 tonnes CO_2e and 5,386.8 tonnes CO_2e during the 2019 and 2020 calendar years and the Previous Reporting Period, respectively.

	In tonnes CO_2e			
	2019	**2020**	**Previous Reporting Period (1 January 2020 – 31 March 2021)**	**Reporting Period**
Scope 1	**2,514.2**	**1,318.2**	**2,185.6**	**1,756.6**
Scope 2 Location-based	**5,362.8**	**2,542.6**	**3,201.2**	**2,798.9**
Scope 1 and 2 total Location-based	**7,877.0**	**3,860.9**	**5,386.8**	**4,555.5**
Carbon intensity				
Per full-time equivalent employee	**12.32**	**9.49**	**13.27**	**8.55**
Per sqm facility area	**0.0085**	**0.0168**	**0.0234**	**0.0045**

Notes:
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. IEA location-based EF data has been used for calculations.
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 Risk Management

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 24 to 33 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 88 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 74 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 2022 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 PKF Littlejohn LLP will be proposed at the 2022 AGM in accordance with Section 489 of the Companies Act 2006.

2022 AGM

The 2022 AGM is scheduled to be held at the Company's registered office at 34 Brook Street, 3rd Floor, London W1K 5DN, UK on Tuesday, 20 September 2022 at 11.00 a.m. BST. The resolutions to be proposed at the 2022 AGM are set out and fully explained in the circular containing the AGM Notice ('AGM Notice Circular') which will be posted, together with the proxy form for the 2022 AGM and this Annual Report and Accounts, on our website at www.globalportsholding.com under Investors — General Meetings. These will be made available to shareholders electronically or, if they have expressed a preference otherwise, sent to them in hard copy.

As at the date of this Annual Report, the Board intends that the 2022 AGM will be open to shareholders and their appointed proxies who choose to attend it in person. However, the Directors will continue to monitor the public health situation and regulations to ensure that the 2022 AGM can be held safely and in compliance with law. Should it become necessary or appropriate for any reason to postpone, to move and/or to make alternative arrangements for holding the 2022 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 2022 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 2022 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
27 July 2022

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 UK-adopted international accounting standards 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.

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 UK-adopted international accounting standards;
- 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.

Statement of Directors’ responsibilities continued

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
Vice Chairperson
27 July 2022

Independent auditor's report
to the members of Global Ports Holding PLC

Opinion is unmodified
We have audited the financial statements of Global Ports Holding Plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 March 2022 which comprise the Consolidated Statement of Profit or Loss and Other Comprehensive Income, the Consolidated Statement of Financial Position and Parent Company Balance Sheet, the Consolidated and Parent Company Statements of Changes in Equity and the Consolidated Statements of Cash Flows and Consolidated and Parent Company Notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and UK-adopted international Accounting Standards. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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 2022 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern
In auditing the financial statements, we have concluded that the Director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Group's and Parent Company's ability to continue to adopt the going concern basis of accounting included:
- Reviewing the cashflow forecast and budgets for the twelve months to 31 July 2023 and the corresponding key assumptions used. This included but was not limited to consideration of the following: financing arrangements and related cashflows including repayment of loans, planned expansion, key cost assumptions (including salaries), projection of the number of passengers;
- Critically testing the key assumptions underlying the forecasts, including sensitivity to reasonably possible changes;
- Discussions with management regarding future plans and funding to support the operations of the Group and Parent Company; and
- Reviewing management's going concern paper and ensuring the underlying key assumptions are congruent to the cashflow forecast provided, including review of the mathematical and arithmetic accuracy of the cashflows and agreeing the key cashflows to supporting documentation.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Our application of materiality

Materiality for the Group financial statements as a whole was set at USD 0.8 million, determined with reference to a benchmark of Group revenue, which is derived from the 0.75% of the average of the Group revenue of the past three years. We have applied averaging of the benchmark to normalise the impact of Covid-19 given that revenue has been significantly impacted in the previous financial period. We consider Group revenue to be the most appropriate benchmark as it provides a more stable measure year on year than profit before tax.

The materiality for the Parent Company financial statements as a whole was set at USD 0.75 million determined with reference to a benchmark of Company gross assets representing 0.4% of gross assets at 31 March 2022.

In line with our 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% of materiality for the financial statements as a whole, which equates to USD 0.4 million for the Group and USD 0.38 million for the Parent Company.

Whilst materiality for the financial statements as whole was set at USD 0.8 million, each of the 10 financially significant components of the Group was audited to an overall materiality ranging between USD 0.007 million to USD 0.78 million with performance materiality set at 50%. The benchmark of 50% has been identified based on the associated inherent risk as a result of the assessment conducted by the Group auditors. Therefore, we conclude this will provide sufficient coverage of significant and residual risks. We applied the concept of materiality both in planning and performing our audit, and in evaluating the impact of misstatements.

We agreed to report to the audit committee any corrected or uncorrected identified misstatements exceeding USD 0.04 million, in addition to other identified misstatements that warranted reporting on qualitative controls.

Our approach to the audit

In designing our audit approach, we determined materiality and assessed the risk of material misstatement in the financial statements. In particular, we assessed the areas requiring the Board and management to make subjective judgements, for example in respect of significant accounting estimates including the carrying value of intangible assets, goodwill, revenue recognition and management override of controls.

An audit was performed on the financial information of the Group's 12 material operating components which, for the year ended 31 March 2022, were located in the United Kingdom, Turkey, Malta, the Bahamas, Spain, Montenegro, and Antigua. 10 out of the 12 components have been audited by component auditors. There are a number of other components within the Group which were not assessed as material or significant components. Consequently, the audit work performed on these components consisted of testing specific balances and analytical procedures at Group level.

The Group audit team instructed component auditors as to the significant areas to be covered, including the relevant risks described below, and the information to be reported back. The Group team visited 5 component locations in the UK, Turkey, Spain, Malta and the Bahamas, to assess the audit risk and strategy and accordingly performed the component file reviews. In addition, remote meetings were held in order to review the working papers of components situated in Antigua and Montenegro, which could not be physically visited. At these visits and meetings, the findings reported to the Group team were discussed in detail, and any further work required by the Group team was then performed by the component auditors. Discussions were held at all stages of the process with component auditors in all locations and appropriate reporting appendices were received and reviewed in accordance with our instructions.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, 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. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our scope addressed this matter
Revenue recognition (Note 3t and Note 9)	
Under ISA (UK) 240 there is a rebuttable presumption that revenue recognition is a fraud risk. The Group trades as an independent cruise port operator through an international network of cruise ports, together with one operating commercial port. Revenues from the cruise business segment compromise of the following: Core port services: • landing fees; • security fees; and • luggage handling fees. Ancillary services: • vessel and port services; • shore-side services; and • terminal management. Revenues from the commercial business segment compromises of handling containers and cargo for export and import. Revenue generating activities are governed by the terms of the concession agreements, including related licenses and permits. Revenue from these segments per IFRS 15 is recognised both over time and at a point in time and there is a risk that revenue is not recognised in accordance with the Standard. The Group also recognises construction revenue, currently in respect of Nassau, for service concession arrangements under IFRIC 12. These are recognised over time based on percentage completion of construction. The margin recognised on construction revenue involves judgement and estimation by management, including benchmarking to similar infrastructure projects. There is a risk that revenue is materially misstated due to incorrect application of IFRS 15 and IFRIC 12 and not calculated in accordance with the terms of the underlying customer contracts.	Our work in this area included the following: • Assessing the Group's revenue recognition policy for compliance with IFRS 15 and IFRIC 12; • Reviewing the key contractual terms applicable to significant revenue streams in place at the ports; • Documenting, for each jurisdiction, our understanding of the systems and internal controls surrounding revenue recognition in conjunction with reviewing the work performed by component auditors in this respect; • Performing walkthrough tests on all material revenue cycles in conjunction with reviewing the work performed by component auditors in this respect; • Undertaking substantive transactional testing of material revenue streams and reviewing the substantive testing and tests of controls performed by the component auditors as applicable; • Reviewing and documenting the analytical procedures performed by the component auditors and assessing the reasonableness of key movements including consideration of Key Performance Indicators such as passenger numbers and cargo volumes; and • Reviewing the work of the component auditors surrounding the cut-off testing performed on significant components, including accrued income balances, taking into consideration the seasonality of operations by port and our understanding of the systems and controls. Based on the audit procedures performed we are satisfied that revenue has been appropriately recognised in the financial statements.

Key Audit Matter	How our scope addressed this matter
Recoverability of intangible assets and right-of-use assets (Note 16, 17 and 33)	
The Group carries on its balance sheet material intangible assets in respect of port operation rights and acquired intangible assets, including goodwill, from business combinations. Goodwill is not amortised but is tested at least annually for impairment through value in use models. Port operation rights and other intangible assets are amortised over their expected useful economic life and subject to impairment reviews where there are indicators of impairment. The carrying value of right-of-use assets will, where applicable, be included in the impairment assessment. The impact of COVID-19 and the resulting impact on cruise calls and passenger numbers was an impairment indicator in Fiscal Year ('FY') 21 and is also expected to be in FY22. Impairment assessments and value in use calculations are subject to significant judgement and estimation around key inputs such as the number of cruise calls, passenger volumes, container volumes and risk adjusted discount rates. The same value in use calculations will also be used to assess the carrying value of investments in subsidiaries and associates, including Intragroup receivables, in the individual financial statements of the Parent Company. There is a risk that the carrying values exceed their recoverable values through non-recognition of impairment losses.	Our work in this area included the following: • Obtaining the Group's value in use calculations and testing and challenging the reasonableness of key assumptions to external and internal data, including budgets, cash flow forecasts and discount rates. • Involving our valuation specialists to determine the reasonableness and benchmarking of the incorporated debt to equity ratio and beta used in the value in use impairment model; • Evaluating the reasonableness of cash flows and projections in the model through comparison to actual and prior period performance; • Verifying the integrity of the data and mathematical accuracy of the supporting calculations; • Performing sensitivity analysis on key assumptions to ascertain the impact of possible changes which would eliminate the headroom over carrying value; • Evaluating management's assessment of expected useful economic lives; • Testing the allocation of revenues, expenses, assets and liabilities to cash generating units; and • Considering whether any other indicators of impairment are present under IAS 36 having reference to internal and external factors. Based on the audit procedures performed we have not identified any material unrecognised impairment losses in respect of intangible or right of use assets as at 31 March 2022.
Management override	
Under ISA (UK) 240 'The Auditor's responsibility to consider fraud in an audit of financial statements', there is a presumed significant risk of management override of the system of internal controls. Our audit is designed to provide reasonable assurance that the financial statements as a whole are free from material misstatement, whether caused by fraud or error. Management override was included as a Key Audit Matter by the prior year auditors in the FY21 financial statements, particularly covering transactions such as new port operation arrangements and significant capital expenditure projects. The auditors identified significant weaknesses in the design and operation of controls, resulting in expanded levels of detailed testing. With this, there is a probability that the associated risk previously identified is still evident in the current year.	Our work in this area included the following: • Assessing the design, implementation and appropriateness of the Group's policies and procedures over adherence to laws and regulations, including their operation and effectiveness during the period; • Testing journals processed during the period under review at an individual entity and consolidation level. We utilised data analytics software to test this area based on specified risk factors; • Reviewing key estimates, judgements and assumptions within the financial statements for evidence of management bias, and agreeing these to appropriate documentation; • Assessing whether the financial results and accounting records include any significant or unusual transactions where the economic substance is not clear, including related party disclosures; • Holding discussions with management surrounding work done to address control weaknesses identified; and • Reviewing large and unusual transactions through the bank statements. Based on the audit procedures performed we have not identified instances of management override of controls.

Other information

The other information comprises the information included in the annual report and accounts, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report. Our opinion on the Group and Parent Company financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us 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.

Responsibilities of Directors

As explained more fully in the Statement of Directors' responsibilities, the Directors are responsible for the preparation of the Group and Parent Company financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Group and Parent Company financial statements, the Directors are responsible for assessing the Group's and the 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 the Directors 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 for the audit of the financial statements

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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the Group and Parent Company and the sector in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, industry research, and reviewing confirmations received from local legal advisors.
- We determined the principal laws and regulations relevant to the Group and Parent Company in this regard to be those arising from the relevant company and commercial legislation in the country of incorporation, local laws and tax regulations in the relevant jurisdictions, Employment Law, Anti-Bribery and Money Laundering Regulations, Disclosure and Transparency Rules, FCA Listing Rules, relevant environmental and health and safety legislation in the relevant jurisdictions having commercial activities, compliance with contractual terms under port concession agreements, and GDPR.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the Group and Parent Company with those laws and regulations. These procedures included, but were not limited to:
  - Enquiring of management regarding potential non-compliance;
  - Reviewing of legal and professional fees to understand the nature of the costs and the existence of any non-compliance with laws and regulations;
  - Reviewing of minutes of meetings of those charged with governance and Regulatory News Service announcements;
  - Reviewing of accounting ledgers for any unusual journal entries which may indicate non-compliance;
  - Discussing with the Group's Head of Legal regarding on-going cases, any pending lawsuits, recent investigations and any significant provisions recognised in the financial statements;
  - Discussing with the component auditors regarding any non-compliance that they were aware of when the audit was conducted;
  - Reviewing of the work of the component auditors in assessing compliance with laws and regulations of the component entities;
  - Discussing with the internal audit department on matters related to internal control risks, weaknesses and business risks of the Group; and
  - Reviewing of Audit Committee and Remuneration Committee minutes.
- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, that the potential for management bias was identified in relation to the carrying value of the intangible assets, goodwill, right of use assets and investments as described in the Key Audit Matters section above.
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business and review of bank statements during the period to identify any large and unusual transactions where the business rationale is not clear.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other matters which we are required to address

We were appointed by the Board of Directors Global Ports Holding Plc on 14 March 2022 to audit the financial statements for the period ending 31 March 2022 and subsequent financial periods. This is our first year as auditors of the Group.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Group or the Parent Company and we remain independent of the Group and the Parent Company in conducting our audit.

Our audit opinion is consistent with the additional report to the audit committee.

Use of our report

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.

Timothy Herbert (Senior Statutory Auditor)
for and on behalf of PKF Littlejohn LLP, Statutory Auditor
15 Westferry Circus
Canary Wharf
London
E14 4HD

27 July 2022

Consolidated statement of profit or loss and other comprehensive income
For the year ended 31 March 2022 and 15 month period ended 31 March 2021

(USD '000)	Note	Year ended 31 March 2022	15 month period ended 31 March 2021
Revenue	9	**128,410**	79,399
Cost of sales	10	**(131,326)**	(98,090)
Gross loss		**(2,916)**	(18,691)
Other income	13	**5,169**	2,878
Selling and marketing expenses		**(2,530)**	(1,622)
Administrative expenses	11	**(16,762)**	(20,211)
Impairment loss on trade receivables and contract assets	37	**–**	(1,339)
Other expenses	13	**(12,645)**	(33,369)
Operating loss		**(29,684)**	(72,354)
Finance income	14	**25,071**	30,047
Finance costs	14	**(36,897)**	(80,814)
Net finance costs		**(11,826)**	(50,767)
Share of (loss)/profit of equity-accounted investees	18	**(2,425)**	465
Loss before tax		**(43,935)**	(122,656)
Tax (expense)/income	19	**(605)**	15,061
Loss from continuing operations		**(44,540)**	(107,595)
Profit from discontinued operations	7	**–**	12,906
Loss for the period/year		**(44,540)**	(94,689)
Loss for the year/period attributable to:			
Owners of the Company		**(35,992)**	(80,313)
Non-controlling interests		**(8,548)**	(14,376)
		(44,540)	(94,689)

	Note	Year ended 31 March 2022	15 Month period ended 31 March 2021
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit liability	29	**(65)**	(156)
Income tax relating to items that will not be reclassified subsequently to profit or loss	19, 29	**16**	39
		(49)	(117)
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation differences		**(15,460)**	65,014
Cash flow hedges – effective portion of changes in fair value		**253**	469
Cash flow hedges – realised amounts transferred to income statement		**(170)**	(244)
Equity accounted investees – share of OCI		**(667)**	(872)
Losses on a hedge of a net investment		**(793)**	(45,209)
		(16,837)	19,158
Other comprehensive (loss)/income for the year/period, net of income tax		**(16,886)**	19,041
Total comprehensive loss for the year/period		**(61,426)**	(75,648)
Total comprehensive loss attributable to:			
Owners of the Company		**(49,735)**	(64,987)
Non-controlling interests		**(11,691)**	(10,661)
		(61,426)	(75,648)
Basic and diluted earnings/(loss) per share (cents per share)	31	**(57.3)**	(127.8)
Basic and diluted earnings/(loss) per share (cents per share) – continuing operations	31	**(57.3)**	(148.4)

The notes on pages 132 to 221 are an integral part of these financial statements.

Consolidated statement of financial position
For the year ended 31 March 2022 and 15 month period ended 31 March 2021

(USD '000)	Note	As at 31 March 2022	As at 31 March 2021
Non-current assets			
Property and equipment	15	**121,411**	126,858
Intangible assets	16	**410,971**	331,910
Right of use assets	33	**83,461**	87,469
Investment property	34	**2,038**	2,198
Goodwill	17	**13,483**	13,485
Equity-accounted investments	18	**14,073**	18,776
Due from related parties	36	**8,846**	8,125
Deferred tax assets	19	**6,604**	11,137
Other non-current assets	21	**2,375**	2,638
		663,262	602,596
Current assets			
Trade and other receivables	20	**21,148**	26,162
Due from related parties	36	**1,061**	324
Other investments		**55**	63
Other current assets	21	**25,406**	12,371
Inventories	22	**938**	903
Prepaid taxes		**314**	238
Cash and cash equivalents	23	**99,687**	170,599
		148,609	210,660
Total assets		**811,871**	813,256
Current liabilities			
Loans and borrowings	26	**75,998**	295,200
Other financial liabilities	37	**754**	2,925
Trade and other payables	27	**37,888**	39,236
Due to related parties	36	**486**	1,253
Current tax liabilities	19	**377**	157
Provisions	30	**9,483**	7,640
		124,986	346,411
Non-current liabilities			
Loans and borrowings	26	**522,590**	253,734
Other financial liabilities	37	**50,316**	55,249
Trade and other payables	27	**1,640**	12
Due to related parties	36	**3,000**	–
Deferred tax liabilities	19	**44,498**	49,323
Provisions	30	**13,997**	21,221
Employee benefits	29	**346**	344
Derivative financial liabilities	37	**101**	399
		636,488	380,282
Total liabilities		**761,474**	726,693
Net assets		**50,397**	86,563
Equity			
Share capital	24	**811**	811
Legal reserves	24	**6,014**	6,014
Share based payment reserves	28	**367**	239
Hedging reserves	24	**(43,328)**	(41,951)
Translation reserves	24	**46,462**	58,779
Retained earnings		**(48,192)**	(12,151)
Equity attributable to equity holders of the Company		**(37,866)**	11,741
Non-controlling interests	25	**88,263**	74,822
Total equity		**50,397**	86,563

These financial statements were approved by the board of Directors on 27 July 2022 and were signed on its behalf by:

Ercan Nuri Ergül
Board Member
Company registered number: 10629250

The notes on pages 132 to 221 are an integral part of these financial statements.

Consolidated statement of changes in equity
For the year ended 31 March 2022 and 15 month period ended 31 March 2021

(USD '000)	Notes	Share capital	Legal reserves	Share based payment reserves	Hedging reserves	Translation reserves	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 31 March 2021		**811**	**6,014**	**239**	**(41,951)**	**58,779**	**(12,151)**	**11,741**	**74,822**	**86,563**
(Loss)/income for the period		**–**	**–**	**–**	**–**	**–**	**(35,992)**	**(35,992)**	**(8,548)**	**(44,540)**
Other comprehensive (loss)/income for the period		**–**	**–**	**–**	**(1,377)**	**(12,317)**	**(49)**	**(13,743)**	**(3,143)**	**(16,886)**
Total comprehensive (loss)/income for the period		**–**	**–**	**–**	**(1,377)**	**(12,317)**	**(36,041)**	**(49,735)**	**(11,691)**	**(61,426)**
Transactions with owners of the Company										
Contribution and distributions										
Equity settled share-based payment expenses	28	**–**	**–**	**128**	**–**	**–**	**–**	**128**	**–**	**128**
Total contributions and distributions		**–**	**–**	**128**	**–**	**–**	**–**	**128**	**–**	**128**
Changes in ownership interest										
Equity injection	6(ii)	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**25,132**	**25,132**
Total changes in ownership interest		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**25,132**	**25,132**
Total transactions with owners of the Company		**–**	**–**	**128**	**(1,377)**	**(12,317)**	**(36,041)**	**(49,607)**	**13,441**	**(36,166)**
Balance at 31 March 2022		**811**	**6,014**	**367**	**(43,328)**	**46,462**	**(48,192)**	**(37,866)**	**88,263**	**50,397**

The notes on pages 132 to 221 are an integral part of these financial statements.

Consolidated statement of changes in equity continued
For the year ended 31 March 2022 and 15 month period ended 31 March 2021

(USD '000)	Notes	Share capital	Legal reserves	Share based payment reserves	Hedging reserves	Translation reserves	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 1 January 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 132 to 221 are an integral part of these financial statements.

Consolidated cash flow statement
For the year ended 31 March 2022 and 15 month period ended 31 March 2021

(USD '000)	Note	Year ended 31 March 2022	15 month period ended 31 March 2021
Cash flows from operating activities			
Loss for the year/period		**(44,540)**	(94,689)
Adjustments for:			
Depreciation of property plant and equipment, right of use assets and amortisation expense	15,16, 33, 34	**28,467**	34,209
Impairment losses on intangible/tangible assets	16	**–**	3,941
Impairment losses on investments	17	**–**	8,410
Share of loss/(profit) of equity-accounted investees, net of tax	18	**2,425**	(465)
Gain on sale of discontinued operation, net of tax	7	**–**	(9,071)
Finance costs (excluding foreign exchange differences)		**29,301**	36,867
Finance income (excluding foreign exchange differences)		**(4,461)**	(626)
Foreign exchange differences on finance costs and income, net		**(13,014)**	14,526
Income tax expenses/(benefit)	19	**605**	(15,417)
Employment termination indemnity reserve	29	**48**	50
Equity settled share-based payment expenses		**128**	–
Provision charges	30	**(3,174)**	7,739
Operating cash flow before changes in operating assets and liabilities		**(4,215)**	(14,526)
Changes in:			
– trade and other receivables		**6,708**	5,922
– other current assets		**533**	3,480
– related party receivables		**(1,005)**	(397)
– other non-current assets		**257**	2,508
– trade and other payables		**(9,656)**	14,386
– related party payables		**1,670**	(65)
– Post-employment benefits paid	29	**(6)**	(32)
– provisions		**(686)**	(1,350)
Cash (used in)/generated by operations before benefit and tax payments		**(6,400)**	9,926
Income taxes paid	19	**(173)**	(442)
Net cash generated from operating activities		**(6,573)**	9,484
Cash inflows from operating activities on discontinued operations		**–**	27,163
Investing activities			
Acquisition of property, plant and equipment	15	**(5,434)**	(27,913)
Acquisition of intangible assets	16	**(89,199)**	(56,557)
Proceeds from sale of property and equipment		**30**	392
Disposal of discontinued operation, net of cash disposed of	7	**–**	99,943
Bank interest received		**190**	153
Dividends from equity accounted investees		**1,765**	1,647
Investment in equity accounted investee		**–**	(570)
Acquisition of subsidiary, net of cash acquired	6, 8	**–**	(2,816)
Advances given for fixed assets		**(13,679)**	(9,668)
Net cash (used in)/from investing activities		**(106,327)**	4,611
Cash used in investing activities of discontinued operations		**–**	(1,560)
Financing activities			
Equity injection by minorities to subsidiaries		**23,438**	482
Dividends paid to equity owners	24(c)	**–**	–
Dividends paid to NCIs	24(c)	**–**	(237)
Interest paid		**(36,424)**	(31,545)
Proceeds from loans and borrowings		**333,581**	161,096
Repayment of borrowings		**(274,511)**	(52,318)
Payment of lease liabilities		**(2,612)**	(3,922)
Net cash from financing activities		**43,472**	73,556
Cash used in financing activities of discontinued operations		**–**	(1,167)
Net (decrease)/increase in cash and cash equivalents		**(69,428)**	112,087
Effect of foreign exchange rate changes on cash and cash equivalents		**(1,484)**	(5,268)
Cash and cash equivalents at beginning of year	23	**170,599**	63,780
Cash and cash equivalents at end of year/period	23	**99,687**	170,599

The notes on pages 132 to 221 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, listed on the Standard Listing segment of the London Stock Exchange, 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 year ended 31 March 2022 were authorised for issue in accordance with a resolution of the Directors on 27 July 2022.

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
Travel Shopping Ltd ('TSL')	Valletta – Malta	Service 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
Taranto Cruise Port Srl ('TCP')	Italy	Port operations
GPH (Kalundborg) ApS ('GPH Kal')	Denmark	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
Port Management Services S.L. ('Port Management')	Spain	Service operations
Global Port Services Med S.L. ('GPS 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

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 2022 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 Malaga 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, 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 Cagliari and Catania terminate in 2025 and 2026, respectively. The port operation rights of Ravenna expired in December 2021.

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.

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 the remaining 2% non-voting 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.

Taranto Cruise Port Srl
Taranto Cruise Port Srl ('TCP') was established in Italy for signing the concession agreement of Port of Taranto operation rights. TCP has signed a 20-year concession agreement ('the Agreement'), with the Autorità di Sistema Portuale del Mar Ionio for the operating rights of Taranto cruise terminal in Italy. Under the terms of the Agreement, GPH will from May 5, 2021, use its global expertise and operating model to manage all the cruise port operations at Taranto cruise terminal over the life of the concession. The cruise port infrastructure in Taranto is undergoing a state-funded, cEUR 28m (USD 31m) investment program, including building a new cruise terminal. The construction of these new facilities is scheduled for completion by the end of 2022. The company is responsible for the handling of international cruise passengers.

GPH (Kalundborg) ApS
GPH (Kalundborg) ApS ('GPH Kal') was established in Denmark for signing the lease agreement of Kalundborg Port operation rights. GPH Kal has signed a 20-year lease agreement with the Port of Authority of Kalundborg on 15 October 2021 to manage the cruise services in Kalundborg Port, Denmark. Cruise operations were taken over by GPH starting 16 February 2022. Under the terms of the Agreement, GPH will use its global expertise and operating model to manage all the cruise port operations at Kalundborg terminal over the life of the lease agreement.

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 year ended 31 March 2022, 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 April 2021.

The Group has implemented the decisions taken by IASB, published in May 2020, 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 commencing from 1 January 2020. The impact of that application is limited and caused the Group to recognise an additional USD 964 thousand of other income (2021: USD 682 thousand).

The following standards are effective from 1 April 2021. 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 IFRS 9, IAS 39, IFRS 4, IFRS 7 and IFRS 16: Interest Rate Benchmark Reform – Phase 2
- Amendments to IFRS 16: Leases – Covid-19 Related Rent Concessions beyond 30 June 2021

(ii) New and revised IFRSs in issue but not yet effective

The following amended standards and interpretations are in issue but not yet effective (and in some cases not yet adopted by the UK):
- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37), effective 1 January 2022
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1), TBC
- Reference to Conceptual Framework (Amendments to IFRS 3), effective 1 January 2022
- Property, Plant and Equipment (Amendments to IAS 16), effective 1 January 2022
- Annual Improvements to IFRS Standards 2018 – 2020 Cycle, effective 1 January 2022
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2), TBC
- Definition of Accounting Estimates (Amendments to IAS 8), TBC
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12), TBC
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28), TBC

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

In the prior period, the Group changed its financial year closing date to 31 March 2021 from 31 December 2020. The Financial period was changed to align the 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 now 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.

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 UK-adopted international accounting standards and with the requirements of the Companies Act 2006. The Parent Company financial statements are prepared in accordance with UK accounting standards, including FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland.

(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 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 EUR 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'.

EUR is significantly used in the operations of the Port of Adria, VCP, BPI, Creuers, Malaga Port, Ravenna, Cagliari, Catania, Shore, Balearic, Taranto and Kalundborg. 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:

3 Significant accounting policies continued

(d) Critical accounting judgements and key sources of estimation uncertainty continued

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'.

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 2022 is USD 409,589 thousand (2021: USD 330,001 thousand). Concession arrangements at Nassau, Creuers, Malaga Port, 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 83,461 thousand as at 31 March 2022 (2021: USD 87,469 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 life 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,
- appropriate discount rates to reflect the risks involved

Management prepares formal forecasts 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.

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 905 thousand for the year ended 31 March 2022 (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 2022 and 2021, 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.

3 Significant accounting policies continued

(e) Basis of consolidation continued

(i) Subsidiaries continued

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 are prepared with the same chart of accounts as the Company.

As at 31 March 2022 and 31 March 2021, 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 (%)	
	2022	2021	**2022**	2021
Ege Liman	**72.50**	72.50	**72.50**	72.50
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**	62.00	**100.00**	100.00
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
TSL	**50.04**	50.04	**50.04**	50.04
Ravenna	**100.00**	100.00	**100.00**	100.00
Cagliari	**70.89**	70.89	**70.89**	70.89
Catania	**63.17**	63.17	**63.17**	63.17
Taranto	**100.00**	–	**100.00**	–
Kalundborg	**100.00**	–	**100.00**	–
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	**51.00**	51.00
Balearic Handling	**51.00**	51.00	**51.00**	51.00
GPS Med	**100.00**	–	**100.00**	–

* 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 net 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 2022 and 31 March 2021 for the equity-accounted investees:

	Effective ownership rates		Voting power held	
	31 March 2022 (%)	31 March 2021 (%)	**31 March 2022 (%)**	31 March 2021 (%)
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
Pelican Peak*	**10.7**	10.7	**10.7**	10.7

* 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. Intragroup balances, and any unrealised income and expenses arising from intragroup 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.

3 Significant accounting policies continued

(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 12 to 15. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described in the financial review on pages 34 to 39. 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 20 ports in 13 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.

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 this Report in view of the Covid-19 situation still being on recovery period 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 except those required.

The Group has successfully addressed the refinancing of the Group's USD 250 million Eurobond issued by Global Liman which had a maturity of 14 November 2021. In May 2021, the Group has entered into 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 is repaid with a bullet payment at final maturity in July 2026. Accordingly, the Group, at its discretion, will not be required to make any debt service payments (principal or interest) until 31 December 2022 for this loan facility.

Additionally, management is in close contact with its banking partners related to its current financial liabilities; covenant compliance for Port of Adria has been waived and postponed until early 2024, and covenants compliance for Valletta Cruise Port and Barcelona Port Investment has been waived until 31 December 2022.

As of the date of this report, Cruise operations have restarted again following 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 all cruise ships by the end of the calendar year 2022. The Group 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. This recovery is expected to increase gradually until Q2 of financial year 2023 (June to September 2022) and by Q3-2023, management expected operations to reach its normalised, pre-Covid level and the return of regular business cycle.

The Group believes it is well placed to manage its business risks successfully despite the fact that there is still an 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 establishment of adequate health and safety protocols for cruise operations. As of report date, most countries cancelled even their Covid 19 measures, supporting the conclusion of management on the recovery of cruise sector.

Group management believes that the Group is well placed to manage its financing and other business risks satisfactorily and have a reasonable expectation that the Group will have adequate resources to continue in operation for at least 12 months from the signing date of these consolidated financial statements. Group management consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

(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 2022 and 31 March 2021 foreign currency exchange rates of the Central Bank of the Turkish Republic were as follows:

	31 March 2022	31 March 2021
TL/USD	**0.0683**	0.1201
Euro/USD	**1.1135**	1.1739

For the year ended 31 March 2022 and 15-month period ended 31 March 2021, average foreign currency exchange rates of the Central Bank of the Turkish Republic were as follows:

	2022	2021
TL/USD	**0.0947**	0.1412
Euro/USD	**1.1542**	1.1579

(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).

3 Significant accounting policies continued

(g) Foreign currency continued

(ii) Foreign operations continued

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).

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.

3 Significant accounting policies continued
(h) Financial instruments continued
(ii) Classification and subsequent measurement continued
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	4-48 (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.

3 Significant accounting policies continued

(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.

(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.

Amortisation is calculated over the cost of the investment property. Amortisation is recognised in profit or loss on a straight-line basis over the estimated finite useful lives of investment property 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.

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;
- 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 (total value below USD 20 thousand) 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'.

(n) Inventories
Inventories of the Group compromised 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 held at the lower of cost and net realisable value.

3 Significant accounting policies continued

(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.

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.

3 Significant accounting policies continued

(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.

(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.

3 Significant accounting policies continued

(w) Income tax continued

(ii) Deferred tax continued

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) 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);
- 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, Kalundborg Cruise Port ('Kalundborg'), 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'), 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, and Port of Adria (Commercial port operations).

Bodrum Cruise Port, Italian Ports (Cagliari, Catania, and Taranto under Port Operation Holding), Kalundborg, Port of Adria (Cruise Operations), GP Med, Shore, Balearic, GPS Med 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, 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.

5 Segment reporting continued

(b) Reportable segments continued

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

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

(USD '000)	BPI	VCP	Ege Liman	Nassau Cruise Port	Antigua Cruise Port	Other Cruise ports	Total Cruise	Ortadoğu Liman**	Port of Adria	Total Commercial	Elimination of discontinued operations	Total
Year ended 31 March 2022												
Revenue	**6,210**	**6,333**	**1,504**	**100,269**	**2,550**	**2,940**	**119,806**	**–**	**8,604**	**8,604**	**–**	**128,410**
Segmental EBITDA	**518**	**3,784**	**401**	**5,081**	**(37)**	**(203)**	**9,544**	**–**	**3,396**	**3,396**	**–**	**12,940**
Unallocated expenses												**(5,930)**
Adjusted EBITDA												**7,010**
Reconciliation to loss before tax												
Depreciation and amortisation expenses												**(28,467)**
Specific adjusting items*												**(10,652)**
Finance income												**25,071**
Finance costs												**(36,897)**
Loss before income tax												**(43,935)**
15 month period ended 31 March 2021												
Revenue	1,886	4,217	905	58,746	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)
Loss before income tax												(122,656)

* Please refer to glossary of alternative performance measures (APM) on pages 222 to 225.
** See Note 7.

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

(ii) Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable segment as at 31 March 2022 and 31 March 2021.

(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 2022											
Segment assets	**112,804**	**113,001**	**34,783**	**351,365**	**43,448**	**9,631**	**665,032**	**–**	**58,774**	**58,774**	**723,806**
Equity-accounted investees	–	–	–	–	–	14,073	14,073	–	–	–	14,073
Unallocated assets											73,992
Total assets											**811,871**
Segment liabilities	**53,828**	**58,906**	**11,273**	**310,767**	**52,383**	**11,492**	**498,649**	**–**	**37,852**	**37,852**	**536,500**
Unallocated liabilities											224,976
Total liabilities											**761,476**
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											171,768
Total assets											813,256
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

(iii) Other segment information

The following table details other segment information for the year and 15 month-period 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	Unallocated	Total
Year ended 31 March 2022												
Depreciation and amortisation expenses	**(12,262)**	**(3,177)**	**(2,794)**	**(3,488)**	**(2,487)**	**(1,002)**	**(25,210)**	**–**	**(3,005)**	**(3,005)**	**(252)**	**(28,467)**
Additions to non-current assets*												
– Capital expenditures	**396**	**304**	**16**	**89,630**	**379**	**3,682**	**94,407**	**–**	**202**	**202**	**24**	**94,633**
Total additions to non-current assets*	**396**	**304**	**16**	**89,630**	**379**	**3,682**	**94,407**	**–**	**202**	**202**	**24**	**94,633**
15 month period 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

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

5 Segment reporting continued
(b) Reportable segments continued
(iv) Geographical information
The Port operations of the Group are managed on a worldwide basis, but operational ports and management offices are primarily in Turkey, Montenegro, Malta, Spain, Bahamas, Antigua & Barbuda, Italy and Croatia. 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)	**Year ended 31 March 2022**	15 month period ended 31 March 2021
Turkey	**2,169**	1,479
Montenegro	**8,604**	9,318
Malta	**6,333**	4,217
Spain	**7,291**	1,981
Bahamas	**100,269**	58,746
Antigua & Barbuda	**2,550**	2,781
Italy	**842**	468
Croatia	**352**	409
	128,410	79,399

Non-current assets (USD '000)	**As at 31 March 2022**	As at 31 March 2021
Turkey	**42,850**	44,518
Spain	**105,686**	123,714
Malta	**110,043**	118,985
Montenegro	**58,712**	65,267
Italy	**5,878**	65,355
Bahamas	**243,476**	5,123
Antigua & Barbuda	**63,247**	138,376
UK	**9,096**	8,509
Croatia	**2,528**	2,833
Denmark	**1,069**	–
Unallocated	**20,677**	29,916
	663,262	602,596

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 acquired minority shares of Malaga Port on 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 took over all shares of Ravenna Passenger Terminal on 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.

(ii) Contributions and distributions

In relation to the Group's subsidiary Bodrum Cruise Port, the Directors decided to increase paid in capital of the Company by TL 7,924 thousand (USD 1,208 thousand) from TL 18,000 thousand (USD 12,726 thousand) to TL 25,924 thousand (USD 13,933 thousand) on 26 November 2020. 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 in the prior reporting period has been restated to show the discontinued operation separately from continuing operations.

(a) Results of discontinued operation

(USD '000)	2021
Revenue	33,465
Cost of sales	(31,192)
Gross profit	**2,273**
Other income	1,090
Selling and marketing expenses	(25)
Administrative expenses	(2,415)
Other expense	(2,763)
Operating profit	**(1,840)**
Finance income	11,830
Finance costs	(11,803)
Net finance costs	**27**
Share of profit of equity-accounted investees	–
Results from operating activities	**(1,813)**
Income tax benefit/ (expense)	5,648
Results from operating activities, net of tax	**3,835**
Gain on sale of discontinued operation	9,071
Profit from discontinued operation	**12,906**
Basic and diluted earnings per share (cents per share)	**20.5**

The profit from the discontinued operation for the 15 month period ended on 31 March 2021 of USD 12,906 thousand (20.5 per share) is attributable entirely to the owners of the Company. Of the loss from continuing operations of USD 84,582 thousand, an amount of USD 71,208 thousand is attributable to the owners of the Company.

7 Discontinued operation continued

(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.

(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 15 month 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 year ended 31 March 2022 and for the 15 month period ended 31 March 2021, revenue comprised the following:

	BPI		VCP		EP		NCP		ACP	
(USD '000)	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021
Point in time										
Container revenue	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Landing fees	**4,651**	1,139	**1,387**	528	**219**	12	**10,840**	5,044	**1,912**	2,018
Port service revenue	**667**	210	**1,516**	894	**571**	82	**307**	27	**3**	–
Cargo revenue	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Domestic water sales	**67**	22	**–**	–	**14**	8	**10**	215	**–**	–
Income from duty free operations	**–**	–	**1,091**	376	**–**	–	**–**	–	**–**	–
Other revenue	**171**	64	**388**	333	**217**	241	**1,011**	851	**42**	48
Over time										
Rental income	**654**	451	**1,951**	2,084	**483**	562	**–**	–	**593**	716
IFRIC 12 Construction revenue	**–**	–	**–**	–	**–**		**88,101**	52,609	**–**	–
Total Revenues as reported in Note 5	**6,210**	1,886	**6,333**	4,215	**1,504**	905	**100,269**	58,746	**2,550**	2,782

	Others		Cruise		Port of Adria		Commercial		Consolidated	
(USD '000)	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021
Point in time										
Container revenue	**–**	–	**–**	–	**4,974**	6,985	**4,974**	6,985	**4,974**	6,985
Landing fees	**901**	516	**19,910**	9,257	**–**	–	**–**	–	**19,910**	9,257
Port service revenue	**1,722**	500	**4,786**	1,713	**635**	324	**635**	324	**5,421**	2,037
Cargo revenue	**–**	–	**–**	–	**2,179**	1,441	**2,179**	1,441	**2,179**	1,441
Domestic water sales	**2**	2	**93**	247	**148**	70	**148**	70	**241**	317
Income from duty free operations	**–**	–	**1,091**	376	**–**	–	**–**	–	**1,091**	376
Other revenue	**199**	236	**2,028**	1,773	**21**	18	**21**	18	**2,049**	1,791
Over time										
Rental income	**155**	293	**3,836**	4,106	**608**	480	**608**	480	**4,444**	4,586
IFRIC 12 Construction revenue	**–**	–	**88,101**	52,609	**–**	–	**–**	–	**88,101**	52,609
Total Revenues as reported in Note 5	**2,979**	1,547	**119,845**	70,081	**8,565**	9,318	**8,565**	9,318	**128,410**	79,399

9 Revenue continued

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

(USD '000)	**Year ended 31 March 2022**	15 month period ended 31 March 2021
Revenue		
Receivables, which are included in 'trade and other receivables'	**11,313**	5,129
Contract assets	**476**	839
Contract liabilities	**(1,081)**	(318)
	10,707	5,650

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 318 thousand recognised in contract liabilities at the beginning of the period has been recognised as revenue for the period ended 31 March 2022.

The amount of revenue recognised in the period ended 31 March 2022 from performance obligations satisfied (or partially satisfied) in previous periods is USD 476 thousand. This is mainly due to the nature of operations.

No information is provided about remaining performance obligations at 31 March 2022 that have an original expected duration of one year or less, as allowed by IFRS 15.

10 Cost of sales

For the year ended 31 March 2022 and the 15 month period ended 31 March 2021, cost of sales comprised the following:

(USD '000)	**2022**	2021
IFRIC 12 Construction expenses	**86,338**	51,557
Depreciation and amortisation expenses	**25,626**	30,783
Personnel expenses*, **	**8,249**	7,675
Insurance expense	**3,719**	4,221
Repair and maintenance expenses	**1,212**	1,173
Security expenses	**1,756**	1,053
Commission fees to government authorities and pilotage expenses	**695**	(1,246)
Cost of inventories sold	**678**	247
Replacement provision	**671**	793
Other expenses	**2,382**	1,834
Total	**131,326**	98,090

* 1,209 thousand USD (2021: 394 thousand USD) of total personnel expenses are related to outsourced personnel expenses.

** For the 15 month period ended 31 March 2021, 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 (2022: None).

11 Administrative expenses

For the year ended 31 March 2022 and the 15 month period ended 31 March 2021, administrative expenses comprised the following:

(USD '000)	2022	2021
Personnel expenses	**7,228**	9,544
Depreciation and amortisation expenses	**2,837**	3,419
Consultancy expenses	**2,817**	3,969
Representation and travel expenses	**247**	363
Other expenses	**3,633**	2,916
Total	**16,762**	20,211

The analysis of the auditor's remuneration is as follows:

(USD '000)	2022	2021
Fees payable to PKF Littlejohn LLP and their associates for the audit of the company's annual accounts	**399**	–
Fees payable to KPMG LLP and their associates for the audit of the company's annual accounts	**–**	927
Fees payable to PKF Littlejohn LLP and their associates for the audit of the company's subsidiaries	**160**	–
Fees payable to KPMG LLP and their associates for the audit of the company's subsidiaries	**45**	326
Total audit fees	**604**	1,253
– Audit-related assurance services PKF Littlejohn LLP and their associates	**27**	–
– Audit-related assurance services KPMG LLP and their associates	**–**	303
Total non-audit fees	**27**	303
Total fees	**631**	1,556

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:

	2022	2021
Permanent	**493**	495
	493	495

The aggregate payroll costs of these persons were as follows:

(USD '000)	2022	2021
Employee benefits	**14,885**	17,440
– Wages and salaries	**12,659**	14,980
– Social security contributions	**687**	638
– Overtime & Bonuses paid	**291**	510
– Benefits	**903**	1,066
– Defined benefit obligations	**217**	246
– Equity-settled share-based payment arrangements	**128**	–

13 Other income and other expenses

During the year ended 31 March 2022 and for the 15 month period ended 31 March 2021, other income comprised the following:

(USD '000)	**2022**	2021
IFRS 16 gain from concession fee waivers	**964**	682
Foreign currency income from operations	**1,138**	768
Government support *	**1,681**	–
Other	**1,386**	1,428
Total	**5,169**	2,878

* Italian and Spanish governments provided non-reimbursable Covid-19 support payments.

During the year year ended 31 March 2022 and for the 15 month period ended 31 March 2021, other expenses comprised the following:

(USD '000)	**2022**	2021
Project expenses	**7,897**	11,098
Provisions*	**(1,208)**	7,111
Indemnity payments	**2,235**	549
Impairment loss on Equity Accounted investments	**–**	8,369
Impairment loss on intangible assets	**–**	3,587
Impairment losses on other assets	**–**	41
Other	**3,721**	2,614
Total	**12,645**	33,369

* Provisions booked under Other expenses composed of Nassau Ancillary contribution provision, legal provision and other provisions (see Note 30).

14 Finance income and costs

During the year ended 31 March 2022 and for the 15 month period 31 March 2021 finance income comprised the following:

Finance income (USD '000)	**2022**	2021
Other foreign exchange gains	**20,610**	29,422
Income from repurchase of bonds	**3,818**	–
Interest income on related parties	**453**	469
Interest income on banks and others	**8**	54
Interest income from housing loans	**(6)**	30
Interest income from debt instruments	**188**	72
Total	**25,071**	30,047

The income from financial instruments within the category financial assets at amortised cost is USD 455 thousand (31 March 2021: USD 553 thousand). Income from financial instruments within the category fair value through profit and loss is USD 188 thousand (31 March 2021: USD 72 thousand).

For the year ended 31 March 2022 and the 15 month period ended 31 March 2021, finance costs comprised the following:

Finance costs (USD '000)	2022	2021
Interest expense on loans and borrowings	**21,675**	30,339
Foreign exchange losses from Eurobond	**3,354**	39,038
Foreign exchange losses on other loans and borrowings	**2,482**	1,224
Interest expense on leases	**3,932**	4,912
Foreign exchange losses on equity translation *	**1,330**	1,238
Other foreign exchange losses	**430**	2,447
Loan commission expenses	**2,551**	933
Unwinding of provisions during the year (Note 30)	**344**	408
Letter of guarantee commission expenses	**15**	17
Other interest expenses	**763**	88
Other costs	**21**	170
Total	**36,897**	80,814

* 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 25,607 thousand (31 March 2021: USD 35,251 thousand).

15 Property and equipment

Movements of property and equipment for the year ended 31 March 2022 comprised the following:

Cost (USD '000)	31 March 2021	Additions	Disposals	Transfers	Currency translation differences	31 March 2022
Leasehold improvements	135,966	641	–	(156)	(3,832)	132,619
Machinery and equipment	21,002	969	(18)	6	(1,162)	20,797
Motor vehicles	12,011	136	(32)	–	31	12,146
Furniture and fixtures	10,792	1,015	(23)	–	(517)	11,267
Construction in progress	6,834	2,669	–	150	(57)	9,596
Land improvement	87	4	–	–	–	91
Total	**186,692**	**5,434**	**(73)**	**–**	**(5,537)**	**186,516**

Accumulated depreciation (USD '000)	31 March 2021	Depreciation expense	Disposals	Transfers	Currency translation differences	31 March 2022
Leasehold improvements	36,265	4,446	–	–	(734)	39,977
Machinery and equipment	8,009	1,335	(16)	–	(428)	8,900
Motor vehicles	9,633	946	(23)	–	(886)	9,670
Furniture and fixtures	5,868	822	(7)	–	(196)	6,487
Land improvement	59	12	–	–	–	71
Total	**59,834**	**7,561**	**(46)**	**–**	**(2,244)**	**65,105**
Net book value	**126,858**					**121,411**

15 Property and equipment continued

Movements of property and equipment for the 15 month period 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	12,011
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	Depreciation expense	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'.

As at 31 March 2022, the net book value of machinery and equipment purchased through leasing amounts to USD 0 thousand (31 March 2021: USD 5 thousand), and the net book value of motor vehicles purchased through leasing amounts to USD 2,157 thousand (31 March 2021: USD 2,993 thousand). In 2022, Group acquired machinery and equipment amounting USD 142 thousand through finance leases (31 March 2021: nil).

As at 31 March 2022 and 31 March 2021, 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 in Note 32.

During the year ended 31 March 2022, no borrowing costs were capitalised into property and equipment (for 15 month period ended 31 March 2021: USD 2,286 thousand).

As at 31 March 2022, the insured amount of property and equipment amounts to USD 284,651 thousand (31 March 2021: USD 288,261 thousand).

16 Intangible assets

Movements of intangible assets for the year ended 31 March 2022 comprised the following:

Cost (USD '000)	31 March 2021	Additions	Disposal	Currency translation differences	31 March 2022
Port operation rights	441,621	105,518	–	(13,989)	533,150
Customer relationships	5,482	–	–	(80)	5,402
Software	665	4	(10)	(33)	626
Other intangibles	1,233	41	–	(177)	1,097
Total	449,001	105,563	(10)	(14,279)	540,275

Accumulated amortisation	31 March 2021	Amortisation expense	Disposal	Currency translation differences	31 March 2022
Port operation rights	111,620	16,867	–	(4,926)	123,561
Customer relationships	4,095	156	–	(14)	4,237
Software	499	130	(6)	(30)	593
Other intangibles	877	170	–	(134)	913
Total	117,091	17,323	(6)	(5,104)	129,304
Net book value	331,910				410,971

Movements of intangible assets for the 15 month period ended 31 March 2021 comprised the following:

Cost (USD '000)	1 January 2020	Additions	Disposal	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	1 January 2020	Amortisation expense**	Disposal	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.

16 Intangible assets continued

The details of Port operation rights as at 31 March 2022 and 31 March 2021 are as follows:

(USD '000)	As at 31 March 2022 Carrying amount	As at 31 March 2022 Remaining amortisation period	As at 31 March 2021 Carrying amount	As at 31 March 2021 Remaining amortisation period
Creuers del Port de Barcelona	**78,002**	**99 months**	92,442	111 months
Cruceros Malaga	**9,683**	**125 months**	10,838	137 months
Valletta Cruise Port	**58,043**	**536 months**	62,561	548 months
Port of Adria	**14,113**	**261 months**	15,562	273 months
Ege Ports	**9,360**	**132 months**	10,197	144 months
Bodrum Cruise Port	**2,360**	**552 months**	2,411	564 months
Nassau Cruise Port	**234,915**	**305 months**	132,112	317 months
Cagliari Cruise Port	**1,485**	**57 months**	1,897	69 months
Catania Cruise Port	**1,628**	**69 months**	1,981	81 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 represents a separate CGU as per IAS 36.

For the year ended 31 March 2022, borrowing costs amounting USD 16,364 thousand capitalised into intangible assets (2021: USD 9,569 thousand).

No project expenses directly attributable to the creation of the port right have been capitalised as part of the port operating rights (2021: USD 7,500 thousand).

Recoverability of intangible assets

Management prepared formal forecasts for all cruise ports and the commercial port operation for the respective 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. Any significant decrease in variables used for value in use calculation is assessed as an impairment indicator. Due to the adverse impact of the Covid-19 pandemic on the Group's trading, an indicator of impairment has been identified for all cruise ports within the Group (2021: Port of Adria was the only port with an indicator of impairment; USD 3,587 thousand was recognised). 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-term 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 of number of passengers to pre-pandemic levels in the fiscal year 2023 period based on publications made by Cruise Industry stakeholders. Cash flows were estimated on this basis for following five years with the remaining concession term after 5 years having minimal estimated growth or industry growth. The key assumptions used in the estimation of the recoverable amount are set out below.

	2022
Post-tax discount rate used for Ports with Euro functional currency	**4.04%–7.24%**
Post-tax discount rate used for Ports with USD functional currency	**8.33%–12.41%**
Annualised growth of portfolio, year 2–year 6 'Passengers'	**9.10%**

For all of the cruise ports, the recoverable amount estimated was in excess of the carrying amount of each CGU and thus no impairment has been recognised (2021: no impairment recognised) as the recoverable amount is higher than the carrying value of the respective CGU. For the commercial port, Port of Adria, the recoverable amount estimated was in excess of the carrying amount of that CGU as well, hence no impairment recognised (2021: impairment of USD 3,587 thousand).

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.

17 Goodwill

Movements of goodwill associated with Ege Port for the year ended 31 March 2022 and 15 month period ended 31 March 2021 comprised the following:

Cost	(USD '000)
As at 31 December 2019	**13,485**
Exchange difference	–
At 31 March 2021	**13,485**
Exchange difference	**(2)**
At 31 March 2022	**13,483**

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 and no impairment loss during 2022 (2021: 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 14.94% (2021: 10.22%) 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 2.7% per annum until end of concession (2021: The number of passengers was assumed to get back to its level on 2016 until end of 2023, followed by 2.4% per annum until end of concession). 11 years of cash flows (2021: 12 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 12.7% (2021: 11.2%) at a market interest rate of 11.0% (2021: 6.0%). 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 16.36% (2021: 13.54%).

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 Ltd. ('La Goulette')	UK	Port investments
Pelican Peak Investments Inc ('Pelican Peak')	Canada	Ancillary services

18 Equity-accounted investments continued

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 2022, 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 2022 and 2021.

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. GPH CPF 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 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 2022 and 2021.

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.

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 Group invested 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 Venezia Investimenti, 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 (2021: in Venice, an impairment of USD 8.4 million 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 2022

At 31 March 2022, 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 2022. 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	**5,288**	**16,915**	**16,205**	**27,228**	**10,623**
Current assets	**–**	**512**	**3,200**	**2,976**	**8,287**
Non-current liabilities	**(400)**	**(17,701)**	**(10,198)**	**(12,614)**	**(5,854)**
Current liabilities	**(353)**	**(478)**	**(33)**	**(1,583)**	**(4,776)**
Net assets (100%)	**4,535**	**(752)**	**9,174**	**16,007**	**8,280**
Group's share of net assets	**464**	**(376)**	**2,294**	**8,003**	**3,312**
Carrying amount of interest in equity-accounted investees	**464**	**–***	**2,294**	**8,003**	**3,312**
Revenue	**–**	**686**	**–**	**3,904**	**22,377**
Expenses	**90**	**(853)**	**(143)**	**(4,464)**	**(27,672)**
Profit/(loss) and total comprehensive income for the year (100%)	**90**	**(167)**	**(143)**	**(560)**	**(5,295)**
Group's share of profit and total comprehensive income	**9**	**–***	**(36)**	**(280)**	**(2,118)**

* 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.

As at 31 March 2022, 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	–	505	3,187	1,616	6,533
Non-current financial liabilities (excluding trade and other payables and provisions)	(401)	(17,701)	–	(12,620)	(5,412)
Current financial liabilities (excluding trade and other payables and provisions)	–	–	–	(547)	(1,326)
Interest income	–	683	–	–	–
Depreciation and amortisation	–	–	–	(1,367)	(2,968)
Impairment loss on trade receivables and contract assets*	–	–	–	–	(7,834)
Interest expense	(5)	(732)	–	(406)	(36)
Income tax expense	–	–	–	172	(737)

* Impairment loss booked in Singapore during FY2022 is related to bankruptcy of one of the Cruise Lines mostly operating in Asian region.

For the year ended 31 March 2022, the Group's share of profit and total comprehensive income is set out below:

(USD '000)	Net profit/ (loss)
Singapore Port	(2,118)
Venezia Investimenti	(36)
Pelican Peak	9
Goulette Cruise Holding	–
Lisbon Cruise Terminals	(280)
Group's share of profit/(loss) and total comprehensive income	(2,425)

18 Equity-accounted investments continued

For the 15 month period ended 31 March 2021

At 31 March 2021,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 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/(loss) 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.

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 month period 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**

19 Taxation

Corporate tax

Turkey

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 23% over temporary timing differences expected to be reversed in calender year 2022, and 20% over temporary timing differences expected to be reversed in calender year 2023 and the following years (2021: 25% over temporary timing differences expected to be reversed in 2023, and 23% over temporary timing differences expected to be reversed in 2022 and 20% over temporary timing differences expected to be reversed in 2023 and the following years).

Spain

Corporate income tax is levied at the rate of 25% on the statutory corporate income tax base (2021: 25%).

BPI files a consolidated income tax return for the Spanish companies, namely Creuers, Malaga Port 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 UK, Netherlands, Italy, Malta and Montenegro are 19%, 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.

Tax expense

The year ended 31 March 2022 and for the 15 month period ended 31 March 2021, income tax expense comprised the following:

(USD '000)	**2022**	2021
Current tax charge		
In respect of the current year	**(409)**	(82)
Adjustments for prior year	**–**	–
Total	**(409)**	(82)
Deferred tax benefit		
In respect of the current year	**(34)**	6,877
Origination and reversal of temporary differences	**–**	–
Reduction in tax rate	**–**	–
Recognition of previously unrecognised tax losses	**(162)**	8,266
Total	**(196)**	15,143
Total tax (expense)/benefit	**(605)**	15,061

19 Taxation continued

Tax expense continued

As at 31 March 2022 and 31 March 2021, current tax liabilities for the period comprised the following:

(USD '000)	**2022**	2021
Current tax liability at 1 April 2021/1 January 2020	**157**	2,725
Current tax charge	**409**	82
Discontinued operations	**–**	(2,262)
Currency translation difference	**(16)**	54
Taxes paid during year	**(173)**	(442)
Total	**377**	157

The tax reconciliation for the year ended 31 March 2022 and 15 month period ended 31 March 2021 is as follows:

(USD '000)	**2022**	2021
Profit/(loss) before income tax	**(43,935)**	(122,656)
Average income tax rate of 19.35 % (2021: 13.21%)	**8,502**	16,208
Income from tax exempt maritime operations*	**(232)**	(114)
Recognition of previously unrecognised losses**	**(162)**	8,266
Tax effect of share of profits on equity accounted investees	**(1,703)**	(355)
Permanent differences including losses not recognised for deferred tax***	**12,473**	(2,679)
Disallowable expenses	**(19,250)**	(4,881)
Non qualifying depreciation	**(225)**	(193)
Other	**(8)**	(1,191)
	(605)	15,061

* 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:

	2022		2021	
(USD'000)	**Deferred tax assets**	**Deferred tax liabilities**	Deferred tax assets	Deferred tax liabilities
Property and equipment	**553**	**(5,042)**	792	(5,352)
Intangible assets	**740**	**(41,772)**	838	(46,492)
Tax losses carried forward*	**1,260**	**–**	7,737	–
Provision for employment termination indemnity and vacation pay	**110**	**–**	223	–
Other	**6,274**	**(17)**	5,893	(1,825)
Subtotal	**8,937**	**(46,831)**	15,483	(53,669)
Set off of tax	**(2,333)**	**2,333**	(4,346)	4,346
Total deferred tax assets/(liabilities)	**6,604**	**(44,498)**	11,137	(49,323)

* 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	Other	Total
At 1 January 2020	(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)**
(Charge)/credit to profit or loss	**239**	**(5,097)**	**(68)**	**2,478**	**2,252**	**(196)**
Through equity	**–**	**–**	**–**	**–**	**7**	**7**
Exchange differences	**(168)**	**(1,380)**	**(45)**	**2,144**	**(70)**	**481**
At 31 March 2022	**(4,489)**	**1,260**	**110**	**(41,032)**	**6,257**	**(37,894)**

As at 31 March 2022 and 31 March 2021, 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 (USD '000)	**2022** Recognised	**2022** Unrecognised	2021 Recognised	2021 Unrecognised
2021	**–**	**–**	–	2,026
2022	**925**	**2,475**	–	2,609
2023	**–**	**1,292**	1,238	1,362
2024	**1,952**	**2,243**	15,603	2,365
2025	**1,687**	**1,960**	14,105	2,066
2026	**913**	**4,062**	–	–
	5,477	**12,032**	30,946	10,428

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 thereof.

Amounts recognised in OCI

(USD '000)	**2022** Before tax	**2022** Tax (expense)/ benefit	**2022** Net of tax	2021 Before tax	2021 Tax (expense)/ benefit	2021 Net of tax
Remeasurement of defined benefit liability	**(65)**	**16**	**(49)**	(156)	39	(117)
Foreign operations – foreign currency translation differences	**(15,460)**	**–**	**(15,460)**	65,014	–	65,014
Equity accounted investees – share of OCI	**(667)**	**–**	**(667)**	(872)	–	(872)
Net investment hedge	**(793)**	**–**	**(793)**	(45,209)	–	(45,209)
Cash flow hedges	**83**	**–**	**83**	225	–	225
Total	**(16,902)**	**16**	**(16,886)**	19,002	39	19,041

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 2022 and 31 March 2021, trade and other receivables comprised the following:

(USD '000)	2022	2021
Trade receivables	**11,789**	5,968
Deposits and advances given*	**5,052**	4,438
Other receivables**	**4,307**	15,756
Total trade and other receivables	**21,148**	26,162

* 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).

** As of 31 March 2021, the Group had a receivable from proceeds of Port Akdeniz sale amounting USD 11,516 thousand.

As at 31 March 2022 and 31 March 2021, trade receivables comprised the following:

(USD '000)	2022	2021
Receivables from customers	**11,313**	5,129
Contract assets	**476**	839
Doubtful receivables	**2,820**	2,770
Expected credit loss provision	**(2,820)**	(2,770)
Total	**11,789**	5,968

Movements in the allowance for doubtful trade receivables for the year ended 31 March 2022 and 15 month period ended 31 March 2021, comprised the following:

(USD '000)	2022	2021
Balance at the beginning of the year	**(2,770)**	(1,969)
Allowance for the year	**(1,051)**	(1,238)
Collections	**47**	15
Translation difference	**676**	227
Written off during the year	**278**	195
Balance at the end of the year	**(2,820)**	(2,770)

As at 31 March 2022, current trade receivables mature between 3-6 months (2021: 3-6 months). 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 2022 and 31 March 2021, other non-current assets comprised the following:

(USD '000)	2022	2021
Advances given	**5**	11
Housing loans given to employees*	**1,882**	2,344
Prepaid expenses	**146**	262
Deposits and guarantees given	**340**	18
Other investments	**2**	3
Total	**2,375**	2,638

* 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 2022 and 31 March 2021, other current assets comprised the following:

(USD '000)	2022	2021
Prepayments*	**23,347**	9,668
Prepaid expenses	**1,115**	1,597
Advances given	**98**	255
Value added tax receivable	**707**	666
Housing loans	**139**	185
Other	**–**	–
Total	**25,406**	12,371

* Advances given to construction subcontractor in Nassau Cruise Port.

22 Inventories

As at 31 March 2022 and 31 March 2021, inventories comprised the following:

(USD '000)	2022	2021
Commercial goods	**271**	251
Other inventories*	**667**	652
Total	**938**	903

* Other inventories composed of replacement parts for the machinery park of Port of Adria.

The cost of inventories recognised as an expense in Cost of Sales during the year in respect of duty free operations run in Valletta Cruise Port was USD 638 thousand (for the 15 month period ended 31 March 2021: USD 225 thousand).

23 Cash and cash equivalents

As at 31 March 2022 and 31 March 2021, cash and cash equivalents comprised the following:

(USD '000)	2022	2021
Cash on hand	**57**	72
Cash at banks	**99,605**	164,232
– Demand deposits	**98,010**	141,433
– Time deposits	**1,595**	22,799
– Overnight deposits	**–**	–
Other cash and cash equivalents	**25**	6,295
Cash and cash equivalents	**99,687**	170,599

As at 31 March 2022 and 31 March 2021, maturities of time deposits comprised the following:

(USD '000)	2022	2021
Up to 1 month	**2**	21,706
1-3 months	**1,593**	1,093
Total	**1,595**	22,799

As at 31 March 2022 and 31 March 2021, the ranges of interest rates for time deposits are as follows:

	2022	2021
Interest rate for time deposit-TL (highest)	**2.5%**	18.8%
Interest rate for time deposit-TL (lowest)	**2.0%**	18.0%
Interest rate for time deposit-USD (highest)	**–**	–
Interest rate for time deposit-USD (lowest)	**–**	–
Interest rate for time deposit-EUR (highest)	**0.05%**	0.05%
Interest rate for time deposit-EUR (lowest)	**0.15%**	0.35%

23 Cash and cash equivalents continued

As at 31 March 2022, cash at bank held at Antigua, Nassau Cruise Port, Ege Port and Port of Adria amounting to USD 11,962 thousand (31 March 2021: USD 15,639 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 2022 and 31 March 2021 are as follows:

	Number of shares ('000)	Share capital (USD'000)	Share Premium (USD'000)
Balance at 1 January 2020	62,827	811	–
Balance at 31 March 2021	62,827	811	–
Balance at 31 March 2022	**62,827**	**811**	**–**

(b) Nature and purpose of reserves

(i) Translation reserves

The translation reserves amounting to USD 46,459 thousand (31 March 2021: USD 58,779 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 (EUR 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 2022, the legal reserves of the Group amounted to USD 6,014 (31 March 2021: USD 6,014 thousand).

(iii) Hedging reserves

Net investment hedge

In the year ended 31 March 2022, the Company has no active net investment hedge arrangements.

As of 31 March 2021, 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, and a foreign exchange loss recognised in other comprehensive income as a result of net investment hedging was USD 45,209 thousand.

As of 31 March 2021, 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 PA 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 as of 30 September 2014, 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 253 thousand loss (31 March 2021: USD 469 thousand income). 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 170 thousand (31 March 2021: USD 244 thousand) recognised as 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	47	32	23	–
At 31 March 2022	47	32	23	–

(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 suspend dividends, until the situation related to spread of Covid-19 ('coronavirus') improves. No dividend was decided or distributed during the year ended 31 March 2022 and 15 month period ended 31 March 2021.

The Group has not made any dividends distribution to non-controlling interests during the year ended 31 March 2022 (Dividends to non-controlling interests totalled USD 237 thousand in the 15 month period ended 31 March 2021 and comprised a distribution of USD 24 thousand made to other shareholders by Valletta Cruise Port fully in cash, and a distribution of USD 213 thousand made to other shareholders by Barcelona Port Investments fully paid in cash).

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 2022:

(USD '000)	Ege Ports	Bodrum Cruise Port	Valletta	Port of Adria
NCI percentage	**27.50%**	**40.00%**	**44.40%**	**36.21%**
Non-current assets	**24,336**	**4,644**	**111,545**	**58,146**
Current assets	**10,486**	**202**	**1,455**	**61**
Non-current liabilities	**5,000**	**1,746**	**53,355**	**29,343**
Current liabilities	**6,273**	**993**	**5,551**	**8,509**
Net assets	**23,549**	**2,106**	**54,094**	**20,356**
Net assets attributable to NCI	**6,477**	**842**	**24,027**	**7,495**
Revenue	**1,504**	**665**	**6,333**	**8,605**
Profit	**(6,498)**	**(532)**	**(291)**	**(2,945)**
OCI	**(33)**	**(10)**	**(2,932)**	**(1,185)**
Total comprehensive income	**(5,655)**	**(542)**	**(3,223)**	**(4,130)**
Profit for the year attributable to NCI	**(1,788)**	**(213)**	**(130)**	**(1,084)**
OCI for the year attributable to NCI	**(9)**	**(4)**	**(1,302)**	**(436)**
Dividends paid to NCI	**–**	**–**	**–**	**–**
Net cash inflow/(outflow) from operating activities	**(3,119)**	**344**	**2,453**	**790**
Net cash inflow/(outflow) from investing activities	**(11)**	**(44)**	**(253)**	**(104)**
Net cash inflow/(outflow) from financing activities	**2,170**	**1,691**	**(2,923)**	**112**
Net cash inflow/(outflow)	**(960)**	**1,990**	**(722)**	**798**

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 15 month period 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

	BPI	**Cruceros**	**Cagliari**	**Catania**	**Nassau**	**Balearic Handling**	**Shore Handling**	**Total**
	38.00%	**38.00%**	**29.11%**	**36.83%**	**51.00%**	**49.00%**	**49.00%**	
	94,224	**19,399**	**2,304**	**1,954**	**239,988**	**287**	**1,382**	
	2,458	**1,469**	**773**	**457**	**116,043**	**624**	**252**	
	30,433	**12,849**	**968**	**1,286**	**274,027**	**9**	**197**	
	8,125	**2,420**	**394**	**400**	**35,856**	**146**	**344**	
	58,124	**5,599**	**1,715**	**725**	**46,148**	**755**	**1,094**	
	22,087	**2,127**	**499**	**267**	**23,536**	**370**	**536**	**88,263**
	5,124	**1,086**	**382**	**220**	**100,269**	**569**	**510**	
	(11,145)	**(1,383)**	**313**	**(55)**	**(1,198)**	**286**	**(354)**	
	(3,094)	**(348)**	**(88)**	**(38)**	**24,146**	**(36)**	**(65)**	
	(14,239)	**(1,731)**	**225**	**(93)**	**22,948**	**250**	**(419)**	
	(4,235)	**(525)**	**91**	**(20)**	**(611)**	**140**	**(173)**	**(8,548)**
	(1,170)	**(132)**	**(26)**	**(14)**	**–**	**(18)**	**(32)**	**(3,143)**
	–	**–**	**–**	**–**	**–**	**–**	**–**	
	554	**(46)**	**659**	**221**	**(3,252)**	**99**	**(110)**	
	1,291	**(14)**	**3**	**(47)**	**(114,537)**	**(2)**	**–**	
	(6,281)	**(963)**	**(179)**	**(94)**	**95,940**	**(121)**	**(24)**	
	(4,436)	**(1,023)**	**482**	**80**	**(21,848)**	**(24)**	**(134)**	

	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	(1,933)	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)	

26 Loans and borrowings

As at 31 March 2022 and 31 March 2021, loans and borrowings comprised the following:

Current loans and borrowings (USD '000)	**2022**	2021
Current portion of bonds and notes issued	**16,490**	272,437
Current bank loans	**37,090**	3,802
– TL	**1,497**	2,529
– Other currencies	**35,593**	1,273
Current portion of long-term bank loans	**18,619**	16,654
– TL	**–**	3,877
– Other currencies	**18,619**	12,777
Lease obligations	**3,799**	2,307
Finance leases	**1,162**	–
Lease obligations recognised under IFRS 16	**2,637**	2,307
Total	**75,998**	295,200

Non-current loans and borrowings (USD '000)	**2022**	2021
Non-current portion of bonds and notes issued	**224,109**	113,734
Non-current bank loans	**235,261**	76,389
– TL	**–**	–
– Other currencies	**235,261**	76,389
Finance lease obligations	**63,220**	63,611
Finance leases	**1,974**	–
Lease obligations recognised under IFRS 16	**61,246**	63,611
Total	**522,590**	253,734

As at 31 March 2022 and 31 March 2021, the maturity profile of long-term loans and borrowings comprised the following:

Year (USD '000)	**2022**	2021
Between 1-2 years	**40,947**	24,523
Between 2-3 years	**36,601**	22,052
Between 3-4 years	**39,012**	30,792
Over 4 years	**342,810**	112,756
Total	**459,370**	190,123

As at 31 March 2022 and 31 March 2021, the maturity profile of lease obligations comprised the following:

	2022			2021		
(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	**5,357**	**(1,558)**	**3,799**	5,118	(2,811)	2,307
Between one and five years	**133,941**	**(70,721)**	**63,220**	142,913	(79,302)	63,611
Total	**139,298**	**(72,279)**	**67,019**	148,031	(82,113)	65,918

Details of the loans and borrowings as at 31 March 2022 are as follows:

					As at 31 March 2022		
Loans and borrowings type	Company name	Currency	Maturity	Interest type	**Interest rate %**	**Principal ('000)**	**Carrying value ('000)**
Loans used to finance investments and projects							
Secured loans (i)	Cruise Port Finance	USD	2026	Floating	**Libor + 5.25**	**197,439**	**187,095**
Unsecured Bonds and notes (vi)	Nassau Cruise Port	USD	2040	Fixed	**5.25 – 8.00**	**241,155**	**240,600**
Secured Loan (ii)	Barcelona Port Investments	EUR	2023	Floating	**Euribor + 4.00**	**8,718**	**8,680**
Secured Loan (iii)	Malaga Cruise Port	EUR	2025	Floating	**Euribor 3m + 1.75**	**3,376**	**3,364**
Secured Loan (iv)	Valetta Cruise Port	EUR	2035	Floating	**Euribor + 2.80**	**9,721**	**8,880**
Secured Loan	Cagliari Cruise Port	EUR	2026	Fixed	**2.20 – 5.55**	**465**	**465**
Secured Loan	Bodrum Cruise Port	TL	2022	Fixed	**9.50 – 19.00**	**171**	**210**
Secured Loan (v)	Port of Adria	EUR	2025	Floating	**Euribor + 4.25**	**20,044**	**20,181**
Secured Loan	Port of Adria	EUR	2022	Fixed	**3.15 – 3.30**	**1,258**	**1,262**
Secured Loan	Balearic Handling	EUR	2025	Fixed	**1.50**	**13**	**13**
Secured Loan	Shore Handling	EUR	2028	Fixed	**1.50**	**223**	**223**
Secured Loan	Barcelona Cruise Port	EUR	2024	Floating	**Euribor + 4.00**	**2,671**	**2,681**
Secured Loan (vii)	Antigua Cruise Port	USD	2026	Floating	**LIBOR + 5.75**	**33,569**	**33,421**
						518,823	**507,075**
Loans used to finance working capital							
Unsecured Loan	Global Liman	TL	2022	Fixed	**9.25 – 9.50**	**1,092**	**1,287**
Unsecured Loan	Global Liman	USD	2023	Fixed	**9.50**	**19,000**	**19,037**
Unsecured Loan	Ege Liman	USD	2022	Fixed	**5.00**	**4,000**	**4,170**
							24,092
Finance lease obligations (incl. IFRS 16 Finance Lease)							
Leasing	Cagliari Cruise Port	EUR	2026	Fixed	**4.84**	**24**	**24**
Leasing	Global Ports PLC*	GBP	2022	Fixed	**3.50**	**170**	**170**
Leasing	Barcelona Cruise Port*	EUR	2029	Fixed	**4.25**	**1,819**	**1,819**
Leasing	Malaga Cruise Port*	EUR	2041	Fixed	**2.00**	**8,492**	**8,492**
Leasing	Valetta Cruise Port*	EUR	2066	Fixed	**4.27**	**63,168**	**25,348**
Leasing	Bodrum Cruise Port*	TL	2067	Fixed	**18.09**	**983**	**983**
Leasing	Bodrum Cruise Port	TL	2024	Fixed	**32.77**	**641**	**635**
Leasing	Ege Liman	USD	2025	Fixed	**6.25**	**2,493**	**2,477**
Leasing	Port of Adria*	EUR	2043	Fixed	**3.85**	**13,454**	**9,525**
Leasing	Zadar*	HRK	2038	Fixed	**5.50**	**2,530**	**2,530**
Leasing	Cagliari Cruise Port*	EUR	2026	Fixed	**4.84**	**308**	**265**
Leasing	Taranto Cruise Port*	EUR	2042	Fixed	**1.30**	**1,011**	**889**
Leasing	Kalundborg Cruise Port*	EUR	2041	Fixed	**6.50**	**868**	**875**
Leasing	Antigua Cruise Port*	USD	2048	Fixed	**7.65**	**31,787**	**12,987**
						127,748	**67,019**
							598,588

* IFRS 16 Finance Lease

26 Loans and borrowings continued

Details of the loans and borrowings as at 31 March 2021 are as follows:

Loans and borrowings type	Company name	Currency	Maturity	Interest type	As at 31 March 2021 Interest rate %	Principal ('000)	Carrying value ('000)
Loans used to finance investments and projects							
Unsecured Eurobonds	Global Liman	USD	2021	Fixed	8.13	250,000	256,817
Unsecured Bonds and notes (vi)	Nassau Cruise Port	USD	2040	Fixed	8.00	124,470	129,355
Secured Loan (ii)	Barcelona Port Investments	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	3.5	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

Detailed information relating to significant loans undertaken by the Group is as follows:

(i) The Group has entered a new five-year, senior secured loan agreement for up to USD 261.3 million with the investment firm Sixth Street to refinance Eurobond. USD 186.3 million of this loan has been drawn for the refinancing as of the reporting date, while the remaining USD 75 million represent a growth financing facility which the Group can draw meeting certain requirements. 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 July 2026. The Group, at its discretion, will not be required to make any debt service (principal or interest) until calendar year-end 2022. As part of the financing arrangement with Sixth Street, the Company has agreed to issue warrants to Sixth Street for a subscription price equal to the nominal value per share representing 9.0% of the Company's fully-diluted share capital (subject to customary adjustments).

(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 March 2021: Euribor + 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.

(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 0,5026 EUR nominal value per each and 30,683,933 Shares having 1,1485 EUR 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.

(vi) Nassau Cruise Port has issued an unsecured bond with a total nominal volume of USD 133.3 million pursuant to the Bond Subscription Agreement dated 29 June 2020. The unsecured bonds have been sold to institutional investors at par across two tranches in local currency Bahamian Dollar and US-Dollar, which are pari-passu to each other, and with a fixed coupon of 8.0% across both tranches payable semi-annually starting 30 June 2021. Final maturity of the bond is 30 June 2040, principal repayment will occur in ten equal, annual installments, beginning in June 2031 and each year afterwards until final maturity.

Nassau Cruise Port has issued three additional tranches of unsecured notes with a total nominal volume of USD 110 million pursuant to note purchase agreements dated 24 June 2021, 29 September 2021 and 22 November 2021. Notes have a fixed coupon of 5.29%, 5.42% and 7.50% respectively, payable semi-annually starting 31 December 2021. Final maturity of the notes is 31 December 2040 (amortising), 31 December 2031 (bullet repayment) and 31 December 2029, respectively.

The bonds and the notes are general obligation of Nassau Cruise Port and not secured by any specific collateral or guarantee. No other entity of the Group has provided any security or guarantee with respect to the Nassau Cruise Port bond and notes. The bonds and the notes contain a covenant that Nassau Cruise Port must maintain a minimum debt service coverage ratio of 1.30x prior to the distribution of any dividends to shareholders.

(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 2022, at a principal rate of 2.0835%. Remaining amount (58.33%) will be paid September 2027. The interest rate of this loan will be Libor + 5.75% prior to New Pier completion date and SOFR + 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.

26 Loans and borrowings continued

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 April 2021		483,016	65,918	(12,151)	74,822	611,605
Changes from financing cash flows						
Proceeds from loans and borrowings		340,473	4,298	–	–	344,771
Repayment of borrowings/leases		(278,329)	(2,612)	–	–	(280,941)
Total changes from financing cash flows		62,144	1,686	–	–	63,830
The effect of changes in foreign exchange rates		5,837	(1,260)	(254)	(3,225)	1,098
Other changes						–
Liability-related						–
Disposal		–	1,761	–	–	1,761
Interest expense		21,674	3,932	–	–	25,606
Interest paid		(31,362)	(2,330)	–	–	(33,692)
Total liability-related other changes		(9,740)	(2,688)	–	–	(12,428)
Total equity-related other changes		–	–	(35,889)	16,925	(18,964)
Balance at 31 March 2022		531,569	67,019	(48,294)	88,522	638,816

		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

27 Trade and other payables

Current trade and other payables

As at 31 March 2022 and 31 March 2021, current trade and other payables comprised the following:

(USD '000)	**2022**	2021
Payables to suppliers	**14,526**	22,239
Expense accruals*	**14,119**	7,376
Taxes payable and social security contributions	**3,790**	4,713
Due to non-controlling interest	**1,439**	1,505
Payables to personnel	**1,786**	1,241
Deposits received	**702**	565
Deferred revenue	**282**	318
Other	**1,244**	1,279
Total	**37,888**	39,236

* 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 2022 (31 March 2021: 120). 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 2022 and 31 March 2021, 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 (Restricted Stock Units – RSU) 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		
On 1 January 2019	69	3 years' service from grant date 8.5% increase in EPS
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		
On 1 January 2019	135	3 years' service from grant date 8.5% increase in EPS
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	**2019**	**GBP 1.03**	**GBP 1.03**	**GBP 1.03**	**GBP 1.03**
Share price at grant date		**GBP 3.98**	**GBP 3.98**	**GBP 3.98**	**GBP 3.98**
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 1.58	GBP 1.58	GBP 1.58	GBP 1.58
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)		1.89%	1.89%	N/A	N/A
Fair value at grant date	2021	GBP 1.85	GBP 1.85	GBP 1.85	GBP 1.85
Share price at grant date		GBP 1.03	GBP 1.03	GBP 1.03	GBP 1.03
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)		1.89%	1.89%	N/A	N/A

28 Share based payment arrangements continued

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. 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 5 years of share price data. Accordingly, for a group of select peer companies, the pattern and level of volatility in the 5 years since listing reasonably reflected a longer period.

At 31 March 2022, a total amount of USD 128 thousand (2021: nil) was provided by the Group to key management personnel and senior employees and has been included in 'employee benefits'.

Although performance measures for the vesting period starting as at 1 January 2019 were not fulfilled and nothing has vested per LTIP policy, Remuneration Committee of the Group decided to vest 60% of granted amount as long term loyalty premium to key management personnel and senior employees after June 2022.
This amount is included in the provision provided for LTIP. No new issue of stocks has been made during the year.

Expense recognised in profit or loss

The Group has implemented a bonus system to recognise the success of GPH employees in achieving company goals. All bonus/performance evaluation procedures cancelled since 2020 with Covid-19 measures. For further details of the employee termination indemnity 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 723 for each year of service at 31 March 2022 (31 March 2021: USD 917).

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 1,028 which is in effect since 1 April 2021 is used in the calculation of the Group's provision for retirement pay liability for the year ended 31 March 2022 (1 January 2020: USD 1,143). The principal statistical assumptions used in the calculation of the total liability in the accompanying consolidated financial statements at 31 March 2022 and 31 March 2021 were as follows:

	2022	2021
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 year ended 31 March 2022 and 15 months ended 31 March 2021 comprised the following:

(USD '000)	**2022**	2021
1 April/1 January	**344**	869
Included in profit or loss		
Current service costs	**48**	50
Interest cost (income)	**21**	24
Disposal group	**–**	(622)
Included in OCI		
Actuarial loss/(gain)	**49**	156
Other		
Benefits paid	**(6)**	(32)
Foreign currency translation differences	**(110)**	(101)
31 March	**346**	344

30 Provisions

Non-current (USD '000)	2022	2021
Nassau Ancillary contribution provision*	**4,474**	9,061
Replacement provisions for Creuers**	**8,946**	8,429
Legal provisions***	**–**	3,000
Italian Ports Concession fee provisions****	**566**	731
Other provisions	**11**	–
Total	**13,997**	21,221

* 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 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 44k 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)	2022	2021
Nassau Ancillary contribution provision	**7,998**	3,320
Legal provisions*	**678**	3,118
Unused vacation	**284**	258
Italian Ports Concession fee provisions	**149**	156
Other	**374**	788
Total	**9,483**	7,640

* Refer Note 32 (a) for detailed explanations on legal provisions.

For the year ended 31 March 2022, 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 March 2021	**8,429**	**887**	**12,381**	**258**	**6,118**	**788**	**28,861**
Provisions created	671	–	141	162	510	–	1,484
Cash paid	–	–	(50)	–	(636)	–	(686)
Provisions utilised	–	(161)	–	–	(4,293)	(204)	(4,658)
Unwinding of provisions	314	30	–	–	–	–	344
Currency translation difference	(468)	(41)	–	(136)	(1,021)	(199)	(1,865)
Balance at 31 March 2022	**8,946**	**715**	**12,472**	**284**	**678**	**385**	**23,480**
Non-current	8,946	566	4,474	–	–	11	13,997
Current	–	149	7,998	284	678	374	9,483
	8,946	**715**	**12,472**	**284**	**678**	**385**	**23,480**

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.

The Group has a 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)	**2022**	2021
Profit attributable to owners of the Company	**(35,992)**	(80,313)
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)	**(57.3)**	(127.8)
Profit attributable to owners of the Company before discontinued operations	**(35,992)**	(93,219)
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)	**(57.3)**	(148.4)

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 2022 is USD 678 thousand (31 March 2021: USD 6,118 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 September 30th, 2010. Although the Standpoint has established a precedent that has applied to the claims for the period after September 30th, 2010; there are various cases pending for claims related to the period of October 1st, 2009 – September 30th, 2010. In respect of the foregoing period of one year, the Port of Adria-Bar has applied to the Constitutional Court to question the alignment of the collective labour agreement with the Constitution, Labor Law and general collective agreement. The Port of Adria-Bar was 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 2022, the Group has allocated a provision expense of USD 655 thousand for this lawsuit in its consolidated financial statements (31 March 2021: USD 3,076 thousand) (Note 30).

(b) Guarantees

As at 31 March 2022 and 31 March 2021, the letters of guarantee given comprised the following:

Letters of guarantee (USD '000)	2022	2021
Given to seller for the call option on APVS shares*	**4,902**	5,168
Given to Privatisation Administration/Port Authority	**2,637**	2,562
Other governmental authorities	**1,033**	218
Others	**88**	115
Total letters of guarantee	**8,660**	8,063

* 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 15th May 2017 and 15th November 2018, extended until the end of November 2023. 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 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 in 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.

32 Commitments and contingencies continued

(c) Contractual obligations continued

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.

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.

Taranto Cruise Port

On 5 May 2021, Taranto Cruise Port Srl ('TCP') signed a deed with the Port of Taranto Authority by virtue of which the Port Authority granted a 20-year concession over the passenger terminal area situated within Taranto Port. TCP will perform operation and management of a cruise passenger terminal in the area.

A fixed rent is payable by TCP to the Port Authority EUR 12,000 for each year starting from first year of concession period, increasing yearly basis up to EUR 52,000 until end of 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 2019, 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 expected to be completed in the second half of 2022. The second phase of the construction is expected to be completed by the end of the upcoming reporting period. 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.

Kalundborg Cruise Port
On 15 October 2021, GPH (Kalundborg) ApS ('GPH Kal') signed a deed with the Port Authority of Kalundborg by virtue of which the Port Authority granted a 20-year lease to manage cruise services in Kalundborg Port. As part of its obligations under the lease agreement, GPH Kal will invest up to EUR 6 million by the end of 2025 into a purpose-built cruise terminal. GPH Kal has taken over cruise port operations on 16 February 2022.

A fixed rent is payable by GPH Kal to the Port Authority DKK 375 thousand for the first year of lease period, which will grow in steps to DKK 500 thousand by third year of lease and by Denmark CPA index yearly basis until end of lease.

33 Leases
Lease as lessee (IFRS 16)
The Group has 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 or 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 2022**	As at 31 March 2021
Balance at the beginning of the year/period	**87,469**	81,123
Additions to Right of Use assets	**1,851**	8,279
Depreciation charge for the year	**(3,536)**	(3,963)
Disposal group	**–**	(49)
Currency translation differences	**(2,323)**	2,079
Balance at year-end	**83,461**	87,469

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. The 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.

33 Leases continued

Lease as lessee (IFRS 16) continued

Amounts recognised in profit or loss

(USD '000)	As at 31 March 2022	As at 31 March 2021
Interest on lease liabilities	**(1,558)**	(2,811)
Expenses relating to short-term leases	**–**	–

Amounts recognised in statement of cash flows

(USD '000)	As at 31 March 2022	As at 31 March 2021
Total cash outflow for leases	**(2,612)**	(3,922)

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 2,957 thousand (2021: USD 3,117 thousand).

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 2022	As at 31 March 2021
Less than one year	**6,510**	4,511
One to two years	**1,462**	1,381
Two to three years	**1,281**	1,226
Three to four years	**872**	824
Four to five years	**529**	506
More than five years	**8**	204
Total	**10,662**	8,652

During the year ended 31 March 2022, USD 4,687 thousand (15 month period ended 31 March 2021: USD 4,240 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 2022**	As at 31 March 2021
Balance at the beginning of the year	**2,198**	2,139
Depreciation charge for the year	**(48)**	(58)
Currency translation differences	**(112)**	117
Balance at the end of the year	**2,038**	2,198

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) Malaga Port

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 of 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.

35 Service concession arrangement continued

(ii) Malaga Port continued

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). The port operation rights of Ravenna expired in December 2021.

(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.

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 belong to NCP, recognised under intangible assets, represent fixed asset elements built to adapt new Cruise Passenger Terminals described in Note 32. NCP 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 of 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 million).
- 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 the effective interest method.

All other ports within the Group, namely Valletta, Cagliari, Port of Adria, Ege Port, Bodrum Cruise Port and Antigua Cruise Port are out of scope of IFRIC 12 Port Akdeniz (disposed of in the period ended 31 March 2021) was also outside the 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 ('GIH')	Ultimate Parent Company
Global Ports Holding BV	Parent Company
Global Sigorta Aracılık Hizmetleri A.Ş. ('Global Sigorta')	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.

36 Related parties continued

Due from related parties

As at 31 March 2022 and 31 March 2021, current receivables from related parties comprised the following:

Current receivables from related parties (USD '000)	2022	2021
Global Yatırım Holding	338	–
Adonia Shipping*	10	6
Straton Maden*	64	66
Global Menkul	44	6
Global Ports Holding BV	–	4
LCT	21	22
Other Global Yatırım Holding Subsidiaries	584	220
Total	**1,061**	324

Non-current receivables from related parties		
Goulette Cruise Holding**	8,846	8,125
	8,846	8,125

* These amounts are related with the work advances paid related with the services taken on utilities by Group Companies. The charged interest rate is 45.75% as at 31 March 2022 (31 March 2021: 16,75%).

** The Company is providing financing to its Joint venture for the payment of La Goulette Shipping Company acquisition price and ongoing funding needs maturity of 5 years with bullet repayment at the end of term. Yearly interest up to 8% (2021: 8%) is accruing and paid at maturity.

Due to related parties

As at 31 March 2022 and 31 March 2021, current payables to related parties comprised the following:

Current and non-current payables to related parties (USD '000)	2022	2021
Mehmet Kutman	185	827
Global Sigorta*	59	154
Global Yatırım Holding	–	129
Ayşegül Bensel	222	102
Other Global Yatırım Holding Subsidiaries	20	41
Total current payables	**486**	1,253
Global Yatırım Holding	3,000	–
Total non-current payables	**3,000**	–

* These amounts are related to professional services received. The charged interest rate is 47.50% as at 31 March 2022 (31 March 2021: 17.50%).

Transactions with related parties

For the years ended 31 March 2022 and 15 month period ended 31 March 2021, transactions with other related parties comprised the following:

	2022			2021		
(USD '000)	Rent Income	Interest received	Other Income	Rent received	Interest	Other
Global Yatırım Holding	–	111	–	265	–	106
Goulette Cruise Holding	–	362	185	–	–	–
Total	–	473	185	265	–	106

	2022			2021		
(USD '000)	Project Expenses	Interest Expenses	Other Expenses	Project Expense	Interest	Other
Global Yatırım Holding	–	515	1	276	–	83
Global Menkul	–	–	–	–	–	1
Total	–	515	1	276	–	84

As one of steps to expand the operations of the Group, a Port Operating Lease 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 March 2021, 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 determined as 500 thousand USD annually. This contract was subsequently revised retrospectively to be effective as of May 2020, by mutual agreement of the parties.

Collaboration between the Group and the owners of TAL, as individuals providing inter alia strategic advisory services, has started several years prior to the signing date of the POLA. Following the Group obtaining clarification in 2019 as to the potential partnership options for the NCP project, the above-mentioned contracts were signed in recognition of services delivered by the parties to date and in the future.

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, a 2% minority shareholder of NCP, has bought bonds amounting to USD 1.35 million at the issuance. As at 31 March 2022 and 2021, these bonds were still held by the YES foundation.

For the year ended 31 March 2022 and 15 month period ended 31 March 2021, GPH has not distributed any dividend to Global Yatırım Holding.

Transactions with key management personnel

Key management personnel comprised the members of the Board and GPH's senior management. For the year ended 31 March 2022 and 15 month period ended 31 March 2021, details of benefits to key management personnel comprised the following:

(USD '000)	**2022**	2021
Salaries	**2,546**	3,446
Attendance fees to Board of Directors	**338**	471
Bonus	**80**	9
Termination benefits	**–**	25
Total	**2,964**	3,951

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.

37 Financial risk management continued

Overview continued

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)	**2022**	2021
Gross debt	**598,588**	548,934
Cash and bank balances	**(99,687)**	(170,599)
Short term financial investments	**(55)**	(63)
Net debt	**498,846**	378,272
Equity	**50,443**	86,563
Net debt to Equity ratio	**9.89**	4.37

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 2022 and 31 March 2021, the exposure to credit risk for trade receivables and contract assets by Country was as follows:

	Carrying amount	
(USD '000)	**2022**	2021
Turkey	**945**	1,425
Montenegro	**1,371**	1,507
Malta	**1,751**	1,005
Italy	**269**	339
Bahamas	**5,362**	1,114
Antigua & Barbuda	**866**	110
Spain	**1,192**	340
Others	**33**	128
	11,789	5,968

At 31 March 2022 and 31 March 2021, the exposure to credit risk for trade receivables and contract assets by type of counterparty was as follows:

	Carrying amount	
(USD '000)	**2022**	2021
Commercial customers	**1,371**	1,507
Cruise Customers	**9,334**	3,267
Others	**1,084**	1,194
	11,789	5,968

At 31 March 2022, the carrying amount relating to the Group's most significant customer (a European Cruise Line) was USD 804 thousand (31 March 2021: a European Cruise Line amounting to USD 609 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 2022.

	Weighted average loss rate	Gross carrying amount	Loss allowance	Credit impaired
Current – not past due	**0.0%**	**7,079**	**–**	**No**
1 to 30 days overdue	**0.0%**	**684**	**–**	**No**
1 to 3 months overdue	**0.0%**	**964**	**–**	**No**
3 to 12 months overdue	**90.5%**	**2,538**	**2,296**	**Yes**
More than 12 months overdue	**100.0%**	**524**	**524**	**Yes**
Total		**11,789**	**2,820**	

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 9,046 thousand (2021: USD 8,125 thousand), a joint venture, which is recognised within amounts 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 2022, the Company has issued a guarantee to certain banks in respect of credit facilities granted to two subsidiaries (Note 26).

37 Financial risk management continued

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.

	As at 31 March 2022					
Contractual maturities (USD '000)	**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	**531,569**	**855,473**	**36,053**	**41,193**	**376,266**	**401,961**
Finance lease liabilities	**67,019**	**139,151**	**1,757**	**3,313**	**18,632**	**115,449**
Other financial liabilities*	**51,070**	**62,010**	**–**	**2,264**	**11,017**	**48,729**
Trade and other payables**	**32,678**	**32,678**	**1,434**	**30,597**	**648**	**–**
Due to related parties	**3,486**	**3,486**	**–**	**3,486**	**–**	**–**
Derivative financial liabilities						
Net settled:						
Interest rate swaps	**101**	**106**	**48**	**33**	**25**	**–**

* 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 (USD 45,980 thousand), Bodrum Cruise Port (USD 218 thousand), and Antigua Cruise Port (USD 4,872 thousand).

** Trade and other payables in the consolidated balance sheet includes taxes payable and social security contribution USD 3,918 thousand, payables to personnel USD 1,851 thousand and deferred revenue USD 1,081 thousand, which are not financial liabilities and hence excluded from the tables above.

	As at 31 March 2021					
Contractual maturities (USD '000)	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	5,786	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 (USD 49,329 thousand), Antigua Cruise Port (USD 8,133 thousand) and Bodrum Cruise Port (USD 712 thousand).

** 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.

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, EUR and TL.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Group ensures that its net 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 2022, foreign currency risk exposures of the Group comprised the following:

	As at 31 March 2022			
(USD '000)	USD equivalents	USD	EUR	TL
Other non-current assets	102	–	72	323
Non-current assets	**102**	**–**	**72**	**323**
Trade and other receivables	5,750	355	4,661	3,004
Due from related parties	307	62	220	–
Other current assets	269	103	18	2,132
Cash and cash equivalents	10,967	10,840	57	931
Current assets	**17,293**	**11,360**	**4,956**	**6,067**
Total assets	**17,395**	**11,360**	**5,028**	**6,390**
Loans and borrowings	3,707	2,406	–	19,058
Other Liabilities	369	–	–	5,408
Non-current liabilities	**4,076**	**2,406**	**–**	**24,466**
Loans and borrowings	19,906	19,161	–	10,916
Trade and other payables	3,402	2,831	1	8,343
Due to related parties	–	–	–	–
Current tax liabilities	–	–	–	–
Current liabilities	**23,308**	**21,992**	**1**	**19,259**
Total liabilities	**27,384**	**24,398**	**1**	**43,725**
Net foreign currency position	**(9,989)**	**(13,038)**	**5,027**	**(37,335)**

37 Financial risk management continued

Market risk continued

Currency risk exposures continued

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	131	101	–	246
Non-current assets	**131**	**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	118,722	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	(115,290)	(134,633)	21,616	(50,225)

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 March 2021, 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 2022 and 31 March 2021:

Year ended 31 March 2022 (USD '000)	**USD**	**EUR**	**TL**
Net financial assets	**–**	**560**	**–**
Net financial liabilities	**(1,304)**	**–**	**(255)**

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 305 thousand and USD 12 thousand respectively, for the year ended 31 March 2022.

15 month period 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 15 month period ended 31 March 2021.

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 March 2022, 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 2022**	As at 31 March 2021
Fixed-rate financial instruments			
Financial assets	Cash and cash equivalents	**1,595**	22,799
	Loans and receivables	**55**	63
	Amounts due from related parties	**918**	324
Financial liabilities	Loans and borrowings	**(334,286)**	(460,656)
	Other financial liabilities	**(51,070)**	(58,174)
		(382,788)	(495,644)
Effect of interest rate swap		**(8,549)**	(14,596)
		(391,337)	(510,240)
Floating-rate financial instruments			
Financial liabilities	Loans and borrowings	**(264,302)**	(88,278)
Effect of interest rate swap*		**8,549**	14,596
		(255,753)	(73,682)

* 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 8,549 thousand (31 March 2021: USD 14,596 thousand) have been designated in a cash flow hedge relationship.

37 Financial risk management continued

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 2022		
Fixed rate contract	**Average contract fixed interest rate (%)**	**Notional principal value (USD '000)**	**Fair value (USD '000)**
Less than 1 year	**0.97**	**5,714**	**78**
1 to 2 years	**0.97**	**2,835**	**23**
2 to 5 years	**–**	**–**	**–**
5 years +	**–**	**–**	**–**
	0.97	**8,549**	**101**

	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

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.

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 2022. 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 2022.

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 2022, had the interest rates been higher by 100 basis points where all other variables remain constant, interest expense would have been higher by USD 2,558 thousand (31 March 2021: higher by USD 737 thousand) and equity attributable to equity holders of the Company, excluding tax effects, would have been lower by USD 2,421 thousand (31 March 2021: lower by USD 657 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);
- 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 in the comparative reporting period.

		As at 31 March 2022		As at 31 March 2021	
Financial assets (USD '000)	Note	**Carrying Amount**	**Fair Value**	Carrying Amount	Fair Value
Loans and receivables	20, 21, 36	**37,275**	**37,275**	47,074	47,074
Other financial assets		**55**	**55**	63	63
Financial liabilities					
Loans and borrowings	26	**531,568**	**531,568**	483,016	447,078
Leases	26	67,020	67,020	65,918	65,918

When measuring the fair value of an asset or a liability, the Group uses observable market 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 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).
- 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 a liability fall into 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.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

37 Financial risk management continued

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 2022	Derivative financial liabilities	**–**	**101**	**–**	**101**
As at 31 March 2021	Derivative financial liabilities	–	399	–	399

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

As of 1 April 2022, Group has signed a 12-year concession, with a 6-year extension option, with the Tarragona Port Authority to manage the services for cruise passengers in Tarragona, Spain.

Global Ports Canary Islands S.L. ('GPCI'), an 80:20 joint venture between GPH and local partner Sepcan S.L., has agreed on the terms for a 40-year concession agreement to operate Las Palmas de Gran Canaria Cruise Port, Canary Islands, Spain. GPCI had been awarded preferred bidder status to operate cruise port concessions for Las Palmas Cruise Ports on 10 November 2021. This preferred bidder status covered concessions for the port of Las Palmas de Gran Canaria, port of Arrecife (Lanzarote) and Puerto del Rosario (Fuerteventura).

The Group, GPCI and the Port Authority of Las Palmas continue to work towards finalising the 20-year concessions for the port of Arrecife (Lanzarote) and Puerto del Rosario (Fuerteventura).

GPCI will invest approximately EUR 40 million into constructing a new cruise terminal in Las Palmas and modular terminal facilities in Marmoles pier in Arrecife and Puerto del Rosario in Fuerteventura. The debt financing for this project is expected to be secured by local banks, and the Company is in advanced discussion regarding the financing.

On 15 June 2022 GPH confirmed that it had received an approach regarding a potential cash offer for all of the shares in the Company by SAS Shipping Agencies Services Sarl ('SAS'), a wholly owned subsidiary of MSC Mediterranean Shipping Company. On 12 July 2022, GPH's board of directors announced that it had terminated these talks and SAS confirmed that it did not intend to make an offer for GPH.

Parent Company balance sheet
As at 31 March 2022 and 31 March 2021

(USD '000)	Note	2022	2021
Non-current assets			
Investments in subsidiaries	44	**139,410**	139,410
Investments in jointly controlled entities	45	**65**	65
Tangible assets		**6**	12
Due from related parties	49	**8,845**	8,125
Total non-current assets		**148,326**	147,612
Current assets			
Due from related parties	49	**32,880**	21,725
Trade receivables and other receivables		**2,430**	108
Prepayments	46	**75**	236
Cash and cash equivalents		**15**	268
Total current assets		**35,400**	22,337
Total assets		**183,726**	169,949
Current liabilities			
Trade and other payables		**(2,626)**	(5,503)
Due to related parties	49	**(29,683)**	(17,777)
Total current liabilities and total liabilities		**(32,309)**	(23,280)
Net current asset/(liabilities)		**3,091**	(943)
Net assets		**151,417**	146,669
Capital and reserves			
Share capital	47	**811**	811
Share based payments	42	**367**	239
Retained earnings		**150,239**	145,619
Shareholders' funds		**151,417**	146,669

Under section 408 of the Companies Act 2006 the company is exempt from the requirement to present its own profit and loss account. The income for the Parent Company for the year ended 31 March 2022 was USD 4,620 thousand (15 month period ended 31 March 2021: loss of USD 220,713 thousand).

These financial statements were approved by the board of Directors on 27 July 2022 and signed on its behalf by:

Ercan Nuri Ergül
Board member
Company registered number: 10629250

The accompanying notes on pages 132 to 221 form part of these financial statements.

Parent Company statement of changes in equity
For the year ended 31 March 2022 and 15 month period ended 31 March 2021

(USD '000)	Notes	**Share capital**	**Share based payment reserves**	**Retained earnings**	**Total**
Balance as at 1 March 2021		**811**	**239**	**145,619**	**146,669**
Income for the period		**–**	**–**	**4,620**	**4,620**
Total comprehensive income for the period		**–**	**–**	**4,620**	**4,620**
Equity settled share-based payment transactions	42	**–**	**128**	**–**	**128**
Total transactions with owners of the Company		**811**	**128**	**4,620**	**4,748**
Balance as at 31 March 2022		**811**	**367**	**150,239**	**151,417**

(USD '000)	Notes	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)	(220,713)
Total comprehensive loss for the period		–	–	(220,713)	(220,713)
Total transactions with owners of the Company		–	–	(220,713)	(220,713)
Balance as at 31 March 2021		811	239	145,619	146,669

The accompanying notes on pages 132 to 221 form part of these financial statements.

Notes to the Parent Company financial statements

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 Plc (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.

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 40.

(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 Company's resources ultimately depend on the intragroup dividends and management fees 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 3(f) 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.

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.

39 Accounting policies continued

(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.

39 Accounting policies continued

(k) Taxation continued

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.

(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.

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,
- 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.

	2022
Average post-tax discount rate used – EUR	**5.82%**
Average post-tax discount rate used – USD	**9.20%**
Average annualised growth, year 2 – year 6 'Passengers'	**9.10%**
Average annualised growth, first 5 years 'Container'	**6.01%**

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:

	2022	2021
Permanent	**8**	11
	8	11

The aggregate payroll costs of these persons were as follows:

(USD '000)	2022	2021
Employee benefits	**1,874**	2,647
– Wages and salaries	**1,708**	2,550
– Social security contributions	**–**	–
– Overtime & Bonuses paid	**38**	97
– Equity-settled share-based payment arrangements	**128**	–

42 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, for the details please refer to Note 11.

43 Investments in subsidiaries

(USD '000)	2022	2021
GPH CPF/Global Liman A.S.	**139,405**	139,405
GPH Americas	**5**	5
Total	**139,410**	139,410

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.

43 Investments in subsidiaries continued

Investments continued

Name of the Company	Registered office address	Holding	%
Global Liman Isletmeleri 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
Global Ports Americas Holding 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 Levent 193 Plaza Giriş kat 34394 Şişli, İstanbul, Turkey	Subsidiary	72.5
Bodrum Yolcu Limani 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
Shore Handling	C/ Les Rafeletes, 1 Planta Entlo. 07015, Palma de Mallorca, Spain	Subsidiary	51.0
Balearic Handling	C/ Gordillo, 13, 7ª Planta, 35008 Las Palmas de Gran Canaria, 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
Travel Shopping Ltd.	45/46 Pinto Wharf Floriana FRN 1913	Subsidiary	50.0
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
Goulette Cruise Holding Ltd	100 New Bridge Street, London, United Kingdom, EC4V 6JA	Joint Venture	50.0
LCT – Lisbon Cruise Terminals, LDA	Rua Da Instituto Industrial, 18 1E 200 225 Lisboa	Associate	46.2
SATS – Creuers Cruise Services Pte. Ltd.	61 Marina Coastal Drive Singapore, 018947	Associate	24.8

Name of the Company	Registered office address	Holding	%
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.

Global Ports Destination Services Ltd (Company no. 12367368) and Global Ports Americas Holding Limited (Company no. 13513007) are entitled to and have taken advantage of the exemption from the statutory audit conferred under section 479A of the Companies Act 2006.

Subsidiary undertakings

	(USD '000)
Cost At 1 March 2021	**139,410**
Impairment	**–**
At 31 March 2022	**139,410**
Carrying value	**139,410**

44 Investments in jointly controlled entities

(USD '000)	2022	2021
Goulette Cruise Holding (Note 18)	**65**	65
Total	**65**	65

45 Prepayments

Short term prepayments composed of advances given to consultants as per the agreement for project basis due diligence works.

46 Called up share capital

(USD '000)	2022	2021
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 26(i).

47 Share based payment arrangements

At 31 March 2022 and 31 March 2021, the Group had an equity settled share option program. Details presented on Note 28.

48 Obligations under leases

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)	2022	2021
Within one year	**241**	241
In two to five years	**–**	241
Total	**241**	482

USD 184 thousand has been recorded as rent expense in the current year (2021: USD 286 thousand).

49 Related party transactions

Directors' transactions

Key management personnel comprised the members of the Board. For the year ended 31 March 2022 and 15 month period ended 31 March 2021, details of benefits to key management personnel comprised the following:

(USD '000)	2022	2021
Salaries and attendance fees	**857**	1,857
Bonus	**–**	–
Total	**857**	1,857

Other related party transactions

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

		31 March 2022	
Current	Relationship	Amounts due from (USD '000)	Amounts owing to (USD '000)
Global Yatırım Holding A.Ş.[1]	Parent Company	–	4,024
Global Liman İşletmeleri A.Ş.[2]	Subsidiary	–	5,211
GPH Cruise Port Finance[3]	Subsidiary	–	20,121
Global Ports Europe B.V.[4]	Subsidiary	6,506	–
Lisbon Cruise Terminals[5]	Associate	21	–
Cruceros Malaga[5]	Subsidiary	15	–
Creuers del Port de Barcelona[5]	Subsidiary	15	–
Sats Creuers Cruise Services[5]	Associate	8	–
Taranto Cruise Port[5]	Subsidiary	11	–
Global Ports Destination Services	Subsidiary	3	–
Port Operations Services (Cyprus)	Subsidiary	23	–
Goulette Cruise Port[5]	Joint Venture	21	–
Nassau Cruise Port[6]	Subsidiary	2,811	–
Antigua Cruise Port[7]	Subsidiary	22,109	–
GP-Med	Subsidiary	1,318	–
Zadar International Ports	Subsidiary	19	–
Mehmet Kutman	Chairman	–	105
Ayşegül Bensel	Member of BoD	–	222
Total		32,880	29,683
Non-current			
Goulette Cruise Port[8]	Joint Venture	8,845	–
Total		8,845	–

1 Company is using consultancy from its ultimate owner for business development.
2 Global Liman fully owned holding subsidiary paid advance dividend to the Company for acquisition and all relevant transactions made by the Company
3 Management has decided to transfer significant portion of payables to Global Liman to GPH Cruise Port Finance fully owned holding subsidiary as a result of refinancing Eurobond on GLI and restructuring of the Group.
4 Company is financing its subsidiary for the repayment of its debt. Yearly interest of 4.5% is charged to subsidiary.
5 Company has issued invoice to subsidiaries for the marketing effort spent.
6 Company issued management fees to its subsidiary for services given and expertise shared with the subsidiary.
7 Company has given loans to fulfil financial requirements of Antigua Cruise Port.
8 Company had provided a long-term loan to its JV for financing the acquisition of Goulette Cruise Company.

Current	Relationship	31 March 2021 Amounts due (USD '000)	31 March 2021 Amounts owing (USD '000)
Global Yatırım Holding A.Ş.[1]	Parent Company	–	1,200
Global Liman İşletmeleri A.Ş.[2]	Subsidiary	–	15,708
Global Ports Europe B.V.[4]	Subsidiary	6,859	–
Ad Port of Adria – Bar	Subsidiary	–	–
Lisbon Cruise Terminals	Subsidiary	21	–
Ege Liman Işletmeleri A.Ş.	Subsidiary	–	–
Nassau Cruise Port[6]	Subsidiary	–	–
Antigua Cruise Port[7]	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[8]	Subsidiary	8,125	–
Total		8,125	–

For the year ended 31 March 2022 and 15 month period ended 31 March 2021, transactions with other related parties comprised the following:

(USD '000)	2022 Rent Income	2022 Interest Income	2022 Fees	2021 Rent Income	2021 Other
Global Yatırım Holding	**168**	**–**	**–**	240	–
Nassau Cruise Port	**–**	**–**	**5,053**	–	5,828
Global Liman	**–**	**–**	**441**	–	–
Taranto Cruise Port	**–**	**–**	**11**	–	–
Goulette Cruise Port	**–**	**362**	**–**	–	–
Total	**168**	**362**	**3,173**	240	5,828

(USD '000)	2022 Project Expenses	2022 Interest Expense	2022 Other	2021 Project Expenses	2021 Other
Global Yatırım Holding	**–**	**214**	**–**	257	83
Global Liman	**–**	**–**	**158**	–	170
Total	**214**	**214**	**158**	257	253

50 Dividends on equity shares

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 2022 and 15 month period ended 31 March 2021.

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 2022. Refer to Note 36 for further details on related parties.

52 Events after balance sheet date

On 15 June 2022 GPH confirmed that it had received an approach regarding a potential cash offer for all of the shares in the Company by SAS Shipping Agencies Services Sarl ('SAS'), a wholly owned subsidiary of MSC Mediterranean Shipping Company. On 12 July 2022, GPH's board of directors announced that it had terminated these talks and SAS confirmed that it did not intend to make an offer for GPH.

Glossary of alternative performance measures (APM)

These financial statements includes certain measures to assess the financial performance of the Group's business that are termed 'non-IFRS measures' because they exclude amounts that are included in, or include amounts that are excluded from, the most directly comparable measure calculated and presented in accordance with IFRS, or are calculated using financial measures that are not calculated in accordance with IFRS. These non-GAAP measures comprise the following;

Adjusted revenue
Adjusted revenue is calculated as revenue from all consolidated subsidiaries (cruise and commercial ports and other subsidiaries) excluding IFRIC 12 construction revenue.

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)	**Year ended 31 March 2022**	15 month period ended 31 March 2021
Project expenses	**7,897**	11,098
Employee termination expenses	**205**	228
Replacement provisions	**671**	793
Provisions/(reversal of provisions)*	**2,820**	8,489
Impairment losses*	**–**	11,997
Construction accounting margin	**(1,762)**	(1,052)
Other expenses/(income)	**821**	(598)
Specific adjusting items	**10,652**	30,955

* This figure composed of expected impairment losses on receivables, provision expenses excluding vacation pay and replacement provisions (refer Note 30), impairment losses related to assets (refer Note 13) and impairment losses on receivables of Equity accounted investees (refer Note 18).

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, has been 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)	**Year ended 31 March 2022**	15 month period ended 31 March 2021
(Loss)/Profit for the Period, net of IFRS 16 impact	**(44,540)**	(94,689)
Impact of IFRS 16	**(2,566)**	(3,300)
(Loss)/Profit for the Period	**(47,106)**	(97,989)
Amortisation of port operating rights/RoU asset/Investment Property	**20,739**	25,126
Non-cash provisional (income)/expenses*	**3,697**	9,510
Impairment losses	**–**	11,997
Unhedged portion of Investment hedging on Global Liman (Note 14)	**3,354**	39,038
(Gain)/loss on foreign currency translation on equity (Note 14)	**1,330**	1,238
Underlying (Loss)/Profit	**(17,987)**	(11,080)
Weighted average number of shares	**62,826,963**	62,826,963
Adjusted earnings per share (pence)	**(28.63)**	(17.61)

* 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 (in respect of the 15 month period ended 31 March 2021) 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)	Year ended 31 March 2022	15 month period ended 31 March 2021
Current loans and borrowings	**75,998**	295,200
Non-current loans and borrowings	**522,590**	253,734
Gross debt	**598,588**	548,934
Lease liabilities recognised due to IFRS 16 application	**(63,883)**	(65,918)
Gross debt, net of IFRS 16 impact	**534,705**	483,016
Cash and bank balances	**(99,687)**	(170,599)
Short term financial investments	**(55)**	(63)
Net debt	**434,963**	312,354
Equity	**50,397**	86,563
Net debt to Equity ratio	**8.63**	3.61

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)	Year ended 31 March 2022	15 month period ended 31 March 2021
Gross debt	**598,588**	548,934
Lease liabilities recognised due to IFRS 16 application	**(63,883)**	(65,918)
Gross debt, net of IFRS 16 impact	**534,705**	483,016
Adjusted EBITDA	**7,010**	(6,725)
Impact of IFRS 16 on EBITDA	**(5,205)**	(6,592)
Adjusted EBITDA, net of IFRS 16 impact	**1,805**	(13,317)
Leverage ratio	**296.1**	NA

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)	Year ended 31 March 2022	15 month period ended 31 March 2021
Acquisition of property and equipment	**5,434**	27,913
Acquisition of intangible assets	**89,199**	56,557
CAPEX	**94,633**	84,470

Glossary of alternative performance measures (APM) continued

Cash conversion ratio

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

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

(USD '000)	**Year ended 31 March 2022**	15 month period ended 31 March 2021
Adjusted EBITDA	**7,010**	(6,725)
Impact of IFRS 16 on EBITDA	**(5,205)**	(6,592)
Adjusted EBITDA, net of IFRS 16 impact	**1,805**	(13,317)
CAPEX	**(94,633)**	(84,470)
Cash converted after CAPEX	**(92,828)**	(97,787)
Cash conversion ratio	**5142.83**	NA

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 2022 and and the 15 month period ended 31 March 2021, the relevant hard currencies for the Group are US Dollar, Euro, Denmark Krona and Singaporean Dollar.

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