Global Ports Holding Plc

Full year results for the twelve months ended 31st December 2019

Global Ports Holding Plc ("GPH" or "Group"), the world's largest independent cruise port operator, today announces its audited results for the twelve months ending 31 December 2019.

Financial Summary	FY 2019 Audited	FY 2019 Constant currency[6]	FY 2018 Reported	YoY Change	YoY CCY
Total Revenue ($m)[1]	117.9	121.0	124.8	-5.6%	-3.0%
Cruise EBITDA ($m)[9]	44.4	46.3	37.6	18.0%	23.1%
Commercial EBITDA ($m)	39.1	39.2	53.1	-26.4%	-26.3%
Segmental EBITDA ($m)[2]	83.4	85.5	90.7	-8.0%	-5.8%
Adjusted EBITDA ($m)[3]	77.0	79.0	83.7	-8.0%	-5.6%
Operating Profit ($m)	15.3		35.9	-57%	
Profit/(Loss) before tax ($m)	(13.4)		8.6	-255%	
Profit/(Loss) after tax ($m)	(15.2)		7.1	-313%	
Underlying profit for the period ($m)[4]	27.3		59.0	-53.7%	
EPS (c)	(29.5)		1.23	-2511%	
Adjusted EPS (c)[5]	43.5		92.1	-52.9%	
DPS (c)	19.9		55.5	-64.1%	
Net Debt	389.2		267.2	57.4%	
Net debt excluding impact of IFRS 16	324.3		267.2	21.4%	
Cash and cash equivalents	63.8		79.8	-20.1%	

Mehmet Kutman, Co-Founder and Chairman said:

"Our strong performance in Cruise in 2019 has unfortunately been overshadowed by recent events. The Covid-19 crisis that has engulfed the world is causing unprecedented disruption to both global economies and the global travel sector. But most importantly, it is affecting the lives of people all over the world on a previously unimaginable scale. Our thoughts are with those people that have been directly impacted by the virus and the health workers around the world that are battling to save so many lives.

In light of the impact of this crisis on the global travel industry, the board and senior management of GPH have taken immediate action to significantly reduce costs and conserve cash to protect the Group's balance sheet and help steer the company through the crisis. We believe that the actions taken to date will mean that even under a severe downside scenario of no cruise ships calling at our ports for the remainder of 2020 and a modest recovery at only our Caribbean ports thereafter, as well as a significant decline in container volumes at Port Akdeniz, the Group will have sufficient cash resources to remain in operation and within covenant requirements at the end of April 2021."

Covid-19 crisis management and actions

At the end of December 2019, GPH had cash and cash equivalents of $63.8m, as at the end of March 2020 this figure was $53.5m, including a debt repayment of $6.5m. Available headroom in our credit lines was $20m at the end of March 2020.

In light of the exceptional circumstances that are currently engulfing the cruise industry and with such uncertainty over when cruise travel might return to normal, the board and management have taken several significant actions to protect the balance sheet and long term future of the business.

The Board believe that the actions been taken to date will mean that even under a severe downside scenario the Group will have sufficient cash resources to remain in operation and within covenant requirements at the end of April 2021. This scenario includes our Caribbean ports handling no cruise ships for the remainder of 2020, with a recovery in Caribbean passenger volumes in the first four months of 2021 to 50% of previous expectations, while it assumes the rest of our cruise port portfolio does not welcome any cruise ships until after the end of April 2021.

In terms of our Commercial operations, the severe downside scenario assumes a fall in marble exports in Port Akdeniz to China of 75% based on the forecasted container cargo of marble for both loading and unloading until September 2020 followed by a moderate improvement but remaining at least 25% below original management expectations. Under this scenario Port Akdeniz container volumes would fall by 35% in 2020 compared to 2019 and by 25% compared to management's previous expectations for the period to end April 2021.

Cost reductions

The inherent flexibility in GPH's business model, including the extensive use of outsourced service providers, means that many of our costs expand and contract in line with cruise traffic or cargo volumes. Clearly in the current circumstances such costs in our Cruise operations have dropped to almost zero.

In terms of the costs that are more fixed in nature, $12.1m has been taken out of the cost base in the Group's Cruise operations. This reflects a combination of actions and measures including all board members suspending their salaries and fees, salary deferrals across the Group and significantly reduced marketing costs and consultancy fees.

Capital expenditure and new port capital commitments

Across our portfolio, all but essential maintenance capex has been suspended and will remain suspended until the cruise industry starts to return towards normal. Capex at our new ports in the Caribbean is expected to continue as planned.

The Group signed two new concession agreements in 2019, Nassau Cruise Port and Antigua Cruise Port, both of which require future capital investment. GPH's share of this investment over the next two years, totals over $160 million.

In Antigua, the Group's cash investment was paid from the Group's cash resources in 2019 and the balance of the required investment will be funded through an already committed bank loan from a syndicate of lenders.

In Nassau, the design and engineering of the marine components of the project has been completed and the construction is expected to commence in June 2020, with an expected completion date of April 2022. The scheduled capex over the next 12 months of up to $130m is to be fully financed by bond issuance in both local and international markets and the remaining portion of $30m of the existing bridge loan of $50m is to be converted into a long term loan on the same terms of the bond. Issuance of the remaining $40m bond and $50m finance through operational cash flows is expected to be between late 2021 and the middle of 2022. Despite the current uncertainty, Nassau Cruise Port's bond issuance into the local and international markets remains on schedule and management are confident in the levels of demand. GPH does not currently expect the Nassau operations to require any further direct cash contribution from GPH Plc.

While the board believes that there is still considerable scope for future expansion of the business over the medium to long term, the planned new cruise port project expenses have effectively been suspended. The Group incurred costs of $5.1m in respect of project expenses in 2019.

Commercial Ports

While our scenario analysis includes a significant fall in container volumes at Port Akdeniz, with this port currently performing in line with the board's expectations, no cost saving or cash preservation measures have currently been taken at this port, or at Port of Adria. However, should volumes drop significantly, the business models of our commercial operations also have an inherent flexibility which should help to protect margins. This can be seen in the strong margin performance at Port Akdeniz in 2019, despite significant volume declines.

Financing and concession fees

Our current plans, with the exception of an interest holiday on one loan, assume no deferral or postponement of financial liabilities, both interest and repayment. However, management are in active discussion with a number of the Group's lenders over potential deferrals or postponements which if agreed would further strength the Group's forecast cash position.

A number of our ports pay guaranteed minimum concession payments and current plans include an agreed $2.6m total reduction in these payments. The Group remains in productive and positive discussions with relevant authorities over further potential deferrals or suspensions of minimum concession payments. If agreed these would strength the Group's cash position still further.

Governments around the world continue to announce measures to ease the significant economic impact of this global crisis. Many of the announced measures include policies and facilities to support companies and the incomes of employees during these very challenging times. While management continue to explore these government support packages, our current plans do not include the utilisation of such policies. Clearly the utilisation of such facilities could provide further support to the Company's balance sheet during this crisis.

As announced on 11 March 2020, in light of the unprecedented level of disruption to global trade and the cruise industry and the associated short term uncertainty, the Board of GPH decided that it was is prudent and in the best interests of all stakeholders to temporarily suspend the dividend for full year 2019, until the situation becomes clearer. It will therefore not be recommending the payment of a final dividend for 2019 at the Company's forthcoming AGM.

Eurobond and Strategic Review

The Group's $250m 2021 Eurobond has a covenant of five times Gross Debt to EBITDA. As an incurrence covenant and not a maintenance covenant, if this is breached, the impact would be that cash outflow from Global Liman to other subsidiaries and dividend distributions will become restricted until such time as the Gross Debt to EBITDA leverage falls below five times.

Management have commenced discussions with a number of investment banks to assess several options for the Eurobond refinancing including but not limited to issuing a new Eurobond. So far considering the stage of these discussions, there is no indication that suggests that a refinancing cannot be obtained or an appropriate lender would not be found.

Parallel to these discussions, the final outcome of the exclusive negotiations with a potential buyer of Port Akdeniz will have a material impact on the refinancing structure. To date, the Covid-19 outbreak has had no meaningful impact on the exclusive negotiations over the potential sale of Port Akdeniz. A final decision on the sale process is expected in Q3 2020, after which the Group will decide on the most appropriate refinancing structure.

Outlook & current trading

Before the outbreak of Covid-19, 2020 was going to be the year when the strategy we have been delivering on since IPO really started to deliver operational and financial results, with our successful expansion into the Caribbean driving a step change in our Cruise operations.

However, while 2020 began well and operational results were in line with management expectations at both the Cruise and Commercial divisions, the outbreak of the Covid-19 virus has had a significant impact on our cruise operations. With travel restrictions implemented across the world, cruise itineraries have been cancelled for a number of weeks or months and it is currently unclear when cruise activity will resume at normal levels. Our Commercial operations have as yet not seen any negative impact and continue to track broadly in line with management expectations.

At Port Akdeniz, Container Throughout volumes are down year on year against a relatively strong Q1 2019 but importantly volumes are in line with management expectations. General & Bulk cargo volumes have been very strong, driven by the introduction of a number of initiatives to help drive volumes.

Providing financial guidance for the year ending 31 December 2020 is impossible in the current environment pending further certainty over the length and extent of the current circumstances.

The inherent flexibility in GPH's business model, including the extensive use of outsourced service providers, means that many of our costs expand and contract in line with cruise traffic. The board have taken immediate cost saving and cash preservation measures to protect the balance sheet and preserve the Group's liquidity position.

While there is a high level of uncertainty over the trading outlook for 2020, the Board and Senior Management are confident in GPH's long-term strategy and its ability to navigate through this crisis.

Notes- For full definitions and explanations of each Alternative Performance measures in this statement please refer to the Glossary of Alternative Performance Measures.

1. *All $ refers to United States Dollar unless otherwise stated*
2. *Segmental EBITDA is calculated as income/(loss) before tax after adding back: interest; depreciation; amortisation; unallocated expenses; and specific adjusting items*
3. *Adjusted EBITDA calculated as Segmental EBITDA less unallocated (holding company) expenses*
4. *Underlying Profit is calculated as profit / (loss) for the year after adding back: 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. This measure has changed since 2018, please see APM glossary for details.*
5. *Adjusted earnings per share is calculated as underlying profit divided by weighted average number of shares*
6. *Performance at constant currency is calculated by translating foreign currency earnings from our consolidated cruise ports, management agreements and associated ports for the current period into $ at the average exchange rates used over the same period in the prior year.*
7. *Passenger numbers refer to consolidated and managed portfolio consolidation perimeter, hence it excludes equity accounted associate ports La Goulette, Lisbon, Singapore and Venice*
8. *Revenue allocated to the Cruise segment is the sum of revenues of consolidated and managed portfolio*
9. *EBITDA allocated to the Cruise segment is the sum of EBITDA of consolidated cruise ports and pro-rata Net Profit of equity accounted associate ports La Goulette, Lisbon, Singapore and Venice and the contribution from the Havana management agreement*

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Investor Call

An analyst and investor call will be held today at 3.00pm (BST).

Please email martinb@globalportsholding.com for dial in details

2019 Financial Results Overview

Group – Strong delivery on strategic objectives

- Total consolidated revenues were $117.9m in the period, a decline of 5.6% yoy (-3.0% ccy)
- Full year Segmental EBITDA – down 8.0% to $83.4m (-5.8% ccy), full year Adjusted EBITDA – declined 6.1% to $77.0m (down 8.0% ccy), in line with management expectations
- Operating profit of $15.3m (FY 2018: $35.9m), was primarily due to $32.0m of amortisation expense in relation to port operation rights (FY 2018 $31.6m), amortisation of right of use assets $2.4m (FY 2018: $0.0m), amortisation $13.3m (FY 2018: $13.0m) and one off adjustments $8.4m (FY 2018: -$2.5m). These one off adjustments were primarily made up of project expenses of $5.1m and $2.5m of provision expenses. The total IFRS 16 impact on operating profit was $0.8m increase

Cruise – A year of marquee additions to the portfolio, overshadowed by recent developments

- Record full year Cruise revenue up 14.8% to $63.0m (19.8% ccy) and record Cruise Segmental EBITDA up 18.0% to $44.4m (23.1% ccy)
- Strong 2019 performance driven by the performance in Valletta and Ege in particular, as well as the first time contribution from Nassau and Antigua in Q4
- A year of incredible progress on strategic goal of delivering inorganic growth. Signed a 25-year concession agreement for Nassau Cruise Port, a 30-year concession agreement for Antigua Cruise Port, as well as a 15-year management services agreement for Ha Long Bay, Vietnam, while our 50:50 JV acquired the operator of La Goulette Cruise Port, Tunisia
- Consolidated and managed portfolio passenger volumes increased by 17.7% in the year. There was significant growth in passenger numbers at Ege Port, our marquee Turkish cruise port, with passenger volumes rising by 33%
- The recent travel restrictions imposed globally following the widespread outbreak of the Covid-19 virus, have had a materially negative impact on the cruise industry. Most cruise lines have, for the first time ever, cancelled all itineraries for at least a number of weeks or months. With uncertainty remaining as to when things might start to normalise.

Commercial – weak full year performance, driven by volume weakness

- Commercial Revenue down 21.5% to 54.9m (21.0% ccy) and Commercial Segmental EBITDA down -26.4% to $39.1m (-26.3% ccy)
- In the year General & Bulk Cargo volumes fell 49.7%, and TEU throughput volumes fell by 15.9%
- The decline in TEU throughput volumes reflects the previously announced subdued marble volumes at Port Akdeniz
- Despite the weakness, EBITDA margins remained strong at 71.2%, reflecting the inherent cost flexibility in our business

Key Financials & KPI Highlights	FY 2019 Audited	FY 2019 Constant currency	FY 2018 Reported	YoY Change	YoY CCY
Total Revenue ($m)	**117.9**	**121.0**	**124.8**	**-5.6%**	**-3.0%**
Cruise Revenue ($m)[8]	63.0	65.8	54.9	14.8%	19.8%
Commercial Revenue ($m)	54.8	55.2	69.9	-21.5%	-21.0%
Segmental EBITDA ($m)	**83.4**	**85.5**	**90.7**	**-8.0%**	**-5.8%**
Cruise EBITDA ($m)[9]	44.4	46.3	37.6	18.0%	23.1%
Commercial EBITDA ($m)	39.1	39.2	53.1	-26.4%	-26.3%
Adjusted EBITDA ($m)	**77.0**	**79.0**	**83.7**	**-8.0%**	**-5.6%**
Segmental EBITDA Margin	70.8%		72.7%		
Cruise Margin	70.4%		68.5%		
Commercial Margin	71.2%		76.0%		
Adjusted EBITDA Margin	65.3%		67.1%		
Profit/(Loss) before tax ($m)	**(13.4)**		**8.6**	**-255.1%**	
KPIs					
Passengers (m PAX)[7]	**5.3**		**4.4**	**17.7%**	
General & Bulk Cargo ('000 tons)	**743.1**		**1,478.4**	**-49.7%**	
Container Throughput ('000 TEU)	**199.18**		**236.7**	**-15.9%**	

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

Chief Executive's 2019 Operational Review

2019 saw a year of 'marquee' additions to the cruise port portfolio and a good Cruise performance, which has unfortunately now been overshadowed by the Covid-19 virus outbreak.

While there has been no significant impact from Covid-19 on our Commercial operations, the Cruise industry and our Cruise operations are now expected to experience a significant impact in 2020.

We are taking actions to address the financial impact and I am confident in our ability to weather this storm. While not the circumstances we would have chosen, I believe how we successfully navigate this crisis will stand as a testament to the strength of our business. However, our thoughts at this time are very much with those who have been directly impacted by the Covid-19 outbreak.

2019

2019 saw a mixed year of operating performance from GPH. The parts that were good, were very good and most significantly GPH successfully delivered on our plans to grow our physical reach. During the year we added our second and third Caribbean cruise ports in the prime cruising locations of Nassau and Antigua. Both of these ports are expected to shortly be in our top five by EBITDA.

Towards the end of the year, we also grew our presence in Asia by welcoming Ha Long Bay Cruise Port, Vietnam into our portfolio. And in the Mediterranean, our 50:50 joint venture with MSC acquired the operator of La Goulette Cruise Port, Tunisia.

In the summer, the Board announced a strategic review to maximise shareholder value. The review process is ongoing, however, we have recently entered into exclusive negotiations with a potential buyer of Port Akdeniz.

In our day-to-day operations, our Cruise port business continued to perform well, with a number of our ports welcoming record passenger numbers or winning industry awards. However, our Commercial business came up against challenges posed by trade tariffs, global trading uncertainty and issues in key markets such as China. This led to an overall Group operating performance below our original expectations, with EBITDA falling in the year.

Our full year revenue was $117.9m compared to $124.8 million in 2018. Adjusted EBITDA fell 6.1% to $77.0 million (2018: $83.7 million). With the Group generating a loss before tax of $13.4m (2018: Profit before tax of $8.6m).

In a year that had promised more, we are nevertheless pleased to have delivered very much in line with the long-term strategy we set out at the time of our IPO. Indeed, the addition of such high-quality cruise ports transforms the Group, and makes Cruise our largest business segment.

Cruise

Our cruise business once again delivered record passenger numbers and record Segmental EBITDA in the year.

Cruise Revenue increased 14.8% to $63.0m (FY 2018: $54.9m), while Cruise segmental EBITDA rose to $44.1m, a growth rate of 17.2%. The revenue from our cruise ports in 2019 was almost exclusively generated in USD and Euros. Our Turkish ports and Nassau and Antigua generated all of their revenues in USD, while our other ports generated their revenues in Euros and incur most of their costs in Euros.

We welcomed 5.3m cruise passengers to our consolidated and managed portfolio in 2019, a growth rate of 17.7%. The headline growth rate was driven by the first time contribution from the new ports in the Caribbean, excluding these, cruise passenger volumes grew 3.4%. When we include passenger volumes from our equity accounted associate ports of La Goulette, Lisbon, Singapore and Venice, total passenger volumes rose 8.5% to 9.3m (FY 2018: 8.5m).

Of particular note is the strong passenger growth at both Valletta and Ege. Valletta reported passenger growth of 27%, recovering strongly from a subdued performance in 2018. While Ege, after a few years of subdued passenger volumes started to see volumes recover, with very strong passenger growth of 33%.

Our ancillary services offering evolved further during the year. We refurbished and transformed our travel retail areas in Barcelona and we also made further progress with our key priority of offering an integrated services package at our ports, which we have started rolling out at our ports in Iberia.

But the most important development in our Cruise business in 2019 was the expansion and strengthening of our portfolio. In a series of selective additions, we welcomed three new cruise port concessions and a further management agreement port into the GPH family and our JV in Singapore successfully secured an extension out to 2027. The number – and, of equal significance, the quality – of these arrivals takes our cruise port portfolio to the next level, enhancing our presence in the cruise sector's core markets.

In the Caribbean, we signed a 25-year concession agreement for the redevelopment and management of Nassau Cruise Port in the Bahamas, which is one of the largest of its kind in the world. We also signed a 30-year concession agreement for cruise operations in Antigua & Barbuda.

Towards the end of the year, we added our second port in Asia with the signing of a 15-year management services agreement for Ha Long Bay Cruise Port in Vietnam. And in the Mediterranean, our 50:50 joint venture acquired the operating company of La Goulette cruise port in Tunisia.

The addition of these four new ports to our portfolio was a clear highlight of the year. Nassau and Antigua, having become part of the Group in Q4 2019 contributed $2.5m and $1.8m of revenue respectively for the year. Ha Long Bay and La Goulette joined at the end of December so there was no meaningful impact from these ports during the year.

Excluding the impact of Covid-19, the effect of these additions will be significant, more than doubling our passenger volumes from 2019 levels.

Cruise Port Operations	2019 Reported	2019 CCY	2018 Reported	Yoy Chge	YOY CCY
Revenue (USD m)	**63.0**	**65.8**	**54.9**	**14.8%**	19.8%
Segmental EBITDA (USD m)	**44.4**	**46.3**	**37.6**	**18.0%**	23.1%
Segmental EBITDA Margin	70.4%	70.3%	68.5%		
Passengers (m)1	5.3		4.5	17.7%	
Creuers (Barcelona and Malaga)					
Revenue (USD m)	**31.3**	**32.9**	**31.6**	**-0.9%**	4.1%
Segmental EBITDA (USD m)	**20.5**	**21.5**	**19.8**	**3.4%**	8.6%
Segmental EBITDA Margin	65.4%	65.4%	62.7%		
Passengers (m)1	2.6		2.51	1.5%	
Ege Port					
Revenue (USD m)	**6.5**	**6.5**	**4.7**	**40.8%**	40.8%
Segmental EBITDA (USD m)	**4.6**	**4.6**	**3.1**	**48.9%**	48.9%
Segmental EBITDA Margin	70.1%	70.1%	66.3%		
Passengers (m)1	0.3		0.2	32.8%	
Valletta Cruise Port					
Revenue (USD m)	**13.9**	**14.6**	**13.0**	**6.6%**	12.0%
Segmental EBITDA (USD m)	**8.0**	**8.4**	**6.4**	**25.4%**	31.8%
Segmental EBITDA Margin	57.9%	57.9%	49.2%		
Passengers (m)1	0.9		0.7	26.9%	
Nassau Cruise Port					
Revenue (USD m)	**2.5**	**2.5**	**n/a**		
Segmental EBITDA (USD m)	**1.8**	**1.8**	**n/a**		
Segmental EBITDA Margin	72.5%	72.5%	n/a		
Passengers (m)1	41.6%	41.6%	n/a		
Other Cruise					
Revenue (USD m)	**8.8**	**9.3**	**5.7**	**55.6%**	63.6%
Segmental EBITDA (USD m)	**9.5**	**10.0**	**8.3**	**13.8%**	19.6%
Passengers (m)1	1.2		1.1	8.1%	

Commercial

The performance of our Commercial business in 2019 was disappointing, with Commercial Segmental EBITDA declining by 26.4%

The primary drivers behind the depressed volumes were macro-economic factors such as trade tariffs and the general uncertainty around global trade, particularly involving China. This impact was felt most at Port Akdeniz, where container throughput volumes fell by 19.0% and general & bulk cargo volumes fell by 54.9%. The container decline was driven by a decrease in marble volumes to China, the largest market for Antalya marble, while general & bulk cargo volumes were mainly affected by weak cement volumes.

Port Akdeniz's significant direct exposure to China meant it felt this impact more acutely than Port Adria where, excluding project cargo volumes, underlying trading was broadly unchanged.

Despite the sharp decline in volumes, it is testament to the strength and flexibility of our business model that Commercial EBITDA margins were still above 70% in the year.

Following a competitive sales process conducted in the second half of 2019, GPH has entered exclusive negotiations with a potential buyer of Port Akdeniz. A further announcement will be made when it is appropriate to do so.

Commercial	2019 Reported	Period Constant currency	2018 Reported	Yoy Chge	YOY CCY
Revenue (USD m)	**54.9**	**55.2**	**69.9**	**-21.5%**	-21.0%
Segmental EBITDA (USD m)	**39.1**	**39.2**	**53.1**	**-26.4%**	-26.3%
Segmental EBITDA Margin	72.4%	70.9%	76.0%		
General & Bulk Cargo ('000)	743.1		1478.4	-49.7%	
Throughput ('000 TEU)	199.1		236.7	-15.9%	
Port Akdeniz					
Revenue (USD m)	**47.5**	**47.5**	**59.9**	**-20.7%**	-20.7%
Segmental EBITDA (USD m)	**37.4**	**37.4**	**49.2**	**-24.0%**	-24.0%
Segmental EBITDA Margin	78.7%	78.7%	82.1%		
General & Bulk Cargo ('000)	588.9		1305.2	-54.9%	
Throughput ('000 TEU)	150.9		186.3	-19.0%	
Port Adria					
Revenue (USD m)	**7.4**	**7.8**	**10.0**	**-26.3%**	**-22.5%**
Segmental EBITDA (USD m)	**1.7**	**1.8**	**3.9**	**-56.5%**	**-54.3%**
Segmental EBITDA Margin	23.1%	23.1%	39.2%		
General & Bulk Cargo ('000)	154.2		173.2	-11.0%	
Throughput ('000 TEU)	48.2		50.4	-4.5%	

Board changes

In Q1 2020 some changes were announced to GPH's Board. Thierry Edmond Déau and Thomas Josef Maier, having both decided not to stand for re-election as Independent Non-Executive Directors at the next AGM, agreed to step down early to allow new board members to join as soon as practically possible.

As a result, Andy Stuart, until recently President and Chief Executive Officer of Norwegian Cruise Line, the largest cruise line of Norwegian Cruise Line Holdings Ltd, joined the board. Andy brings vast experience of the cruise industry, gained over a period of more than 30 years, and he will be a valuable addition to the team.

The process of appointing a further Non-Executive Director, with a strong background within the UK Plc environment, is well underway. A further announcement in this regard will be made when it is appropriate to do so.

Financial Review

Revenue for the year was $117.9m, down 5.6% (-5.0% in constancy currency) and Adjusted EBITDA fell 8.0% (-7.7% in constant currency) to $77.0m, with underlying profit falling 53% to $27.3m and loss after tax of $13.4m.

Full year growth in consolidated and managed portfolio passengers was 17.7% to 5.3m, driven by the pro rata contribution from Nassau and Antigua in the year, while total passenger volumes in our portfolio volumes grew 8.5% to 9.3m, with our equity accounted associate ports (Venice, Lisbon and Singapore) welcoming 4.0m passengers.

Cruise Revenue increased 14.8% to $63.0m (FY 2018: $54.9m), and Cruise segmental EBITDA increased by 18.0% to $44.4m (FY 2018: $37.6m). Our equity accounted associate ports (La Goulette, Lisbon, Singapore and Venice) performed in line with last year, with their pro-rata net income contributing at the Segmental and Adjusted EBITDA level $5.6m, (FY 2018: $5.6m). Excluding the impact of our equity accounted associates, Cruise EBITDA growth was 20.4%. On a constant currency basis, full year cruise revenue was $63.3m and Cruise segmental EBITDA was $44.5m.

Commercial revenue fell 21.5% in the period to $54.8m (FY 2018: $69.9m). Port Akdeniz revenue fell by 20.7% to $47.5m (FY 2018: $59.9m), while Port Adria revenues fell by 26.3% to $7.4m (FY 2018: $10.0m). General & Bulk Cargo volumes fell 49.7% in the year, while in Containers volumes fell 15.9% in the year.

Commercial Segmental EBITDA fell by 26.4% to $39.1m in the year. EBITDA at Port Akdeniz fell by 24.0%, driven by the previously disclosed significant fall in volumes during the year. Port Adria EBITDA declined by 56.5%, largely as a result of the non-recurrence of project cargo in the year. Commercial Segmental EBITDA margin of 71.2% was a sharp decline vs 2018 but in the face of such a significant drop in volumes, this performance stands as testament to the flexibility within the business model.

Unallocated expenses

Unallocated expenses or central costs fell by 8.3% yoy to $6.4m, reflecting the annualising of our previous investment into our central functions in 2018 as well as some benefit from the weaker Turkish Lira compared to 2018 as well as a modest IFRS 16 impact.

Depreciation and Amortisation Costs

Depreciation and amortisation costs increased to $47.8m in the year from $44.6 million in 2018. This increase is primarily due to IFRS 16 – Leases impact, an additional $2.4m was expensed as a result of the depreciation associated with capitalising all operational leases.

Specific Adjusting Items in Operating Profit

During 2019 specific adjusting items of -$8.4m comprised Project expenses amounting to -$5.1m a decrease on the -$9.6m in 2018, -$2.5 million provisions, and -$0.8m other expenses. The decrease in project expenses is mostly related to reimbursement of incurred project expenses for Antigua and Nassau Cruise Ports. The increase in provisions is mostly related to management’s decision to fully provide for certain legal cases during 2019

On a statutory (IFRS) basis operating profit fell by 57.4% to $15.3m which was primarily driven by the 5.6% decline in revenues and most significantly the absence of the $12.2m positive impact from the reversal of replacement provision for the Spanish cruise ports in 2018. Share of profit of equity-accounted investees was effectively flat on the year, at $5.6m (FY 2018: $5.6m), with Net Finance Cost rising to $34.3m (FY 2018: $32.9m) driven the $2.4m impact of IFRS 16 on the treatment of operating leases. There was therefore a loss before tax of $13.4m compared to a profit before tax of $8.6m in 2018.

Net Finance Costs

The Group’s net finance charge in the period was $3.1m, a slight increase on the $32.9 million charge in 2018. The increase was primarily the result of IFRS 16 application, interest impact on operational leases, partly offset by the decrease in foreign exchange losses.

The Finance charge decreased to $42.3m compared to a $60.9m charge in 2018, this was primarily due to the decrease in TL fluctuation against other currencies; which resulted significant non-cash losses, when revaluing the Eurobond debt as this is issued by a Turkish Lira denominated, 100% owned entity within the group, along with non-cash revaluations on Turkish entities foreign currency dominated liabilities.

Finance income also decreased to $8.1m as a result of a stable year in currency movement of TL against other currencies, due to non-cash revaluations on Turkish entities foreign currency dominated assets.

Net interest expense increased by $3.1m to $28.4m (2018: $25.2m). This is due to the IFRS 16 – Leases application, an additional $64.8m lease liability was recognised on Balance Sheet, as a result of long term concession contracts capitalisation.

Taxation

The Group’s effective tax rate was 26.34% in the year compared to 25.56% in prior year. Global Ports Holding is a multinational group and as such is liable for taxation in multiple jurisdictions around the world. The Group’s tax charge for the period was $1.9m compared to $1.5m in 2018.

The Group is paying corporate tax due to specific components being profitable however due to group tax relief restrictions, losses created on other components (mostly sub-holding companies) cannot be utilised. On a cash basis, the Group's income taxes paid amounted to $7.2m in line with the $7.3m paid in 2018.

Earnings Per Share

The Group's Basic earnings per share was a loss of -29.54c (FY 2018: 1.23c), this decrease is in line with the decreases in loss/profit for the year attributable to owners of the company to -$18.6m (2018: $0.8m).

Underlying earnings per share is underlying profit divided by weighted average number of shares. Underlying earnings per share of 43.5c (FY 2018: 94.0c), was primarily driven by the adding back of the amortisation of port operating rights of $34.5m (FY 2018: $31.6m), non-cash charge of provisional expenses $2.5m (FY 2018: $0.5m) and charge of unrealised portion of unhedged portion of GLI Eurobond of $5.2m (FY 2018: 17.6m).

Cash Flow and Investment

Operating cash flow was $37.1m (FY 2018: $61.1m). Capital expenditure during the period was $24.0m, an increase on the $14.8m incurred in FY 2018. The increase is mostly related to expenses made on new project development amounting $8.2 million and $5.7 million for the new Pier construction in Antigua. $21 million included in the consolidated cash flow statement is related to the repayment of a bond on behalf of the Government of Antigua as part of signing the concession agreement. Other areas of investment included $1.5 million on office and terminal improvement in Barcelona, $1.6 million in port operating rights for the extension in Bodrum, $3.1 million on enhancements to superstructure in Port Akdeniz, $1.6 million on enhancements to superstructure in Port of Adria. Dividends paid to equity owners totals $29.2m during the year, comprising the final dividend in respect of 2018 of $16.7 million and the interim dividend in respect of 2019 of $12.5 million.

Balance Sheet

Pre-IFRS 16 Gross debt at 31 December 2019 was $388.6 million compared to $347.1 million at 31 December 2018. Post IFRS 16 Gross debt at period end was $453.0m (31st December 2018: $347.1m), the increase was mainly driven by recognition of lease liabilities of the concession agreements in line with IFRS 16 – Leases resulted in an increase of $65.4m in financial statements. New loans received in Antigua and Nassau amounting $15.2m and $16.0m, respectively, for financing of the investment and construction of Port facilities. Capital expenditure requirements were financed through non-recourse drawdowns, partially offset by partial repayment of loans in Barcelona and Valletta Cruise Port.

The Leverage Ratio as per GPH's Eurobond covenant requirement increased to 4.65x at 31st December 2019 (31st December 2018: 4.2x), vs a restrictive covenant requirement of 5.0x.

At 31 December 2019 pre IFRS net debt was $324.3m compared to $267.2m at 31 December 2018. Post IFRS 16 net debt at the end of year was $389.1m. This increase was mainly driven by the change in gross debt described above and cash used for investments and capex activity the year. The group's pre IFRS 16 Net Debt/Adjusted EBITDA ratio was 4.3x times as at 31 December 2019 compared to 3.2x at 31 December 2018.

Dividend

The Company paid a $12.5m interim dividend (15.5 pence per share) in November 2019. In terms of a full year dividend payment, in light of the unprecedented level of disruption to global trade and the cruise industry and the associated short term uncertainty, the Board of GPH decided that it was prudent and in the best interests of all stakeholders to temporarily suspend the dividend for full year 2019, until the situation becomes clearer.

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;

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 and the costs associated with appraising and securing new and potential future port agreements which should not be considered when assessing the underlying trading performance, the replacement provisions, being provision created for replacement of fixed assets which does not include regular maintenance, 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,

	Year ended 31 December 2019 (USD '000)	**Year ended 31 December 2018 (USD '000)**
Project expenses	5,146	9,594
Employee termination expenses	215	147
Replacement provisions	673	677
Provisions / (reversal of provisions)	1,569	(12,210)
Other expenses	788	(690)
Specific adjusting items	**8,391**	**(2,482)**

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 2 to these financial statements.

Underlying Profit

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

Underlying Profit is calculated as profit / (loss) for the year after adding back: amortization 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 7 have been excluded.

Underlying profit and adjusted earnings per share computed as following;

	Year ended 31 December 2019 (USD '000)	**Year ended 31 December 2018 (USD '000)**
(Loss) / Profit for the Period, net of IFRS 16 impact	(13,597)	7,136
Impact of IFRS 16	(1,622)	--
(Loss) / Profit for the Period	**(15,219)**	**7,136**
Amortisation of port operating rights / RoU asset / Investment Property	34,453	31,648
Gain on reversal of provisions	--	(12,209)
Non-cash provisional (income) / expenses	2,457	502
Unhedged portion of Investment hedging on Global Liman	5,222	17,552
(Gain) / loss on foreign currency translation on equity	414	14,417
Underlying Profit	**27,327**	**59,046**
Weighted average number of shares	62,826,963	62,826,963
Adjusted earnings per share (pence)	**43.5**	**94.0**

Net debt

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

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

Net debt comprised as following;

	Year ended 31 December 2019 (USD '000)	Year ended 31 December 2018 (USD '000)
Current loans and borrowings	62,691	48,755
Non-current loans and borrowings	390,299	298,296
Gross debt	**452,990**	**347,051**
Lease liabilities recognized due to IFRS 16 application	(64,828)	--
Gross debt, net of IFRS 16 impact	**388,162**	**347,051**
Cash and bank balances	(63,780)	(79,829)
Short term financial investments	(71)	(72)
Net debt	**324,311**	**267,150**
Equity	155,263	215,721
Net debt to Equity ratio	**2.09**	**1.24**

Leverage ratio

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

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

Leverage ratio computation is made as follows;

	Year ended 31 December 2019 (USD '000)	Year ended 31 December 2018 (USD '000)
Gross debt	452,990	347,051
Lease liabilities recognised due to IFRS 16 application	(64,828)	--
Gross debt, net of IFRS 16 impact	**388,162**	**347,051**
Adjusted EBITDA	77,015	83,714
Impact of IFRS 16 on EBITDA	(3,204)	--
Adjusted EBITDA, net of IFRS 16 impact	**73,811**	**83,714**
Leverage ratio*	5.26x	4.15x

* As per Eurobond definition on note 13, Cruceros, NCP, GPH Antigua and GPH PLC Gross Debt (net off ifrs 16 impact amounted to USD 35,635 thousand) and adjusted EBITDA (USD 391 thousand) figures should be excluded from above computation of leverage ratio in order to arrive at the covenant ratio as per Eurobond memorandum. This will result to a 4.8x leverage ratio, which is below 5x covenant threshold.

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.

	Year ended 31 December 2019 (USD '000)	Year ended 31 December 2018 (USD '000)
Acquisition of property and equipment	15,813	11,896
Acquisition of intangible assets *	8,155	2,911
CAPEX	**23,968**	**14,807**

* Acquisition of intangible assets doesnot include port operating rights.

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.

	Year ended 31 December 2019 (USD '000)	Year ended 31 December 2018 (USD '000)
Adjusted EBITDA	77,015	83,714
Impact of IFRS 16 on EBITDA	(3,204)	--
Adjusted EBITDA, net of IFRS 16 impact	**73,811**	**83,714**
CAPEX	(23,968)	(14,912)

Cash converted after CAPEX	**49,843**	68,802
Cash conversion ratio	**67.5%**	**82.2%**

Hard currency

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

Global Ports Holding PLC and its Subsidiaries

Consolidated statement of profit or loss
and other comprehensive income
For the years ended 31 December 2019 and 2018

	Note	Year ended 31 December 2019 (USD '000)	Year ended 31 December 2018 (USD '000)
Revenue	*3*	117,884	124,812
Cost of sales	*4*	(79,884)	(77,523)
Gross profit		**38,000**	**47,289**
Other income	*6*	3,501	19,728
Selling and marketing expenses		(2,109)	(1,293)
Administrative expenses	*5*	(15,505)	(15,993)
Other expenses	*6*	(8,580)	(13,834)
Operating profit		**15,307**	**35,897**
Finance income	*7*	8,082	27,955
Finance costs	*7*	(42,333)	(60,867)
Net finance costs		**(34,251)**	**(32,912)**
Share of profit of equity-accounted investees	*10*	5,580	5,631
(Loss) / Profit before tax		**(13,364)**	**8,616**
Tax expense		(1,855)	(1,480)
(Loss) / Profit for the year		**(15,219)**	**7,136**
Profit / (Loss) for the year attributable to:			
Owners of the Company		(18,558)	770
Non-controlling interests		3,339	6,366
		(15,219)	**7,136**

Global Ports Holding PLC and its Subsidiaries

Consolidated statement of profit or loss and other comprehensive income *(continued)*

For the years ended 31 December 2019 and 2018

	Note	Year ended 31 December 2019 (USD '000)	Year ended 31 December 2018 (USD '000)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit liability		(40)	(19)
Income tax relating to items that will not be reclassified subsequently to profit or loss		9	4
		(31)	**(15)**
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation differences		14,774	42,107
Cash flow hedges - effective portion of changes in fair value		335	155
Cash flow hedges – realized amounts transferred to income statement		(246)	(216)
Losses on a hedge of a net investment		(24,725)	(59,630)
		(9,862)	**(17,584)**
Other comprehensive income / (loss) for the year, net of income tax		**(9,893)**	**(17,599)**
Total comprehensive income / (loss) for the year		**(25,112)**	**(10,463)**
Total comprehensive income / (loss) attributable to:			
Owners of the Company		(26,757)	(12,315)
Non-controlling interests		1,645	1,852
		(25,112)	**(10,463)**
Basic and diluted earnings / (loss) per share (cents per share)	*14*	**(29.5)**	**1.23**

Global Ports Holding PLC and its Subsidiaries

Consolidated Statement of financial position
As at 31 December 2019 and 2018

	Note	As at 31 December 2019 (USD '000)	As at 31 December 2018 (USD '000)
Non-current assets			
Property and equipment	*8*	130,511	129,351
Intangible assets	*9*	424,618	392,361
Right of use assets	*16*	81,123	--
Investment property	*17*	2,139	--
Goodwill		13,485	13,485
Equity-accounted investments	*10*	26,637	26,003
Due from related parties	*18*	6,811	--
Other investments		4	12,013
Deferred tax assets		2,179	3,066
Other non-current assets		4,573	4,626
		692,080	**580,905**
Current assets			
Trade and other receivables		31,022	19,999
Due from related parties	*18*	771	1,027
Other investments		71	72
Other current assets		3,916	3,336
Inventories		1,393	1,454
Prepaid taxes		1,846	1,363
Cash and cash equivalents	*11*	63,780	79,829
		102,799	**107,080**
Total assets		**794,879**	**687,985**
Current liabilities			
Loans and borrowings	*13*	62,691	48,755
Other financial liabilities		4,536	--
Trade and other payables		21,367	15,279
Due to related parties	*18*	1,317	542
Current tax liabilities		2,725	2,459
Provisions		2,043	955
		94,679	**67,990**
Non-current liabilities			
Loans and borrowings	*13*	390,299	298,296
Other financial liabilities		50,394	3,408
Deferred tax liabilities		84,715	92,294
Provisions		18,175	8,862
Employee benefits		869	797
Derivative financial liabilities		485	617
		544,937	**404,274**
Total liabilities		**639,616**	**472,264**
Net assets		**155,263**	**215,721**
Equity			
Share capital	*12*	811	811
Legal reserves	*12*	13,144	13,030
Share based payment reserves		239	--
Hedging reserves	*12*	(220,029)	(195,393)
Translation reserves	*12*	213,715	197,247
Retained earnings		61,053	108,981
Equity attributable to equity holders of the Company		**68,933**	**124,676**
Non-controlling interests		**86,330**	**91,045**
Total equity		**155,263**	**215,721**

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

Global Ports Holding PLC and its Subsidiaries

Consolidated statement of changes in equity

For the year ended 31 December 2019 and 2018

(USD '000)	***Notes***	**Share capital**	**Legal reserves**	**Share based payment reserves**	**Hedging reserves**	**Translation reserves**	**Retained earnings**	**Total**	**Non-controllin g interests**	**Total equity**
Balance at 1 January 2019		**811**	**13,030**	**--**	**(195,393)**	**197,247**	**108,981**	**124,676**	**91,045**	**215,721**
Adjustment on initial application of IFRS 16 (net of tax) (*)		**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**
Adjusted balance at 1 January 2019		**811**	**13,030**	**--**	**(195,393)**	**197,247**	**108,981**	**124,676**	**91,045**	**215,721**
(Loss) / income for the year		--	--	--	--	--	(18,558)	**(18,558)**	3,339	**(15,219)**
Other comprehensive (loss) / income for the year		--	--	--	(24,636)	16,468	(31)	**(8,199)**	(1,694)	**(9,893)**
Total comprehensive (loss) / income for the year		**--**	**--**	**--**	**(24,636)**	**16,468**	**(18,589)**	**(26,757)**	**1,645**	**(25,112)**
Transactions with owners of the Company										
Transactions with non-controlling interest		--	--	--	--	--	--	**--**	6	**6**
Transfer to legal reserves	*12 (b) i*	--	114	--	--	--	(114)	--	--	--
Equity settled share-based payment expenses		--	--	239	--	--	--	**239**	--	**239**
Dividends	*12 (c)*	--	--	--	--	--	(29,225)	**(29,225)**	(6,366)	**(35,591)**
Total contributions and distributions		**--**	**114**	**239**	**--**	**--**	**(29,339)**	**(28,986)**	**(6,360)**	**(35,346)**
Total transactions with owners of the Company		**--**	**114**	**239**	**(24,636)**	**16,468**	**(47,928)**	**(55,743)**	**(4,715)**	**(60,458)**
Balance at 31 December 2019		**811**	**13,144**	**239**	**(220,029)**	**213,715**	**61,053**	**68,933**	**86,330**	**155,263**

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

Global Ports Holding PLC and its Subsidiaries

Consolidated statement of changes in equity (continued)

For the year ended 31 December 2019 and 2018

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

Global Ports Holding PLC and its Subsidiaries

Consolidated cash flow statement
For the years ended 31 December 2019 and 2018

	Note	Year ended 31 December 2019 (USD '000)	Year ended 31 December 2018 (USD '000)
Cash flows from operating activities			
(Loss) / Profit for the year		(15,219)	7,136
Adjustments for:			
Depreciation of PPE, and RoU assets, and amortization expense	*8, 9, 16, 17*	47,737	44,668
Share of profit of equity-accounted investees, net of tax	*10*	(5,580)	(5,631)
Gain on disposal of property plant and equipment		(17)	(142)
Finance costs (excluding foreign exchange differences)		30,571	26,623
Finance income (excluding foreign exchange differences)		(2,017)	(1,684)
Foreign exchange differences on finance costs and income, net		5,697	7,973
Income tax (benefit) / expense		1,855	1,480
Employment termination indemnity reserve		139	39
Equity settled share-based payment expenses		239	--
Reversal of / (Charges to) Provision		1,676	(12,000)
Operating cash flow before changes in operating assets and liabilities		**65,081**	**68,462**
Changes in:			
- trade and other receivables		(11,023)	(4,297)
- other current assets		(1,003)	3,510
- related party receivables		(6,555)	572
- other non-current assets		346	412
- trade and other payables		(11,849)	(71)
- related party payables		775	59
- Post-employment benefits paid		(31)	(131)
- provisions		8,573	(64)
Cash generated by operations before benefit and tax payments		**44,314**	**68,452**
Income taxes paid		(7,195)	(7,345)
Net cash generated from operating activities		**37,119**	**61,107**
Investing activities			
Acquisition of property and equipment	*8*	(15,813)	(11,896)
Acquisition of intangible assets	*9*	(8,155)	(2,911)
Acquisition of a lease asset		(21,000)	--
Proceeds from sale of property and equipment		35	234
Bond and short-term investment income		--	(30)
Proceeds from sale of investments		--	13,944
Bank interest received		251	348
Dividends from equity accounted investees		2,849	541
Proceeds from sale of other investments in FVTPL instruments		13,184	--
Investment in equity accounted investee		(61)	
Incorporation of subsidiary		(5)	--
Other Investment in FVTPL instruments		--	(11,977)
Advances given for tangible assets		(292)	(85)
Net cash (used in)/from investing activities		**(29,007)**	**(11,832)**
Financing activities			
Equity injection by minorities to subsidiaries		7	94
Dividends paid to equity owners	*12(c)*	(29,225)	(34,843)
Dividends paid to NCIs	*12(c)*	(5,062)	(3,797)
Interest paid		(26,388)	(23,902)
Proceeds from borrowings		74,918	44,205
Repayments of borrowings		(31,949)	(34,697)
Repayments of lese liabilities (2018: payment of finance lease liabilities) (*)		(3,066)	(1,427)
Net cash (used in)/from financing activities		**(20,765)**	**(54,367)**
Net increase / (decrease in cash and cash equivalents		**(12,653)**	**(5,092)**
Effect of foreign exchange rate changes on cash and cash equivalents		(3,396)	(14,527)
Cash and cash equivalents at beginning of year	*11*	79,829	99,448
Cash and cash equivalents at end of year	*11*	**63,780**	**79,829**

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

the accompanying notes form part of these financial statements

1 Basis of preparation

Global Ports Holding PLC is a public company incorporated in the United Kingdom and registered in England and Wales under the Companies Act 2006. The address of the registered office is 34 Brook Street 3rd Floor, London W1K 5DN, United Kingdom. Global Ports Holding PLC is the parent company of Global Liman Isletmeleri A.S. and its subsidiaries (the “Existing Group”). The majority shareholder of the Company is Global Yatırım Holding.

The financial information for the year ended 31 December 2019 contained in this News Release was approved by the Board on 13 April 2020. These condensed Financial Statements for the year ended 31 December 2019 have been prepared in accordance with the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority. They have been prepared in accordance with EU endorsed International Financial Reporting Standards (“IFRSs”) but do not comply with the full disclosure requirements of these standards. The financial information set out above does not constitute the company's statutory accounts for the years ended 31 December 2019 or 2018.

Statutory financial statements for the year ended 31 December 2019, which have been prepared on a going concern basis, will be delivered to the Registrar of Companies in due course. The auditor has reported on those financial statements. Their report was not qualified, did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report, and did not contain a statement under Section 498 (2) or (3) of the Companies Act 2006.

Accounting policies

With the exception of those changes described below the accounting policies adopted of these Condensed Financial Statements are consistent with those described on pages 172 – 185 of the Annual Report and Financial Statements for the year ended 31 December 2018.

In the year ended 31 December 2019, the Group applied a number of amendments to IFRSs issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2019. The Group has adopted IFRS 16 Leases and IFRS 2 Share-based payment arrangements from 1 January 2019. A number of other new standards are effective from 1 January 2019 but they do not have a material effect on the Group’s financial statements.

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

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

Definition of a lease

Previously, the Group determined at contract inception whether an arrangement was, or contained, a lease under IFRIC 4 Determining Whether an Arrangement contains a Lease. The Group now assesses whether a contract is or contains a lease based on the new definition of a lease as explained in note 3I of the Annual report and financial statements. Under IFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

On transition to IFRS 16, the Group elected to apply the practical expedient to grandfather the assessment of which transactions are leases. The Group applied IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed for whether there is a lease under IFRS 16. Therefore, the definition of a lease under IFRS 16 has been applied only to contracts entered into or changed on or after 1 January 2019.

As a lessee

As a lessee, the Group leases many assets including land, property, and cars. The Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Group. Under IFRS 16, the

Group recognises right-of-use assets and lease liabilities for most of these leases – i.e. these leases are on-balance sheet.

Lease payments linked to an index or rate are included in the initial measurement of the lessee's lease liability and ROU asset using the index as at the commencement date or transition date for existing lease agreements. For any subsequent changes in those indices, the lease liability needs to be measured with the corresponding increase/decrease to be accounted in the ROU assets.

Leases classified as operating leases under IAS 17

Previously, the Group classified lease payments under concession agreements which do not fall within IFRIC 122, as operating leases under IAS 17. On transition, for these leases, lease liabilities were measured at the present value of the remaining lease payments, discounted at the related Subsidiary's incremental borrowing rate as at 1 January 2019. Right-of-use assets are measured at:

- an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments: the Group applied this approach to its concession agreements that fall outside of IFRIC 12 scope.

The Group has tested its right-of-use assets for impairment on the date of transition as part of the relevant CGU and has concluded that there is no indication that the right-of-use assets are impaired.

The Group used a number of practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17. In particular, the Group:

- did not recognise right-of-use assets and liabilities for leases for which the lease term ends within 12 months of the date of initial application;
- did not recognise right-of-use assets and liabilities for leases of low value assets;
- excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
- used hindsight when determining the lease term.

Leases classified as finance leases under IAS 17

The Group leases a number of items of machinery and equipment. These leases were classified as finance leases under IAS 17. For these finance leases, the carrying amount of the right-of-use asset and the lease liability at 1 January 2019 were determined at the carrying amount of the lease asset and lease liability under IAS 17 immediately before that date.

As a lessor

The accounting policies applicable to the Group as a lessor are not different from those under IAS 17. The Group is not required to make any adjustments on transition to IFRS 16 for leases in which it acts as a lessor.

Impacts on transition

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

USD'000	**1 January 2019**
Right of use assets	58,983
Investment property	2,250
Prepayments	328
Accruals	(1,423)
Lease liabilities	62,328

For the impact of IFRS 16 on segment information and EBITDA, see Note 2.

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

USD'000	1 January 2019
Operating lease commitment at 31 December 2018 as disclosed in the Group's consolidated financial statements	158,860
Discounted using the incremental borrowing rate at 1 January 2019	61,268
Finance lease liabilities recognised as at 31 December 2018	1,905
- Recognition exemption for short-term leases	(35)
Lease liabilities recognised at 1 January 2019	**63,138**

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

USD'000	Right of Use	Investment property
Balance at 1 January 2019	58,983	2,250
Balance at 31 December 2019	81,123	2,139

The Group presents lease liabilities in 'loans and borrowings' in the statement of financial position. The adoption of IFRS 16 does not impact the ability of the Group to comply with its Gross debt to EBITDA covenant. Details described on Note 13.

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

The option will be settled by physical delivery of shares.

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

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

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 14 to 17 of the Annual report and financial statements. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described in the financial review on pages 22 to 23 of the Annual report and financial statements. In addition, notes 3 and 32 of the Annual report and financial statements to the financial statements include the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposures to credit risk and liquidity risk.

The Group's portfolio consists of investments in or management of 19 cruise ports and two commercial 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 despite the current uncertain economic outlook.

The principal events and conditions identified by Management that have the most significant impact on the going concern of the Group are:

(a) the passenger levels that will be observed during the Going Concern assessment period of not less than 12 months from the date of approval of these Annual Report and Accounts in view of the COVID-19 situation and the associated effect on Group revenues and cash position;

(b) the refinancing of the Group's Eurobond principal amounting to USD 250 million which has a maturity date of 14 November 2021;

(c) the financing requirements for committed and planned expenditure over the following 24 months, particularly in respect of the Group's newly acquired Caribbean Ports totalling USD 160 million (GPH Group's portion) and

(d) any negative business outlook on commercial operations related to macro-economic factors such as trade tariffs and their associated impact on global economies.

The uncertainty caused by the recent COVID-19 outbreak has been considered by the Group. The Group's main cruise port portfolio is located in Mediterranean region. Peak season for the cruise business in Mediterranean region starts in early May, due to the seasonality of the cruise business, with passenger numbers during the first Q1 budgeted and observed to be low. However, as at the approval date of these Annual Report and Accounts, the Group has experienced a significant level of cancellations for the April-May 2020 period from cruise line customers.

One of the major export products in Port Akdeniz is marble exports to China. After the closing of borders in China due to the spread of COVID-19, there were several delays in marble exports experienced in Q1. Management does not expect these delays to cause significant impact on the business and the fall in container volumes the Port is experiencing during the first months of 2020 is partly offset by an increase in general and bulk cargo volumes. A recovery of marble export is expected in 2020.

Management has considered the potential impact of COVID-19 outbreak on the Group's results and financial position. The following key, base case, assumptions were used in preparing this analysis:

- A fall to zero in the number of cruise passengers arriving at all ports in the GPH portfolio for a period to 1 June 2020 with a corresponding impact on passenger revenues and ports' variable expenses.
- A fall in occupancy rates by 60% in the Mediterranean and 60% in the Caribbean for all cruise lines, with a corresponding impact on passenger revenues and ports' variable expenses, based on the issued itineraries for the period 1 June 2020 to 31 March 2021.
- A fall in marble exports in Port Akdeniz to China of 25% based on the forecasted container cargo of marble for both loading and unloading for the next 12 months.
- Delay of dividend payments by the Group and individual ports for the next 12 months.

Under this scenario the Group expects to 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 these Annual Report and Accounts. Management has also assessed the impact of the above scenario on the Group's covenants. Barcelona Ports Investments and Valetta Cruise Port Limited covenants are projected to remain above the required level. The Group's Eurobond has a consolidated leverage ratio limit of 5x which is only required to be calculated when there is a change in the ratio due to additional indebtedness or acquisition or disposals of entities within the sub-group of the Eurobond covenant perimeter.

However, in order to stress test the financial position of the Group, management has also considered a plausible but, highly unlikely, severe downside scenario whereby the current passenger levels and commercial trade volumes due to the COVID-19 related circumstances persist for a period of 12 months. The following key, severe but plausible, assumptions were used in preparing this analysis:

- A fall to zero in the number of cruise passengers arriving at all ports in the GPH portfolio for a period to 31 December 2020 with a corresponding impact on passenger revenues and ports' variable expenses. To be followed by a moderate return, remaining 50% below original forecast, of cruise passengers to our Caribbean ports only.
- A fall in marble exports in Port Akdeniz to China of 75% based on the forecasted container cargo of marble for both loading and unloading until September 2020 followed by a moderate return, remaining at least 25% below original forecasts.
- Delay of dividend payments by the Group and individual ports for the next 12 months.
- Partial suspension of the capital investment in Nassau Cruise Port Limited forecasted for 2020 and 2021 amounting to a USD 10m reduction.

Under this scenario the Group still expects to have sufficient cash resources and remain within covenant requirements for a period of not less than 12 months from the date of approval of these Annual Report and Accounts having taken into account: committed, undrawn credit lines, covenant waivers that have been received, and potential mitigating actions within the control of the Group including the application of a number of contractual Force Majeure clauses.

In the circumstances of this severe downside scenario management are of the view that there may be a number of further mitigating actions that could be executed to reduce the depletion of cash resources but that are not within the control of Group at the date of approval of these Annual Report and Accounts and thus not included in the assessment. These includes being eligible for and receiving certain Governmental reliefs currently being discussed by various Governments and negotiated deferral or waiver of concession payments due to concessionaires.

Management has also commenced discussions with a number of investment banks to assess several options for the Eurobond refinancing including but not limited to re-issuing a new Eurobond. With Port Akdeniz being a significant guarantor of the bond, the outcome of the Group's exclusive negotiations with a potential buyer of this port may have a material impact on the appropriate refinancing structure. A final decision on the sale process is expected in Q3 2020, after which the Group will pursue the most appropriate refinancing structure.

So far considering the stage of these discussions, there is no indication that suggests that a refinancing cannot be obtained or an appropriate lender would not be found. The impact of COVID-19 has also been considered in relation to the Eurobond refinancing. Noting that the refinancing is only due by November 2021, Management does not currently expect any negative impact on its fundamental ability to secure financing by that time and has performed the Going Concern analysis on this basis.

The Group has arranged the required finance for the investment requirements of GPH Antigua while for Nassau Cruise Port an initial bridge financing arrangement of $50m has been agreed which will cover the first year's requirements. (Note 13).

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

The directors have considered the information described herein and have a reasonable expectation that the Group and its subsidiaries have adequate resources to continue in operational existence. Thus, they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

2 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 as 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.

2 Segment reporting *(continued)*

b) Reportable segments *(continued)*

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 is fully integrated into GPH cruise port network ("Adjusted EBITDA" or "Segmental EBITDA"). Adjusted EBITDA is considered by Group management to be the most appropriate profit measure for the review of the segment operations because it excludes items which the Group does not consider to represent the operating cash flows generated by underlying business performance. The share of equity-accounted investees has been included as it is considered to represent operating cash flows generated by the Group's operations that are structured in this manner.

The Group has the following operating segments under IFRS 8:

- BPI ("Creuers" or "Creuers (Barcelona and Málaga)"), VCP ("Valetta Cruise Port"), Ege Liman ("Ege Ports-Kuşadası"), Bodrum Liman ("Bodrum Cruise Port"), Ortadoğu Liman (Cruise port operations), POH, 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") and La Spezia Cruise Facility Srl. ("La Spezia") which fall under the Group's cruise port operations.
- Ortadoğu Liman (Commercial port operations) ("Port Akdeniz-Antalya") and Port of Adria ("Port of Adria-Bar") which both fall under the Group's commercial port operations.

The Group's reportable segments under IFRS 8 are BPI, VCP, Ege Liman, Nassau Cruise Port, Ortadoğu Liman (Commercial port operations) and Port of Adria (Commercial port operations).

Bodrum Cruise Port, Italian Ports, Ortadoğu Liman (Cruise operations), Port of Adria (Cruise Operations), and GPH Antigua, [that just started its operations at the end of 2019] are not exceeding the quantitative threshold, have been included in Other Cruise Ports.

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

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

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

The Group has initially applied IFRS 16 at 1 January 2019, using the modified retrospective approach. Under this approach, comparative information is not restated (see Note 2). In order to account for the application of IFRS 16, management has presented as separate reconciling items the impact of IFRS 16 on segmental and adjusted EBITDA, segment assets, segment liabilities, depreciation, finance costs.

As a result, the Group recognised USD 82,381 thousand of right-of-use assets and USD 64,828 thousand of liabilities from those lease contracts. These assets and liabilities are included in BPI, VCP, Other Cruise Ports, Ortadoğu Liman and Port of Adria segments as at 31 December 2019. The Group recognises depreciation and interest costs, instead of operating lease expense (see Note 2a). During the year ended 31 December 2019, in relation to those leases, the Group recognised USD 2,319 thousand of depreciation charges and USD 2,385 thousand of additional interest costs from leases.

2 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**	**Other Cruise Ports**	***Total Cruise***	**Ortadoğu Liman**	**Port of Adria**	***Total Commercial***	**Total**
31 December 2019										
Revenue	31,278	13,872	6,549	2,492	8,855	*63,046*	47,486	7,352	*54,838*	117,884
Segmental EBITDA	20,461	8,027	4,590	1,808	9,478	*44,364*	37,369	1,708	*39,077*	83,441
- Segmental EBITDA pre IFRS 16	*19,564*	*7,194*	*4,590*	*1,808*	*8,879*	*42,035*	*37,306*	*1,120*	*38,426*	*80,461*
- IFRS 16 impact on Segmental EBITDA	*897*	*833*	*--*	*--*	*599*	*2,329*	*63*	*588*	*651*	*2,980*
Unallocated expenses										(6,426)
Adjusted EBITDA										77,015
- IFRS 16 impact on Adjusted EBITDA										*224*
Reconciliation to profit before tax										
Depreciation and amortisation expenses										(47,737)
- IFRS 16 impact on depreciation and amortization expenses										*(2,441)*
Specific adjusting items (*)										(8,391)
Finance income										8,082
Finance costs										(42,333)
- IFRS 16 impact on finance costs										*(2,385)*
Profit before income tax										**(13,364)**
31 December 2018										
Revenue	31,577	13,017	4,650	--	5,670	*54,914*	59,887	10,011	*69,898*	124,812
Segmental EBITDA	19,793	6,399	3,084	--	8,331	*37,607*	49,184	3,928	*53,112*	90,719
Unallocated expenses										(7,005)
Adjusted EBITDA										83,714
Reconciliation to profit before tax										
Depreciation and amortisation expenses										(44,668)
Specific adjusting items (*)										2,482
Finance income										27,955
Finance costs										(60,867)
Profit before income tax										**8,616**

(*) Please refer to glossary of alternative performance measures (APM).

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

2 Segment reporting *(continued)*

b) Reportable segments *(continued)*

(ii) Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable segment for the years ended:

USD '000	BPI	VCP	Ege Liman	Nassau Cruise Port	Other Cruise Ports	*Total Cruise*	Ortadoğu Liman	Port of Adria	*Total Commercial*	Total
31 December 2019										
Segment assets	151,938	117,434	46,283	79,794	44,994	*440,443*	231,789	72,844	*304,633*	*745,076*
- Right-of-use assets	*11,770*	*21,627*	--	--	*39,123*	*72,520*	*49*	*7,917*	*7,966*	*80,486*
- Investment property	--	*2,139*	--	--	--	*2,139*	--	--	--	*2,139*
Equity-accounted investees	--	--	--	--	26,637	*26,637*	--	--	--	26,637
Unallocated assets										23,166
- Right-of-use assets										*637*
Total assets										**794,879**
Segment liabilities	68,591	60,430	9,918	79,583	41,930	*260,452*	72,367	38,474	*110,841*	371,293
- Lease liabilities recognized under IFRS 16	*11,903*	*25,001*	--	--	*17,868*	*54,772*	--	*9,408*	*9,408*	*64,180*
Unallocated liabilities										268,323
- Lease liabilities recognized under IFRS 16										*648*
Total liabilities										**639,616**
31 December 2018										
Segment assets	152,341	96,756	48,117	--	12,789	*310,003*	220,984	67,672	*288,656*	**598,659**
Equity-accounted investees	--	--	--	--	26,003	*26,003*	--	--	--	26,003
Unallocated assets										63,323
Total assets										**687,985**
Segment liabilities	66,652	35,248	13,202	--	7,048	*122,150*	56,969	29,725	*86,694*	**208,844**
Unallocated liabilities										263,420
Total liabilities										**472,264**

2 Segment reporting *(continued)*

b) Reportable segments *(continued)*

(iii) Other segment information

The following table details other segment information for the years ended:

USD '000	BPI	VCP	Ege Liman	Nassau Cruise Port	Other Cruise Ports	*Total Cruise*	Ortadoğu Liman	Port of Adria	*Total Commercial*	Unallocated	Total
31 December 2019											
Depreciation and amortisation expenses	(11,696)	(3,102)	(2,857)	(1,027)	(3,705)	(22,387)	(21,832)	(3,141)	(24,973)	(377)	(47,737)
- Depreciation of right of use assets recognised under IFRS 16	*(738)*	*(657)*	--	--	*(438)*	*(1,833)*	*(68)*	*(328)*	*(396)*	*(212)*	*(2,441)*
Additions to non-current assets (*)											
- Capital expenditures	1,571	1,615	46	7,850	7,903	*18,985*	3,311	1,596	4,907	76	23,968
Total additions to non-current assets (*)	**1,571**	**1,615**	**46**	**7,850**	**7,903**	***18,985***	**3,311**	**1,596**	**4,907**	**76**	**23,968**
31 December 2018											
Depreciation and amortisation expenses	(11,350)	(2,595)	(3,027)	--	(3,359)	(20,331)	(21,342)	(2,875)	(24,217)	(120)	(44,668)
Additions to non-current assets (*)											
- Capital expenditures	2,074	927	259	--	2,361	5,621	4,761	3,443	8,204	982	14,807
- Other	--	--	--	--	--	--	--	--	--	--	--
Total additions to non-current assets (*)	**2,074**	**927**	**259**	**--**	**2,361**	**5,621**	**4,761**	**3,443**	**8,204**	**982**	**14,807**

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

Global Ports Holding PLC and its Subsidiaries

Notes to the consolidated financial statements (continued)

2 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 and Italy. The geographic information below analyses the Group's revenue and non-current assets by countries. In presenting the following information, segment revenue has been based on the geographic location of port operations and segment non-current assets were based on the geographic location of the assets.

Revenue	**Year ended 31 December 2019 (USD '000)**	**Year ended 31 December 2018 (USD '000)**
Turkey	57,021	66,985
Montenegro	7,380	10,042
Malta	13,872	13,017
Spain	31,278	31,577
Bahamas	2,492	--
Antigua & Barbuda	1,753	--
Italy	3,838	3,191
Croatia	250	--
	117,884	**124,812**

Non-current assets	**As at 31 December 2019 (USD '000)**	**As at 31 December 2018 (USD '000)**
Turkey	222,615	243,224
Spain	129,114	129,695
Malta	115,467	94,703
Montenegro	70,080	65,202
Bahamas	69,213	--
Antigua & Barbuda	40,494	--
Italy	5,863	6,962
UK	7,474	12,048
Croatia	2,944	--
Unallocated	28,81[illegible]	29,071
	692,08[illegible]	**580,905**

Non-current assets relating to deferred tax assets and financial instruments (including equity-accounted investments) are presented as unallocated.

(v) Information about major customers

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

3 Revenue

For the years ended 31 December, revenue comprised the following:

(USD '000)	BPI 2019	BPI 2018	VCP 2019	VCP 2018	EP 2019	EP 2018	NCP 2019	NCP 2018	others 2019	others 2018
Point in time										
Container revenue	--	--	--	--	--	--	--	--	--	--
Landing fees	26,829	27,356	5,852	4,754	2,585	1,838	2,450	--	4,581	3,144
Port service revenue	1,733	1,742	1,093	1,163	2,071	1,468	18	--	570	746
Cargo revenue	--	--	--	--	--	--	--	--	--	--
Domestic water sales	406	695	--	--	47	86	--	--	20	34
Income from duty free operations	--	--	4,001	4,030	--	--	--	--	--	--
Other revenue	351	--	384	436	733	264	24	--	1,070	454
Over time										
Rental income	1,959	1,784	2,542	2,634	1,113	994	--	--	996	713
Habana Management fee	--	--	--	--	--	--	--	--	1,618	579
Total	**31,278**	**31,577**	**13,872**	**13,017**	**6,549**	**4,650**	**2,492**	**--**	**8,855**	**5,670**

(USD '000)	Cruise 2019	Cruise 2018	Port Akdeniz 2019	Port Akdeniz 2018	Port of Adria 2019	Port of Adria 2018	Commercial 2019	Commercial 2018	Consolidated 2019	Consolidated 2018
Point in time										
Container revenue	--	--	29,259	37,158	5,090	5,360	34,349	42,518	34,349	42,518
Landing fees	42,297	37,092	--	--	--	--	--	--	42,297	37,092
Port service revenue	5,485	5,119	9,980	12,146	229	282	10,209	12,428	15,694	17,547
Cargo revenue	--	--	3,896	9,307	1,505	3,378	5,401	12,685	5,401	12,685
Domestic water sales	473	815	29	35	15	19	44	54	517	869
Income from duty free operations	4,001	4,030	--	--	--	--	--	--	4,001	4,030
Other revenue	2,562	1,154	3,636	589	--	33	3,636	622	6,198	1,776
Over time										
Rental income	6,610	6,125	686	653	513	938	1,199	1,591	7,809	7,716
Habana Management fee	1,618	579	--	--	--	--	--	--	1,618	579
Total	**63,046**	**54,914**	**47,486**	**59,888**	**7,352**	**10,010**	**54,838**	**69,898**	**117,884**	**124,812**

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

Revenue	**Year ended 31 December 2019 (USD '000)**	**Year ended 31 December 2018 (USD '000)**
Receivables, which are included in 'trade and other receivables'	19,195	12,129
Contract assets	1,765	797
Contract liabilities	(967)	(990)
	19,993	**11,936**

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 $654 thousand recognised in contract liabilities at the beginning of the period has been recognised as revenue for the period ended 31 December 2019.

The amount of revenue recognised in the period ended 31 December 2019 from performance obligations satisfied (or partially satisfied) in previous periods is $797 thousand. This is mainly due to the nature of operations.

No information is provided about remaining performance obligations at 31 December 2019 that have an original expected duration of one year or less, as allowed by IFRS 15.

4 Cost of sales

For the years ended 31 December, cost of sales comprised the following:

	2019 (USD '000)	2018 (USD '000)
Depreciation and amortization expenses	45,587	41,655
Personnel expenses *	16,418	14,228
Cost of inventories sold	2,884	2,453
Commission fees to government authorities and pilotage expenses	2,289	3,716
Security expenses	3,168	2,627
Repair and maintenance expenses	1,827	1,923
Subcontractor lashing expenses	1,074	1,403
Subcontractor crane expenses	930	1,305
Replacement provision	673	677
Other expenses	5,034	7,536
Total	**79,884**	**77,523**

* 6,003 thousand USD (2018: 4,058 thousand USD) of total personnel expenses are related to outsourced personnel expenses.

5 Administrative expenses

For the years ended 31 December, administrative expenses comprised the following:

	2019 (USD '000)	2018 (USD '000)
Personnel expenses	6,954	5,983
Depreciation and amortization expenses	2,145	3,013
Consultancy expenses	2,651	2,191
Representation and travel expenses	570	826
Other expenses	3,185	3,980
Total	**15,505**	**15,993**

6 Other income and other expenses

For the years ended 31 December, other income comprised the following:

	2019 USD'000	2018 USD'000
Reversal of replacement for Spanish Ports (*)	--	12,210
Foreign currency income from operations	1,813	4,646
Income from reversal of withholding tax (**)	--	1,095
Insurance income	587	615
Gain on sale of fixed assets	17	145
Other	1,084	1,017
Total	**3,501**	**19,728**

(*) Reversal of replacement for Spanish Ports are related to an assumption change on provision.

(**) Income from reversal of withholding tax is related to cancellation of tax for distributed dividends to foreign entities.

For the years ended 31 December, other expenses comprised the following:

	2019 USD'000	2018 USD'000
Project expenses	5,146	9,594
Foreign currency losses from operations	--	1,523
Tax amnesty expenses	--	920
Recovery from insurance	346	496
Impairment losses on inventory	262	106
Provisions	1,203	34
Other	1,623	1,161
Total	**8,580**	**13,834**

7 Finance income and costs

For the years ended 31 December, finance income comprised the following:

Finance income	2019 (USD '000)	2018 (USD '000)
Other foreign exchange gains	6,065	26,271
Interest income on related parties	--	449
Interest income on banks and others	248	470
Interest income from housing loans	3	33
Interest income from debt instruments	1,766	--
Other income	--	732
Total	**8,082**	**27,955**

The income from financial instruments within the category financial assets at amortized cost is USD 251 thousand (31 December 2018: USD 952 thousand). Income from financial instruments within the category fair value through profit and loss is 1,814 thousand (31 December 2018: nil).

For the years ended 31 December, finance costs comprised the following:

Finance costs	2019 (USD '000)	2018 (USD '000)
Interest expense on loans and borrowings	26,077	25,005
Foreign exchange losses from Eurobond	5,222	17,552
Foreign exchange losses on loans and borrowings	3,956	1,321
Interest expense on leases	2,434	192
Other foreign exchange losses *	2,584	15,371
Loan commission expenses	1,097	103
Unwinding of provisions during the year	355	303
Letter of guarantee commission expenses	215	158
Other interest expenses	235	17
Other costs	158	845
Total	**42,333**	**60,867**

* Port Akdeniz, 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 28,355 thousand (31 December 2018: USD 25,325 thousand).

8 Property and equipment

Movements of property and equipment for the year ended 31 December 2019 comprised the following:

USD '000

Cost	**1 January 2019**	**Additions**	**Disposals**	**Transfers**	**Currency translation differences**	**31 December 2019**
Leasehold improvements	122,482	2,597	(2)	4,431	(1,587)	127,921
Machinery and equipment	55,159	1,147	(30)	227	(423)	56,080
Motor vehicles	17,858	126	(6)	--	(82)	17,896
Furniture and fixtures	9,666	1,931	(18)	--	(242)	11,337
Construction in progress	4,388	9,987	--	(4,658)	42	9,759
Land improvement	67	25	--	--	--	92
Total	**209,620**	**15,813**	**(56)**	**--**	**(2,292)**	**223,085**

Accumulated depreciation	**1 January 2019**	**Depreciation expense**	**Disposals**	**Transfers**	**Currency translation differences**	**31 December 2019**
Leasehold improvements	33,586	6,022	--	--	(170)	39,438
Machinery and equipment	30,326	4,385	(31)	(6)	(104)	34,570
Motor vehicles	10,041	1,386	--	6	(2)	11,431
Furniture and fixtures	6,278	859	(6)	--	(38)	7,093
Land improvement	38	4	--	--	--	42
Total	**80,269**	**12,656**	**(37)**	**--**	**(314)**	**92,574**
Net book value	**129,351**					**130,511**

8 Property and equipment *(continued)*

Movements of property and equipment for the year ended 31 December 2018 comprised the following:

USD '000

Cost	**1 January 2018**	**Additions**	**Disposals**	**Transfers**	**Currency translation differences**	**31 December 2018**
Leasehold improvements	121,690	2,358	(62)	2,955	(4,459)	**122,482**
Machinery and equipment	53,227	2,925	(167)	22	(848)	**55,159**
Motor vehicles	18,593	111	(327)	4	(523)	**17,858**
Furniture and fixtures	9,266	932	(1)	71	(602)	**9,666**
Construction in progress	1,596	5,570	--	(2,709)	(69)	**4,388**
Land improvement	151	--	--	(81)	(3)	**67**
Total	**204,523**	**11,896**	**(557)**	**262**	**(6,504)**	**209,620**

Accumulated depreciation	**1 January 2018**	**Depreciation expense**	**Disposals**	**Transfers**	**Currency translation differences**	**31 December 2018**
Leasehold improvements	28,080	5,657	--	922	(1,073)	**33,586**
Machinery and equipment	26,241	4,208	(158)	250	(215)	**30,326**
Motor vehicles	9,141	1,485	(328)	--	(257)	**10,041**
Furniture and fixtures	5,453	1,012	(1)	(1)	(185)	**6,278**
Land improvement	944	5	--	(909)	(2)	**38**
Total	**69,859**	**12,367**	**(487)**	**262**	**(1,732)**	**80,269**
Net book value	**134,664**					**129,351**

8 Property and equipment *(continued)*

As at 31 December 2019, the net book value of machinery and equipment purchased through leasing amounts to USD 1,511 thousand (31 December 2018: USD 1,689 thousand), the net book value of motor vehicles purchased through leasing amounts to USD 6,810 thousand (31 December 2018: USD 7,991 thousand), and the net book value of furniture and fixtures purchased through leasing amounts to USD 7 thousand (31 December 2018: USD 45 thousand). In 2019, no capital expenditure was made through finance leases (31 December 2018: nil).

As at 31 December 2019 and 2018, 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.

For the years ended 31 December 2019 and 2018, there are no borrowing costs capitalised into property and equipment.

As at 31 December 2019, the insured amount of property and equipment amounts to USD 295,721 thousand (31 December 2018: USD 326,671 thousand).

9 Intangible assets

Movements of intangible assets for the year ended 31 December 2019 comprised the following:

USD '000

Cost	**1 January 2019**	**Additions**	**Disposals**	**Transfers**	**Currency translation differences**	**31 December 2019**
Port operation rights	605,115	70,028	(393)	--	(6,174)	668,576
Customer relationships	3,937	--	--	--	--	3,937
Software	1,268	88	--	--	(13)	1,343
Other intangibles	713	58	--	--	(65)	706
Total	**611,033**	**70,174**	**(393)**	**--**	**(6,252)**	**674,562**

Accumulated amortisation	**1 January 2019**	**Amortisation expense**	**Disposals**	**Transfers**	**Currency translation differences**	**31 December 2019**
Port operation rights	214,227	32,012	(79)	7	(1,245)	244,922
Customer relationships	3,365	328	--	--	--	3,693
Software	646	156	--	--	(5)	797
Other intangibles	434	144	--	(7)	(39)	532
Total	**218,672**	**32,640**	**(79)**	**--**	**(1,289)**	**249,944**
Net book value	**392,361**					**424,618**

9 Intangible assets *(continued)*

Movements of intangible assets for the year ended 31 December 2018 comprised the following:

USD '000

Cost	1 January 2018	Additions	Disposals	Transfers	Currency translation differences	31 December 2018
Port operation rights	616,411	2,068	(23)	--	(13,341)	605,115
Customer relationships	4,113	--	--	--	(176)	3,937
Software	1,155	140	(3)	--	(24)	1,268
Other intangibles	889	703	--	--	(879)	713
Total	**622,568**	**2,911**	**(26)**	**--**	**(14,420)**	**611,033**

Accumulated amortisation	1 January 2018	Amortisation expense	Disposals	Transfers	Currency translation differences	31 December 2018
Port operation rights	185,452	31,648	--	--	(2,873)	214,227
Customer relationships	3,173	337	--	--	(145)	3,365
Software	492	164	(3)	--	(7)	646
Other intangibles	376	152	--	--	(94)	434
Total	**189,493**	**32,301**	**(3)**	**--**	**(3,119)**	**218,672**
Net book value	**433,075**					**392,361**

The details of Port operation rights for the years ended 31 December 2019 and 2018 are as follows:

	As at 31 December 2019		**As at 31 December 2018**	
USD '000	**Carrying Amount**	**Remaining Amortisation Period**	**Carrying Amount**	**Remaining Amortisation Period**
Creuers del Port de Barcelona	100,336	126 months	112,652	138 months
Cruceros Malaga	11,400	152 months	12,300	164 months
Valletta Cruise Port	61,299	563 months	64,072	575 months
Port of Adria	19,623	288 months	20,919	300 months
Port Akdeniz	144,198	104 months	160,798	116 months
Ege Ports	11,240	159 months	12,079	171 months
Bodrum Cruise Port	2,657	579 months	2,446	591 months
Nassau Cruise Port	68,488	332 months	--	--
Cagliari Cruise Port	2,201	84 months	2,889	96 months
Catania Cruise Port	2,173	96 months	2,514	108 months
Ravenna Cruise Port	39	12 months	220	24 months

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

Port operating rights of Nassau have been created by discounted cash outflows of fixed payments related to the future concession fees payable to the government and future payments to local organization (in substance payments to obtain the rights) in accordance with the concession agreement. The discount rate used is a risk-adjusted rate that matches the duration of concession term and currency of the cash flows. As these payments are contractually agreed, an equivalent long-term financial liability of USD 48,083 thousand, short term financial liability of USD 4,079 thousand has been created

Project expenses directly attributable to the creation of the port right of USD 7,125 have also been capitalized as part of the port operating rights.

Recoverability of intangible assets

The recoverable amount of the CGU relating to the Port Akdeniz was based on its value in use, determined by discounting the estimated future cash flows to be generated from the continuing use of the CGU. The carrying amount of the CGU was determined to be lower than its recoverable amount of USD 226 million and no impairment loss during 2019 (2018: nil) was recognised.

9 Intangible assets *(continued)*

The key assumptions are the expected growth rate in container volume 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 11.24% was used for discounting future cash flows to the reporting date. The growth in container operations was forecasted at 2.2% average per annum until end of concession. General Cargo has been assumed to recover back to 2017 levels in 2023 and no growth has been forecasted for the remaining life of concession. 9 years of cash flows were included instead of 5 years plus terminal value as the life of the rights determined in the concession agreement. The growth is forecasted based on the historical information, management knowledge on the business and meetings made with customers for 2020. Future growth expectations forecasted based on the average growth rate expectation of containerized products and Country growth forecast made by World Bank.

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 14.8%.

The estimated recoverable amount of the CGU exceeded its carrying amount by approximately USD 55.1m. Management has not identified any reasonably possible change in the number of container cargo or the discount rate that could cause the carrying amount to exceed the recoverable amount.

The low performance in Port of Adria is related to non-recurring project-based revenues in 2018 which was subsequently discontinued in early 2019. When these revenues are being excluded, core operations showed a better performing year compared to last year.

10 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	Portugal	Port operations
SATS – Creuers Cruise Services Pte. Ltd. (“Singapore Port”)	Singapore	Port operations
Venezia Investimenti Srl. (“Venice Investment”)	Italy	Port investments
Goulette Cruise Holding (“Goulette”)	UK	Port investments
La Spezia Cruise Facility Srl. (“La Spezia”)	Italy	Port operations

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 December 2019, 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 years ended 31 December 2019 and 2018.

Singapore Port
Barcelona Port Investments, S.L (“BPI”) was established as a joint venture between the Group and Royal Caribbean Cruises Ltd. (“RCCL”) on 26 July 2013 for the purpose of acquiring Creuers. Global Liman has 62% ownership in BPI. Creuers holds a 100% interest in the port operation rights for the Barcelona cruise port, as well as an 80% interest in the port operation rights for the Malaga cruise port and a 40% interest in the port operation rights for the Singapore cruise port. The entity has a fiscal year starting from 1 April and ending on 31 March. The entity’s financial results are aligned to the Group’s fiscal year to account for under the scope of IAS 28. The effective interest held on Singapore cruise port is 24.8%. Singapore has been recognised as an equity-accounted investee in the consolidated financial report as at and for the years ended 31 December 2019 and 2018.

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 €55 thousand and issued a loan of $6m in December 2019 to fund the acquisition of La Goulette Shipping Cruise proportionately to its share. The joint venture acquired the shares in La Goulette Shipping Cruise on 26 December 2019.

La Spezia

10 Equity-accounted investments *(continued)*

GPH purchased a minority interest of 28.5% through POH in La Spezia Cruise Facility Srl, which has the operating rights of La Spezia Cruise Port, Italy.

For the year ended 31 December 2019

At 31 December 2019, La Spezia, Venezia Investimenti, Lisbon Cruise Terminals and Singapore Port are equity-accounted investees in which the Group participates.

The following table summarises the financial information of La Spezia, Goulette Cruise Holding, Venezia Investimenti, Lisbon Cruise Terminals and Singapore Port as included in the consolidated financial statements as at 31 December 2019. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in Lisbon Cruise Terminals and Singapore Port.

	La Spezia (USD'000)	**Goulette Cruise Holding (USD'000)**	**Venezia Investimenti (USD'000)**	**Lisbon Cruise Terminals (USD'000)**	**Singapore Port (USD'000)**
Percentage ownership interest	30.00%	50.00%	25.00%	50.00%	40.00%
Non-current assets	--	13,536	34,274	29,465	7,141
Current assets	24	246	5,020	6,484	19,272
Non-current liabilities	--	(13,659)	--	(13,569)	(2,846)
Current liabilities	--	--	(37)	(3,476)	(5,312)
Net assets (100%)	24	123	39,257	18,904	18,255
Group's share of net assets	7	62	9,814	9,452	7,302
Carrying amount of interest in equity-accounted investees	**7**	**62**	**9,814**	**9,452**	**7,302**
Revenue	--	--	3,053	7,832	28,490
Expenses	--	--	(925)	(6,340)	(17,735)
Profit and total comprehensive income for the year (100%)	--	--	2,128	1,492	10,755
Group's share of profit and total comprehensive income	--	--	**532**	**746**	**4,302**

As at 31 December 2019, the amounts in the above table include the following:

USD '000	**La Spezia (USD'000)**	**Goulette Cruise Holding (USD'000)**	**Venezia Investimenti (USD'000)**	**Lisbon Cruise Terminals (USD'000)**	**Singapore Port (USD 000)**
Cash and cash equivalents	24	246	5,000	3,193	2,763
Non-current financial liabilities (excluding trade and other payables and provisions)	--	13,659	--	(13,569)	(2,403)
Current financial liabilities (excluding trade and other payables and provisions)	--	--	--	(934)	(337)
Interest income	--	--	--	--	74
Depreciation and amortisation	--	--	(2)	(1,260)	(1,885)
Interest expense	--	--	--	(456)	--
Income tax expense	--	--	--	(444)	(2,615)

For the year ended 31 December 2019, the Group's share of profit and total comprehensive income is set out below:

	Net profit (USD '000)
Venezia Investimenti	532
Lisbon Cruise Terminals	746
Singapore Port	4,302
Group's share of profit and total comprehensive income	**5,580**

10 Equity-accounted investments *(continued)*

For the year ended 31 December 2018

At 31 December 2018, La Spezia, Venezia Investimenti, Lisbon Cruise Terminals and Singapore Port are equity-accounted investees in which the Group participates.

The following table summarises the financial information of La Spezia, Venezia Investimenti, Lisbon Cruise Terminals and Singapore Port as included in the consolidated financial statements as at 31 December 2018. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in Lisbon Cruise Terminals and Singapore Port.

	La Spezia (USD '000)	Venezia Investimenti (USD '000)	Lisbon Cruise Terminals (USD '000)	Singapore Port (USD '000)
Percentage ownership interest	30.00%	25.00%	50.00%	40.00%
Non-current assets	--	35,082	30,307	3,370
Current assets	134	2,967	5,990	21,858
Non-current liabilities	--	--	(14,843)	--
Current liabilities	--	51	(3,487)	(6,591)
Net assets (100%)	134	38,100	17,967	18,637
Group's share of net assets	40	9,525	8,983	7,455
Carrying amount of interest in equity-accounted investees	**40**	**9,525**	**8,983**	**7,455**
Revenue	--	808	6,255	28,743
Expenses	--	(106)	(4,800)	(16,924)
Profit and total comprehensive income for the year (100%)	--	702	1,455	11,819
Group's share of profit and total comprehensive income	--	**176**	**728**	**4,727**

As at 31 December 2018, the amounts in the above table include the following:

USD '000	La Spezia (USD '000)	Venezia Investimenti (USD '000)	Lisbon Cruise Terminals (USD '000)	Singapore Port (USD '000)
Cash and cash equivalents	134	2,899	1,807	8,380
Non-current financial liabilities (excluding trade and other payables and provisions)	--	--	(14,843)	--
Current financial liabilities (excluding trade and other payables and provisions)	--	--	(874)	--
Interest income	--	--	--	(40)
Depreciation and amortisation	--	(2)	(1,253)	(806)
Interest expense	--	--	(490)	--
Interest tax expense	--	--	(437)	(2,363)

For the year ended 31 December 2018, the Group's share of profit and total comprehensive income is set out below:

	Net profit (USD '000)
Venezia Investimenti	176
Lisbon Cruise Terminals	728
Singapore Port	4,727
Group's share of profit and total comprehensive income	**5,631**

11 Cash and cash equivalents

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

	2019 (USD '000)	2018 (USD '000)
Cash on hand	132	63
Cash at banks	*63,601*	79,766
- Demand deposits	*39,288*	*52,548*
- Time deposits	*17,815*	*27,218*
- Overnight deposits	*6,498*	--
Other cash and cash equivalents	47	
Cash and cash equivalents	**63,780**	**79,829**

As at 31 December, maturities of time deposits comprised the following:

	2019 (USD '000)	2018 (USD '000)
Up to 1 month	23,248	26,750
1-3 months	1,065	468
Total	**24,313**	**27,218**

As at 31 December, the ranges of interest rates for time deposits are as follows:

	2019	2018
Interest rate for time deposit-TL (highest)	9.0%	21.5%
Interest rate for time deposit-TL (lowest)	8.0%	19.75%
Interest rate for time deposit-USD (highest)	1.9%	3.17%
Interest rate for time deposit-USD (lowest)	1.3%	1.5%
Interest rate for time deposit-EUR (highest)	0.01%	N/A
Interest rate for time deposit-EUR (lowest)	0.15%	N/A

As at 31 December 2019, cash at bank held at BPI, Port Akdeniz, Ege and Port of Adria amounting to USD 5,672 thousand (31 December 2018: USD 7,475 thousand) is restricted due to the bank loan guarantees and subscription guarantees (Note 13). Bank loan 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 31 of the Annual report and financial statements.

12 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 December are as follows:

	Number of shares '000	Share capital USD'000	Share Premium USD'000
Balance at 1 January 2018	62,827	811	--
Balance at 31 December 2018	62,827	811	--
Balance at 31 December 2019	62,827	811	--

12 Capital and reserves *(continued)*

b) Nature and purpose of reserves

(i) Translation reserves

The translation reserves amounting to USD 213,715 thousand (31 December 2018: USD 197,247 thousand) are recognised as a separate account under equity and comprises foreign exchange differences arising from the translation of the consolidated financial statements of subsidiaries and equity-accounted investees from their functional currencies (of Euro and TL) to the presentation currency, USD.

(ii) Legal reserves

Under the Turkish Commercial Code, Turkish companies are required to set aside first and second level legal reserves out of their profits. First level legal reserves are set aside as up to 5% of the distributable income per the statutory accounts each year. The ceiling of the first level reserves is 20% of the paid-up share capital. The requirement to set aside ends when the 20% of the paid-up capital level has been reached. Second level legal reserves correspond to 10% of profit distributed after the deduction of the first legal reserves and the minimum obligatory dividend pay-out, but holding companies are not subject to this regulation. There is no ceiling for second level legal reserves and they are accumulated every year. First and second level legal reserves cannot be distributed until they exceed 50% of the capital, but the reserves can be used for offsetting the losses in case free reserves are unavailable. As at 31 December 2019, the legal reserves of the Group amounted to USD 13,144 (31 December 2018: USD 13,030 thousand).

(iii) Hedging reserves

Net investment hedge

In the year ended 31 December 2019, the Company has used its US Dollar Eurobond financing in a net investment hedge of the US Dollar net assets of Port Akdeniz, Ege Port and Bodrum Cruise Port (31 December 2018: the Company has used its US Dollar Eurobond financing in a net investment hedge of the US Dollar net asset of Port Akdeniz). Starting from 1 January 2019, Ege Port and Bodrum Cruise Port were added to the US Dollar denominated assets with the change in their functional currency as described in Note 3(g) of the Annual report and financial statements. A foreign exchange loss recognised in other comprehensive income as a result of net investment hedging was USD 24,725 thousand (2018: loss USD 59,630 thousand).

Cash flow hedge

The Group entered into an interest rate swap in order to hedge its position against changes in interest rates. The effective portion of the cash flow hedge that was recognised in other comprehensive income was USD 335 thousand loss (31 December 2018, USD 155 thousand loss). The amount that was reclassified from equity to profit and loss within the cash flow hedges – effective portion of changes in fair value line item for the year was USD 246 thousand (31 December 2018, USD 216 thousand) recognized at financial expenses on profit and loss statement.

The hedge instrument payments will be made in the periods shown below, at which time the amount deferred in equity will be reclassified to profit and loss:

	3 months or less (USD '000)	**More than 3 months but less than 1 year (USD '000)**	**5 years or less but more than 1 year (USD '000)**	**More than 5 years (USD '000)**
Net cash outflows exposure				
Liabilities	--	220	265	--
At 31 December 2019	**--**	**220**	**265**	**--**
Net cash outflows exposure				
Liabilities	--	235	431	--
At 31 December 2018	**--**	**235**	**431**	**--**

12 Capital and reserves *(continued)*

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

(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 $225m. 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 and setting aside the legal reserves as discussed above.

GPH PLC proposed and paid a 2019 interim dividend of GBP 0.155 per share to its shareholders, giving a distribution of GBP 9,738 thousand (USD 12,580 thousand).

GPH PLC declared 2018 final dividend of GBP 0.212 per share to its shareholders on 24 May 2019 and paid on 5 July 2019, giving a distribution of GBP 13,319 thousand (USD 16,645 thousand).

The total dividends in respect of the year ended 31 December 2019 were USD 29,225 thousand.

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

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

The total dividends in respect of the year ended 31 December 2018 were USD 34,843 thousand

Dividends to non-controlling interests totalled USD 6,366 in 2019 (2018: 3,797) and comprised a distribution of USD 2,550 thousand (2018: USD 1,320 thousand) made to other shareholders by Valletta Cruise Port and USD 1,264 paid in cash, a distribution of USD 65 thousand (2018: none) made to other shareholders by Cagliari Cruise Port no cash settlement, and a distribution of USD 3,751 thousand (2018: USD 2,477) made to other shareholders by Barcelona Port Investments fully paid in cash.

<u>Events after the reporting period</u>

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.

13 Loans and borrowings

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

Current loans and borrowings	2019 (USD '000)	2018 (USD '000)
Current portion of Eurobond issued	18,554	18,558
Current bank loans	12,497	12,031
- TL	*3,632*	--
- Other currencies	*8,865*	*12,031*
Current portion of long-term bank loans	29,899	16,853
- TL	*822*	*575*
- Other currencies	*29,077*	*16,278*
Lease obligations	1,741	1,313
Finance leases	*622*	*1,313*
Lease obligations recognized under IFRS 16	*1,119*	--
Total	**62,691**	**48,755**

Non-current loans and borrowings	2019 (USD '000)	2018 (USD '000)
Non-current portion of Eurobonds issued	232,436	231,666
Non-current bank loans	94,156	66,038
- TL	*7*	*25,565*
- Other currencies	*94,149*	*40,473*
Finance lease obligations	63,707	592
Finance leases	--	*592*
Lease obligations recognized under IFRS 16	*63,707*	--
Total	**390,299**	**298,296**

As at 31 December, the maturity profile of long-term bank loans comprised the following:

Year	2019 (USD '000)	2018 (USD '000)
Between 1-2 years	270,997	34,122
Between 2-3 years	11,463	225,086
Between 3-4 years	9,130	11,259
Over 4 years	35,002	27,237
Total	**326,592**	**297,704**

As at 31 December, the maturity profile of lease obligations comprised the following:

USD '000	2019			2018		
	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	3,646	(1,905)	1,741	1,382	(69)	1,313
Between one and five years	142,638	(78,931)	63,707	637	(45)	592
Total	**146,284**	**(80,836)**	**65,448**	**2,019**	**(114)**	**1,905**

13 Loans and borrowings *(continued)*

Details of the loans and borrowings as at 31 December 2019 are as follows:

						As at 31 December 2019	
Loans and borrowings type	**Company name**	**Currency**	**Maturity**	**Interest type**	**Interest rate %**	**Principal**	**Carrying value**
Loans used to finance investments and projects							
Unsecured Eurobonds (i)	Global Liman	USD	2021	Fixed	8.13	250,000	250,989
Secured Loan (ii)	Barcelona Port Investments	EUR	2023	Floating	Euribor + 4.00	18,224	17,857
Secured Loan (iii)	Malaga Cruise Port	EUR	2025	Floating	Euribor 3m + 1.75	4,467	4,437
Secured Loan (iv)	Valetta Cruise Port	EUR	2026	Floating	Euribor + 2.80	10,295	9,162
Secured Loan (v)	Global BV	EUR	2020	Floating	Euribor + 4.60	5,430	5,441
Secured Loan	Cagliari Cruise Port	EUR	2026	Fixed	2.20 – 6.20	564	564
Secured Loan	Bodrum Cruise Port	TL	2020	Fixed	17.0 – 27.5	513	594
Secured Loan (vi)	Port of Adria	EUR	2025	Floating	Euribor + 4.25	22,392	22,551
Secured Loan	Port of Adria	EUR	2019	Fixed	3.85	840	842
Secured Loan	Ortadoğu Liman	TL	2020	Fixed	14.50	339	339
Secured Loan	Ortadoğu Liman	USD	2020	Fixed	3.60 – 6.60	1,401	1,401
Secured Loan	Ortadoğu Liman	EUR	2020	Fixed	3.40 – 6.00	533	535
Secured Loan	Barcelona Cruise Port	EUR	2024	Floating	EURIBOR + 4.00	2,686	2,651
Secured Loan (ix)	Nassau Cruise Port	USD	2021	Fixed	4.5	16,000	16,000
Secured Loan (x)	Antigua Cruise Port	USD	2026	Floating	LIBOR + 5,75	16,104	15,197
						349,788	**348,560**
Loans used to finance working capital							
Unsecured Loan	Global Liman	TL	2020	Fixed	26.34	2,694	2,701
Unsecured Loan	Ege Liman	USD	2020	Fixed	4.95	1,500	1,511
Unsecured Loan	Ege Liman	EUR	2020	Fixed	3.54	2,377	2,437
Unsecured Loan	Ege Liman	TL	2020 – 2021	Fixed	15.84 – 30.6	534	509
Secured Loan	Ortadoğu Liman	EUR	2020	Fixed	3.80 – 8.75	20,849	21,025
Secured Loan	Ortadoğu Liman	USD	2020	Fixed	3.80 – 8.75	10,289	10,478
Secured Loan	Ortadoğu Liman	TL	2020	Fixed	26	320	321
						38,563	**38,982**
Finance lease obligations							
Leasing (vii)	Ortadoğu Liman	USD	2020	Fixed	7.35	186	186
Leasing	Cagliari Cruise Port	EUR	2021	Fixed	1.96	45	44
Leasing	Ege Liman	USD	2020	Fixed	7.75	1	1
Leasing (viii)	Ege Liman	EUR	2020	Fixed	5.5	385	385
Leasing	Global Ports PLC	GBP	2022	Fixed	3.5	690	648
Leasing	Barcelona Cruise Port	EUR	2020	Floating	3.9	3	4
Leasing	Barcelona Cruise Port	EUR	2030	Floating	4.0	2,424	2,424
Leasing	Malaga Cruise Port	EUR	2036	Floating	4.0	9,478	9,479
Leasing	Valetta Cruise Port	EUR	2066	Floating	4.27	25,386	25,001
Leasing	Bodrum Cruise Port	TL	2067	Fixed	8.3	2,441	2,474
Leasing	Port of Adria	EUR	2043	Floating	3.85	14,115	9,408
Leasing	Zadar	HRK	2038	Fixed	9.35	2,993	2,994
Leasing	Cagliari Cruise Port	EUR	2026	Fixed	4.5	328	328
Leasing	Antigua Cruise Port	USD	2048	Floating	7.65	12,072	12,072
						70,547	**65,448**
							452,990

13 Loans and borrowings *(continued)*

Details of the loans and borrowings as at 31 December 2018 are as follows:

						As at 31 December 2018	
Loans and borrowings type	**Company name**	**Currency**	**Maturity**	**Interest type**	**Interest rate %**	**Principal**	**Carrying value**
Loans used to finance investments and projects							
Unsecured Eurobonds (i)	Global Liman	USD	2021	Fixed	8.13	250,000	250,224
Secured Loan (ii)	Barcelona Port Investments	EUR	2023	Floating	Euribor + 4.00	22,873	22,333
Secured Loan (iii)	Malaga Cruise Port	EUR	2025	Floating	Euribor 3m + 1.75	5,374	5,337
Secured Loan (iv)	Valetta Cruise Port	EUR	2029	Floating	Euribor + 3.00	9,644	8,832
Secured Loan (v)	Global BV	EUR	2020	Floating	Euribor + 4.60	11,172	11,176
Secured Loan	Cagliari Cruise Port	EUR	2026	Fixed	2.20 – 6.20	635	595
Secured Loan (vi)	Port of Adria	EUR	2025	Floating	Euribor + 4.25	21,556	21,707
Secured Loan	Ortadoğu Liman	USD	2020	Fixed	3.60 – 6.60	699	700
Secured Loan	Ortadoğu Liman	EUR	2019	Fixed	3.40 – 6.00	572	575
						322,525	**321,479**
Loans used to finance working capital							
Unsecured Loan	Ege Liman	USD	2019	Fixed	6.50	330	347
Unsecured Loan	Ege Liman	EUR	2020	Fixed	3.54	4,778	4,897
Unsecured Loan	Ege Liman	TL	2020	Fixed	15.84	241	244
Unsecured Loan	Ege Liman	TL	2019	Fixed	18.50	222	219
Secured Loan	Ege Liman	TL	2020	Fixed	17.76	112	112
Secured Loan	Ortadoğu Liman	EUR	2019	Fixed	3.80 – 8.75	14,876	15,136
Secured Loan	Barcelona Cruise Port	EUR	2024	Floating	Euribor + 4.00	2,749	2,712
						23,308	**23,667**
Finance lease obligations							
Leasing (vii)	Ortadoğu Liman	USD	2020	Fixed	7.35	533	533
Leasing	Cagliari Cruise Port	EUR	2021	Fixed	1.96	63	64
Leasing (viiii)	Ege Liman	EUR	2020	Fixed	7.75	1,133	1,133
Leasing	Ege Liman	USD	2020	Fixed	8.60	149	175
						1,878	**1,905**
							347,051

13 Loans and borrowings *(continued)*

Detailed information relating to significant loans undertaken by the Group is as follows:

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

Eurobonds contain the following key covenants:

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

- According to the Eurobond issued by Global Liman, the consolidated leverage ratio may not exceed 5.0 to 1 (incurrence covenant). The consolidated leverage ratio as defined in the Eurobond includes Global Liman as the issuer and all of its consolidated subsidiaries excluding the Malaga Cruise Port (being Unrestricted Subsidiary as defined in the Eurobond). Nassau Cruise Port and GPH Antigua are subsidiaries of GPH PLC, therefore not included on the covenant computation of Global Liman Eurobond. Irrespective of the consolidated leverage ratio, the issuer will be entitled to incur any or all of the following indebtedness:

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

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

(ii) On 30 September 2014, BPI and Creuers entered into a syndicated loan. Tranch A of this loan is paid semi-annually, at the end of June and December, with the last payment being in 2023. Tranch B already paid, Tranch C amounting to Euro 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 €1) and Creuers (3,005,061shares each being €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 Euro 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.

13 Loans and borrowings *(continued)*

(iv) Valletta Cruise Port's bank loans and overdraft facilities bear interest at Euribor + 3% (31 December 2018: + 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) Global Ports Europe BV entered into a loan amounting to Euro 22 million in total on 16 November 2015 with a 6-year maturity, 12 months grace period and an interest rate of Euribor + 4.60%. Principal and interest is payable bi-annually, in May and November of each year. Under this loan agreement, in the event of default, all shares of Global Ports Europe BV are pledged to the bank in accordance with a share pledge agreement.

(vi) Port of Adria entered into a loan agreement with EBRD amounting to Euro 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 € nominal value per each and 30.683.933 Shares having 1,1485 € nominal value per each) are pledged to the bank in accordance with a share pledge agreement. In compliance with this agreement, the Company is also guarantor of Port of Adria, and as per agreement, the Company has to comply with the consolidated leverage ratio of 5.0 to 1, as it is presented on the Eurobond of Global Liman.

(vii) On 12 June 2014, Ortadoğu Liman s signed a finance lease agreement for a port tugboat with an interest rate of 7.35% and maturity date of 16 July 2020.

(viii) On June 2014, Ege Liman signed a finance lease agreement for a port tugboat with an interest rate of 7.75% and maturity date in 2020.

(ix) Nassau Cruise Port entered into a local bridge loan financing with CFAL amounting to USD 50 million (USD 16million was used as of reporting date) in total on 29 December 2019 with a 18 months maturity, and an interest rate of 4.50%. Purpose of this loan agreement is financing of design, construction, operation and maintenance of the cruise port terminal and its associated facilities in Nassau. Principal and interest will be paid at maturity. Under this loan agreement, in the event of default, the entire outstanding principal amount of the loan and all accrued interest shall become immediately due and payable by lenders written consent, subject to standard cure periods, cure rights and other borrower remedies.

(x) On 26 September 2019, GPH Antigua entered into a syndicated loan with 6 years maturity and 2 years Grace period. Repayment will be made quarterly starting from 31 December 2021, at a principal rate of 2.0835%. Remaining amount (58.33%) will be paid at 31 December 2026. The interest rate of this loan will be Libor + 5.75% prior to New Pier completion date and Libor + 5.25% after completion of New pier construction. The syndicated loan is subject to a number of financial ratios and restrictions, breach of which could lead to early repayment being requested. The agreement includes terms about certain limitations on dividends payments, new investments, and change in the control of the companies, change of the business, new loans and disposal of assets.

13 Loans and borrowings *(continued)*

Reconciliation of movements of liabilities to cash flows arising from financing activities

USD'000		*Liabilities*		*Equity*		
	Note	**Loans and Borrowings**	**Leases**	**Retained earnings**	**NCI**	**Total**
Balance at 1 January 2019		345,146	1,905	108,981	91,045	**547,077**
Changes from financing cash flows						
Proceeds from loans and borrowings		74,918	--	--	--	74,918
Repayment of borrowings / leases		(31,949)	(3,066)	--	--	(35,015)
Dividend paid	12 (c)	--	--	(29,225)	(5,062)	(35,591)
Total changes from financing cash flows		**42,969**	**(3,066)**	**(29,225)**	**(5,062)**	**4,312**
The effect of changes in foreign exchange rates		4,782	(304)	29	--	**4,507**
Other changes						
Liability-related						
New leases / other financial liability		--	67,132	--	--	67,132
Interest expense		26,077	2,434	--	--	28,511
Interest paid		(26,388)	--	--	--	(26,388)
Total liability-related other changes		(5,044)	(2,653)	--	--	**(7,697)**
Total equity-related other changes		--	--	(18,732)	347	**(18,385)**
Balance at 31 December 2019		**387,542**	**65,448**	**61,053**	**86,330**	**600,373**

USD'000		*Liabilities*		*Equity*		
	Note	**Loans and Borrowings**	**Leases**	**Retained earnings**	**NCI**	**TOTAL**
Balance at 1 January 2018		**338,326**	**3,394**	**143,148**	**92,896**	**577,764**
Changes from financing cash flows		**6,821**				
Proceeds from loans and borrowings		44,205	--	--	--	44,205
Repayment of borrowings / leases		(34,645)	(1,479)	--	--	(36,124)
Dividend paid	12 (c)	--	--	(34,843)	(3,797)	(38,640)
Total changes from financing cash flows		**9,560**	**(1,479)**	**(34,843)**	**(3,797)**	**(30,559)**
The effect of changes in foreign exchange rates		**(4,076)**	**31**	**--**	**--**	**(4,045)**
Other changes						
Liability-related						
Interest expense		25,005	192	--	--	25,197
Interest paid		(23,902)	--	--	--	(23,902)
Total liability-related other changes		**233**	(233)	**--**	**--**	**--**
Total equity-related other changes		**--**	**--**	**676**	**1,946**	**2,622**
Balance at 31 December 2018		**345,146**	**1,905**	**108,981**	**91,045**	**547,077**

14 Earnings / (Loss) per share

The Group presents basic earnings per share ("basic EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, less own shares acquired.

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

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

	2019 (USD '000)	2018 (USD '000)
Profit attributable to owners of the Company	(18,558)	770
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)	(29.54)	1.23

15 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 December 2019 is USD 1,295 thousand (31 December 2018: USD 200 thousand).

The information related to the significant lawsuits that the Group is directly or indirectly a party to, is outlined below:

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

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

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

Port Akdeniz-Antalya filed lawsuits against Privatization Administration and the General Directorate of Turkey Maritime Organization requesting cancellation with respect to rejection of the extension applications. The Court dismissed the case and the Group lawyers appealed the Court decision to the Council of State. The Counsel of State rejected the appeal of Port Akdeniz-Antalya and approved the decision of the Court. The Group lawyers have applied to the Council of State for reversal of this judgement and the case is still pending.

The 31 December 2019 financial statements have been prepared assuming the current concession length.

15 Commitments and contingencies *(continued)*

a) Litigation *(continued)*

Ege Port-Kuşadası filed lawsuits against Privatization Administration and General Directorate of Turkey Maritime Organization requesting cancellation with respect to rejection of the extension applications. The Court dismissed the case and the Group lawyers appealed the Court decision to the Council of State. The Counsel of State accepted the appeal and reversed the Court's judgement in favor of Ege Port-Kuşadası. The Privatization Administration applied to the Council of State for reversal of this judgement and this time, the Council of State has changed its standpoint and approved the Court's decision against Ege Port-Kuşadası. In this regard, Ege Port-Kuşadası has submitted an individual application to the Constitutional Court. Constitutional Court has rendered its decision against Ege Port-Kuşadası and the judicial process for the extension of the concession period has been concluded against Ege Port-Kuşadası. Accordingly, upon expiration of the concession period in 2033, Ege Port-Kuşadası will need to participate in the tender for new concession term.

The 31 December 2019 financial statements have been prepared assuming the current concession length.

Competition Authority Investigation

On 29 April 2019, the Competition Authority notified Port Akdeniz, that it has commenced an investigation into Port Akdeniz due to an alleged breach of Article 6 of the Law on the Protection of Competition, Law No. 4054 due to excessive pricing concerns on certain services. Port Akdeniz has engaged legal representation and submitted a full defence against all allegations on 28 May 2019. By law, the Competition Authority has 6 months from the submission date to evaluate the defences and prepare an investigation report which can be extended by an additional 6 months. On 16 September 2019, the Competition Authority has notified Port Akdeniz that the period for the preparation of the investigation report has been extended to 11 April 2020. At this stage, the claim has not been matured and it depends on the result of the final investigation report to be issued by the Competition Authority by no later than 11 April 2020. Whole process before the Competition Authority may take up to an additional 6 to 12 months (excluding the possibility to file an administrative lawsuit against a negative decision of the Competition Authority).

No provision is recognised in respect of this matter.

Other legal proceedings

The Port of Adria-Bar (Montenegro) is a party to the disputes arising from the collective labour agreement executed with the union by Luka Bar AD (former employer/company), which was applicable to Luka Bar AD employees transferred to Port of Adria-Bar. The collective labour agreement has expired in 2010, before the Port was acquired by the Group under the name of Port of Adria-Bar. However, a number of lawsuits have been brought in connection to this collective labour agreement seeking (i) unpaid wages for periods before the handover of the Port to the Group, and (ii) alleged underpaid wages as of the start of 2014. On March 2017, the Supreme Court of Montenegro adopted a Standpoint in which it is ruled that collective labour agreement cannot be applied on rights, duties and responsibilities for employees of Port of Adria-Bar after September 30th, 2010. Although the Standpoint has established a precedent that has applied to the claims for the period after September 30th, 2010; there are various cases pending for claims related to the period of October 1st, 2009 - September 30th, 2010. In respect of the foregoing period of one year, the Port of Adria-Bar has applied to the Constitutional Court to question the alignment of the collective labour agreement with the Constitution, Labor Law and general collective agreement. The Port of Adria-Bar is notified that the application for initiating the procedure for reviewing the legality of the Collective Agreement has been rejected due to a procedural reason, without evaluating the arguments submitted. The Management is now in discussions with the local lawyers to determine defences for any potential claim and take it to the higher court and eventually to European courts for final decision once we exhaust local law avenue.

No provision is recognised in respect of this matter.

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

No provision is recognised in respect of this matter.

15 Commitments and contingencies *(continued)*

a) Litigation *(continued)*

One of Port Akdeniz' clients in the cement business has initiated a lawsuit against Port Akdeniz in relation to a commercial dispute on the fees payable by that client for its import and export transactions in 2018. Furthermore, a counter-claim has been initiated by Port Akdeniz for an amount due from this client in relation to loading services provided and extra fees incurred due to delays. Both cases are pending before the competent court.

A provision is recognised in respect of this matter.

b) Guarantees

As at 31 December, the letters of guarantee given comprised the following:

Letters of guarantee	**2019 (USD '000)**	**2018 (USD '000)**
Given to seller for the call option on APVS shares (*)	5,457	5,585
Given to Privatisation Administration / Port Authority	2,947	2,572
Other governmental authorities	5,715	2,220
Others	402	75
Total letters of guarantee	**14,521**	**10,452**

(*) 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 2021. If VS exercises the put option completely, VI will own 99% of APVS and accordingly 71.51% of VTP. The Group has given a guarantee letter for its portion of 25% to VS, which serves as a security of the full amount of the put option mentioned above.

Other collaterals are disclosed in Note 13.

15 Commitments and contingencies *(continued)*

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.

Ortadoğu Liman

The details of the TOORA dated 31 August 1998, executed by and between Ortadoğu Liman and OIB together with TDI are stated below:

Ortadoğu Liman will be performing services such as sheltering, installing, charging, discharging, shifting, terminal services, pilotage, towing, moorings, water quenching, waste reception, operating, maintaining and repairing of cruise terminals, in Antalya Port for an operational period of 30 years. Ortadoğu Liman is liable for the maintenance of Antalya 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 TDI, while the movable properties stay with Ortadoğu Liman. Ortadoğu Liman is able to determine tariffs for Port Akdeniz-Antalya's port services at its own discretion without being subject to TDI's approval (apart from the tariffs for services provided to Turkish military ships).

The TOORA requires that foreign ownership or voting rights in Ortadoğu Liman do not exceed 49%. Pursuant to the terms of the TOORA, the TDI is entitled to hold one share in Ortadoğu Liman. The TDI can also appoint one of Ortadoğu Liman's board members. Ortadoğu Liman cannot transfer its operating rights to a third party without the prior approval of the TDI.

Ortadoğu 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 Ortadoğu Liman.

15 Commitments and contingencies *(continued)*

c) Contractual obligations *(continued)*

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.

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 Euro 500,000 per year; (b) a variable concession fee in the amount of Euro 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 Euro 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 Euro 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 Euro 13.6 million towards capital expenditure during that period. This included launching and investing Euro 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.

15 Commitments and contingencies *(continued)*

c) Contractual obligations *(continued)*

Barcelona Cruise Port

The details of the TOORA Contract dated 29 July 1999, executed by and between Creuers del Port de Barcelona and the Barcelona Port authority are stated below:

Creuers del Port de Barcelona, S.A. ("Creuers") will be performing the management of port services related to the traffic of tourist cruises at the Port of Barcelona, as well as the development of commercial complementary activities corresponding to a seaport, in Adossat Wharf in Barcelona for an operational period of 27 years. The port operation rights for Adossat Wharf (comprised of Terminals A and B) terminates in 2030. The Port concession period can be extended automatically for three years provided that (i) Creuers has complied with all the obligations set forth in the Port Concession; and (ii) Creuers remains rendering port services on tourist cruises until the expiry of the extended term. Therefore, the concession the concession period is considered to be 30 years.

Creuers is liable for the maintenance of Adossat Wharf Terminals A and B, as well as ensuring that port equipment is maintained in good repair and in operating condition throughout its concession period. For the detailed maintenance and investment requirements, explained in the concession agreement, replacement provision has provided in the financials of the Company on the note 27 of the Annual report and financial statements. 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 bythe 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.

15 Commitments and contingencies *(continued)*

c) Contractual obligations *(continued)*

Malaga Cruise Port *(continued)*

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 Euro 154,897 in 2016, which consisted of the following fees: (i) a fee for the occupancy of the public land at the port, and (ii) a fee for the operation of public land for commercial activities.

Valletta Cruise Port

On 22 November 2001, VCP signed a deed with the Government of Malta by virtue of which the Government granted a 65-year concession over the buildings and lands situated in Floriana, which has an area of 46,197square 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.

Ravenna Passenger Terminal

On 19 December 2009, Ravenna Terminal Passeggeri S.r.l ("RTP") signed a deed with the Ravenna Port Authority by virtue of which the Port Authority granted a 10-year concession over the passenger terminal area situated within Ravenna Port. RTP will perform operation and management of a cruise passenger terminal in the area.

A fixed rent is payable by RTP to the Port Authority in the sum of Euro 895,541.67 during the concession period. The repayment of the total amount is presented as Euro 3,000 for the year 2009, Euro 28,791.67 for the year 2010 and the remaining Euro 863,750 overall for the years 2011 to 2020.

Catania Cruise Terminal

On 18 October 2011, Catania Cruise Terminal SRL ("CCT") signed a deed with the Catania Port Authority by virtue of which the Port Authority granted a 15-year concession over the passenger terminal area situated on Catania City Center. CCT will perform operation and management of a cruise passenger terminal in the area.

A fixed rent is payable by CCT to the Port Authority in the sum of Euro 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 Euro 44,315.74 for each year during the concession period.

15 Commitments and contingencies *(continued)*

c) Contractual obligations *(continued)*

Nassau Cruise Port

On 28 August 2019, Nassau Cruise Port Ltd ("NCP") signed a deed with the Government of Bahamas by virtue of which the Government granted a 25-year concession over the passenger terminal area situated within Nassau Cruise Port. NCP will perform operation and management of the cruise passenger terminal in the area.

NCP will invest an amount of $250m 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 construction phase is expected to start in 2020 and is anticipated to be completed within 24 months, once construction has been completed total revenues are expected to be in the range of $35-40m per annum.

A variable fee payment based on the number of passengers will be made to the Port Authority starting from the operations commencement date. Starting from the construction commencement date and until the end of the concession, a minimum fixed fee will be payable to the Port Authority amounting to USD2m from construction date to end of construction and USD2.5m from construction end date until the end of concession per annum.

Antigua Cruise Port

On 24 October 2019, Antigua Cruise Port Ltd ("ACP") signed a deed with the Government of Antigua&Barbuda by virtue of which the government granted a 30-year concession over the passenger terminal area situated within Antigua Cruise Port. ACP will perform operation and management of a cruise passenger terminal in the area.

Total initial investment in the first 12 months of operation will be between $45-50m, including repayment of the existing bond of USD 21m, completion of new pier construction and dredging work, and investment into the retail facilities. The Company's cash equity contribution is set at 27.5%, with the balance provided through non-recourse project finance.

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.

16 Leases

Lease as lessee (IFRS 16)
The Group entered into various operating lease agreements. In the periods presented, the Group's main operating lease arrangements as lessee are the port rent agreement of Valletta Cruise Port until 2066, Port of Adria until 2043, Creuers until 2033, Cruceros until 2043, Zadar Cruise Port until 2039, Antigua Cruise Port until 2049 and Bodrum Liman until 2067. Part of the concession agreements of Creuers and Cruceros relating to the occupancy of the public land at the port and the operation of public land for commercial activities, which are out of scope of IFRIC 12, have been accounted for under IFRS 16 – Leases.

The Company has a leasing agreement to rent its office at third floor offices at 34 Brook Street London. This lease has no purchase options and escalation clauses.

Right of use assets

Right-of-use assets related to leased properties that do not meet the definition of investment property are presented separately.

2019 – Leases under IFRS 16	**As at 31 December 2019**
	(USD '000)
Balance at 1 January from initial application of IFRS 16	58,983
Depreciation charge for the year	(2,382)
Additions to Right of Use assets	25,601
Currency translation differences	(1,079)
Balance at 31 December	**81,123**

16 Leases (continued)

Right of use assets (continued)

The Company has created right of use asset for Antigua Cruise Port after acquisition. A variable fee payment based on the number of passengers will be made to the Port Authority with a minimum fee guarantee. From the 21st year of the concession, ACP will pay a share of its annual revenue annually to the Port Authority. Company has repaid outstanding loan amounting to $21,000 thousand on the initial acquisition date. The Company has recognised the loan and the discounted future payments as right of use asset and recognised an equivalent lease liability.

Amounts recognized in profit or loss

2019 – Leases under IFRS 16	**As at 31 December 2019**
	(USD '000)
Interest on lease liabilities	(2,385)
Expenses relating to short-term leases	(75)
2018 – Operating leases under IAS 17	
Lease expense	(5,656)
Contingent rent expense	2,294

Amounts recognized in statement of cash flows

	As at 31 December 2019 (USD '000)
Total cash outflow for leases	(3,066)

Extension options

All concession agreements contain extension options exercisable by the Group. These options are exercisable with the submission of the extension request by the Group before expiry of current concession agreements. Extendable rights vary based on the country regulations, and current concession period. Extension options are evaluated by management on contract basis, and the decision is based on the Port's performance, and possible extension period. Extension options in concession agreements are being provided for the continuation of the port's operations. The extension options held are exercisable only by the Group and in some agreements subject to approval of the grantor. Accordingly, the Group includes only already signed contract periods for the concession life.
The Group has estimated that the potential future lease payments, should it exercise all extension options, would result in an increase in lease liability of USD 3,006 thousand.

<u>Lease as lessor</u>

The Group's main operating lease arrangements as lessor are a marina lease agreement of Ortadoğu Liman until 2028, and 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.

16 Leases (continued)

Leases as lessor (continued)

The following table sets out a maturity analysis of lease receivables, showing the payments to be received after the reporting date. Under IAS 17, the Group did not have any finance leases as a lessor.

2019 – Leases under IFRS 16	**As at 31 December 2019**
	(USD '000)
Less than one year	3,008
One to two years	2,075
Two to three years	1,843
Three to four years	1,432
Four to five years	1,175
More than five years	5,036
Total	**14,569**
2018 – Operating leases under IAS 17	
Less than one year	5,141
Between one and five years	7,059
More than five years	4,019
Total	**16,219**

During the year ended 31 December 2019, USD 10,767 thousand (31 December 2018: USD 10,044 thousand) was recognised as rental income in the consolidated income statement and other comprehensive income.

17 Investment Property

See accounting policy in Note 3(l) of the Annual report and financial statements.

Reconciliation of carrying amount

	As at 31 December 2019
	(USD '000)
1 January 2019	--
Recognition of right-of-use asset on initial application of IFRS 16	2,250
Depreciation charge for the year	(59)
Currency translation differences	(52)
Balance at 31 December	**2,139**

Investment property comprises Valletta Cruise Port's commercial property that is leased to third parties.

18 Related parties

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

Related parties	Relationship
Mehmet Kutman	Chairman and ultimate controlling party
Ayşegül Bensel	Shareholder of Ultimate parent company
Global Yatırım Holding	Ultimate parent company
Global Ports Holding BV	Parent company
Global Sigorta Aracılık Hizmetleri A.Ş. (“Global Sigorta”)	Ultimate controlling party’s subsidiary
IEG Kurumsal Finansal Danışmanlık A.Ş. (“IEG Global”)	Ultimate controlling party’s subsidiary
Global Menkul Değerler A.Ş. (“Global Menkul”)	Ultimate controlling party’s subsidiary
Adonia Shipping	Ultimate controlling party’s subsidiary
Naturel Gaz	Ultimate controlling party’s subsidiary
Straton Maden	Ultimate controlling party’s subsidiary
Goulette Cruise Holding	Joint-Venture

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

Due from related parties

As at 31 December, current receivables from related parties comprised the following:

Current receivables from related parties	2019 (USD ‘000)	2018 (USD ‘000)
Global Yatırım Holding	312	602
Adonia Shipping (*)	59	67
Naturel Gaz (*)	--	72
Straton Maden (*)	67	73
IEG Global	56	57
Global Ports Holding BV	4	47
Lisbon Cruise Terminals LDA	44	37
Mehmet Kutman	--	17
Ayşegül Bensel	--	1
Other Global Yatırım Holding Subsidiaries	229	54
Total	**771**	**1,027**
Non-current receivables from related parties		
Goulette Cruise Holding (**)	6,811	--
	6,811	--

(*) These amounts are related with the work advances paid related with the services taken on utilities by Group Companies. The charged interest rate is 11,75% as at 31 December 2019 (31 December 2018: 9.75 %).

(**) Company is financing its Joint venture for the payment of La Goultte Shipping Company acquisition price with a maturity of 5 years. Yearly interest of 4.5% is charged.

Due to related parties

As at 31 December, current payables to related parties comprised the following:

Current payables to related parties	2019 (USD ‘000)	2018 (USD ‘000)
Mehmet Kutman	545	153
Global Sigorta (*)	527	309
Global Yatırım Holding	--	1
Ayşegül Bensel	154	53
Other Global Yatırım Holding Subsidiaries	91	26
Total	**1,317**	**542**

(*) These amounts are related to professional services received. The charged interest rate is 12,50% as at 31 December 2019 (31 December 2018: 19,50%).

(**) In addition, EBRD had provided a loan to Port of Adria for a total amount of €20m, details explained on Note 13.

18 Related parties (continued)

Transactions with related parties

For the years ended 31 December, transactions with other related parties comprised the following:

USD '000	2019			2018		
	Rent Income	Interest received	Other	Rent Income	Interest received	Other
Global Yatırım Holding	203	--	128	--	252	--
Adonia Shipping	--	--	--	--	--	--
Global Menkul	--	--	--	--	197	--
Total	**203**	**--**	**128**	**--**	**449**	**--**

USD '000	2019		2018	
	Project Expenses	Other	Project expenses	Other
Global Yatırım Holding	920	138	--	2
Global Menkul	--	1	--	--
Total	**920**	**139**	**--**	**2**

For the year ended 31 December 2019, GPH distributed a total dividend of USD 17,318 thousand to Global Yatırım Holding (31 December 2018: USD 21,472 thousand).

Transactions with key management personnel

Key management personnel comprised the members of the Board and GPH's senior management. For the years ended 31 December, details of benefits to key management personnel comprised the following:

	2019 (USD '000)	2018 (USD '000)
Salaries	3,070	2,279
Attendance fees to Board of Directors	172	1,278
Bonus	361	810
Termination benefits	5	25
Total	**3,608**	**4,392**

19 Events after the reporting date

Creuers Del Port de Barcelona SA ("Creuers"), 62% subsidiary of the Company, has completed the purchase of Autoridad Portuaria de Malaga's (Malaga Port Authority) 20.0% holding in the Malaga cruise port concession for €1.5m. This increases Creuers ownership of the Malaga cruise port concession to 100% and GPH's effective ownership to 62% from 49.6%.

Board members Thierry Edmond Déau and Thomas Josef Maier stepped down as Independent Non-Executive Directors of the Company, effective from the meeting of the Board on 24 February 2020. Both Mr Déau and Mr Maier, having decided not to stand for re-election at the next AGM, agreed to step down early to allow new board members to join as soon as practically possible.

Company appointed Andy Stuart as an Independent Non-Executive Director effective from 25 February 2020.

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

In Q1 2020 the emergence of the Covid-19 virus in China and then its spread around the world, led to an unprecedented level of disruption to global trade and the cruise industry. While this is a non-adjusting event as per IAS 10, the balances that would have been significantly affected by this event are the port operation rights and right of use assets. The impact on their recoverable amount can be material. Management keeps monitoring the outbreak of the virus and is continuously performing a full assessment of the impact on the Group’s commercial and cruise ports. Please refer to the Going Concern in note 1.