Global Liman İşletmeleri Anonim Şirketi and its Subsidiaries

Condensed Consolidated Interim Financial Information
As at and for the three Months Ended
31 March 2019

This report includes 32 pages of condensed consolidated interim financial information together with their explanatory notes.

Global Liman İşletmeleri A.Ş. and its Subsidiaries

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Global Liman İşletmeleri A.Ş. and its Subsidiaries

Condensed Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income

For the three months ended 31 March 2019

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

	Notes	1 January-31 March 2019	1 January-31 March 2018
Revenue	*5*	20,689	20,625
Cost of sales	*5*	(17,663)	(18,122)
Gross profit		**3,026**	**2,503**
Other income		884	806
Selling and marketing expenses		(175)	(229)
Administrative expenses	*8*	(3,601)	(3,302)
Other expenses	*6*	(1,736)	(1,654)
Operating profit		**(1,602)**	**(1,876)**
Finance income	*9*	4,537	4,537
Finance costs	*9*	(15,948)	(12,578)
Net finance costs		**(11,411)**	**(8,041)**
Share of profit of equity-accounted investees		1,762	1,082
Profit before tax		**(11,251)**	**(8,835)**
Income tax (expense) / benefit	*7*	(1,208)	46
(Loss) / profit for the period		**(12,459)**	**(8,789)**
(Loss) / profit attributable to:			
Owners of the Company		(10,589)	(7,187)
Non-controlling interests		(1,870)	(1,602)
		(12,459)	**(8,789)**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Foreign currency translation differences		11,090	7,670
Remeasurement of defined benefit obligation		(5)	--
Income tax relating to items that will not be reclassified subsequently to profit or loss		--	--
		11,085	**7,670**
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation differences		(55)	8,686
Cash flow hedges - effective portion of changes in fair value		212	(26)
Gain on a hedge of a net investment		(14,407)	(9,106)
		(14,250)	**(446)**
Other comprehensive income for the period, net of income tax		**(3,165)**	**7,224**
Total comprehensive income/(loss) for the period		**(15,624)**	**(1,565)**
Total comprehensive income attributable to:			
Owners of the Company		(12,226)	(2,487)
Non-controlling interests		(3,398)	922
		(15,624)	**(1,565)**
Basic and diluted (loss) / earnings per share (cents per share)	*16*	**(14.25)**	**(9.83)**

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Global Liman İşletmeleri A.Ş. and its Subsidiaries

Condensed Consolidated Interim Statement of Financial Position
As at 31 March 2019
(Amounts expressed in USD 000's ("USD'000"))

	Notes	**As at 31 March 2019**	**As at 31 December 2018**
Non-current assets			
Property and equipment	*10*	128,093	129,312
Intangible assets	*11*	442,457	392,361
Goodwill		13,485	13,485
Equity-accounted investees		24,647	26,003
Other investments		4	4
Deferred tax assets	*7*	2,974	3,066
Other non-current assets		4,550	4,626
		616,210	**568,857**
Current assets			
Trade and other receivables		20,409	19,987
Due from related parties	*19*	3,018	2,263
Other investments		71	72
Other current assets		4,521	2,937
Inventory		1,445	1,454
Prepaid taxes		390	1,363
Cash and cash equivalents	*12*	78,838	79,280
		108,692	**107,356**
Total assets		**724,902**	**676,213**
Current liabilities			
Loans and borrowings	*14*	51,107	48,755
Trade and other payables		13,610	14,344
Due to related parties	*19*	7,627	7,324
Current tax liabilities		2,059	2,459
Provisions	*15*	875	955
		75,278	**73,837**
Non-current Liabilities			
Loans and borrowings	*14*	362,928	298,296
Other financial liabilities		2,981	3,410
Derivative financial liabilities		676	617
Deferred tax liabilities	*7*	90,887	92,294
Provisions	*15*	7,476	8,861
Employee benefits		796	797
		465,744	**404,275**
Total liabilities		**541,022**	**478,112**
Net assets		**183,880**	**198,101**
Equity			
Share capital	*13*	33,836	33,836
Share premium account		54,539	54,539
Legal reserves	*13*	13,038	13,030
Hedging and Translation reserves		867	2,519
Retained earnings		(6,554)	3,133
Equity attributable to equity holders of the Company		**95,726**	**107,057**
Non-controlling interests		**88,154**	**91,044**
Total equity		**183,880**	**198,101**

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Global Liman İşletmeleri A.Ş. and its Subsidiaries

Condensed Consolidated Interim Statement of Changes in Equity

For the three months ended 31 March 2019

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

	Note	Share capital	Share premium	Legal reserves	Hedging reserves	Translation reserves	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 1 January 2019		**33,836**	**54,539**	**13,030**	**(195,393)**	**197,912**	**3,133**	**107,057**	**91,044**	**198,101**
Impact of reversed provisions (*)		--	--	--	--	--	895	**895**	508	**1,403**
Restated balance at 1 January 2019		**33,836**	**54,539**	**13,030**	**(195,393)**	**197,912**	**4,028**	**107,952**	**91,552**	**199,504**
Total comprehensive income										
Loss for the period		--	--	--	--	--	(10,589)	**(10,589)**	(1,870)	**(12,459)**
Other comprehensive income		--	--	--	(14,195)	12,543	15	**(1,637)**	(1,528)	**(3,165)**
Total comprehensive income for the period		--	--	--	**(14,195)**	**12,543**	**(10,574)**	**(12,226)**	**(3,398)**	**(15,624)**
Contributions and distributions										
Transfer to legal reserves		--	--	8	--	--	(8)	--	--	--
Total contributions and distributions		--	--	**8**	--	--	**(8)**	--	--	--
Total transactions with owners of the Company		--	--	--	--	--	--	--	--	--
Balance at 31 March 2019		**33,836**	**54,539**	**13,038**	**(209,588)**	**210,455**	**(6,554)**	**95,726**	**88,154**	**183,880**

(*) Previously, the Group recognized Port operating right asset and accrual only to the extent that there was a timing difference between concession fee payment and the expense recognized. For the annual year starting at 1 January 2019, the Group reversed Port of Adria concession fee provision related to timing differences as explained on Note 3b (ii) and included the payments due under the lease in its lease liability.

Global Liman İşletmeleri A.Ş. and its Subsidiaries

Condensed Consolidated Interim Statement of Changes in Equity

For the three months ended 31 March 2019

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

	Note	Share capital	Share premium	Legal reserves	Hedging reserves	Translation reserves	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 1 January 2018		**33,836**	**54,539**	**13,012**	**(135,763)**	**150,626**	**1,957**	**118,207**	**92,895**	**211,102**
Total comprehensive income										
Loss for the period		--	--	--	--	--	(7,187)	**(7,187)**	(1,602)	**(8,789)**
Other comprehensive income		--	--	--	(9,132)	13,832	--	**4,700**	2,524	**7,224**
Total comprehensive income for the period		**--**	**--**	**--**	**(9,132)**	**13,832**	**(7,187)**	**(2,487)**	**922**	**(1,565)**
Contributions and distributions										
Transfer to legal reserves		--	--	21	--	--	(21)	--	--	--
Total contributions and distributions		**--**	**--**	**21**	**--**	**--**	**(21)**	**--**	**--**	**--**
Total transactions with owners of the Company		**--**	**--**	**21**	**(9,132)**	**13,832**	**(7,208)**	**(2,487)**	**922**	**(1,565)**
Balance at 31 March 2018		**33,836**	**54,539**	**13,033**	**(144,895)**	**164,458**	**(5,251)**	**115,720**	**93,817**	**209,537**

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Global Liman İşletmeleri A.Ş. and its Subsidiaries

Condensed Consolidated Interim Statement of Cash Flows

For the three months ended 31 March 2019

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

	Notes	Three months period ended 31 March 2019	Three months period ended 31 March 2018
Cash flows from operating activities			
(Loss) / profit for the period		(12,459)	(8,789)
Adjustments for			
Depreciation and amortization expense	*10, 11*	11,626	11,403
Share of profit of equity-accounted investees, net of tax		(1,762)	(1,082)
Gain on disposal of Property Plant and Equipment		--	--
Finance costs (excluding foreign exchange differences)	*9*	7,040	6,540
Finance income (excluding foreign exchange differences)	*9*	(46)	(239)
Income tax (benefit) / expense	*7*	1,206	(46)
Employment termination indemnity reserve		(2)	28
Provisional charges		(1,318)	821
Foreign exchange differences on finance costs and income, net	*9*	4,417	1,740
Operating cash flow before changes in operating assets and liabilities		**8,702**	**10,376**
Changes in:			
- trade and other receivables		507	3,302
- other current assets		(529)	1,077
- related party receivables		(267)	1
- other non-current assets		172	(747)
- trade and other payables		(1,106)	(1,878)
- related party payables		(310)	(110)
- provisions		(11)	(145)
Cash generated by operations before benefit and tax payments		**7,158**	**11,876**
Employee benefits paid		(7)	(58)
Income taxes paid		(1,702)	(1,279)
Net cash generated from operating activities		**5,449**	**10,539**
Investing activities			
Acquisition of property and equipment		(3,442)	(1,127)
Advances given for tangible assets		(167)	(662)
Acquisition of intangible assets		(54)	(71)
Proceeds from sale of property and equipment		--	--
Change in financial investments		--	14,475
Dividends from Equity accounted investees		2,884	--
Interest received		40	204
Net cash used in investing activities		**(739)**	**12,819**
Financing activities			
Change in due from related parties		157	(2,985)
Changes in due to related parties		(32)	268
Dividends paid		--	--
Interest paid		(864)	(308)
Proceeds from borrowings		4,279	772
Repayments of borrowings		(3,701)	(15,676)
Net cash used in financing activities		**(161)**	**(17,929)**
Net decrease in cash and cash equivalents		**4,549**	**5,429**
Effect of foreign exchange rate changes on cash and cash equivalents		(4,062)	(1,029)
Cash and cash equivalents at the beginning of the year		71,804	48,308
Cash and cash equivalents at the end of the period	**12**	**72,291**	**52,708**

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Notes to the condensed consolidated interim financial information

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

1 General Information

Global Altyapı Hizmetleri ve İşletmecilik A.Ş. was incorporated in 2004 in Istanbul, Turkey as joint stock company to invest in Global Yatırım Holding A.Ş.'s ("Global Yatırım Holding") infrastructure projects. On 13 September 2007, Global Altyapı Hizmetleri ve İşletmecilik A.Ş. changed its trade name to Global Liman İşletmeleri A.Ş. ("Global Liman", the "Company" or "GPH").

The principal activities of the Company and its subsidiaries (together, the "Group") is to invest in the capital and management of companies that operate or will operate in the ports and port management industry.

The address of the registered office of the Company is "Rıhtım Caddesi No: 51 Karaköy / İstanbul".

As at 31 March 2019 and 31 December 2018, all shares are owned by Global Ports Plc.

As at 31 March 2019, the number of employees of the Group was 650 (31 December 2018: 646). The address of the registered office of the Company is "Rıhtım Caddesi No: 51 Karaköy / Istanbul".

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

Subsidiaries	Locations	Operations
Ege Liman İşletmeleri A.Ş. ("Ege Liman")	Aydın-Turkey	Port operations
Ortadoğu Antalya Liman İşletmeleri A.Ş. ("Ortadoğu Liman")	Antalya-Turkey	Port operations
Bodrum Yolcu Limanı İşletmeleri A.Ş. ("Bodrum Liman")	Muğla-Turkey	Port operations
Container Terminal and General Cargo – Bar ("Port of Adria")	Montenegro	Port operations
Barcelona Port Investments, S.L ("BPI")	Spain	Port investments
Creuers del Port de Barcelona, S.A. ("Creuers")	Spain	Port operations
Cruceros Malaga, S.A. ("Malaga Port")	Spain	Port operations
Global Ports Mediterranean S.L. ("GP Med")	Spain	Service operations
Global Ports Europe B.V ("Global BV")	Netherlands	Port investments
Global Ports Melita Ltd. ("GP Melita")	Malta	Port investments
Valletta Cruise Port PLC ("VCP")	Valletta – Malta	Port operations
Port Operation Holding Srl ("POH")	Italy	Port investments
Royal Caribbean Investments (Cyprus) Ltd ("RCI Cyprus")	Cyprus	Port investments
Ravenna Terminali Passegeri Srl ("Ravenna")	Italy	Port operations
Catania Terminali Passegeri Srl ("Catania")	Italy	Port operations
Cagliari Terminali Passegeri Srl ("Cagliari")	Italy	Port operations
Global Ports Netherlands B.V. ("GP Netherlands")	Netherlands	Port investments
Zadar International Port Operations d.o.o. ("ZIPO")	Croatia	Port operations
Global Depolama A.Ş. ("Global Depolama")	İstanbul-Turkey	Storage
Randa Denizcilik San. ve Tic. Ltd. Şti. ("Randa")	Antalya-Turkey	Marine vehicle trade

Ege Liman

Kuşadası Cruise Port was constructed in 1968 and was operated by the Turkish Maritime Organization Inc. (Türkiye Denizcilik İşletmeleri A.Ş.) ("TDI") until its privatization in 2003. On 2 July 2003, Ege Liman entered into a transfer of operational rights agreement ("TOORA") for Kuşadası Cruise Port for a period of 30 years with the Privatization Administration (Özelleştirme İdaresi Başkanlığı) ("OIB") and TDI. The TOORA will end in 2033. Kuşadası Cruise Port is the largest cruise ship terminal in Turkey and is a popular port of call for cruises originating from Greece, Italy, France, Spain and Turkey.

Global Liman acquired 72.50% of the shares of Ege Liman on 6 July 2005. The other shareholder of Ege Liman is Royal Caribbean Cruises Ltd. ("RCCL").

Ege Liman offers the following basic services to ships calling at the port: tugging, pilotage, sheltering, security, clean water supply, disposal of solid waste, underwater diving inspection, fuel supply and liquid waste collection.

1 General Information *(continued)*

Ortadoğu Liman

Antalya Port, constructed in 1977, is a multi-functional facility harbouring a cruise port, a marina and a commercial port and was operated by the TDI until its privatization in 1998. Operational rights for Antalya Port were taken over for a period of 30 years by Ortadoğu Liman in August 1998. In 2001, due to the difficulties in the other commercial activities of the former shareholders of Ortadoğu Liman, Savings Deposit Insurance Fund ("SDIF") confiscated the company.

Akdeniz Liman İşletmeleri A.Ş. ("Akdeniz Liman"), a joint venture of Global Liman, acquired 99.99% of the shares of Ortadoğu Liman which were subsequently tendered by the SDIF. Akdeniz Liman merged with Ortadoğu Liman in December 2006 and all the rights and obligations of Akdeniz Liman were transferred to Ortadoğu Liman which was denoted the successor entity. The concession period will end in 2028.

Until 29 July 2010, Global Liman owned 39.80% shares of Ortadoğu Liman. On 29 July 2010, Global Liman acquired the 60% of the shares of Ortadoğu Liman from other shareholders and obtained control by raising the ownership to 99.80%.

Bodrum Liman

Bodrum Cruise Port was tendered by the State Railways, Ports and Airports Construction Company (Demiryolları, Limanlar ve Havayolları) ("DLH") in September 2003 through a 12-year Build-Operate-Transfer ("BOT") tender agreement, which commenced in December 2007. The BOT agreement period will end in 2019. The winning bidder of the BOT concession was a consortium, which later established Bodrum Liman to carry out the operations of Bodrum Cruise Port.

Global Liman acquired 60% of the shares of Bodrum Liman on 16 June 2008. As at 31 March 2019 and 31 December 2018, shareholders of the remaining 30% and 10% of the shares of Bodrum Liman are Yüksel Çağlar and Setur Servis Turistik A.Ş. ("Setur"), respectively.

Port of Adria

On 23 July 2013, Global Liman won the tender for the repair, financing, operation, maintenance and transfer of Port of Bar and the right to acquire 62.09% of the shares in Port of Bar from the Montenegro Government through Container Terminal and General Cargo JSC-Bar, which has an operating concession for thirty years (terminating in 2043). Global Liman finalized a share purchase agreement with the Montenegro Government on 15 November 2013 and it was approved by the tender commission, the Montenegro Privatization and Capital Investments Authority and the Montenegro Council of Ministers. The shares were transferred to the Group on 30 December 2013.

Port of Bar represents an important link in the chain of intermodal transport because of its integration with the Belgrade-Bar railway and road traffic network, and benefits from a free zone regime.

BPI and Creuers

The Group acquired 43% and 57% interests in Creuers on 30 December 2013 and 30 September 2014, respectively through Barcelona Port Investments, S.L ("BPI") which is a special purpose joint venture between the Global Liman and Royal Caribbean Cruises Ltd. Creuers has the concession rights of Adossat and World Trade Center wharfs in Barcelona Cruise Port with 80% of controlling interest in Malaga Port and 40% of non-controlling interest in Singapore Port.

Global Liman increased its interest in BPI from 49% to 62% with the agreement of RCCL and became the shareholder of Creuers with 62% of interest indirectly on 30 September 2014 and BPI and Creuers have been recognized as subsidiaries as from 30 September 2014.

1 General Information *(continued)*

Global BV, Perquisite, GP Malta and VCP

Global BV was established in Netherlands for the investments made through European Ports. As of 15 November 2015, Global BV acquired 55.60% of VCP shares through Holding Companies of GP Malta and Perquisite. VCP was set up to develop the Valletta Waterfront, situated on the Grand Harbour, Malta, for the purpose of the operation and management of a cruise liner passenger terminal and an international ferry passenger terminal together with complementary leisure facilities. The company is also responsible for the handling of international cruise and ferry passengers. For this purpose the company was granted a licence by the Malta Maritime Authority.

Port Operation Holding, RCI Cyprus, Ravenna, Catania and Cagliari

POH was established in Italy for the investments made through Italian Ports. As of 31 December 2016, POH acquired 51% of Ravenna shares, 62% of Catania shares and 71% of Cagliari shares. Share purchases are performed from two different former shareholders, one by direct share purchase and another by purchase of a dormant Company, based in Cyprus ("RCI Cyprus"). Purchase of RCI Cyprus shares were made at the end of the year 2016. The financial statements of RCI Cyprus as of 31 March 2018 are not significant in terms of consolidated financial statements of the Group. Since RCI Cyprus could not prepare its financial statements as of 31 March 2018, RCI Cyprus is not included in the accompanying consolidated financial statements. Ravenna, Cagliari, and Catania were set up to operate the cruise liner passenger terminal together with complementary leisure facilities at their territories. The companies are responsible for the handling of international cruise passengers.

Zadar International Port Operations

ZIPO was established in Zadar (Croatia) for attending to tender for concession of Gazenica cruise port operation rights. ZIPO has signed a 20-year (terminating in 2038) concession agreement ("the Agreement"), with the Port Authority of Zadar for the operating rights of the Gazenica cruise port in Zadar, Croatia. Under the terms of the Agreement, GPH will from Q4 2018, use its global expertise and operating model to manage all the cruise port operations at Gazenica port over the life of the concession. The concession includes cruise ship passenger port and terminal services, an international ferry terminal, Ro-Ro services, vehicles and passenger services. It also contains a commercial area of 2,400sqm, with leasable retail and office space.

Global Depolama

Global Depolama was established on 9 July 2008 for the purpose of investing in the warehousing sector.

2 Basis of preparation

(a) Statement of compliance

This condensed consolidated interim financial information has been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting*. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the last annual consolidated financial statements as at and for the year ended 31 December 2018. This condensed consolidated interim financial information does not include all the information required for full annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS").

(b) Use of estimates and judgments

The preparation of interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

2 Basis of preparation *(continued)*

(b) Use of estimates and judgements *(continued)*

In preparing these condensed consolidated interim financial information, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2018.

(c) New standards and interpretations not yet adopted

The IASB issued Annual Improvements as at 15 March 2019. The amendments are effective after annual period started as of 1 January 2019. Earlier application is permitted. Management is expecting the adoption of the amendments has had no major impact on the Group's consolidated financial position or performance of the Group.

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

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

The Group is currently evaluating the impact of adopting these new accounting standards. Further discussion will be included on the consolidated financial statements as at and for the year ended 31 December 2018.

(c) Functional and presentation currency

The individual financial statements of each group company are presented in the currency of the primary economic environment in which it operates (its functional currency). The functional currency of the Company is TL. For the purpose of the consolidated financial statements, United States Dollars is chosen as the presentation currency by management. The consolidated financial statements are rounded to the nearest thousand dollars, except when otherwise indicated.

The Company and its subsidiaries operating in Turkey maintain their books of account and prepare their statutory financial statements in Turkish Lira ("TL") in accordance with the Turkish Commercial Code, tax legislation and Turkish Uniform Chart of Accounts. The subsidiaries operating in Montenegro, Spain, Malta and Italy maintain their books of account and prepare their statutory financial statements in Euro in accordance with their respective local laws. The accompanying consolidated financial statements is based on these statutory records with adjustments and reclassifications for the purpose of fair presentation in accordance with IFRS.

US Dollar ("USD") is the most significant currency to the operations of Ortadoğu Liman, Ege Liman and Bodrum Liman. Therefore, USD has been determined as the functional currency of Ortadoğu Liman, Ege Liman and Bodrum Liman in line with IAS 21 "The Effects of Changes in Foreign Exchange Rates".

Euro is significantly used in the operations of the Port of Adria, VCP, Malaga Port, Global BV, BPI, Creuers,Italy and Zadar. Therefore, Euro has been determined as the functional currency of these companies in line with IAS 21 – "The Effects of Changes in Foreign Exchange Rates".

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

2 Basis of preparation *(continued)*

(d) Functional and presentation currency *(continued)*

31 March 2019 and 31 December 2018, foreign currency exchange rates of the Central Bank of the Turkish Republic comprised were as follows:

	31 March 2019	31 December 2018
TL/USD	0.1777	0.1901
Euro/USD	1.1227	1.1458

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

	2019	2018
TL/USD	0.1866	0.2624
Euro/USD	1.1365	1.2284

3 Significant accounting policies

Except as described below, the accounting policies applied in these condensed consolidated financial statements are the same as those applied in the last annual financial statements.

The changes in accounting policies are also expected to be reflected in the Group's consolidated financial statements as at and for the year ending 31 December 2019.

The Group has initially adopted IFRS 16 Leases 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.

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

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

(a) Definition of a lease

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

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

3 Significant accounting policies *(continued)*

(b) As a lessee

The Group leases many assets, including operating rights, furniture fixture and IT equipment.

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

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

The Group presents right-of-use assets that meet the definition of operating rights in 'Port operating rights', the same line item as it presents underlying assets of the same nature that it owns.

In thousands of USD	**Port Operating Rights**
Balance at 1 January 2019	64,186
Balance at 31 March 2019	62,357

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

(i) Significant accounting policies

The Group summarized a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses and adjusted for certain remeasurements of the lease liability. When a right-of-use asset meets the definition, it is presented in port operating rights. The right-of-use asset is initially measured at cost, and subsequently measured at fair value, in accordance with the Group's accounting policies.

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

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

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

(ii) Transition

Previously, the Group recognized rent expense for the Concessions, for which the agreements are within the scope of IFRS 16, on a yearly basis over the concession period, and recognized Port operating right asset and accrual only to the extent that there was a timing difference between concession fee payment and the expense recognized. For the annual year starting at 1 January 2019, the Group reversed the accrual (Note 15) related to timing differences as explained above and included the payments due under the lease in its lease liability.

3 Significant accounting policies *(continued)*

***(ii) Transition** (continued)*

For those arrangement accounted for under the IAS 17 finance lease classification, no significant impact is expected.

The Group applied IFRS 16 initially in 1 January 2019, using the modified retrospective approach for simplicity of application with no impact on retained earnings, except the reversal of accrual from timing difference as explained above.

(c) As a lessor

The Group leases out its investment property, including right-of-use assets. The Group has classified these leases as operating leases.

The accounting policies applicable to the Group as a lessor are not different from those under IAS 17. However, when the Group is an intermediate lessor the sub-leases are classified with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset.

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

(d) Impacts on financial statements

(i) Impacts on transition

On transition to IFRS 16, the Group recognised additional right-of-use assets and additional lease liabilities. The impact on transition is summarized below.

In thousands of USD	**1 January 2019**
Right of use assets presented in Port operating rights	64,186
Deferred tax asset	95
Lease liabilities	64,186
Retained earnings	1,403

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 4.5%.

In thousands of USD	**1 January 2019**
Operating lease commitment at 31 December 2018 as disclosed in the Group's consolidated financial statements	158,860
Discounted using the incremental borrowing rate at 1 January 2019	65,543
Finance lease liabilities recognised as at 31 December 2018	1,905
- Recognition exemption for leases of low-value assets	(8)
- Recognition exemption for leases within the scope of IFRIC 12	(1,349)
Lease liabilities recognized at 1January 2019	**66,091**

(ii) Impacts for the period

As a result of initially applying IFRS 16, in relation to the leases that were previously classified as operating leases, the Group recognised USD 62,357 thousand of right-of-use assets and USD 61,999 thousand of lease liabilities as at 31 March 2019.

Also in relation to those leases under IFRS 16, the Group has recognised depreciation and interest costs, instead of port rent and operating lease expenses. During the three months ended 31 March 2019, the Group recognised USD 543 thousand of depreciation charges and USD 473 thousand of interest costs from these leases.

For the impact of IFRS 16 on segment information and EBITDA, see Note 4.

4 Segment reporting

(i) Basis for segmentation

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision-maker, in deciding how to allocate resources and assessing performance.

The Group has identified each port as an operating segment, as each port represents a set of activities which generates revenue and the financial information of each port is reviewed by the Group's chief operating decision-maker in deciding how to allocate resources and assess performance. The Group's chief operating decision-maker is the Chief Executive Officer ("CEO"), who reviews the management reports of each port at least on a monthly basis.

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

The Group has the following operating segments under IFRS 8:

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

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

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

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

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

4 Segment reporting *(continued)*

(ii) ***Information about reportable segments*** *(continued)*

As at and for the three months ended 31 March 2019, the details of reportable segments comprised the following:

	BPI	Valletta	Ege Ports	Other Cruise	*Cruise Total*	Port Akdeniz	Port of Adria	*Total Commercial*	Non-operational & HQ	*Consolidated*
Segment assets	163,740	126,592	44,279	14,614	*349,225*	224,439	78,679	*303,119*	47,911	*700,255*
Equity accounted investees	--	--	--	24,647	*24,647*	--	--	--	--	*24,647*
Segment liabilities	78,983	66,517	12,488	10,333	*168,321*	57,204	40,628	*97,832*	274,869	*541,022*
Capital expenditures	15,070	32,857	21	58	*48,007*	2,172	13,541	*15,713*	3,657	*67,376*

	BPI	Valletta	Ege Ports	Other Cruise	*Cruise Total*	Port Akdeniz	Port of Adria	*Total Commercial*	Non-operational & HQ	*Consolidated*
External revenues	2,670	1,861	314	588	*5,433*	13,241	2,015	*15,256*	--	*20,689*
EBITDA	969	933	(124)	1,639	*3,417*	10,085	541	*10,626*	(1,001)	*13,042*
Depreciation and amortization expense	(2,977)	(786)	(711)	(844)	*(5,318)*	(5,393)	(847)	*(6,240)*	(68)	*(11,626)*
Non-recurring income/(expense)	(5)	8	(1)	(2)	--	--	78	*78*	(1,211)	*(1,133)*
Non-cash income/(expenses)	(129)	--	(24)	72	*(81)*	(22)	1	(21)	(21)	*(123)*
Operating profit	(2,142)	155	(860)	(897)	*(3,744)*	4,670	(227)	*4,443*	(2,301)	*(1,602)*
Share of profit of equity-accounted investees	--	--	--	1,762	*1,762*	--	--	--	--	*1,762*
Interest income	--	--	81	--	*81*	577	(2)	*575*	1,220	*1,876*
Interest expense	(432)	(296)	(329)	(122)	*(1,179)*	(1,199)	(367)	*(1,566)*	(5,638)	*(8,383)*

The Group has initially applied IFRS 16 at 1 January 2019, which requires the recognition of right-of-use assets and lease liabilities for lease contracts that were previously classified as operating leases (see Note 3b). As a result, the Group recognised USD 62,357 thousand of right-of-use assets and USD61,999 thousand of liabilities from those lease contracts. The assets and liabilities are included in BPI, Valletta, other Cruise and Port of Adria segments as at 31 March 2019.

The Group recognises depreciation and interest costs, instead of operating lease expense (see Note 3b). During the three months ended 31 March 2019, in relation to those leases, the Group recognised USD 543 thousand of depreciation charges and USD 473 of additional interest costs from leases.

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

4 Segment reporting *(continued)*

(ii) ***Information about reportable segments*** *(continued)*

As at 31 December 2018 statement of financial position details and for the three months ended 31 March 2018 profit or loss details of reportable segments comprised the following:

	BPI	Valletta	Ege Ports	Others	*Cruise Total*	Port Akdeniz	Port of Adria	*Total Commercial*	Non-operational & HQ	*Consolidated*
Segment assets	152,415	96,793	48,154	12,968	*310,330*	221,854	67,690	*289,544*	50,336	*650,210*
Equity accounted investees	--	--	--	26,003	*26,003*	--	--	--	--	*26,003*
Segment liabilities	66,726	35,285	13,238	7,140	*122,389*	56,987	29,744	*86,731*	268,992	*478,112*
Capital expenditures	2,074	927	259	2,360	*5,620*	4,761	3,443	*8,204*	935	*14,759*

	BPI	Valletta	Ege Ports	Others	*Cruise Total*	Port Akdeniz	Port of Adria	*Total Commercial*	Non-operational & HQ	*Consolidated*
External revenues	2,925	1,911	204	155	*5,195*	12,622	2,808	*15,430*	--	*20,625*
EBITDA	1,031	680	(190)	748	*2,269*	9,546	1,197	*10,743*	(856)	*12,156*
Depreciation and amortization expense	(2,960)	(671)	(824)	(908)	*(5,363)*	(5,237)	(751)	*(5,988)*	(53)	*(11,403)*
Non-recurring income/(expense)	(35)	--	2	(7)	*(40)*	699	(220)	*479*	(1,362)	*(923)*
Non-cash income/(expenses)	(594)	--	(6)	(2)	*(602)*	(22)	--	*(22)*	--	*(624)*
Operating profit	(2,558)	9	(1,019)	(1,252)	*(4,820)*	4,988	226	*5,214*	(2,270)	*(1,876)*
Share of profit of equity-accounted investees	--	--	--	1,082	*1,082*	--	--	--	--	*1,082*
Interest income	--	--	98	--	*98*	112	10	*122*	271	*491*
Interest expense	(636)	(78)	(110)	(12)	*(836)*	(161)	(262)	*(423)*	(5,114)	*(6,373)*

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

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

4 Segment reporting *(continued)*

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

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

	Note	2019	2018
Revenues			
Total revenue for reportable segments	*5*	20,689	20,625
Total external revenues		**20,689**	**20,625**
Consolidated EBITDA		13,042	12,156
Non-recurring income / (expense)		(1,133)	(923)
Non-cash income / (expense)		(123)	(624)
Finance income	*9*	4,537	4,537
Finance costs	*9*	(15,948)	(12,578)
Depreciation and amortization		(11,626)	(11,403)
Total profit before income tax		**(11,251)**	**(8,835)**
Interest income			
Total interest income for reportable segments		1,876	491
Elimination of inter-segments		(1,830)	(260)
Consolidated interest income	*9*	**46**	**231**
Interest expense			
Total interest expense for reportable segments		(8,383)	(6,373)
Elimination of inter-segments		1,830	260
Consolidated interest expense	*9*	**(6,553)**	**(6,113)**

(iv) Geographic information

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

Revenue

	31 March 2019	31 March 2018
Turkey	14,066	12,912
Montenegro	2,015	2,808
Malta	1,861	1,911
Spain	2,670	2,925
Italy	77	69
	20,689	**20,625**

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

4 Segment reporting *(continued)*

(iv) ***Geographic information*** *(continued)*

Non-current assets

	As at 31 March 2019	**As at 31 December 2018**
Turkey	238,826	243,224
Spain	139,186	129,695
Malta	124,208	94,703
Montenegro	76,246	65,202
Italy	6,589	6,962
Zadar	3,533	--
Unallocated	27,622	29,071
	616,210	**568,857**

(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.

5 Revenue and cost of sales

Revenue

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

	BPI		VCP		EP		others		Cruise		Port Akdeniz		Port of Adria		Commercial		Consolidated	
(USD '000)	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**
Point in time																		
Container revenue	--	--	--	--	--	--	--	--	--	--	7,440	7,989	1,361	1,284	*8,801*	*9,273*	8,801	9,273
Landing fees	2,290	2,336	542	494	47	9	25	74	*2,904*	*2,913*	--	--	--	--	--	--	2,904	2,913
Port service revenue	173	126	133	203	75	18	17	11	*398*	*358*	4,326	1,391	47	89	*4,373*	*1,480*	4,771	1,838
Cargo revenue	--	--	--	--	--	--		--	--	--	1,088	2,876	467	1,168	*1,555*	*4,044*	1,555	4,044
Domestic water sales	31	94	--	--	0	4	1	1	*32*	*99*	10	14	2	2	*12*	*16*	44	115
Other revenue (*)	9	--	66	--	31	20	53	10	*158*	*30*	195	65	7	--	*202*	*65*	360	95
Point over time																		
Rental income	168	369	526	567	161	153	61	82	*916*	*1,171*	182	265	131	264	*313*	*529*	1,229	1,700
Management fee	--	--	--	--	--	--	431	--	*431*	--	--	--	--	--	--	--	431	--
Income from duty free operations	--	--	594	647	--	--	--	--	*594*	*647*	--	--	--	--	--	--	594	647
Total	**2,670**	**2,925**	**1,861**	**1,911**	**314**	**204**	**588**	**178**	***5,433***	***5,218***	**13,241**	**12,600**	**2,015**	**2,807**	***15,256***	***15,407***	**20,689**	**20,625**

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

Revenue	**Period ended 31 March 2019**	**Year ended 31 December 2018**
Receivables, which are included in 'trade and other receivables'	11,389	12,116
Contract assets	1,731	797
Contract liabilities	(372)	(879)
	12,748	**12,034**

The contract assets primarily relate to the Group's rights to consideration for work completed but not billed at the reporting date on Commercial services provided to vessels and rental agreements. The contract assets are transferred to receivables when the rights become unconditional. This occurs when the Group issues an invoice to the customer.

The contract liabilities primarily relate to the advance consideration received from customers for providing services, for which revenue is recognised over time. These amounts will be recognised as revenue when the services have provided to customers and billed, which was based on the nature of the business less than one-week period.

The amount of USD 879 thousand recognised in contract liabilities at the beginning of the period has been recognised as revenue for the period ended 31 March 2019 (31 March 2018: USD 1,001 thousand).

The amount of revenue recognised in the period ended 31 March 2019 from performance obligations satisfied (or partially satisfied) in previous periods is USD 797 thousand (31 March 2018: USD 114 thousand). This is mainly due to the nature of operations.

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

5 Revenue and cost of sales *(continued)*

Seasonality of operations

Generally, the number of cruise calls is lower during the winter months of December to February than at other times of the year, although this seasonality is more pronounced in the cruise segment as compared to the commercial segment. The third quarter is the busiest for cruise port calls in Mediterranean, Creuers (Barcelona) and Cruceros (Malaga) ports usually see less seasonality in terms of the number of calls than the Turkish ports in the Group's portfolio with the increasing popularity of winter cruises in Mediterranean and considering locations.

Cost of sales

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

	2019	2018
Depreciation and amortization expenses	10,719	10,573
Personnel expenses	2,892	3,111
Commission fees to government authorities and pilotage expenses	211	736
Repair and maintenance expenses	485	322
Subcontractor crane and container service	447	629
Security expenses	394	337
Replacement provisions	102	594
Other expenses	2,413	1,820
Total	**17,663**	**18,122**

6 Other expenses

For the three months ended 31 March, other expenses comprised the following:

	2019	2018
Project expenses (*)	1,214	1,318
Taxes other than on income	--	--
Other	522	336
Total	**1,736**	**1,654**

(*) The project expenses are mainly the expenses incurred in relation to the projects for new acquisitions and financing of these new projects.

7 Taxation on income

Income tax expense is recognised based on management's estimate of the average annual effective income tax rate for each relevant taxing jurisdiction and applied individually to the interim period pre-tax income of each jurisdiction.

	Three months ended 31 March 2019	Three months ended 31 March 2018
Current income taxes	(1,531)	(1,148)
Deferred income taxes	323	1,194
Total	**(1,208)**	**46**

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

	2019	2018
Balance at 1 January	**(89,228)**	**(98,184)**
Deferred tax benefit in profit or loss	325	1,194
Currency translation difference	990	(2,319)
Balance as at 31 March	**(87,913)**	**(99,309)**

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

8 Administrative expenses

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

	2019	2018
Personnel expenses	1,124	1,154
Depreciation and amortization expenses	906	830
Consultancy expenses	363	376
Representation expenses	473	207
Taxes other than on income	152	168
Travelling expenses	110	68
Communication expenses	35	86
IT expenses	90	73
Vehicle expenses	28	51
Stationary expenses	17	19
Office operating expenses	15	16
Rent expenses	2	27
Repair and maintenance expenses	37	6
Other expenses	249	221
Total	**3,601**	**3,302**

9 Finance income and costs

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

Finance income	**2019**	**2018**
Foreign exchange gain	4,491	4,298
Interest income on marketable securities (*)	--	--
Interest income on related parties	--	26
Interest income on banks and others	46	195
Interest income from housing loans	--	10
Others	--	8
Total	**4,537**	**4,537**

(*) Interest income on marketable securities comprises the interest income earned from the Global Yatırım Holding's bonds during the year.

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

Finance costs	**2019**	**2018**
Interest expense on loans and borrowings	6,547	6,030
Foreign exchange losses	8,908	6,038
Other interest expenses	7	83
Letter of guarantee commission expenses	100	95
Loan commission expenses	25	60
Unwinding of provisions during the year	65	191
Other	296	81
Total	**15,948**	**12,578**

10 Property and equipment

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

	2019	2018
Net book value as at 1 January	129,312	134,664
Additions	3,442	1,446
Depreciation	(3,090)	(3,124)
Currency translation differences	(1,571)	3,128
Net book value as at 31 March	**128,093**	**136,114**

As at 31 March 2019, the net book value of machinery and equipment purchased through leasing amounts to USD 1,606 thousand (31 December 2018: USD 1,689 thousand), the net book value of motor vehicles purchased through leasing amounts to USD 8,114 thousand (31 December 2018: USD 7,991 thousand), and the net book value of furniture and fixtures purchased through leasing amounts to USD 52 thousand (31 December 2018: USD 45 thousand). In 2019, and 2018, no capital expenditure was made through finance leases.

For the three months ended 31 March 2019 and year ended 31 December 2018, there is no capitalized borrowing cost on property and equipment.

As at 31 March 2019, the insured amount of property and equipment amounts to USD 311,433 thousand (31 December 2018: USD 326,671 thousand).

11 Intangible assets

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

	2019	2018
Net book value as at 1 January	392,361	433,075
Additions	63,934	71
Amortization	(8,535)	(8,279)
Currency translation differences	(5,303)	7,522
Net book value as at 31 March	**442,457**	**432,389**

The details of the principal port operation rights for the three months ended 31 March 2019, year ended 31 December 2018 and three months ended 31 March 2018 are as follows:

	As at 31 March 2019		**As at 31 December 2018**		**As at 31 March 2018**	
USD '000	**Carrying Amount**	**Remaining Amortisation Period**	**Carrying Amount**	**Remaining Amortisation Period**	**Carrying Amount**	**Remaining Amortisation Period**
Barcelona Ports Investment	134,041	135 months	124,951	138 months	142,963	147 months
Valletta Cruise Port	94,436	572 months	64,072	575 months	70,002	584 months
Port of Adria	32,916	297 months	20,919	300 months	23,179	309 months
Port Akdeniz	156,640	113 months	160,798	116 months	173,274	125 months
Ege Ports	11,869	168 months	12,079	171 months	13,666	180 months
Bodrum Cruise Port	2,376	588 months	2,446	591 months	654	12 months
Ravenna Cruise Port	188	21 months	220	24 months	325	33 months
Cagliari Cruise Port	2,742	93 months	2,889	96 months	3,399	105 months
Catania Cruise Port	2,381	105 months	2,514	108 months	2,946	117 months
Zadar Port Operations	3,533	237 months				
	441,122		**390,888**		**430,408**	

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

11 Intangible assets *(continued)*

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

12 Cash and cash equivalents

As at 31 March 2019 and 31 December 2018, cash and cash equivalents comprised the following:

	31 March 2019	**31 December 2018**
Cash on hand	112	63
Cash at banks	78,726	79,217
- *Demand deposits*	*72,838*	*52,000*
- *Time deposits*	*5,888*	*27,217*
- *Overnight deposits*	--	--
Cash and cash equivalents	**78,838**	**79,280**

	31 March 2019	**31 December 2018**
Cash and cash equivalents	78,838	79,280
Restricted cash	(6,547)	(7,475)
Cash and cash equivalents for cash flow statement purposes	**72,291**	**71,805**

As at 31 March 2019 and 31 December 2018, maturities of time deposits comprised the following:

	31 March 2019	**31 December 2018**
Up to 1 month	5,405	26,750
1 – 3 months	483	467
Total	**5,888**	**27,217**

As at 31 March 2019, cash at banks amounting to USD 6,547 thousand (31 December 2018: USD 7,475 thousand) is restricted due to the bank loans guarantees and subscription guarantees.

13 Capital and reserves

a) Share capital

As at 31 March 2019 and 31 December 2018, the Company's statutory nominal value of authorised and paid-in share capital consists of 74,307,399 registered ordinary shares with a par value of TL 1 each.

As at 31 March 2019 and 31 December 2018, the share ownership structure of the Company was as follows:

	31 March 2019		31 December 2018	
	Nominal value of shares (USD '000)	Proportion of shares (%)	Nominal value of shares (USD '000)	Proportion of shares (%)
Global Ports Holding PLC	33,828	100.00	33,828	100.00
Paid in capital (nominal)	**33,828**	**100.00**	**33,828**	**100.00**
Inflation accounting adjustment	8		8	
Inflation adjusted capital	**33,836**		**33,836**	

The Company's shares are ordinary voting shares. There are no preferential rights attached to any shares of the Company.

b) Nature and purpose of reserves

(i) Translation reserves

The translation reserves amounting to USD 210,455 thousand (31 December 2018: USD 197,912 thousand) are recognised as a separate account under equity and comprises foreign exchange differences arising from the translation of the consolidated historical financial information of subsidiaries and equity-accounted investees from their functional currencies (of Euro and TL) to the presentation currency, USD.

(ii) Legal reserves

Under the Turkish Commercial Code, Turkish companies are required to set aside first and second level legal reserves out of their profits. First level legal reserves are set aside as up to 5% of the distributable income per the statutory accounts each year. The ceiling of the first level reserves is 20% of the paid-up share capital. The requirement to set aside ends when the 20% of the paid-up capital level has been reached. Second level legal reserves correspond to 10% of profit actually distributed after the deduction of the first legal reserves and the minimum obligatory dividend pay-out, but holding companies are not subject to this regulation. There is no ceiling for second level legal reserves and they are accumulated every year.

First and second level legal reserves cannot be distributed until they exceed 50% of the capital, but the reserves can be used for offsetting the losses in case free reserves are unavailable. As at 31 March 2019, the legal reserves of the Group amounted to USD 13,038 thousand (31 December 2018: USD 13,030 thousand).

(ii) Hedging reserves

Investment hedge

The Company has used its Eurobond financing as a non-derivative financial item to hedge the net investment of Port Akdeniz. As of 31 March 2019, the net asset values of Ege Ports, Bodrum Cruise Port and Port Akdeniz amounting to USD 38,797, 2,619 and 164,822 thousand respectively, and the carrying value of Eurobond amounts to USD 255,231 thousand (31 December 2018: the net asset value of Port Akdeniz amounts to USD 194,867 thousand, and the carrying value of Eurobond amounts to USD 250,224 thousand). The ineffective portion of the investment hedge is USD 3,001 thousand as at 31 March 2019 (31 March 2018: USD 167 thousand).

13 Capital and reserves *(continued)*

(ii) Hedging reserves (continued)

As at 31 March 2019, the effective portion of gain or loss arising from investment hedging instrument is recognised in other comprehensive income, net of tax amounting to USD 14,407 thousand (31 March 2018: USD 9,106 thousand).

Cash flow hedge

The Group entered into an interest rate swap in order to hedge its position against changes in interest rates. The effective portion of the cash flow hedge that was recognised in other comprehensive income was a gain amounting USD 212 thousand (31 March 2018: USD 156 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 period was USD 4 thousand (31 March 2018: USD 22 thousand).

The principal 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	More than 3 months but less than 1 year	5 years or less but more than 1 year	More than 5 years
	(USD '000)	(USD '000)	(USD '000)	(USD '000)
Net cash inflows/(outflows) exposure				
Liabilities	130	117	429	--
At 31 March 2019	**130**	**117**	**429**	--
Net cash inflows/(outflows) exposure				
Liabilities	145	137	655	25
At 31 March 2018	**145**	**137**	**655**	**25**

c) Dividends

Dividend distributions are made by the Company in TL in accordance with its articles, after deducting taxes and setting aside the legal reserves as discussed above.

In 2018, General Assembly of GPH decided to distribute USD 4,909 to its shareholder. Total amount declared in 2018 distribution is paid in cash. Other dividend distributions were made by Valletta Cruise Port to other shareholders, on which they have non-controlling interest, amounting to USD 1,320, BPI to other shareholders amounting to USD 2,409, and Cagliari to other shareholders amounting to USD 68.

14 Loans and borrowings

As at 31 March 2019 and 31 December 2018, loans and borrowings comprised the following:

Short term loans and borrowings	**31 March 2019**	**31 December 2018**
Short term portion of Eurobond issued	18,943	18,559
Short term bank loans	115	12,031
- *TL loans*	*115*	--
- *Loans denominated in other currencies*	--	*12,031*
Short term portion of long term bank loans	29,678	16,852
- *TL loans*	*429*	*575*
- *Loans denominated in other currencies*	*29,249*	*16,277*
Finance lease obligations	2,371	1,313
Total	**51,107**	**48,755**

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

14 Loans and borrowings *(continued)*

Long term loans and borrowings	**31 March 2019**	**31 December 2018**
Long term Eurobond issued	236,288	231,666
Long term bank loans	65,442	66,038
- *TL loans*	*50*	*25,565*
- *Foreign currency loans*	*65,392*	*40,473*
Finance lease obligations	61,198	592
Total	**362,928**	**298,296**

As at 31 March 2019 and 31 December 2018, maturity profile of loans and borrowings comprised the following:

Year	**31 March 2019**	**31 December 2018**
Between 1-2 years	34,507	34,122
Between 2-3 years	229,200	225,086
Between 3-4 years	11,040	11,259
Over 5 years	26,982	27,237
Total	**301,729**	**297,704**

As at 31 March 2019 and 31 December 2018, maturity profile of finance lease obligations comprised the following:

	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	3,949	(1,578)	2,371	1,382	(69)	1,313
More than one year	106,916	(45,718)	61,198	637	(45)	592
Total	**110,865**	**(47,296)**	**63,569**	**2,019**	**(114)**	**1,905**

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

15 Provisions

Non-current	31 March 2019	31 December 2018
Replacement provisions for Creuers (*)	6,188	6,137
Port of Adria Concession fee provision (**)	--	1,375
Italian Ports concession fee provisions (***)	1,288	1,349
Total	**7,476**	**8,861**

(*) As part of the concession agreement between Creuers and the Barcelona and Malaga Port Authorities entered in 2013 (see Note 29(c)), the company has an obligation to maintain the port equipment in good operating condition throughout its operating period, and in addition return the port equipment to the Port Authorities in a specific condition at the end of the agreement. Therefore, replacement provisions have been recognised based on Management's best estimate of the potential capital expenditure required to be incurred in order to replace the port equipment assets in order to meet this requirement inline with the IFRIC 12 requirements.

During 2018, the Group engaged an expert to provide an updated estimate of the likely capital expenditure required to replace the port equipment assets. This estimate was significantly lower than previous estimates, related to a reduction in the number of component of the port equipment and infrastructure that would require replacement. As a result, an amount of $12,210 was released from the provision in 2018.

(**) On 27 December 2013, the Government of Montenegro and Container Terminal and General Cargo JSC-Bar ("CTGC") entered into an agreement regarding the operating concession for the Port of Adria-Bar which terminates on 27 December 2043. From the fourth year of the agreement, CTGC had an obligation to pay a concession fee to the Government of Montenegro of Euro 500,000 per year until the end of the agreement. The expense relating to this concession agreement is recognized on a straight-line basis over the concession period, giving rise to an accrual in the earlier years. For the annual year starting at 1 January 2019, the Group reversed this provision as explained on Note 3b (ii) and included the payments due under the lease in its lease liability.

(***) On 16 December 2009, Ravenna Port Authority and Ravenna Passenger Terminal S.r.l. ("RTP") entered into an agreement regarding the operating concession for the Ravenna Passenger Terminal which terminates on 27 December 2019. RTP had an obligation to pay a concession fee to the Port Authority of Euro 86,375 per year until end of concession. The expense relating to this concession agreement is recognized on a straight-line basis over the concession period, giving rise to an accrual in the earlier years, in line with the IFRIC 12 requirements.

On 13 June 2011, Catania Port Authority and Catania Cruise Terminal S.r.l. ("CCT") entered into an agreement regarding the operating concession for the Catania Passenger Terminal which terminates on 12 June 2026. CCT had an obligation to pay a concession fee to the Catania Port Authority of Euro 135,000 per year until end of concession. The expense relating to this concession agreement is recognized on a straight-line basis over the concession period, giving rise to an accrual in the earlier years, in line with the IFRIC 12 requirements.

On 14 January 2013, Cagliari Cruise Port ("CCP") and Cagliari Port Authority entered into an agreement regarding the operating concession for the Cagliari Cruise Terminal which terminates on 13 January 2027. CCP had an obligation to pay a concession fee to the Cagliari Port Authority of Euro 44,316 per year until end of concession. The expense relating to this concession agreement is recognized on a straight-line basis over the concession period, giving rise to an accrual in the earlier years.

Current	31 March 2019	31 December 2018
Employee benefit provisions	234	207
Short term provisions	641	748
Total	**875**	**955**

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

16 Earnings per share

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

The Group does not present diluted earnings per share ("diluted EPS") data, because there are no convertible securities exercised by the Group. Diluted EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company less preferred dividend by the weighted average number of ordinary shares outstanding during the period, plus impact of any convertible securities.

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

	2019	**2018**
Loss attributable to owners of the Company	(10,589)	(7,187)
Weighted average number of shares	74,307,399	74,307,399
Basic and diluted earnings per share with par value of TL 1 (cent per share)	(14.25)	(9.83)

17 Commitment and contingencies

(a) Litigations

There are pending lawsuits that have been filed against or by the Group. The management of the Group assesses the possible results and financial effects of these lawsuits at the end of each period and as a result of these assessments, the required provisions are recognized for the possible expenses and liabilities. The amount of provision that has been accounted for as at 31 March 2019 is USD 176 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 as follows:

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

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

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

17 Commitments and contingencies *(continued)*

Ege Port-Kuşadası filed lawsuits against Privatization Administration and General Directorate of Turkey Maritime Organization requesting cancellation with respect to rejection of the extension applications. The Court dismissed the case and the Group lawyers appealed the Court decision to the Council of State. The 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.

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.

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 management has been informed from the official website of the Constitutional Court that the application for initiating the procedure for reviewing the legality of the Collective Agreement has been rejected. However, Port of Adria-Bar is not notified of such decision and the reasoned decision has not been issued. After notification of the reasoned decision, the Management will determine its strategy within the legal framework.

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.

18 Fair values

The information set out below provides information about how the Group determines fair values of various financial assets and liabilities.

Determination of the fair value of a financial instrument is based on market values when there are two counterparties willing to sell or buy, except under the conditions of events of default forced liquidation. The Group determines the fair values based on appropriate methods and market information and uses the following assumptions: the fair values of cash and cash equivalents, other monetary assets, which are short term, trade receivables and payables and long term foreign currency loans and borrowings with variable interest rates and negligible credit risk change due to borrowings close to year end are expected to approximate to the carrying amounts.

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Input other than quoted prices included within level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or in directly (i.e. derived from prices);
- Level 3: Inputs for the asset or liability that is not based on observable market data (unobservable inputs).

	Note	As at 31 March 2018	As at 31 December 2018
Financial assets		**Carrying Amount**	**Carrying Amount**
Trade and other receivables		20,409	19,987
Due from related parties	19	3,018	2,263
Cash and cash equivalents	12	72,291	71,805
Other investments		71	72
Total		**95,789**	**94,127**

Except as detailed in the following table, the directors consider the carrying amounts of the financial assets and financial liabilities recognised in the consolidated historical financial information approximate to their fair values.

	Note	As at 31 March 2019		As at 31 December 2018	
USD '000		**Carrying**	**Fair**	**Carrying**	**Fair**
Financial liabilities		**Amount**	**Value**	**Amount**	**Value**
Loans and borrowings	14	414,035	398,804	347,051	336,338
Trade and other payables		13,610	13,610	14,344	14,344
Due to related parties	19	7,627	7,627	7,324	7,324
Derivative financial liabilities		676	676	617	617
Other financial liabilities		2,981	2,981	3,410	3,410
Total		**438,929**	**423,698**	**372,746**	**362,033**

Other loans have been included in Level 2 of the fair value hierarchy as they have been valued using quotes available for similar liabilities in the active market. The valuation technique and inputs used to determine the fair value of the loans and borrowings is based on discounted future cash flows and discount rates.

The Groups Eurobond liability has been included in level 1 of the fair value hierarchy as it has been valued using quotes available on its quoted market.

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

18 Fair values *(continued)*

The fair value of loans and borrowings has been determined in accordance with the most significant inputs being discounted cash flow analysis and discount rates.

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

		Level 1	Level 2	Level 3	Total
As at 31 March 2019	Derivative financial liabilities	--	676	--	676
As at 31 December 2018	Derivative financial liabilities	--	617	--	617

The valuation technique and inputs used to determine the fair value of the interest rate swap is based on future cash flows estimated based on forward interest rates (from observable yield curves at the end of the reporting period) and contract interest rates, discounted at a rate that reflects the credit risk of various counterparties.

19 Related parties

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

Related parties	Relationship
Mehmet Kutman	Shareholder of Parent Company
Global Yatırım Holding	Ultimate Controlling Party
Global Sigorta Aracılık Hizmetleri A.Ş. ("Global Sigorta")	Ultimate Controlling Party
IEG Kurumsal Finansal Danışmanlık A.Ş.	Ultimate Controlling's subsidiary
Global Menkul Değerler A.Ş. ("Global Menkul")	Ultimate Controlling's subsidiary
Adonia Shipping	Ultimate Controlling's subsidiary
Naturel Gaz	Ultimate Controlling's subsidiary
GPH Plc	Parent Company
Straton Meden Yatırımları ve İşletmeciliği A.Ş. ("Straton Maden")	Ultimate Controlling's subsidiary

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

Due from related parties

As at 31 March 2019 and 31 December 2018, current receivables from related parties comprised the following:

Current receivables from related parties	**31 March 2019**	**31 December 2018**
GPH PLC	2,606	1,474
Global Yatırım Holding	--	447
Straton Maden (*)	67	73
Naturel Gaz (*)	71	72
Adonia Shipping (*)	74	67
IEG Global	56	57
Mehmet Kutman	--	17
Others	144	56
Total	**3,018**	**2,263**

(*) These amounts are related with the work advances. The charged interest rate is 19.50% as at 31 March 2019 (31 December 2018: 19.50%).

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

19 Related parties *(continued)*

Due to related parties

As at 31 March 2019 and 31 December 2018, current payables to related parties comprised the following:

Current payables to related parties	**31 March 2019**	**31 December 2018**
GPH PLC	6,759	6,970
Global Sigorta (*)	222	309
Global Menkul (*)	--	1
Global Yatırım Holding	580	--
Other	66	44
Total	**7,627**	**7,324**

(*) These amounts are related to professional services taken. The charged interest rate is 19.50% as at 31 March 2019 (31 December 2018: 19.50%).

Transactions with related parties:

For the three months ended 31 March, significant transactions with other related parties comprised the following:

	2019		**2018**	
	Interest received	**Other**	**Interest received**	**Other**
Global Yatırım Holding	--	--	--	--
Global Menkul	--	--	26	--
Total	--	--	**26**	--

	2019		**2018**	
	Interest Paid	**Other**	**Interest Paid**	**Other**
Global Yatırım Holding	--	--	--	1
Total	--	--	--	**1**

Transactions with key management personnel

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

	2019	**2018**
Salaries	452	504
Bonus	--	--
Attendance fees to Board of Directors	63	31
Other	57	20
Total	**572**	**555**

20 Events after reporting date

On 29 April 2019, the Competition Authority of the Republic of Turkey notified Global Ports Holding's subsidiary in Turkey, Ortadoğu Antalya Liman İşletmeleri A.Ş ("Port Akdeniz"), that it has commenced an investigation into Port Akdeniz due to an alleged breach of Article 6 of the Law on the Protection of Competition, Law No. 4054 due to excessive pricing concerns on certain services. Port Akdeniz has engaged appropriate legal representation and is preparing a full defense against all allegations that will be submitted before the end of May 2019. The full legal process could take up to 24 months.