GLOBAL LİMAN İŞLETMELERİ A.Ş.
AND ITS SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2018
AND INDEPENDENT AUDITOR'S REPORT

12 March 2019

This report includes 5 pages of independent auditors' report and 90 pages of consolidated financial statements together with their explanatory notes.

Global Liman İşletmeleri A.Ş. and its Subsidiaries

Table of Contents

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Independent Auditors' Report

To the Shareholders of Global Liman İşletmeleri Anonim Şirketi

Opinion

We have audited the consolidated financial statements of Global Liman İşletmeleri Anonim Şirketi ("the Company") and its subsidiaries and joint operations ("collectively referred to as "the Group"), which comprise the consolidated statement of financial position as at 31 December 2018, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2018, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants ("IESBA Code") together with the ethical requirements that are relevant to our audit of the consolidated financial statements in Turkey and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Maintenance and replacement provision

Refer to Notes 3 (d) and 27 to the consolidated financial statements for summary of significant accounting policies and significant accounting estimates and assumptions for maintenance and replacement provision.

The Key Audit Matter	How the matter was addressed in our audit
The Group has recognised a provision USD 6,137 thousand (2017 USD 17,918) relates to asset replacement and maintenance obligations recognised in accordance with IFRIC 12 in respect of the replacement provisions for Creuers. The provision level reflects the planned future activity over the term of the port concession term and maybe be subject to change. These estimates are based on a number of key assumptions including asset replacement cost, ongoing maintenance and repair costs and estimated asset usage over the concession period. Given the differing types of assets, their size, the range of possible outcomes and the long time period involved, there is a reasonably possible chance that a material adjustment would be required to the carrying value of the provision in the next financial year. These different factors also make it impracticable to provide sensitivity analysis on one single measure and its potential impact on the provision. We have identified this matter as a key audit matter due to the significance of the estimates and the level of judgement applied by management.	Our audit procedures performed related to this matter are listed: • We assessed the process including accounting analysis carried out by the Group to estimate and update the provision; • We evaluated the key controls that the Group carries out to monitor this area and testing of their actual implementation; • We obtained and analysed the valuation report drawn by the expert engaged by the Group management about the planning of the maintenance and replacement operations. In particular, we analysed the assumptions underlying the charges computation model and the timing planning of the maintenance and replacement operations; • We evaluated the Group management's assessment on the expert's competence, capabilities, objectivity and adequacy of its work; • We performed a sample testing of the valuation criteria underlying the maintenance and replacement costs by performing recalculations, in order to verify the rationality of the criteria; • We performed a sample testing of the accuracy and completeness of the underlying data used to estimate of the provision • We assessed any change in the regulatory framework that could impact the estimate of provision value; • We performed a variation analysis between the actual charges borne compared to previous estimates, in order to verify the reasons of the variance and the reliability of the estimation process implemented by the Group.

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Impairment of Goodwill and Port Operation Rights

Refer to Notes 13 and 14 to the consolidated financial statements for summary of significant accounting policies and significant accounting estimates and assumptions for impairment of goodwill and port operation rights.

The Key Audit Matter	How the matter was addressed in our audit
The Group has recognised goodwill in the amount of USD 13,485 thousand (2017: USD 14,088 thousand) and port operation rights in the amount of USD 390,887 thousand (2017: USD 430,959). The goodwill has been recognised for Ege Liman, a cruise port in Turkey which is only cash-generating unit (CGU). The impairment testing of goodwill and port operation rights are considered to be a key audit matter due to the complexity of the accounting requirements and the significant judgment required in determining the assumptions to be used to estimate the recoverable amount. Group management carries out impairment testing for goodwill on an annual basis and port operation rights with finite live (port concession period) in case there are indicators of impairment. The recoverable amount of the CGU and port operation rights, which are based on the higher of the value in use or fair value less costs to sell, has been derived from discounted forecast cash flow models. These models use several key assumptions, including estimates of future passenger numbers, calls, and prices, operating costs, terminal value growth rates and the weighted-average cost of capital (discount rate). Due to the management estimates and judgements used for goodwill impairment tests, we have identified this matter as a key audit matter.	Our audit procedures performed related to this matter are listed: • We involved our own valuation specialist to assist in evaluating the appropriateness of the discount rates applied, which included comparing the weighted-average cost of capital with sector averages for the relevant markets in which the CGUs operate; • We evaluated the appropriateness of the assumptions applied to key inputs such as ship calls, passenger numbers, prices, operating costs, inflation and long-term growth rates, which included comparing these inputs with externally derived data as well as our own assessments based on our knowledge of the client and the industry; • We performed our own sensitivity analysis, which included assessing the effect of reasonably possible reductions in growth rates and forecast cash flows to evaluate the impact on the currently estimated headroom for the goodwill and port operation rights; and • We evaluated the adequacy of the consolidated financial statement disclosures, including disclosures of key assumptions, judgments and sensitivities.

Other Matter

The consolidated financial statements of the Group as at and for the year ended 31 December 2017 were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on 12 March 2018.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi

A member firm of KPMG International Cooperative

Ruşen Fikret Selamet, SMMM
Partner
12 March 2019
İstanbul, Turkey

Global Liman İşletmeleri A.Ş. and its Subsidiaries
Consolidated statement of profit or loss and other comprehensive income
For the year ended 31 December 2018
(Amounts expressed in USD 000's ("USD'000"))

	Notes	Year ended 31 December 2018	Year ended 31 December 2017
Revenue	*6*	124,812	116,366
Cost of sales	*6*	(77,523)	(75,548)
Gross profit		**47,289**	**40,818**
Other income	*7*	19,554	2,228
Selling and marketing expenses	*9*	(910)	(1,296)
Administrative expenses	*10*	(13,124)	(14,456)
Other expense	*8*	(11,482)	(14,440)
Operating profit		**41,327**	**12,854**
Finance income	*11*	26,726	15,028
Finance costs	*11*	(59,720)	(39,792)
Net finance costs		**(32,994)**	**(24,764)**
Share of profit of equity-accounted investees	*15*	5,631	2,548
Profit / (Loss) before tax		**13,964**	**(9,362)**
Income tax benefit/ (expense)	*17*	(1,480)	(3,599)
Profit / (Loss)/ for the year		**12,484**	**(12,961)**
Profit for the year attributable to:			
Owners of the Company		6,118	(14,406)
Non-controlling interests	*23*	6,366	1,445
		12,484	**(12,961)**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Change in currency translation difference		52,199	13,274
Remeasurement of defined benefit obligation	*26*	(19)	(23)
Income tax relating to items that will not be reclassified subsequently to profit or loss		4	5
		52,184	**13,256**
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translating foreign operations		(9,427)	28,424
Cash flow hedges - effective portion of changes in fair value		155	334
Losses on a hedge of a net investment	*17*	(59,785)	(13,389)
		(69,057)	**15,369**
Other comprehensive loss for the year, net of income tax		**(16,873)**	**28,625**
Total comprehensive income/(loss) for the year		**(4,389)**	**15,664**
Total comprehensive income/(loss) attributable to:			
Owners of the Company		(6,241)	3,401
Non-controlling interests	23	1,852	12,263
		(4,389)	**15,664**
Basic and diluted earnings per share	*28*	**8.23**	**(19.39)**

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

Global Liman İşletmeleri A.Ş. and its Subsidiaries

Consolidated statement of financial position

As at 31 December 2018

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

	Notes	As at 31 December 2018	As at 31 December 2017
Non-current assets			
Property and equipment	*12*	129,312	134,665
Intangible assets	*13*	392,361	433,075
Goodwill	*14*	13,485	14,088
Equity-accounted investees	*15*	26,003	22,004
Other non-current assets	*19*	4,626	4,905
Deferred tax assets	*17*	3,066	1,695
Other investments		4	5
		568,857	**610,437**
Current assets			
Trade and other receivables	*18*	19,987	15,702
Due from related parties	*31*	2,263	1,988
Other investments	*16*	72	14,728
Other current assets	*19*	2,937	4,855
Inventories	*20*	1,454	1,714
Prepaid taxes		1,363	2,900
Cash and cash equivalents	*21*	79,280	48,308
		107,356	**90,195**
Total assets		**676,213**	**700,632**
Non-current liabilities			
Loans and borrowings	*24*	298,296	296,842
Other financial liabilities	*32*	3,410	2,662
Derivative financial liabilities	*32*	617	855
Deferred tax liabilities	*17*	92,294	99,879
Provisions	*27*	8,861	21,081
Employee benefits	*26*	797	936
		404,275	**422,255**
Current liabilities			
Loans and borrowings	*24*	48,755	44,878
Trade and other payables	*25*	14,344	14,921
Due to related parties	*31*	7,324	4,056
Current tax liabilities	*17*	2,459	2,218
Provisions	*27*	955	1,202
		73,837	**67,275**
Total liabilities		**478,112**	**489,530**
Net assets		**198,101**	**211,102**
Equity			
Share capital	*22*	33,836	33,836
Share premium account		54,539	54,539
Legal reserves	*22*	13,030	13,012
Hedging and translation reserves	*22*	2,519	14,863
Retained earnings		3,133	1,957
Equity attributable to equity holders of the Company		**107,057**	**118,207**
Non-controlling interests	23	**91,044**	**92,895**
Total equity		**198,101**	**211,102**

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

(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 2017		33,836	54,539	12,424	(122,708)	119,746	43,752	141,589	81,695	223,284
Loss for the year		--	--	--	--	--	(14,406)	(14,406)	1,445	(12,961)
Other comprehensive income / (loss) for the year	*22*	--	--	--	(13,055)	30,880	(18)	17,807	10,818	28,625
Total comprehensive income / (loss) for the year		--	--	--	(13,055)	30,880	(14,424)	3,401	12,263	15,664
Transfer to legal reserves		--	--	588	--	--	(588)	--	--	--
Dividends	*22(c)*	--	--	--	--	--	(26,783)	(26,783)	(1,063)	(27,846)
Total contributions and distributions		--	--	588	--	--	(27,371)	(26,783)	(1,063)	(27,846)
Balance at 31 December 2017		33,836	54,539	13,012	(135,763)	150,626	1,957	118,207	92,895	211,102

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

(Amounts expressed in USD 000's ("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		**33,836**	**54,539**	**13,012**	**(135,763)**	**150,626**	**1,957**	**118,207**	**92,895**	**211,102**
Income for the year		--	--	--	--	--	6,118	**6,118**	6,366	**12,484**
Other comprehensive income for the year	*22*	--	--	--	(59,630)	47,286	(15)	**(12,359)**	(4,514)	**(16,873)**
Total comprehensive income for the year		--	--	--	**(59,630)**	**47,286**	**6,103**	**(6,241)**	**1,852**	**(4,389)**
Transactions with non-controlling interest		--	--	--	--	--	--	--	94	**94**
Transfer to legal reserves		--	--	18	--	--	(18)	--	--	--
Dividends	*22(c)*	--	--	--	--	--	(4,909)	(4,909)	(3,797)	**(8,706)**
Total contributions and distributions		--	--	**18**	--	--	**(4,927)**	**(4,909)**	**(3,703)**	**(8,612)**
Balance at 31 December 2018		**33,836**	**54,539**	**13,030**	**(195,393)**	**197,912**	**3,133**	**107,057**	**91,044**	**198,101**

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

Global Liman İşletmeleri A.Ş. and its Subsidiaries
Consolidated statement of cash flow
For the year ended 31 December 2018
(Amounts expressed in thousand USD 000's ("USD'000"))

	Notes	Year ended 31 December 2018	Year ended 31 December 2017
Cash flows from operating activities			
(Loss) / Profit for the year		12,484	(12,961)
Adjustments for:			
Depreciation and amortization expense	*12,13*	44,658	42,779
Share of profit of equity-accounted investees, net of tax	*15*	(5,631)	(2,548)
Gain on disposal of property plant and equipment		(142)	(148)
Interest expense		26,615	26,911
Interest income		(984)	(2,588)
Income tax (benefit) / expense	*17*	1,480	3,599
Employment termination indemnity reserve	*26*	39	253
Reversal of / (Charges to) Provision	*27*	(12,000)	3,103
Unrealized foreign exchange differences on loans and borrowings		7,364	441
Operating cash flow before changes in operating assets and liabilities		**73,883**	**58,841**
Changes in:			
- trade and other receivables		(4,179)	(5,116)
- other current assets		3,784	(1,197)
- related party receivables	*31*	(275)	(5)
- other non-current assets		295	(628)
- trade and other payables		(65)	180
- related party payables		3,268	(131)
- employee benefits paid	*26*	(131)	(127)
- provisions	*27*	(64)	(1,237)
Cash generated by operations before benefit and tax payments		**76,516**	**50,580**
Income taxes paid	*17*	(7,345)	(8,127)
Net cash generated from operating activities		**69,171**	**42,453**
Investing activities			
Acquisition of property and equipment	*12*	(11,848)	(13,279)
Acquisition of intangible assets	*13*	(2,911)	(595)
Proceeds from sale of property and equipment		234	360
Dividends from Equity accounted investees		541	--
Change in financial investments	*16*	13,944	1,348
Interest received		348	840
Advances given for tangible assets		(85)	(319)
Net cash created from / (used in) investing activities		**223**	**(11,645)**
Financing activities			
Change in due to related parties		--	28,331
Change in due from related parties		--	3,765
Equity injection by minorities to subsidiaries		94	--
Dividends paid to equity owners	*24*	(4,909)	(26,784)
Dividends paid to NCIs	*23*	(3,797)	(1,063)
Interest paid		(23,902)	(25,519)
Proceeds from borrowings	24	44,205	29,696
Repayments of borrowings	24	(36,124)	(35,738)
Net cash used in financing activities		**(24,433)**	**(27,312)**
Net increase in cash and cash equivalents		**44,961**	**3,496**
Effect of foreign exchange rate changes		(13,881)	(1,127)
Cash and cash equivalents at beginning of year		40,725	38,356
Cash and cash equivalents at end of year	*21*	**71,805**	**40,725**

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

INDEX
Notes to the consolidated financial statements

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

1 General information

Global Altyapı Hizmetleri ve İşletmecilik A.Ş. was incorporated in 2004 in İstanbul, 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 December 2018 and 2017, all shares are owned by Global Ports Plc.

As at 31 December 2018, the number of employees of the Group was 646 (31 December 2017: 635).

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 Organisation Inc. (Türkiye Denizcilik Isletmeleri A.Ş.) ("TDI") until its privatisation in 2003. On 2 July 2003, Ege Liman entered into a transfer of operational rights agreement ("TOORA") for Kuşadası Cruise Port for a period of 30 years with the Privatisation Administration (Özelleştirme İdaresi Başkanlığı) ("OIB") and TDI. The TOORA will end in 2033.

Global Liman acquired 72.50% of the shares of Ege Liman on 6 July 2005, with Royal Caribbean Cruises Ltd.("RCCL") holding a 27.49% interest and the TDI owns one share.

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

1 General information *(continued)*

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 privatisation 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 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 was until 2019. The winning bidder of the BOT concession was a consortium, which later established Bodrum Liman to carry out the operations of Bodrum Cruise Port.

Global Liman acquired 60% of the shares of Bodrum Liman on 16 June 2008. As of 27 December 2018, the BOT agreement period was extended 49 years to the end of 2067. As at 31 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 Adria and the right to acquire 62.09% of the shares in Port of Adria 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 finalised a share purchase agreement with the Montenegro Government on 15 November 2013 that was approved by the tender commission, the Montenegro Privatisation and Capital Investments Authority and the Montenegro Council of Ministers. The shares were transferred to the Group on 30 December 2013.

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

BPI, Creuers and Cruceros
Barcelona Port Investments, S.L ("BPI") was established as a joint venture between the Group and Royal Caribbean Cruises Ltd. ("RCCL") on 26 July 2013, where the Group held a 49% interest in BPI which was accounted for using the equity method. BPI then acquired a 43% interest in Creuers on 30 December 2013. Creuers holds a 100% interest in the port operation rights for the Barcelona cruise port, as well as 80% in the port operation rights for the Malaga cruise port ("Cruceros Malaga") and a 40% interest in the port operation rights for the Singapore cruise port.

On 30 September 2014, BPI acquired an additional 57% interest in Creuers which resulted in BPI obtaining control of Creuers as of that date.

Subsequently on 30 September 2014, the Group increased its interest in BPI from 49% to 62% by acquiring a 13% interest from RCCL. As a result, the Group became the controlling shareholder of Creuers. The port operation rights of Creuers and Cruceros terminate in 2030 and 2038, respectively.

1 General information (continued)

Global BV, Perquisite, GP Malta and VCP

Global BV was established in the Netherlands for investments in European Ports. As of 15 November 2015, Global BV acquired 55.60% of VCP shares through Holding Companies of GP Malta and Perquisite. VCP was set up to develop the Valletta Waterfront, situated on the Grand Harbour, Malta, for the purpose of the operation and management of a cruise liner passenger terminal and an international ferry passenger terminal together with complementary leisure facilities. VCP is also responsible for the handling of international cruise and ferry passengers and was granted a license by the Malta Maritime Authority. The concession will end in 2067.

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

POH was established in Italy for investments made in Italian Ports. As of 31 December 2016, POH acquired 51% of Ravenna shares, 62% of Catania shares and 71% of Cagliari shares, a significant portion being through Holding Company of RCI Cyprus. Ravenna, Cagliari, and Catania were set up to operate the cruise liner passenger terminal together with complementary leisure facilities at their territories. The companies are responsible for the handling of international cruise passengers. The port operation rights of Ravenna, Cagliari and Catania terminate in 2020, 2025 and 2026, respectively.

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.

2 Adoption of new and revised standards

i. Amendments to International Financial Reporting Standards ("IFRSs") that are mandatorily effective for the current year

In the year ended 31 December 2018, 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 2018. The Group has adopted IFRS 15 Revenue from Contracts with Customers and IFRS 9 Financial Instruments from 1 January 2018. A number of other new standards are effective from 1 January 2018 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:

IFRS 15 – Revenue from contracts with customers: IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations. Under IFRS 15, revenue is recognised when a customer obtains control of the goods or services. Determining the timing of the transfer of control – at a point in time or over time– can require judgement. Given the nature of the business, the Group does not have significant long-term contractual agreements in place with its customers as the majority of the Group's revenues are derived from a short-term set of activities performed whilst a ship is docked in one of its Cruise or Commercial ports. These fees are usually agreed at the time based on the applicable port tariff and are charged based on the actual services performed. Revenue is then recognised when the invoice is issued as the ship departs the port, after all services have been provided. The only potentially longer services performed by the Group are the land services in relation to storing of cargo and project cargo operations, and rental income, where performance obligations might be performed over a period greater than a few weeks.

2 Adoption of new and revised standards *(continued)*

i. *Amendments to International Financial Reporting Standards ("IFRSs") that are mandatorily effective for the current year (continued)*

The Group has adopted IFRS 15 using the cumulative effect method (without practical expedients), with the effect of initially applying this standard recognised at the date of initial application (i.e. 1 January 2018). Adoption of the new standard has not had a material effect on the Group's revenue recognition. Accordingly, the information presented for 2017 has not been restated – i.e. it is presented, as previously reported, under IAS 18 and related interpretations. Additionally, the disclosure requirements in IFRS 15 have not generally been applied to comparative information.

IFRS 9 – Financial Instruments:

IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement.

Impairment losses on financial assets are presented under 'finance costs', similar to the presentation under IAS 39, and not presented separately in the statement of profit or loss and OCI due to materiality considerations.

Additionally, the Group has adopted consequential amendments to IFRS 7 Financial Instruments: Disclosures that are applied to disclosures about 2018 but have not been generally applied to comparative information.

The following table summarises the impact, net of tax, of transition to IFRS 9 on the opening balance of reserves, retained earnings and NCI (for a description of the transition method, see (iv)).

In thousands of USD	**Impact of adopting IFRS 9 on opening balance**
Cost of hedging reserve	
Cumulative change in forward points	--
Related tax	--
Restated at 31 December 2017	--
Fair value reserve	
Recognition of expected credit losses under IFRS 9 for debt financial assets at FVOCI	--
Related tax	--
Impact at 1 January 2018	--
Retained earnings	
Cost of hedging adjustment, net of tax (restated – see above)	--
Recognition of expected credit losses under IFRS 9	--
Related tax	--
Impact at 1 January 2018	--
Non-controlling interests	
Recognition of expected credit losses under IFRS 9	--
Related tax	--
Impact at 1 January 2018	--

2 Adoption of new and revised standards *(continued)*

i. Amendments to International Financial Reporting Standards ("IFRSs") that are mandatorily effective for the current year (continued)

a. Classification and measurement of financial assets and financial liabilities

IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, FVOCI and FVTPL. The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. IFRS 9 eliminates the previous IAS 39 categories of held to maturity, loans and receivables and available for sale. Under IFRS 9, derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities.

The adoption of IFRS 9 has not had a significant effect on the Group's accounting policies related to financial liabilities and derivative financial instruments (for derivatives that are used as hedging instruments, see (c)).

The following table and the accompanying notes below explain the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Group's financial assets and financial liabilities as at 1 January 2018.

The effect of adopting IFRS 9 on the carrying amounts of financial assets at 1 January 2018 relates solely to the new impairment requirements.

In thousands of USD	**Original classification under IAS 39**	**New classification under IFRS 9**	**Original Carrying Amount under IAS 39**	**New carrying amount under IFRS 9**
Trade and other receivables	Loans and receivables	Amortised cost	15,702	15,702
Cash and cash equivalents	Held to maturity	Amortised cost	48,308	48,308
Total financial assets			**64,010**	**64,010**
Interest rate swaps used for hedging	Fair value – hedging instrument	Fair value – hedging instrument	855	855
Secured bank loans	Other financial liabilities	Other financial liabilities	81,033	81,033
Unsecured bank loans	Other financial liabilities	Other financial liabilities	7,849	7,849
Unsecured bond issues	Other financial liabilities	Other financial liabilities	249,444	249,444
Finance lease liabilities	Other financial liabilities	Other financial liabilities	3,394	3,394
Due to related parties	Other financial liabilities	Other financial liabilities	4,056	4,056
Trade payables	Other financial liabilities	Other financial liabilities	14,921	14,921
Total financial liabilities			**361,552**	**361,552**

2 Adoption of new and revised standards *(continued)*

i. Amendments to International Financial Reporting Standards ("IFRSs") that are mandatorily effective for the current year (continued)

a. Classification and measurement of financial assets and financial liabilities (continued)

The following table reconciles the carrying amounts of financial assets under IAS 39 to the carrying amounts under IFRS 9 on transition to IFRS 9 on 1 January 2018.

In thousands of USD	**IAS 39 Carrying amount at 31 December 2017**	**Reclassification**	**Remeasurement**	**IFRS 9 carrying amount at 1 January 2018**
Financial Assets				
Amortised cost				
Cash and cash equivalents:				
Brought forward: Loans and receivables	48,308	--	--	--
Remeasurement	--	--	--	--
Carried forward: Amortised cost	--	--	--	48,308
Trade and other receivables:				
Brought forward: Loans and receivables	15,702	--	--	--
Remeasurement	--	--	--	--
Carried forward: Amortised cost	--	--	--	15,702
Total amortised cost	**64,010**	--	--	**64,010**

b. Impairment of financial assets

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. Under IFRS 9, credit losses are recognised earlier than under IAS 39 – see Note 32.

For assets in the scope of the IFRS 9 impairment model, impairment losses are generally expected to increase and become more volatile. The Group has determined that the application of IFRS 9's impairment requirements at 1 January 2018 results in no additional allowance for impairment as follows.

In thousands of USD	
Loss allowance at 31 December 2017 under IAS 39	**1,998**
Additional impairment recognised at 1 January 2018 on:	
- Trade and other receivables as at 31 December 2017	--
- Additional trade receivables recognised on adoption of IFRS 15	--
- Contract assets recognized on adoption of IFRS 15	--
- Debt securities at amortised cost	--
- Debt securities at FVOCI	--
- Cash and cash equivalents	--
Loss allowance at 1 January 2018 under IFRS 9	**1,998**

Additional information about how the Group measures the allowance for impairment is described in Note 32.

2 Adoption of new and revised standards *(continued)*

i. Amendments to International Financial Reporting Standards ("IFRSs") that are mandatorily effective for the current year (continued)

c. Hedge accounting

In relation to hedge accounting, the Group has immaterial cash flow hedges using interest rate swaps and a net investment hedge which was effective in 2017 and which remained fully effective under IFRS 9. All hedging relationships designated under IAS 39 at 31 December 2017 met the criteria for hedge accounting under IFRS 9 at 1 January 2018 and are therefore regarded as continuing hedging relationships, having no impact of transition.

There is no material impact on the Group's basic or diluted EPS for the years ended 31 December 2018 and 2017.

d. Transition

The information presented for 2017 does not generally reflect the requirements of IFRS 9, but rather those of IAS 39.

All hedging relationships designated under IAS 39 at 31 December 2017 met the criteria for hedge accounting under IFRS 9 at 1 January 2018 and are therefore regarded as continuing hedging relationships.

ii. New and revised IFRSs in issue but not yet effective

A number of new standards are effective for annual periods beginning after 1 January 2019 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these consolidated financial statements.

Of those standards that are not yet effective, IFRS 16 is expected to have a material impact on the Group's financial statements in the period of initial application.

IFRS 16 Leases:

The Group is required to adopt IFRS 16 Leases from 1 January 2019. The Group has assessed the estimated impact that initial application of IFRS 16 will have on its consolidated financial statements, as described below. The actual impacts of adopting the standard on 1 January 2019 may change because the new accounting policies are subject to change until the Group presents its first financial statements that include the date of initial application.

IFRS 16 introduces a single, on balance sheet lease accounting model for lessees. A lessee recognizes a right of use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short term leases, leases of low value items. Also, concession arrangements in the scope of IFRIC 12 are out of scope of IFRS 16. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases.

IFRS 16 replaces existing leases guidance, including IAS 17 *Leases*, IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC-15 *Operating Leases – Incentives* and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease.*

a. The impact as a lessee

The Group will recognize new assets and liabilities for its rental expenses on concession agreements (see Note 29(d)). The nature of expenses related to those leases will now change because the Group will recognize a depreciation charge for right-of-use assets and interest expense on lease liabilities. Concession agreements within the scope of IFRIC 12 are not accounted for under IFRS 16.

2 Adoption of new and revised standards *(continued)*

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

IFRS 16 Leases *(continued)*

a. The impact as a lessee (continued)

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. After implementation of IFRS 16, the Group will reverse the accrual (Note 27) related to timing differences as explained above and include the payments due under the lease in its lease liability.

The Group's preliminary assessment estimates that it will recognize additional Lease liabilities and Port Operating Right assets of 54 million as of 1 January 2019. The Group does not expect the adoption of IFRS 16 to impact its ability to comply with its Gross debt to EBITDA covenant described in Note 24.
For those arrangement accounted for under the IAS 17 finance lease classification, no significant impact is expected.

The Group plans to apply IFRS 16 initially in 1 January 2019, using the modified retrospective approach for simplicity of application with no impact on retained earnings.

b. The impact as a lessor

No significant impact is expected for the leases in which the Group is a lessor.

Other Standards

Following amended standards and interpretations are not expected to have significant impact on the Group's consolidated financial statements.

- IFRIC 23 *Uncertainty over Income Tax Treatments*
- *Prepayment Features with Negative Compensation* (Amendments to IFRS 9)
- *Long-term interests in Associates and Joint Ventures* (Amendments to IAS 28)
- IFRS 17 *Insurance Contracts*

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements and have been applied consistently by the Group entities.

(a) Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the International Accounting Standards Board ("IASB"). They were authorized for issue by the Company's board of directors on 12 March 2019.

(b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis, except for financial instruments that are measured at fair value at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

(c) Functional and presentation currency

The individual financial statements of each group company are presented in the currency of the primary economic environment in which it operates (its functional currency).

For the purpose of the consolidated financial statements, United States Dollars ("USD") is chosen as the presentation currency by management to facilitate the investors' ability to evaluate the Group's performance and financial position to similar companies. The consolidated financial statements are rounded to the nearest thousand dollars, except when otherwise indicated.

TL is the most significant currency to the operations of Global Liman İşletmeleri A.Ş. ("the Company"), and therefore TL has been determined as its functional currency in line with IAS 21 "The Effects of Changes in Foreign Exchange Rates".

Global Liman and its subsidiaries operating in Turkey maintain their books of account and prepare their statutory financial statements in TL in accordance with the Turkish Commercial Code, tax legislation and Turkish Uniform Chart of Accounts. The subsidiaries operating in Montenegro, Spain and Malta maintain their books of account and prepare their statutory financial statements in Euro in accordance with their respective local laws.

USD is the most significant currency to the operations of Ortadoğu Liman, and therefore USD has been determined as its functional currency in line with IAS 21 "The Effects of Changes in Foreign Exchange Rates".

Euro is the most significant currency used in Ege Liman and Bodrum Liman's operations, and therefore EUR has been determined as their functional currency in line with IAS 21 "The Effects of Changes in Foreign Exchange Rates".

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

(d) Critical accounting judgments and key sources of estimation uncertainty

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgments in applying the Group's accounting policies

The following are the critical judgments, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements:

3 Significant accounting policies *(continued)*

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

Intangible assets – Scope of IFRIC 12 '*Service Concession Arrangements*'

The Group's intangible assets recognised primarily consist of the port operation rights.

Judgement is applied by management to determine whether IFRIC 12 *'Service Concession Arrangements'* applies to port operating rights arising from a service concession arrangement. IFRIC 12 will be applied when there is an arrangement whereby a government or other public sector body contracts with a private operator to develop (or upgrade), operate and maintain the grantor's infrastructure assets, and the private operator charges users for public services, and when specific conditions are met. The conditions include where the grantor (government or port authorities) controls or regulates what services the Group can provide with the infrastructure, to whom it must provide them to and at what price, and also controls any significant residual interest in the infrastructure at the end of the service concession arrangement. Judgement is often required to determine the extent to which the conditions applied under the concession are substantive. If a concession is deemed to fall within the scope of IFRIC 12 then any payments made to acquire or operate the concession are capitalised as an intangible asset in accordance with IAS 38 and amortised over the concession period. Further judgement is then applied in determining the nature of any maintenance obligations under the concession arrangement in accordance with IAS 37. If the maintenance obligation is deemed to arise over time (i.e. through usage of the infrastructure) then a provision must be recognised for the remediation costs required to return the asset to the required standard based on its condition at the balance sheet date. If it is deemed that the entity must restore the infrastructure to a specified condition at the end of the concession, irrespective of usage, it has an obligation analogous to an obligation for dismantling or removal of an asset and must therefore recognise the full present value of the future associated costs as a provision at the reporting date.

The carrying value of port concession intangible assets at 31 December 2018 is USD 390,887 thousand (2017: USD 430,960 thousand). Concession arrangements at Creuers, Cruceros, Ravenna and Catania were assessed as being within the scope of IFRIC 12.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources

The group has recognised total provisions as at 31 December 2018 of USD 8,861 thousand (2017: USD 22,283), of which USD 6,137 thousand (2017 USD 17,918) relates to asset replacement and maintenance provisions recognised in accordance with IFRIC 12 in respect of the replacement provisions for Creuers. The provision level reflects the planned future activity over the term of the port concession term and maybe be subject to change. These estimates are based on a number of key assumptions including asset replacement cost, ongoing maintenance and repair costs and estimated asset usage over the concession period. Given the differing types of assets, their size, the range of possible outcomes and the long time period involved, there is a reasonably possible chance that a material adjustment would be required to the carrying value of the provision in the next financial year. These different factors also make it impracticable to provide sensitivity analysis on one single measure and its potential impact on the provision. Further details are provided in note 27 and note 7 "Other income".

3 Significant accounting policies *(continued)*

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

Impairment reviews of Ege Port and Bodrum Cruise Port

IFRS requires management to perform impairment tests annually for goodwill and, for finite lived assets, if events or changes in circumstances indicate that their carrying amounts may not be recoverable.

Impairment testing requires management to judge whether the carrying value of assets of Bodrum Cruise Port and Ege Port can be supported by the net present value of future cash flows that they generate. Calculating the net present value of the future cash flows requires estimates to be made in respect of highly uncertain matters including management's expectations of:

- Operational growth expectations including the forecast number of calls, passengers and cargo
- appropriate discount rates to reflect the risks involved

Management prepares formal forecasts for the Bodrum and Ege operations for the remaining concession period, which are used to estimate their value in use.

Changing the assumptions selected by management, in particular the discount rate and growth rate assumptions used in the cash flow projections, could significantly affect the Group's impairment evaluation and hence reported assets and profits or losses. Further details, including a sensitivity analysis, are included in note 13 "Intangible assets" and note 14 "Goodwill" to the consolidated financial statements.

(e) Finalization of acquisition accounting

The acquisition fair value for Italian Ports were provisional as at and for the year ended 31 December 2016 in accordance with IFRS 3 "Business Combinations" the fair values were subsequently finalized within twelve months of the acquisition date. The adjustments to the provisional amounts have been applied retrospectively in compliance with IFRS 3 and reflected in the consolidated financial statements as at 31 December 2017. As a result:

- Goodwill of USD 2,110 thousand as a result of provisional accounting at the end of 31 December 2016 was eliminated,
- A Port operating right amounting USD 6,561 thousand and deferred tax liability amounting USD 1,317 thousand recognised,
- A provision for fixed concession payments amounting USD 1,980 thousand was created
- A bargain purchase gain amounting USD 131 thousand was recognized,
- Other identifiable assets and liabilities were not changed.

(f) Basis of consolidation

The consolidated financial statements include the accounts of the Company, entities controlled by the Company (its subsidiaries) and joint arrangements on the basis set out in sections below.

(i) Subsidiaries

As at 31 December 2018, the consolidated financial statements includes the financial results of the Company and its subsidiaries.

Control is achieved when the Company:

- has the power over the investee;
- is exposure, or has rights, to variable return from its involvement in the investee; and
- has the ability to use its power over the investee to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

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

3 Significant accounting policies *(continued)*

(f) Basis of consolidation *(continued)*

(i) Subsidiaries (continued)

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by the Group. The consolidated financial statements is prepared using uniform accounting policies for similar transactions and events and are prepared with the same chart of accounts of the Company.

As at 31 December 2018 and 2017, the subsidiaries in which the Group owned a majority shareholding and/or effectively controlled their operations are as shown below:

	Effective ownership (%)		Ownership (%)	
	2018	2017	2018	2017
Ege Liman	72.50	72.50	72.50	72.50
Ortadoğu Liman	100.00	100.00	100.00	100.00
Bodrum Liman	60.00	60.00	60.00	60.00
Port of Adria	63.79	63.79	63.79	63.79
Malaga Port (*)	49.60	49.60	80.00	80.00
Creuers	62.00	62.00	62.00	62.00
BPI	62.00	62.00	62.00	62.00
Global Depolama	100.00	100.00	100.00	100.00
Global BV	100.00	100.00	100.00	100.00
VCP	55.60	55.60	55.60	55.60
Ravenna	53.67	53.67	53.67	53.67
Cagliari	70.89	70.89	70.89	70.89
Catania	62.21	62.21	62.21	62.21
ZIPO	100.00	--	100.00	--

(*) Global Liman has 62% shares of BPI, which in turn has 100% ownership in Creuers and Creuers having 80% ownership in Malaga, the Group has significant ownership establish control in Cruceros Malaga.

(ii) Interests in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in associates and joint ventures. Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is a business arrangement in which two or more parties agree to pool their resources for the purpose of accomplishing a specific operation.

Interests in the equity-accounted investees are accounted for using the equity method. They are recognized initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements includes the Group's share of profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence or joint control ceases.

On acquisition of the investment in equity-accounted investees, any excess of the cost of the investment over the Group's share of the next fair value of the identifiable assets and liabilities of the investee is recognized as goodwill, which is included within the carrying amount of the investment. Any 'negative goodwill' is excluded from the carrying amount of the investment and is instead included as income in the investor's share of profit or loss in the associate in the period of acquisition.

The table below demonstrates the rates of the effective ownership and the ownership held in terms of percentages (%) as of 31 December 2018 and 2017 for the equity-accounted investees:

	Effective ownership rates		Ownership held	
	31 December 2018 (%)	31 December 2017 (%)	31 December 2018 (%)	31 December 2017 (%)
Lisbon Cruise Terminals	46.2	46.2	50	50
Singapore Port	24.8	24.8	40	40
Venezia Investimenti	25.0	25.0	25	25
La Spezia	28.5	28.5	30	30

3 Significant accounting policies *(continued)*

(f) Basis of consolidation *(continued)*

(iii) Non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is deducted from equity. Gains or losses on disposals to non-controlling interests are also recorded in equity. For disposals to non-controlling interests, differences between any proceeds received and the relevant share of non-controlling interests are also recorded in equity.

(iv) Transactions eliminated on consolidation

Subsidiaries are consolidated by using the full consolidation method. Therefore, the carrying value of subsidiaries is eliminated against the related equity. The equity and net income attributable to non-controlling interests are shown separately in the consolidated statement of financial position and profit or loss and other comprehensive income. Intra-group balances, and any unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(v) Business combinations

The acquisition of subsidiaries and businesses from third parties are accounted for using the acquisition method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group. Any costs directly attributable to the business combination are recognized in the profit or loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 *Business Combinations* are recognized at their fair values at the acquisition date.

The excess of the consideration transferred over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is accounted for as goodwill. Goodwill arising from business combinations is not amortized, but tested for impairment annually or more frequently if there is any evidence that the goodwill may be impaired.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date.

If the share of the fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree exceed the cost of a business combination, the excess is recognized immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognized amounts of the acquiree's identifiable net assets.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control) and the resulting gain or loss, if any, is recognized in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

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

3 Significant accounting policies *(continued)*

(g) Going concern

The company is operating 14 ports in 8 different countries and increasing its number of Ports in different geographical locations to support its operations and diversify economic and political risks. As a consequence, the directors believe that the Company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

The directors have a reasonable expectation that the Company and its subsidiaries have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

(h) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of the Group entities by using exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies retranslated to functional currency at historical costs. Foreign currency differences arising on retranslation are recognized in profit or loss.

The Group entities use USD, Euro or TL as their functional currency since these currencies are used to a significant extent in, or have a significant impact on, the operations of the related Group entities and reflect the economic substance of the underlying events and circumstances relevant to these entities. All currencies other than the currency selected for measuring items in the financial statements are treated as foreign currencies. Accordingly, transactions and balances not already measured in the functional currency have been re-measured to the related functional currencies in accordance with the relevant provisions of IAS 21 *the Effect of Changes in Foreign Exchange Rates*. The Group uses USD as the presentation currency.

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

As at 31 December 2018 and 2017, foreign currency exchange rates of the Central Bank of the Turkish Republic were as follows:

	2018	**2017**
TL/USD	0.1900	0.2651
Euro/USD	1.1458	1.1971

For the year ended 31 December 2018 and 2017, average foreign currency exchange rates of the Central Bank of the Turkish Republic were as follows:

	2018	**2017**
TL/USD	0.2077	0.2741
Euro/USD	1.1176	1.1285

3 Significant accounting policies *(continued)*

(h) Foreign currency *(continued)*

(ii) Foreign operations

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into USD using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognized in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a jointly controlled entity that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognized in profit or loss. For all other partial disposals (i.e. partial disposals of associates or jointly controlled entities that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognized in OCI.

If the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, then foreign currency differences arising from such item form part of the net investment in the foreign operation. Accordingly, such differences are recognized in other comprehensive income and accumulated under translation reserves.

(i) Financial instruments

a) Recognition and measurement

Trade receivables and debt securities are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

b) Classification and subsequent measurement

Financial assets – Policy applicable from 1 January 2018

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

3 Significant accounting policies *(continued)*

(i) Financial instruments *(continued)*

b) Classification and subsequent measurement (continued)

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets – Business model assessment: Policy applicable from 1 January 2018

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio levela because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management; the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets, financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

3 Significant accounting policies *(continued)*

(i) Financial instruments *(continued)*

b) Classification and subsequent measurement (continued)

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest: Policy applicable from 1 January 2018

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract.

Additionally, for a financial asset acquired at a discount or Premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Since the principal is the present value of expected cash flows, trade receivables and other receivables meets the solely payments of principal and interest criteria. It is managed in accordance with the business model based on collection of these receivables.

The following accounting policies apply to the subsequent measurement of financial assets

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

3 Significant accounting policies *(continued)*

(i) Financial instruments *(continued)*

b) Classification and subsequent measurement (continued)

Financial assets – Policy applicable before 1 January 2018

The Group classifies its financial assets in the following categories: loans and receivables. The classification depends on the purpose for which the financial assets were acquired.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The group's loans and receivables comprise trade receivables and cash and cash equivalents in the consolidated balance sheet.

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading as such on initial recognition.

Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss are record with their fair value and evaluate with fair value as of balance sheet date. Change in the fair value is recognized in consolidated income statement. Recognized income or loss includes the paid interest for the financial liabilities. As of the balance sheet date, the Group does not have any financial liabilities at fair value through profit or loss.

ii) Other financial liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs.Other financial liabilities are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

3 Significant accounting policies *(continued)*

(i) Financial instruments *(continued)*

c) Derecognition

Derecognition - Policy applicable from 1 January 2018

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and t he cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Derecognition - Policy applicable before 1 January 2018

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

d) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

e) Derivative financial instruments

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

Gains or losses arising from an increase or decrease in the fair value of derivatives that do not meet the requirements for hedge accounting are recognized directly in profit or loss. As at reporting date, the Group does not have derivative financial instrument.

3 Significant accounting policies *(continued)*

(i) Financial instruments *(continued)*

e) Derivative financial instruments (continued)

Derivative financial instruments and hedge accounting – Policy applicable from 1 January 2018

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and interest rates and certain derivatives and non-derivative financial liabilities as hedges of foreign exchange risk on a net investment in a foreign operation.

At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the hedging reserve. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

The Group designates only the change in fair value of the spot element of forward exchange contracts as the hedging instrument in cash flow hedging relationships. The change in fair value of the forward element of forward exchange contracts ('forward points') is separately accounted for as a cost of hedging and recognised in a costs of hedging reserve within equity.

When the hedged forecast transaction subsequently results in the recognition of a non-financial item such as inventory, the amount accumulated in the hedging reserve and the cost of hedging reserve is included directly in the initial cost of the non-financial item when it is recognised.

For all other hedged forecast transactions, the amount accumulated in the hedging reserve and the cost of hedging reserve is reclassified to profit or loss in the same period or periods during which the hedged expected future cash flows affect profit or loss.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve remains in equity until, for a hedge of a transaction resulting in the recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve and the cost of hedging reserve are immediately reclassified to profit or loss.

Net investment hedges

When a derivative instrument or a non-derivative financial liability is designated as the hedging instrument in a hedge of a net investment in a foreign operation, the effective portion of, for a derivative, changes in the fair value of the hedging instrument or, for a non-derivative, foreign exchange gains and losses is recognised in OCI and presented in the translation reserve within equity. Any ineffective portion of the changes in the fair value of the derivative or foreign exchange gains and losses on the non-derivative is recognised immediately in profit or loss. The amount recognised in OCI is reclassified to profit or loss as a reclassification adjustment on disposal of the foreign operation.

3 Significant accounting policies *(continued)*

(i) Financial instruments *(continued)*

e) Derivative financial instruments (continued)

Derivative financial instruments and hedge accounting – Policy applicable before 1 January 2018

The policy applied in the comparative information presented for 2017 is similar to that applied for 2018. However, for all cash flow hedges, including hedges of transactions resulting in the recognition of non-financial items, the amounts accumulated in the cash flow hedge reserve were reclassified to profit or loss in the same period or periods during which the hedged expected future cash flows affected profit or loss. Furthermore, for cash flow hedges that were terminated before 2017, forward points were recognised immediately in profit or loss.

(j) Property and equipment

(i) Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Borrowing costs related to the acquisition, construction or production of qualifying assets are capitalized up to the point when the asset is substantially complete. When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

(ii) Subsequent costs

The cost of replacing part of an item of property and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property and equipment are recognized in profit or loss as incurred.

(iii) Depreciation

Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated. Leasehold improvements are amortized shorter of economic life and over the periods of the respective leases, also on a straight-line basis.

The estimated useful lives for the current and comparative periods are as follows:

	Years
Leasehold improvements	4-50
Furniture and fixtures	4-20
Machinery and equipment	4-30
Motor vehicles	4-18

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(iv) De-recognition

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

3 Significant accounting policies *(continued)*

(k) Intangible assets

(i) Recognition and measurement

Intangible assets comprise port operation rights, contract-based customer relationships and software. Intangible assets are stated at cost, less accumulated amortization and accumulated impairment losses.

(ii) Subsequent expenditures

Subsequent expenditures are capitalized only when they increase the future economic benefits embodied in the specific asset to which they relate. All other expenditures are recognized in profit or loss as incurred.

(iii) Intangible assets recognized in a business combination

Intangible assets acquired in a business combination and recognized separately from goodwill are initially recognized at their fair value at the acquisition date (which is regarded as their cost). The Group's intangible assets recognized in a business combination comprise the port operation rights and the customer relationships. Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

(iv) Service concession arrangements

The Group recognizes an intangible asset arising from a service concession arrangement when it has a right to charge for use of the concession infrastructure. An intangible asset received as consideration for providing construction or upgrade services in a service concession arrangement is measured at fair value on initial recognition with reference to the fair value of the services provided. Subsequent to initial recognition, the intangible asset is measured at cost, which includes capitalized borrowing costs, less accumulated amortization and accumulated impairment losses.

Port operation rights arising from a service concession arrangement are recognised in line with IFRIC 12 'Service Concession Arrangements' when there is an arrangement whereby a government or other public sector body contracts with a private operator to develop (or upgrade), operate and maintain the grantor's infrastructure assets, and the private operator charges users for a public service, and when specific conditions are met. The conditions include where the grantor (government or port authorities) controls or regulates what services the Group can provide with the infrastructure, to whom it must provide them to and at what price. The grantor also has to control any significant residual interest in the infrastructure such as property, plant and equipment, if the infrastructure is existing infrastructure of the grantor or the infrastructure is constructed or purchased by the Group as part of the service concession arrangement.

The estimated useful life of an intangible asset in a service concession arrangement is the period from when the Group is able to charge the public for the use of the infrastructure to the end of the concession period. These assets are amortized based on the lower of their useful lives or concession period.

(v) Amortization

Amortization is calculated over the cost of the asset, or other amount substituted for cost less its residual value. Amortization is recognized in profit or loss on a straight-line basis over the estimated finite useful lives of intangible assets from the date they are available for use, since this most closely reflects the expected pattern of consumption of future economic benefits embodied in the assets. The estimated useful lives for the current and comparative periods are as follows:

	Years
Port operation rights	4-50 (concession term)
Customer relationships	12
Software	5

(vi) Derecognition

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss when the asset is derecognized.

3 Significant accounting policies *(continued)*

(l) Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized directly in profit or loss in the consolidated statement of profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

(m) Leased assets

(i) Determining whether an arrangement contains a lease

At inception of an arrangement, the Group determines whether the arrangement is or contains a lease.

At inception or on reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset; subsequently the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the Group's incremental borrowing rate.

(ii) Leased assets

Assets held by the Group under leases which transfer to the Group substantially all of the risks and rewards of ownership are classified as finance leases. Assets held under finance leases are initially recognized as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated statement of financial position as a finance lease obligation. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases are classified as operating leases and are not recognised in the Group's consolidated statement of financial position.

(iii) Lease payments

Operating lease payments are recognized as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. In the event that lease incentives are received to enter into operating leases, such incentives are recognized as a liability. The aggregate benefit of incentives is recognized as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognized immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Group's general policy on borrowing costs.

(n) Inventories

Inventories of the Group composed of spare and replacement parts, and consumables used for the tangible assets in commercial ports, and inventories held for sale in duty free operations on Valletta Cruise Port. Costs of inventories are determined on weighted average basis. Inventories are kept at the lower of cost and net realizable value.

3 Significant accounting policies *(continued)*

(o) Impairment

(i) Non-derivative financial assets

Financial assets not classified as at fair value through profit or loss, are assessed at each reporting date to determine whether there is objective evidence of impairment. Objective evidence that financial assets are impaired includes;

- default or delinquency by a debtor,
- restructuring of an amount due to the Group on terms that the Group would not consider otherwise,
- indications that a debtor or issuer will enter bankruptcy,
- adverse changes in the payment status of borrowers or issuers.

Policy applicable before 1 January 2018

Financial assets measured at amortized cost

The Group considers evidence of impairment for these assets at both an individual asset and a collective level. All individually significant assets are individually assessed for impairment. Those found not to be impaired are then collectively assessed for any impairment that has been incurred but not yet individually identified. Assets that are not individually significant are collectively assessed for impairment. Collective assessment is carried out by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Group uses historical information on the timing of recoveries and the amount of loss incurred, and makes an adjustment if current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

An impairment loss is calculated as the difference between asset's carrying amount, and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

Financial assets at Fair Value through other Comprehensive Income

Impairment losses on financial assets at fair value through other comprehensive income are recognised by reclassifying the losses accumulated in the fair value reserve to profit or loss. The amount reclassified is the difference between the acquisition cost (net of any principal repayment and amortisation) and the current fair value reserve, less any impairment loss previously recognised in profit or loss. If the fair value of an impaired available-for-sale debt security subsequently increases and the increase can be related objectively to an event occurring after the impairment loss was recognised, then the impairment loss is reversed through profit or loss, otherwise, it is reversed through OCI.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss for an asset other than goodwill is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

Policy applicable from 1 January 2018

The Group recognises loss allowances for expected credit losses ("ECLs") on:

- financial assets measured at amortised cost;
- debt investments measured at FVOCI; and
- contract assets.

3 Significant accounting policies *(continued)*

(o) Impairment (continued)

(i) Non-derivative financial assets (continued)

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

Measurement of expected credit loss

The Group uses an allowance matrix to measure the ECLs of trade receivables from customers, which comprise mainly globally well-known commercial and cruise lines, as well as international retail operators and local investors.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write off. Roll rates are calculated separately for exposures in different groups based on the following common credit risk characteristics – scale of company, age of customer relationship and type of service provided.

Loss rates are based on actual credit loss experience over the past three years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss for an asset other than goodwill is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

3 Significant accounting policies *(continued)*

(p) Employee benefits

Under Turkish law and union agreements, lump sum payments are made to employees retiring or involuntarily leaving the Group. Such payments are considered as being part of defined retirement benefit plan as per IAS 19 (revised) *Employee Benefits* ("IAS 19"). The retirement benefit obligation recognized in the consolidated statement of financial position represents the present value of the defined benefit obligation. The actuarial gains and losses are recognized in other comprehensive income. The key assumptions used in the calculation of the retirement pay liability are detailed in Note 26.

(q) Provisions, contingent assets and liabilities

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(r) Revenue

Revenue is recognised when services are rendered, recovery of the consideration is probable, the stage of completion at the balance sheet date can be measured reliably and the amount of revenue can be measured reliably. Revenue is stated net of taxes and measured at the fair value of the consideration received or receivable.

(i) Container revenues

Container cargo revenues relate to services provided for container cargo handling including sea and land services, recognised on completion of service provided. Invoices are issued on completion of the service. Payments in Port Akdeniz are mainly made in advance, in some cases payment terms are up to 30 days. For suppliers working with terms, guarantees are taken.

(ii) Port service revenues

Port service revenues relate to services provided to ships and motorboats (pilotage, towage, tugboat rents, etc.) recognised on completion of service provided. Payments in Turkish Ports are made in advance, in European ports increased up to 45 days. For suppliers working with terms, guarantees are taken.

(iii) Cargo revenues

Cargo revenues relate to services provided for general and bulk cargo handling including sea and land services, recognised on completion of service provided. Payments in Turkish Ports are mainly made in advance, in other cases payment terms are up to 30 days. For suppliers working with terms, guarantees are taken.

(iv) Landing fees

Landing fees relate to services provided to cruise ships including passenger landing, luggage handling, security fees, etc. recognised on completion of service provided. Payments in Turkish Ports are made in advance, in European ports increased up to 45 days.

(v) Rental income

Rent income relates to rental income from marina and shopping canters. Rental income is recognised in profit or loss on a straight-line basis over the term of the lease. Invoices are issued on a monthly basis and are usually payable within 30 days. Guarantees are taken up to 6 month rent.

(vi) Income from duty free operations

Income from duty free operations is recognised in profit or loss at the point of sale. Invoices are issued when the products are sold and are usually paid in cash or by credit card.

3 Significant accounting policies *(continued)*

(s) Finance income and finance costs

Finance income comprises interest income, gains on sale of marketable securities and net foreign currency gains that are recognized in the profit or loss. Interest income is recognized as it accrues, using the effective interest method.

Finance costs comprise interest expense on borrowings, net foreign currency losses and losses on sale of marketable securities. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss in the period in which they are incurred using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

(t) Operating profit

Operating profit is profit for the year stated before the share of results of equity-accounted investees, finance income, finance costs and tax.

(u) Income tax

Turkish tax legislation does not permit a parent company and its subsidiary to file a consolidated tax return. Therefore, provisions for taxes, as reflected in the accompanying consolidated financial statements, have been calculated on a separate-entity basis.

Spanish tax legislation permits a parent company and its subsidiary to file a consolidated tax return. Therefore, provisions for taxes, as reflected in the accompanying consolidated financial statements, have been calculated on a consolidated basis for the tax group of Spanish entities under "Barcelona Port Investments".

Income tax expense represents the sum of the tax currently payable and deferred tax.

(i) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the consolidated statement of profit or loss because of items of income or expense that are taxable or deductible in other years and it excludes items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

A current tax provision is recognized when the group has a present obligation as a result of a past event; it is probable that the group will be required to settle that obligation.

(ii) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases which are used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

3 Significant accounting policies *(continued)*

(u) Income tax *(continued)*

(ii) Deferred tax (continued)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

(iii) Current and deferred tax for the period

Current and deferred tax are recognized as in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

(v) Government subsidies and incentives

All subsidies and incentives, including non-monetary incentives stated at fair market values, are included in the consolidated financial statements when there is reasonable certainty that the Group will qualify and receive such subsidies and incentives. Government incentives utilized by the Group comprises investment allowances.

4 Determination of fair values

A number of the Group's accounting policies and disclosures requires the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Group uses market and observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

If the inputs used to measure the fair value of an asset or liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Further information about the assumptions made in measuring fair values is included in Note 32 - Financial risk management.

5 Segment Reporting

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

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

(b) Reportable segments

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

The Group has identified 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.

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

5 Segment reporting *(continued)*

(c) *Information about reportable segments*

As at and for the year ended 31 December 2018, the details of reportable segments comprised the following:

	BPI	VCP	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	VCP	Ege Ports	Others	*Cruise Total*	Port Akdeniz	Port of Adria	*Total Commercial*	Non-operational & HQ	*Consolidated*
External revenues	31,577	13,017	4,650	5,670	*54,914*	59,888	10,010	*69,898*	--	*124,812*
EBITDA	19,718	6,363	3,046	8,236	*37,363*	49,165	3,909	*53,074*	(3,153)	*87,284*
Depreciation and amortization expense	(11,350)	(2,595)	(3,027)	(3,359)	*(20,331)*	(21,342)	(2,875)	*(24,217)*	(110)	*(44,658)*
Non-recurring income/(expense)	(256)	--	(326)	(208)	*(790)*	919	(960)	*(41)*	(6,035)	*(6,866)*
Non-cash income/(expenses)	11,532	(136)	121	(78)	*11,439*	(153)	(94)	*(247)*	6	*11,198*
Operating profit	19,644	3,632	(186)	(1,040)	*22,050*	28,589	(20)	*28,569*	(9,292)	*41,327*
Share of profit of equity-accounted investees	--	--	--	5,631	*5,631*	--	--	--	--	*5,631*
Interest income	--	--	1,441	4	*1,445*	4,388	43	*4,431*	3,935	*9,811*
Interest expense	(2,112)	(299)	(1,233)	(197)	*(3,841)*	(3,329)	(947)	*(4,276)*	(26,259)	*(34,376)*

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

5 Segment reporting *(continued)*

(c) Information about reportable segments (continued)

As at and for the year ended 31 December 2017, the details of reportable segments comprised the following:

	BPI	VCP	Ege Ports	Others	*Total cruise*	Port Akdeniz	Port of Adria	*Total commercial*	Non-operational & HQ	*Consolidated*
Segment assets	164,043	115,673	55,965	13,900	*349,581*	234,902	70,526	*305,428*	23,619	*678,628*
Equity accounted investees	--	--	--	22,004	*22,004*	--	--	--	--	*22,004*
Segment liabilities	98,490	37,471	13,285	5,069	*154,315*	53,333	8,157	*61,490*	273,725	*489,530*
Capital expenditures	209	801	3,448	1,447	*5,905*	2,851	6,581	*9,432*	467	*15,804*

	BPI	VCP	Ege Ports	Others	*Total cruise*	Port Akdeniz	Port of Adria	*Total commercial*	Non-operational & HQ	*Consolidated*
External revenues	27,376	12,916	4,819	5,165	*50,276*	58,549	7,541	*66,090*	--	*116,366*
EBITDA	17,558	6,826	2,954	4,877	*32,215*	46,436	1,855	*48,291*	(3,802)	*76,704*
Depreciation and amortization expense	(10,869)	(2,582)	(2,788)	(3,119)	*(19,358)*	(20,742)	(2,514)	*(23,256)*	(165)	*(42,779)*
Non-recurring income/(expense)	(685)	(338)	(303)	(39)	*(1,365)*	(582)	(1,463)	*(2,045)*	(12,920)	*(16,330)*
Non-cash income/(expenses)	(2,109)	--	(580)	(28)	*(2,717)*	(428)	976	*548*	(24)	*(2,193)*
Operating profit	3,895	3,907	(717)	(857)	*6,228*	24,684	(1,146)	*23,538*	(16,912)	*12,854*
Share of profit of equity-accounted investees	--	--	--	2,548	*2,548*	--	--	--	--	*2,548*
Interest income	3	1	1,673	60	*1,737*	2,110	152	*2,262*	4,563	*8,562*
Interest expense	(2,558)	(404)	(1,458)	(177)	*(4,597)*	(3,314)	(918)	*(4,232)*	(23,324)	*(32,153)*

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

5 Segment reporting *(continued)*

(d) *Reconciliation of information on reportable segments to IFRS measures*

	Note	Year ended 31 December 2018	Year ended 31 December 2017
Revenues			
Total revenue for reportable segments	7	124,812	116,366
Total external revenues		**124,812**	**116,366**
Consolidated EBITDA		87,284	76,704
Non-recurring income / (expense)		(6,866)	(16,330)
Non-cash income / (expense)		11,198	(2,193)
Finance income	11	26,726	15,028
Finance costs	11	(59,720)	(39,792)
Depreciation and amortization	12-13	(44,658)	(42,779)
Total Profit before income tax		**13,964**	**(9,362)**
Interest income			
Total interest income for reportable segments		9,811	8,562
Elimination of inter-segments		(8,859)	(6,232)
Total interest income		**952**	**2,330**
Interest expense			
Total interest expense for reportable segments		(34,376)	(32,153)
Elimination of inter-segments		8,859	6,232
Total interest expense		**(25,517)**	**(25,921)**

(e) *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

	Year ended 31 December 2018	Year ended 31 December 2017
Turkey	67,017	66,009
Spain	31,577	27,376
Malta	13,017	12,916
Montenegro	10,010	7,541
Italy	3,191	2,524
	124,812	**116,366**

Non-current assets

	As at 31 December 2018	As at 31 December 2017
Turkey	243,224	265,791
Spain	129,695	144,939
Malta	94,703	100,632
Montenegro	65,202	67,416
Italy	6,962	7,960
Unallocated	29,071	23,699
	568,857	**610,437**

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

6 Revenue and cost of sales

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

(USD '000)	BPI 2018	BPI 2017	VCP 2018	VCP 2017	EP 2018	EP 2017	others 2018	others 2017	Total cruise 2018	Total cruise 2017	Port Akdeniz 2018	Port Akdeniz 2017	Port of Adria 2018	Port of Adria 2017	Total commercial 2018	Total commercial 2017	Consolidated 2018	Consolidated 2017
Point in time																		
Container revenue	--	--	--	--	--	--	--	--	--	--	37,158	38,881	5,360	4,679	42,518	43,560	42,518	43,560
Landing fees	27,356	22,454	4,754	5,524	1,838	788	3,144	2,910	37,092	31,676		--			--	--	37,092	31,676
Port service revenue	1,742	2,564	1,163	524	1,468	2,061	746	514	5,119	5,663	12,146	6,293	282	188	12,428	6,481	17,547	12,144
Cargo revenue	--	--	--	--	--	--	--	--	--	--	9,307	12,301	3,378	2,301	12,685	14,602	12,685	14,602
Domestic water sales	695	585	--	--	86	129	34	55	815	769	35	48	19	32	54	80	869	849
Other revenue (*)	--	--	436	--	264	158	454	370	1,154	528	589	324	33	15	622	339	1,776	867
Over time												--						
Rental income	1,784	1,773	2,634	2,339	994	1,683	713	1,317	6,125	7,112	653	702	938	326	1,591	1,028	7,716	8,140
Income from duty free operations	--	--	4,030	4,528	--	--	--	--	4,030	4,528	--	--	--	--	--	--	4,030	4,528
Habana management fee	--	--	--	--	--	--	579	--	579	--	--	--	--	--	--	--	579	--
Total	**31,577**	**27,376**	**13,017**	**12,915**	**4,650**	**4,819**	**5,670**	**5,166**	**54,914**	**50,276**	**59,888**	**58,549**	**10,010**	**7,541**	**69,898**	**66,090**	**124,812**	**116,366**

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

Revenue	**Year ended 31 December 2018**	**Year ended 31 December 2017**
Receivables, which are included in 'trade and other receivables'	12,116	14,009
Contract assets	797	114
Contract liabilities	(879)	(1,001)
	12,034	**13,122**

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

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

The amount of USD 1,001 thousand recognised in contract liabilities at the beginning of the period has been recognised as revenue for the period ended 31 December 2018.

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

No information is provided about remaining performance obligations at 31 December 2018 that have an original expected duration of one year or less, as allowed by IFRS 15.

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

6 Revenue and cost of sales *(continued)*

Cost of sales

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

	2018	2017
Depreciation and amortization expenses	41,655	39,507
Personnel expenses	14,228	14,329
Commission fees to government authorities and pilotage expenses	3,716	3,204
Security expenses	2,627	1,940
Cost of inventories sold	2,453	2,590
Repair and maintenance expenses	1,923	1,808
Subcontractor lashing expenses	1,403	1,624
Subcontractor crane expenses	1,305	1,408
Replacement provision	677	2,078
Other expenses	7,536	7,060
Total	**77,523**	**75,548**

7 Other Income

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

	2018	2017
Reversal of replacement for Spanish Ports (*)	12,210	383
Foreign currency income from operations	4,646	1,152
Income from reversal of withholding tax (**)	1,095	--
Insurance income	615	--
Gain on sale of assets	145	--
Other	843	693
Total	**19,554**	**2,228**

(*)Reversal of replacement for Spanish Ports are related to an assumption change on provision (see note 27).

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

8 Other expense

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

	2018	2017
Project Expenses (*)	7,212	11,999
Foreign currency losses from operations	1,523	--
Tax amnesty expenses	920	--
Recovery from insurance	496	--
Impairment losses on inventory	106	--
Provisions	34	--
Loss on sale of fixed assets	3	--
Other	1,188	2,441
Total	**11,482**	**14,440**

(*) The project expenses are mainly related to the projects for new acquisitions.

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

9 Selling and marketing expenses

For the years ended 31 December, selling and marketing expenses comprised the following:

	2018	2017
Advertising and promotion expenses	462	656
Personnel expenses	186	183
Travelling expenses	155	42
Commission expense	95	386
Representation expense	12	29
Total	**910**	**1,296**

10 Administrative expenses

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

	2018	2017
Personnel expenses	4,280	4,214
Depreciation and amortization expenses	3,003	3,272
Consultancy expenses	1,803	2,300
Representation expenses	824	1,205
Taxes other than on income	649	662
Office operating expenses	448	112
Travel expenses	367	543
IT expenses	231	271
Vehicle expenses	181	151
Repair and maintenance expenses	144	42
Communication expenses	142	275
Rent expenses	138	77
Insurance expenses	126	96
Stationary expenses	85	87
Bad debt expense	(36)	307
Other expenses	739	842
Total	**13,124**	**14,456**

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

11 Finance income and costs

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

Finance income	**2018**	**2017**
Foreign exchange gain	25,741	12,440
Interest income on banks and others	470	808
Interest income on related parties	449	--
Interest income on marketable securities (*)	--	1,490
Others	66	290
Total	**26,726**	**15,028**

(*) Interest income on marketable securities comprises the interest income earned from the Global Yatırım Holding's bonds during the year. Global Yatırım Holding is ultimate controlling party of the Company.

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

Finance costs	**2018**	**2017**
Foreign exchange losses on loans and borrowings	33,105	12,606
Interest expense on loans and borrowings	25,517	25,598
Loan commission expenses	521	79
Letter of guarantee commission expenses	158	190
Other foreign exchange losses	--	275
Other interest expenses	--	323
Other	419	721
Total	**59,720**	**39,792**

The interest expense for financial liabilities not classified as fair value through profit or loss is USD 25,517 thousand (31 December 2017: USD 25,598 thousand).

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

12 Property and equipment

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

Cost	1 January 2018	Additions	Disposal	Transfers	Effect of movements in exchange rates	31 December 2018
Leasehold improvements	120,613	2,359	(61)	2,868	(4,456)	**121,323**
Machinery and equipment	53,031	2,910	(167)	23	(848)	**54,949**
Motor vehicles	18,577	111	(328)	4	(523)	**17,841**
Furniture and fixtures	8,678	898	(1)	72	(602)	**9,045**
Construction in progress	1,597	5,570	--	(2,706)	(71)	**4,390**
Land improvement	9	--	--	1	(3)	**7**
Total	**202,505**	**11,848**	**(557)**	**262**	**(6,503)**	**207,555**

Accumulated Depreciation	1 January 2018	Depreciation expense	Disposal	Transfers	Effect of movements in exchange rates	31 December 2018
Leasehold improvements	27,805	5,657	--	14	(1,071)	**32,405**
Machinery and equipment	26,046	4,204	(158)	249	(214)	**30,127**
Motor vehicles	9,125	1,485	(328)	--	(257)	**10,025**
Furniture and fixtures	4,863	1,006	(1)	(1)	(185)	**5,682**
Land improvement	1	5	--	--	(2)	**4**
Total	**67,840**	**12,357**	**(487)**	**262**	**(1,729)**	**78,243**
Carrying amount	**134,665**					**129,312**

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

12 Property and equipment *(continued)*

Movements of property and equipment for the year ended 31 December 2017 comprised the following:

Cost	1 January 2017	Additions	Disposal	Transfers	Effect of movements in exchange rates	31 December 2017
Leasehold improvements	98,308	2,875	(163)	5,213	14,380	**120,613**
Machinery and equipment	41,212	2,281	(563)	9,468	633	**53,031**
Motor vehicles	16,849	252	(4)	--	1,480	**18,577**
Furniture and fixtures	7,387	567	(5)	28	701	**8,678**
Construction in progress	5,754	9,234	--	(14,762)	1,371	**1,597**
Land improvement	8	--	--	--	1	**9**
Total	**169,518**	**15,209**	**(735)**	**(53)**	**18,566**	**202,505**

Accumulated Depreciation	1 January 2017	Depreciation expense	Disposal	Transfers	Effect of movements in exchange rates	31 December 2017
Leasehold improvements	20,718	4,778	--	--	2,309	**27,805**
Machinery and equipment	22,345	3,839	(525)	--	387	**26,046**
Motor vehicles	7,178	1,465	--	--	482	**9,125**
Furniture and fixtures	3,511	1,052	--	--	300	**4,863**
Land improvement	1	--	--	--	--	**1**
Total	**53,753**	**11,134**	**(525)**	--	**3,478**	**67,840**
Carrying amount	**115,765**					**134,665**

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

12 Property and equipment *(continued)*

As at 31 December 2018, the carrying amount of machinery and equipment purchased through finance lease amounts to USD 1,689 (2017: USD 2,064), the carrying amount of motor vehicles purchased through finance lease amounts to USD 7,991 (2017: USD 9,428), and the carrying amount of furniture and fixtures purchased through finance lease amounts to USD 45 (2017: USD 124). In 2018, no capital expenditure was made through finance leases (31 December 2017: nil).

As at 31 December 2018 and 2017, according to the "TOORA" and "BOT" tender agreements signed with related Authorities, at the end of the agreement periods, real estate with their capital improvements will be returned as running, clean, free of any liability and free of charge. The details of the pledge or mortgage on property and equipment regarding the loans and borrowings are explained on Note 24.

For the years ended 31 December 2018 and 2017, there is no capitalized borrowing cost on property and equipment.

As at 31 December 2018, the insured amount of property and equipment amounts to USD 326,671 (2017: USD 265,598).

13 Intangible assets

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

Cost	**1 January 2018**	**Additions**	**Transfers**	**Disposals**	**Effect of movements in exchange rates**	**31 December 2018**
Port operation rights	616,411	2,068	--	--	(13,364)	**605,115**
Customer relationships	4,113	--	--	--	(176)	**3,937**
Software	1,156	140	--	--	(27)	**1,269**
Other intangibles	888	703	--	--	(878)	**713**
Total	**622,568**	**2,911**	--	--	**(14,445)**	**611,034**

Accumulated amortization	**1 January 2018**	**Amortization expense**	**Transfers**	**Disposals**	**Effect of movements in exchange rates**	**31 December 2018**
Port operation rights	185,452	31,648	--	--	(2,872)	**214,228**
Customer relationships	3,173	337	--	--	(145)	**3,365**
Software	492	164	--	--	(10)	**646**
Other intangibles	376	152	--	--	(94)	**434**
Total	**189,493**	**32,301**	--	--	**(3,121)**	**218,673**
Carrying amount	**433,075**					**392,361**

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

13 Intangible assets *(continued)*

Movements of intangible assets for the year ended 31 December 2017 comprised the following:

Cost	1 January 2017	Additions	Transfers	Disposals	Effect of movements in exchange rates	31 December 2017
Port operation rights	579,520	--	--	--	36,891	616,411
Customer relationships	3,622	--	--	--	491	4,113
Software	592	529	--	--	35	1,156
Other intangibles	716	66	53	--	53	888
Total	**584,450**	**595**	**53**	**--**	**37,470**	**622,568**

Accumulated amortization	1 January 2017	Amortization expense	Transfers	Disposals	Effect of movements in exchange rates	31 December 2017
Port operation rights	148,752	31,032	--	--	5,668	185,452
Customer relationships	2,492	323	--	--	358	3,173
Software	347	136	--	--	9	492
Other intangibles	217	154	--	--	5	376
Total	**151,808**	**31,645**	**--**	**--**	**6,040**	**189,493**
Carrying amount	**432,642**					**433,075**

The details of Port operation rights for the years ended 31 December 2018 and 2017 are as follows;

	31 December 2018		31 December 2017	
	Carrying Amount	Remaining Amortization Period	Carrying Amount	Remaining Amortization Period
Port Akdeniz	160,798	116 months	177,433	128 months
Barcelona Ports Investment	124,951	138 months	141,622	150 months
Valletta Cruise Port	64,072	575 months	68,339	587 months
Port of Adria	20,919	300 months	22,731	312 months
Ege Ports	12,079	171 months	13,491	183 months
Port Operation Holding	5,623	94 months	6,644	106 months
Bodrum Cruise Port	2,446	591 months	698	15 months

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.

The recoverable amount of the CGU relating to the port of Bodrum was based on its value in use, determined by discounting the 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 15.5m and no impairment loss during 2018 (2017: nil) was recognised.

The key assumption is that the expected increase in the intensity of the port activity will increase operational profit. Cash flows used to calculate value-in-use are prepared in EUR. A post-tax discount rate of 15.13% was used for discounting future cash flows to the reporting date. The growth in number of passengers was assumed at 50.0% per annum until 2025, followed by 10% per annum until 2032, no growth has forecasted for the remaining life of concession. 49 years of cash flows were included in the discounted cash flow model. The cash flow model is constructed on a post-tax basis and the discount rate used is post-tax. An equivalent pre-tax discount rate would be 16.25%. The growth is forecasted based on the nature of the business. Other important assumptions used in the model were average days during cruise season used as 210 days, average cruise itineraries of 7 days during 2016-2018 is used during the forecast period. An average of 8 ship calls are added for every itinerary change for the region.

The estimated recoverable amount of the CGU exceeded its carrying amount by approximately USD 10.2m (2017: USD 5.7m). Management has identified that a reasonably possible change in the number of passengers or the discount rate could cause the carrying amount to exceed the recoverable amount. The recoverable amount will be equal to the carrying amount if the cash flow has produced with a post-tax discount rate of 27.4% and growth in number of passengers at 40% until 2023, followed by 2% per annum until 2032 was used, no growth forecasted for the remaining life of concession.

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

14 Goodwill

Movements of goodwill associated with Ege Port for the years ended 31 December comprised the following:

1 January 2017	**12,405**
Translation	1,683
31 December 2017	**14,088**
Translation	(603)
Balance as at 31 December 2018	**13,485**

The recoverable amount of this CGU was based on its value in use, determined by discounting the 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 63.8m and no impairment loss during 2018 (2017: nil) was recognised.

The key assumption is that the expected increase in the intensity of the port activity will increase operational profit. Cash flows used to calculate value-in-use are prepared in EUR. A post-tax discount rate of 13.37% was used for discounting future cash flows to the reporting date. The growth in number of passengers was assumed at 40% per annum until 2023, followed by 2% per annum until end of concession. 14 years of cash flows were included in the discounted cash flow model. 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 15.2%. The discount rate was estimated based on the historical industry average weighted average cost of capital, with a possible debt leveraging of 16% at a market interest rate of 6%. The growth is forecasted based on the nature of the business. Average days during cruise season used as 210 days, average cruise itineraries of 7 days during 2016-2018 is used during the forecast period. An average of 8 ship calls are added for every itinerary change for the region.

The estimated recoverable amount of the CGU exceeded its carrying amount by approximately USD 23m (2017: USD 27.7m). Management has identified that a reasonably possible change in the number of passengers or the discount rate could cause the carrying amount to exceed the recoverable amount. The recoverable amount will be equal to the carrying amount if the cash flow has produced with a post-tax discount rate of 22% per annum and growth in number of passengers at 17% per annum until 2025, followed by 2% per annum until 2032.

15 Equity-accounted investees

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 ("Port of Lisbon") (*)	Portugal	Port operations
SATS – Creuers Cruise Services Pte. Ltd. ("Singapore Port") (**)	Singapore	Port operations
Venezia Investimenti Srl. ("Venice Investment") (***)	Italy	Port investments
La Spezia Cruise Facility Srl. ("La Spezia") (****)	Italy	Port operations

(*) The Group has entered into the concession agreement of Lisbon Cruise Terminals within the framework of a public-service concession on 18 July 2014 as a part of the consortium comprised of 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 2018, hence the Group can only appoint a minority of Directors to the Board and therefore does not have control over the Entity. Port of Lisbon has been recognized as an equity-accounted investee in the consolidated financial statements as at and for the year ended 31 December 2018 and 2017.

(**) 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 a Creuers. 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 rate held on Singapore cruise port is 24.8%. Singapore cruise port has been recognised as an equity-accounted investee in the consolidated financial statements as at and for the years ended 31 December 2018 and 2017.

(***) Venezia Investimenti Srl is an international consortium formed for investing in Venezia Terminal Passegeri S.p.A (VTP). The international consortium formed by Global Ports Holding ("GPH"), Costa Costa Crociere SpA, MSC Cruises SA and Royal Caribbean Cruises Ltd each having, 25% share of the Company.

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

For the year ended 31 December 2018

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

The following table summarises the financial information of La Spezia, Venezia Investimenti, Port of Lisbon 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 La Spezia, Venezia Investimenti, Port of Lisbon and Singapore Port.

In USD 000's	La Spezia	Venezia Investimenti	Port of Lisbon	Singapore Port
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 / (loss) 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**

15 Equity-accounted investees *(continued)*

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

	La Spezia	Venezia Investimenti	Port of Lisbon	Singapore Port
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
Venezia Investimenti	176
Port of Lisbon	728
Singapore Port	4,727
Group's share of profit and total comprehensive income	**5,631**

For the year ended 31 December 2017

At 31 December 2017, La Spezia, Venezia Investimenti, Port of Lisbon and Singapore Port are equity-accounted investees in which the Group participates.

The following table summarises the financial information of La Spezia, Venezia Investimenti, Port of Lisbon and Singapore Port as included in the consolidated financial statements as at 31 December 2017. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in La Spezia, Venezia Investimenti, Port of Lisbon and Singapore Port.

In USD 000's	La Spezia	Venezia Investimenti	Port of Lisbon	Singapore Port
Percentage ownership interest	30.00%	25.00%	50.00%	40.00%
Non-current assets	--	38,248	28,880	2,802
Current assets	140	1,940	8,077	13,444
Non-current liabilities	--	--	(13,920)	(1,846)
Current liabilities	--	(174)	(5,687)	(6,191)
Net assets (100%)	140	40,014	17,350	8,209
Group's share of net assets	42	10,004	8,675	3,283
Carrying amount of interest in equity accounted investees	**42**	**10,004**	**8,675**	**3,283**
Revenue	--	233	5,881	14,981
Expenses	--	--	(3,946)	(11,175)
Profit / (loss) and total comprehensive income for the year (100%)	--	233	1,935	3,806
Group's share of profit and total comprehensive income	--	**58**	**967**	**1,523**

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

15 Equity-accounted investees *(continued)*

As at 31 December 2017, the amounts in the above table include the following:

	La Spezia	Venezia Investimenti	Port of Lisbon	Singapore Port
Cash and cash equivalents	140	1,940	3,481	4,520
Non-current financial liabilities (excluding trade and other payables and provisions)	--	--	(13,920)	(1,846)
Current financial liabilities (excluding trade and other payables and provisions)	--	(174)	(428)	--
Interest income	--	--	--	--
Depreciation and amortisation	--	--	(214)	(695)
Interest expense	--	--	(72)	(97)
Interest tax expense	--	--	(591)	(780)

For the year ended 31 December 2017, the Group's share of profit and total comprehensive income is set out below:

	Net profit
Singapore Port	1,523
Port of Lisbon	967
Venezia Investimenti	58
Group's share of profit and total comprehensive income	**2,548**

16 Other investments

As at 31 December, other current investments comprised of the following:

	2018	2017
Time deposits with the maturity more than 3 months	72	223
Global Yatırım Holding bonds (*)	--	14,029
Other financial assets	--	476
Total	**72**	**14,728**

(*) The Group has purchased Global Yatırım Holding's (the parent company) bonds. The bonds' maturity is 30 June 2021 with an annual nominal interest rate of 8% and nominal amounts of USD 13,944 were held as at 31 December 2017.These bonds are not quoted in an active market and are classified as loans and receivables, held at amortised cost. The Group notified Global Yatırım Holding of its intention to exercise its right to sell back all its bonds to Global Yatırım Holding at par plus accrued interest as of 29 December 2017 and transaction was closed at 6 February 2018.

17 Taxation

Corporate tax

Turkey

Corporate income tax is levied at the rate of 22% on the statutory corporate income tax base (up from 20% in 2017) for the tax periods 2018, 2019, and 2020, which is determined by modifying income for certain tax exclusions and allowances.

Advance corporate income tax payments are made on a quarterly basis and are offset against the final corporate income tax liability of the company for the period.

The tax legislation does not permit a parent company and its subsidiaries to file a consolidated tax return. Therefore, provision for taxes shown in the consolidated financial statements reflects the total amount of taxes calculated on each Turkish company that is included in the consolidation.

Losses can be carried forward for offsetting against future taxable income for up to 5 years. Losses cannot be carried back.

Tax rate used in the calculation of deferred tax assets and liabilities was %22 over temporary timing differences expected to be reversed in 2018, 2019 and 2020, and %20 over temporary timing differences expected to be reversed in 2021 and the following years (2017: 20%).

Spain

The corporate tax rate for the years ended 31 December 2018 and 2017 are determined at 25%.

BPI files a consolidated income tax return for the Spanish companies, namely Creuers, Cruceros and BPI.

Losses can be carried forward indefinitely to offset future taxable income, subject to certain limitations. Losses cannot be carried back.

Other countries

The corporate tax rates in the Netherlands, Italy, Malta and Montenegro are 25%, 28%, 35% and 9%, respectively.

Transfer pricing

The transfer pricing provisions are set out under the Article 13 of the Turkish Corporate Tax Law under the heading of "disguised profit distribution via transfer pricing". The General Communiqué on disguised profit distribution via transfer pricing dated 18 November 2007 sets out details about the implementation of these provisions. If a tax payer enters into transactions regarding the sale or purchase of goods and services with related parties, where the prices are not set in accordance with an arm's-length basis, the related profits are considered to be distributed in a disguised manner through transfer pricing. Such disguised profit distributions through transfer pricing are not accepted as a tax deductible for corporate income tax purposes.

Income withholding tax

In addition to corporate taxes, companies should also calculate income withholding taxes on any dividends distributed, except for companies receiving dividends who are resident companies in Turkey and Turkish branches of foreign companies. The rate of income withholding tax was 10% from 24 April 2003, rising to 15% from 21 September 2006. Appropriation of retained earnings to capital is not considered a profit distribution and therefore is not subject to withholding tax.

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

17 Taxation *(continued)*

Corporate tax (continued)

Tax expense

For the years ended 31 December, income tax expense comprised the following:

	2018	2017
Current tax charge	(8,026)	(8,947)
Deferred tax benefit	6,546	5,348
Total tax expense	**(1,480)**	**(3,599)**

As at 31 December, current tax liabilities for the period comprised the following:

	2018	2017
Current tax liability at 1 January	2,218	1,814
Current tax charge	8,026	8,947
Currency translation difference	(440)	(416)
Taxes paid during year	(7,345)	(8,127)
Total current tax liabilities	**2,459**	**2,218**

The tax reconciliation for the years ended 31 December is as follows:

	%	2018	%	2017
(Loss)/ Profit before income tax		13,964		(9,362)
Tax using the Company's domestic tax rate	(22)	(3,046)	20	1,872
Effect of tax rates in foreign jurisdictions	(9)	(1,215)	(8)	(755)
Tax effect of:				
Income from tax exempt maritime operations (*)	7	947	7	689
unrecognized tax losses	--	22	(71)	(6,665)
permanent differences(**)	(28)	(953)	5	462
non-taxable income (***)	41	1,469	4	345
change in tax rate		--	1	(108)
Disallowable expenses	(3)	(280)	(3)	(300)
Adjustment in the period for current tax of prior periods (****)	11	1,602	4	420
Deferred tax arising from business combination		--	--	2
Donations	--	(1)	--	(7)
Other	--	(5)	--	446
	(11)	**(1,480)**	**(38)**	**(3,599)**

(*) Income generated through the vessels covered by the Turkish International Ship Registry Law authorised on 16 December 1999 is not subject to income tax and expenses related to these operations as they are considered disallowable expenses.

(**) Permanent differences created from the differences between Turkish tax accounting regulations and IFRS requirements.

(***) Effect of non-taxable income mainly relates to share profit of equity-accounted investees.

(****) A tax credit arose in BPI following a successful claim to the Spanish tax authorities to eliminate domestic double taxation arising on the 2013 and 2014 acquisitions of interests in Creuers.

Deferred tax is recognized in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date.

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

17 Taxation *(continued)*

Deferred tax

The balance comprises temporary differences attributable to:

	2018		2017	
	Deferred tax assets	**Deferred tax liabilities**	**Deferred tax assets**	**Deferred tax liabilities**
Property and equipment	1,243	(5,814)	1,651	(887)
Intangible assets	--	(87,201)		(97,151)
Tax losses carried forward	--	--	6	--
Provision for employment termination indemnity and vacation pay	160	--	326	--
Adjustment in the period for current tax of prior periods	1,566	--	--	--
Other	1,433	(615)	941	(3,070)
Subtotal	**4,402**	**(93,630)**	**2,924**	**(101,108)**
Set off of tax	(1,336)	1,336	(1,229)	1,229
Total deferred tax assets/(liabilities)	**3,066**	**(92,294)**	**1,695**	**(99,879)**

Deferred tax assets and deferred tax liabilities as at 31 December 2018 and 2017 are attributable to the items detailed in the table below:

	Property and equipment	**Tax losses carried forward**	**Provision for employment termination indemnity and vacation pay**	**Intangible assets**	**Adjustment in the period for current tax of prior periods**	**Other**	**Total**
At 1 January 2017	**948**	**1,551**	**181**	**(95,858)**	--	**(2,200)**	**(95,378)**
Charge/(credit) to profit or loss	(243)	(1,931)	128	7,169	--	225	5,348
Exchange differences	59	386	17	(8,462)	--	(154)	(8,154)
At 31 December 2017	**764**	**6**	**326**	**(97,151)**	--	**(2,129)**	**(98,184)**
Charge/(credit) to profit or loss	(3,899)	(6)	(122)	7,272	1,608	1,693	6,546
Exchange differences	(1,436)	--	(44)	2,678	(42)	1,254	2,410
At 31 December 2018	**(4,571)**	--	**160**	**(87,201)**	**1,566**	**818**	**(89,228)**

17 Taxation *(continued)*

Deferred tax ***(continued)***

As at 31 December 2018 and 2017, the breakdown of the tax losses carried forward in terms of their final years of utilization is as follows:

	2018		2017	
Expiry years of the tax losses carried forward	**Recognized**	**Unrecognized**	**Recognized**	**Unrecognized**
2018	--	--	--	909
2019	--	5,694	--	6,709
2020	--	2,502	30	3,261
2021	--	1,978	--	2,694
2022	--	2,547	--	2,689
2023	--	1,329		
	--	**14,050**	**30**	**16,262**

Unrecognized deferred tax assets

At the reporting date, the Group has statutory tax losses available for offsetting against future profits which are shown above. Such carried forward tax losses expire until 2022. Deferred tax assets have not been recognized in respect of some portion of these items since it is not probable that future taxable profit will be available against which the Group can utilize the benefits there from.

Amounts recognized in OCI

USD '000	2018			2017		
	Before tax	**Tax (expense)/ benefit**	**Net of tax**	**Before tax**	**Tax (expense)/ benefit**	**Net of tax**
Remeasurements of defined benefit liability	(19)	4	(15)	(23)	5	(18)
Foreign operations - foreign currency translation differences	42,772	--	42,772	41,531	--	41,531
Net investment hedge	(59,785)	--	(59,785)	(13,389)	--	(13,389)
Cash flow hedges	155	--	155	334	--	334
Total	**(16,877)**	**4**	**(16,873)**	**28,453**	**5**	**28,458**

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

18 Trade and other receivables

As at 31 December, trade and other receivables comprised the following:

	2018	2017
Trade receivables	12,913	14,123
Deposits and advances given(*)	5,602	13
Other receivables	1,472	1,566
Total trade and other receivables	**19,987**	**15,702**

(*) The increase in deposits and advances given is related to cash guarantee blocked on Italian Notary to give a letter of Guarantee to Venezia Investimenti related to the extension of transaction explained in note 29 (b).

As at 31 December, trade receivables comprised the following:

	2018	2017
Receivables from customers	12,913	14,123
Doubtful receivables	1,691	1,998
Allowance for doubtful receivables (-)	(1,691)	(1,998)
Total	**12,913**	**14,123**

Movements in the allowance for doubtful trade receivables for the years ended 31 December, comprised the following:

	2018	2017
Balance at the beginning of the year	(1,998)	(1,213)
Allowance for the year	(143)	(866)
Collections	179	212
Translation difference	199	(131)
Written off during the year	72	--
Balance at the end of the year	**(1,691)**	**(1,998)**

As at 31 December 2018 and 2017, current trade receivables mature between 0-3 months, in line with the nature of business. Turkish Ports are working with lower maturities mainly through advance payments, while European Ports has 30 – 45 days of maturities.

Credit risk and foreign currency risk with respect to trade and other receivables are disclosed in Note 32.

Bad debt expense on doubtful receivables is recognized in administrative expenses.

(*) The increase in deposits and advances given is related to cash guarantee blocked an Italian Notary to give a letter of guarantee to Venezia related to the extension of transaction explained in note 29(b).

19 Other assets

Other non-current assets

As at 31 December, other non-current assets comprised the following:

	2018	2017
Housing loans given to employees (*)	2,740	3,043
Advances given (**)	1,532	1,805
Prepaid expenses	328	44
Deposits and guarantees given	26	13
Total	**4,626**	**4,905**

(*) As a state-owned company before being acquired by the Group, Port of Adria had granted housing loans to its employees up to a maturity of 35 years. The housing loans were acquired as part of business combinations and recognised at fair value on acquisition date. Subsequent to the acquisition date the loans have been held as loans and receivables, at amortised cost. Whilst there is credit risk associated with the collection of these loans the Group has mortgages over the relevant properties and the value of the properties is expected to cover the outstanding amount in the event of a default.

(**) Company has paid an advance for the acquisition of minority shares of Bodrum Cruise Port amounting USD 1.5 million.

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

19 Other assets *(continued)*

Other current assets

As at 31 December, other current assets comprised the following:

	2018	2017
Prepaid expenses	1,399	2,918
Value added tax receivable	752	917
Advances given	486	799
Housing loans given to employees	200	219
Other	100	2
Total	**2,937**	**4,855**

20 Inventories

As at 31 December, inventories comprised the following:

	2018	2017
Commercial goods	424	460
Other inventories (*)	1,030	1,254
Total	**1,454**	**1,714**

(*) Other inventories composed of replacement parts for the machinery park of commercial ports.

The cost of inventories recognized as an expense during the year in respect of duty free operations run in Valletta Cruise Port was USD 2,453 (31 December 2017: USD 2,590).

21 Cash and cash equivalents

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

	2018	2017
Cash on hand	63	69
Cash at banks	79,217	48,239
- Demand deposits	*52,000*	*19,285*
- Time deposits	*27,217*	*9,646*
- Overnight deposits	--	*19,308*
Cash and cash equivalents	**79,280**	**48,308**

	2018	2017
Cash and cash equivalents at balance sheet	79,280	48,308
Less: Restricted cash	(7,475)	(7,583)
Cash and cash equivalents for cash flow statement purposes	**71,805**	**40,725**

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

	2018	2017
Up to 1 month	26,750	9,646
1-3 months	467	--
Total	**27,217**	**9,646**

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

21 Cash and cash equivalents *(continued)*

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

	2018	2017
Interest rate for time deposit-TL (highest)	21.5%	13.25%
Interest rate for time deposit-TL (lowest)	19.75%	8.50%
Interest rate for time deposit-USD (highest)	3.17%	2.50%
Interest rate for time deposit-USD (lowest)	1.5%	2.36%
Interest rate for time deposit-EUR (highest)	--	0.15%
Interest rate for time deposit-EUR (lowest)	--	0.15%

As at 31 December 2018, cash at banks amounting to USD 7,475 (31 December 2017: USD 7,583) is restricted due to the bank loan guarantees and subscription guarantees (Note 24). The Group's exposure to interest rate risk and sensitivity analysis for financial assets and liabilities is disclosed in Note 32.

22 Capital and reserves

a) Share capital

As at 31 December 2018, the Company's statutory nominal value of authorized and paid-in share capital consists of 74,307,399 registered ordinary shares with a par value of TL 1 each. On 17 May 2017, shareholders of the Company sold their shares to Global Ports Holding PLC. Global Ports Holding PLC had gone public as of that date.

As at 31 December, the share ownership structure of the Company was as follows:

	As at 31 December 2018		As at 31 December 2017	
	Value of Share	Proportion of share %	Value of Share	Proportion of share %
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**	

b) Nature and purpose of reserves

(i) Translation reserves

The translation reserves amounting to USD 197,973 (2017: USD 150,626) is recognized as a separate account under equity and comprises foreign exchange differences arising from the translation of the 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 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 December 2018, the legal reserves of the Group amounted to USD 13,030 (2017: USD 13,012).

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

22 Capital and reserves *(continued)*

b) Nature and purpose of reserves (continued)

(iii) Hedging reserves

Net 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 December 2018, the net asset value of Port Akdeniz amounts to USD 194,867, and the carrying value of Eurobond amounts to USD 250,224 (31 December 2017: the net asset value of Port Akdeniz amounted to 193,260, and the carrying value of Eurobond amounts to USD 252,585). The ineffective portion of the investment hedge is USD 17,552 as at 31 December 2018 (31 December 2017: USD 3,931).

As at 31 December 2018, the effective portion of gain or loss arising from investment hedging instrument is recognised in other comprehensive income, net of tax loss amounting to USD 59,785 (31 December 2017: USD 13,055).

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 155 thousand gain (31 December 2017, USD 55 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 216 thousand (31 December 2017, USD 389 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	More than 3 months but less than 1 year	5 years or less but more than 1 year	More than 5 years
Net cash inflows/(outflows) exposure				
Liabilities	--	235	431	--
At 31 December 2018	**--**	**235**	**431**	**--**
Net cash inflows/(outflows) exposure				
Liabilities	--	274	636	25
At 31 December 2017	**--**	**274**	**636**	**25**

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

22 Capital and reserves (continued)

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 (In 2017, General Assembly of GPH decided to distribute USD 26,783 to its shareholders. Total amount declared in 2017 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 1,063).

d) ***OCI accumulated in reserves, net of tax***

	Attributable to owners of the Company					
	Translation reserve	Hedging reserve	Retained earnings	Total	NCI	Total OCI
2018						
Net investment and cash flow hedge	--	(59,630)	--	(59,630)	--	**(59,630)**
Foreign currency translation differences	47,286	--	--	47,286	(4,514)	**42,772**
Remeasurements of defined benefit liability	--	--	(76)	(76)	--	**(76)**
Total	**47,286**	**(59,630)**	**(76)**	**(12,420)**	**(4,514)**	**(16,934)**

	Attributable to owners of the Company					
	Translation reserve	Hedging reserve	Retained earnings	Total	NCI	Total OCI
2017						
Net investment and cash flow hedge	--	(13,055)	--	(13,055)	10,818	**(2,237)**
Foreign currency translation differences	30,880	--	--	30,880	--	**30,880**
Remeasurements of defined benefit liability	--	--	(18)	(18)	--	**(18)**
Total	**30,880**	**(13,055)**	**(18)**	**17,807**	**10,818**	**28,625**

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

23 Non-controlling interests

Summarized financial information in respect of each of the Group's subsidiaries that has non-controlling interests is set out below. The summarized financial information below represents amounts before intragroup eliminations for the year ended 31 December 2018;

	Ege Ports	Bodrum Cruise Port	Valetta	Port of Adria	BPI	Cruceros	Ravenna	Cagliari	Catania	Total
NCI Percentage	**27.5%**	**40.0%**	**44.4%**	**36.2%**	**38.0%**	**50.4%**	**46.3%**	**29.1%**	**37.8%**	
Non-current assets	33,332	5,304	95,089	65,202	128,224	13,009	254	3,863	2,911	
Current assets	14,785	1,685	1,667	2,470	16,236	4,191	221	927	311	
Non-current liabilities	(8,379)	(1,445)	(31,921)	(27,511)	(50,077)	(6,108)	(139)	(1,672)	(1,616)	
Current liabilities	(4,822)	(902)	(3,326)	(2,214)	(8,967)	(1,501)	(270)	(526)	(478)	
Net assets	**34,916**	**4,642**	**61,508**	**37,947**	**85,416**	**9,592**	**66**	**2,592**	**1,128**	
Net assets attributable to NCI	9,602	1,858	27,340	13,742	32,458	4,834	30	754	426	**91,044**
Revenue	4,650	1,776	13,017	10,042	27,846	3,731	169	1,943	1,079	
Profit / (loss)	(8,109)	(1,810)	2,335	(1,254)	21,522	1,083	(155)	262	(60)	
OCI	(1,701)	(238)	(2,611)	(1,484)	(5,233)	(411)	(6)	(118)	(60)	
Total comprehensive income / (loss)	**(9,810)**	**(2,048)**	**(276)**	**(2,738)**	**16,289**	**673**	**(161)**	**144**	**--**	
Profit / (loss) allocated to NCI	(2,230)	(724)	1,069	(454)	8,178	546	(72)	76	(23)	**6,366**
OCI allocated to NCI	(468)	(95)	(1,157)	(538)	(1,989)	(207)	(3)	(34)	(23)	**(4,514)**
Dividends paid to NCI	--	--	(1,325)	--	(2,404)	--	--	(68)	--	**(3,797)**
Net cash inflow/(outflow) from operating activities	5,630	2,022	7,989	3,181	30,040	1,365	(53)	1,185	210	
Net cash inflow/(outflow) from investing activities	10,892	(1,704)	(4,877)	1750	(20,808)	(860)	--	(267)	120	
Net cash inflow/(outflow) from financing activities	(252)	(60)	(913)	(3,478)	(1,870)	(14)	(57)	(72)	(257)	
Net cash inflow/(outflow)	**16,270**	**258**	**2,199**	**1,453**	**7,362**	**491**	**(110)**	**846**	**73**	

23 Non-controlling interests *(continued)*

The summarized financial information below represents amounts before intragroup eliminations for the year ended 31 December 2017;

USD '000	Ege Ports	Bodrum Cruise Port	Valletta	Port of Adria	BPI	Cruceros	Ravenna	Cagliari	Catania	Total
NCI percentage	27.50%	40.00%	44.40%	36.21%	38.00%	50.40%	46.33%	29.11%	37.79%	
Non-current assets	37,707	5,762	101,575	67,416	136,694	15,149	548	3,487	3,410	
Current assets	24,981	2,778	3,778	3,110	23,261	3,736	201	850	63	
Non-current liabilities	(7,161)	(898)	(35,422)	(27,827)	(75,801)	(8,396)	(253)	(1,911)	(1,883)	
Current liabilities	(10,801)	(953)	(4,582)	(1,771)	(9,285)	(1,570)	(139)	(744)	(309)	
Net assets	**44,726**	**6,689**	**65,349**	**40,928**	**74,869**	**8,919**	**357**	**1,682**	**1,281**	
Net assets attributable to NCI	12,300	2,677	29,015	14,820	28,450	4,495	165	490	484	**92,896**
Revenue	4,819	2,001	12,916	7,541	23,604	3,772	547	1,743	235	
Profit	77	(1,084)	2,585	(1,315)	3,320	(13)	8	102	(375)	
OCI	5,344	870	7,684	5,034	8,615	1,066	29	(168)	(23)	
Total comprehensive income	**5,421**	**(214)**	**10,269**	**3,719**	**11,935**	**1,053**	**37**	**(66)**	**(398)**	
Profit for the year attributable to NCI	21	(434)	1,187	(476)	1,262	(6)	3	30	(142)	**1,445**
OCI for the year attributable to NCI	1,470	348	3,412	1,823	3,274	537	13	(49)	(9)	**10,819**
Dividends paid to NCI	--	--	(1,063)	--	--	--	--	--	--	**(1,063)**
Net cash inflow/(outflow) from operating activities	5,822	1,501	5,776	(800)	13,778	1,220	44	401	(295)	
Net cash inflow/(outflow) from investing activities	(3,448)	(1,015)	(800)	686	(173)	(35)	--	(266)	(80)	
Net cash inflow/(outflow) from financing activities	(1,457)	(511)	(3,441)	(842)	(5,349)	(792)	--	(55)	142	
Net cash inflow/(outflow)	917	(25)	1,535	(956)	8,256	393	44	80	(233)	

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

24 Loans and borrowings

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

Short term loans and borrowings	**2018**	**2017**
Short term portion of Eurobond issued	18,559	18,556
Short term bank loans	12,031	7,272
- TL Loans	--	*47*
- Foreign currency loans	*12,031*	*7,225*
Short term portion of long term bank loans	16,852	17,571
- TL Loans	*575*	*339*
- Foreign currency loans	*16,277*	*17,232*
Finance lease obligations	1,313	1,479
Total	**48,755**	**44,878**

Long term loans and borrowings	**2018**	**2017**
Long term portion of Eurobond issued	231,666	230,889
Long term bank loans	66,038	64,038
- TL Loans	*25,565*	*288*
- Foreign currency loans	*40,473*	*63,750*
Finance lease obligations	592	1,915
Total	**298,296**	**296,842**

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

Year	**2018**	**2017**
Between 1-2 years	34,122	32,138
Between 2-3 years	225,086	30,715
Between 3-4 years	11,259	208,750
Over 5 years	27,237	23,324
Total	**297,704**	**294,927**

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

	2018			**2017**		
	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	1,382	(69)	1,313	1,589	(110)	1,479
Between one and five years	637	(45)	592	2,145	(230)	1,915
Total	**2,019**	**(114)**	**1,905**	**3,734**	**(340)**	**3,394**

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

24 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 (viii)	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 (vii)	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 (v)	Ortadoğu Liman	USD	2020	Fixed	7.35	533	533
Leasing	Cagliari Cruise Port	EUR	2021	Fixed	1.96	63	64
Leasing (vi)	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**
						347,711	**347,051**

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

24 Loans and borrowings *(continued)*

Details of the loans and borrowings as at 31 December 2017 are as follows:

					As at 31 December 2017		
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	249,444
Secured Loan *(ii)*	Barcelona Port Investments	EUR	2023	Floating	Euribor + 4.00	37,353	36,525
Secured Loan *(iii)*	Malaga Cruise Port	EUR	2025	Floating	Euribor 3m + 1.75	6,477	6,378
Secured Loan (iv)	Valetta Cruise Port	EUR	2029	Floating	Euribor + 3.00	10,807	10,600
Secured Loan (viii)	Global BV	EUR	2020	Floating	Euribor + 4.60	17,538	17,515
Secured Loan	Cagliari Cruise Port	EUR	2026	Fixed	2.75	613	613
Secured Loan	Ortadoğu Liman	USD	2019	Fixed	4.40	186	186
Secured Loan	Ortadoğu Liman	USD	2018	Fixed	4.56	46	46
Secured Loan	Ortadoğu Liman	USD	2019	Fixed	8.20	784	784
						323,804	**322,091**
Loans used to finance working capital							
Unsecured Loan	Ege Liman	USD	2018	Fixed	5.90%	2,900	3,036
Unsecured Loan	Ege Liman	USD	2018	Fixed	4.50%	422	422
Unsecured Loan	Ege Liman	TL	2018	Fixed	15.39%	25	25
Unsecured Loan	Ege Liman	TL	2020	Fixed	15.84%	532	551
Secured Loan	Ege Liman	TL	2018	Fixed	16.77%	50	51
Secured Loan	Ortadoğu Liman	EUR	2022	Fixed	5.75%	5,471	5,516
Unsecured Loan	Ortadoğu Liman	USD	2018	Fixed	5.93%	3,707	3,768
Unsecured Loan	Bodrum Liman	TL	2018	Fixed	16.56%	72	47
Secured Loan	Barcelona Cruise Port	EUR	2024	Floating	EURIBOR + 4.00	2,872	2,819
						16,051	**16,235**
Finance lease obligations							
Leasing	Ortadoğu Liman	USD	2019	Fixed	7.35%	12	12
Leasing (v)	Ortadoğu Liman	USD	2020	Fixed	7.35%	853	853
Leasing	Ortadoğu Liman	USD	2018	Fixed	7.35%	1	1
Leasing	Ortadoğu Liman	USD	2019	Fixed	7.35%	141	141
Leasing	Ortadoğu Liman	USD	2019	Fixed	7.35%	60	60
Leasing	Cagliari Cruise Port	EUR	2021	Fixed	1.96%	92	92
Leasing (vi)	Ege Liman	EUR	2020	Fixed	7.75%	1,889	1,889
Leasing	Ege Liman	USD	2018	Fixed	6.00%	12	12
Leasing	Ege Liman	USD	2020	Fixed	5.50%	334	334
						3,394	**3,394**
						343,249	**341,720**

24 Loans and borrowings *(continued)*

The detailed information related to the significant loans borrowed 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 at Irish Stock Exchange.

Eurobonds contains the certain following covenants;

- If a concession termination event occurs at any time, Global Liman 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 plus 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.
- The consolidated leverage ratio would not exceed 5.0 to 1. Excluding the consolidated leverage ratio breach, the Issuer and any Restricted Subsidiary will be entitled to Incur any or all of the following Indebtedness;
  - Indebtedness incurred by Global Liman (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 5,000,000;
  - Purchase Money Indebtedness Incurred to finance the acquisition by the Issuer or a Restricted Subsidiary (all subsidiaries except Malaga Cruise Port and Lisbon Cruise Port) of assets in the ordinary course of business in an aggregate principal amount which, when added together with the amount of Indebtedness Incurred pursuant to this sub-clause and then outstanding, does not exceed USD 10,000,000;
  - 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 20,000,000; 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.

(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.

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

24 Loans and borrowings *(continued)*

(iv) Valletta Cruise Port's bank loans and overdraft facilities bear interest at Euribor + 3% (2017: 3.90% - 4.15%, per annum and are secured by a general hypothec over the company's present and future assets, together with a special hypothec over specific property within the concession site for a period of 65 years commencing on 21 November 2001

(v) On 12 June 2014, Ortadoğu Liman has signed a finance lease agreement for a port tugboat with the interest rate of 7.35% having the maturity of 16 July 2020.

(vi) On June 2014, Ege Liman has signed a finance lease agreement for port tugboat with the interest rate of 7.75% with the maturity at 2020.

(vii) 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.

(viii) 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.

		Liabilities	*Equity*		
	Note	**Loans and Borrowings**	**Retained earnings**	**NCI**	**TOTAL**
Balance at 1 January 2018		341,720	1,957	92,895	**436,572**
Changes from financing cash flows					
Proceeds from loans and borrowings		44,205	--	--	44,205
Repayment of borrowings		(36,124)	--	--	(36,124)
Dividend paid	22 (c)	--	(4,909)	(3,797)	**(8,706)**
Total changes from financing cash flows		**8,081**	**(4,909)**	**(3,797)**	**(625)**
The effect of changes in foreign exchange		15,861			**15,861**
Other changes					
Liability-related					
Interest expense		25,197	--	--	25,197
Interest paid		(23,903)	--	--	(23,903)
Total liability-related other changes		**(19,905)**	--	--	**(19,905)**
Total equity-related other changes		--	6,024	1,946	**7,970**
Balance at 31 December 2018		**347,051**	**3,072**	**91,044**	**441,167**

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

25 Trade and other payables

As at 31 December, current trade and other payables comprised the following:

	2018	2017
Payables to suppliers	6,304	7,746
Due to subsidiaries' other shareholders	2,400	308
Taxes payable and social security contributions	1,404	1,043
Expense accruals	1,392	2,657
Advances received	879	1,001
Payables to personnel	420	391
Deposits received	338	794
Deferred revenue	111	216
Other	1,096	765
Total	**14,344**	**14,921**

The Group's average credit period for trade purchases is 39 days as of 31 December 2018 (31 December 2017: 45). The directors consider that the carrying amount of trade payables approximates to their fair value. The Group's exposure to currency and liquidity risk related to the trade and other payables is disclosed in Note 32.

26 Employee benefits

Under Turkish Labor Law, the Group is required to pay termination benefits to each employee who has completed certain years of service and whose employment is terminated without due cause, who is called up for military service, dies or retires after completing 25 years of service and reaches the retirement age (58 for women and 60 for men).

The amount payable consists of one month's salary limited to a maximum of USD 1,033 for each period of service at 31 December 2018 (2017: USD 1,121).

Retirement pay liability is not subject to any kind of funding legally. Provision for retirement pay liability is calculated by estimating the present value of probable liability amount arising due to retirement of employees. IAS 19 *Employee Benefits* stipulates the development of company's liabilities by using actuarial valuation methods under defined benefit plans. In this direction, actuarial assumptions used in calculation of total liabilities are described as follows:

The principal assumption is that the maximum liability for each year of service will increase parallel with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. Consequently, in the accompanying consolidated financial statements as at 31 December 2018, the provision has been calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of the employees.

Ceiling amount of USD 1,144 which is in effect since 1 January 2019 is used in the calculation of Groups' provision for retirement pay liability for the year ended 31 December 2018 (1 January 2018: USD 1,358). The principal statistical assumptions used in the calculation of the total liability in the accompanying consolidated financial statements at 31 December were as follows:

	2018	2017
Discount rate	4.67%	4.56%
Turnover rate for the expectation of retirement probability	92% - 100%	94%-100%

Movements in the reserve for employee termination indemnity during the years ended 31 December comprised the followings:

	2018	2017
1 January	936	1,287
Included in profit or loss		
Current service and interest cost	39	253
Provision reversals	--	(625)
Included in OCI		
Actuarial losses/ (gain)	19	23
Other		
Benefits paid	(131)	(127)
Foreign currency translation differences	(66)	125
31 December	**797**	**936**

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

27 Provisions

Non-current	As at 31 December 2018	As at 31 December 2017
Replacement provisions for Creuers (*)	6,137	17,918
Port of Adria Concession fee provision (**)	1,375	1,496
Italian Ports Concession fee provisions(***)	1,349	1,667
Total	**8,861**	**21,081**

(*) 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.

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.

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

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

On 14 January 2013, Cagliari Cruise Port ("CCP") and Cagliari Port Authority entered into an agreement regarding the operating concession for the Cagliari Cruise Terminal which terminates on 13 January 2027. CCP had an obligation to pay a concession fee to the Cagliari Port Authority of Euro 44,316 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.

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

27 Provisions *(continued)*

	As at 31 December 2018	As at 31 December 2017
Current		
Other	955	1,202
Total	**955**	**1,202**

For the years ended 31 December, the movements of the provisions as below;

	Replacement	Concession fee	Unused vacations	Legal	Other	Total
Balance at 1 January	**17,918**	**3,557**	**230**	**315**	**263**	**22,283**
Provisions created	677	--	44	--	--	721
Provisions utilised	--	(390)	(3)	--	(80)	(473)
Reversal of provisions	(12,210)	--	--	(102)	--	(12,312)
Unwinding of provisions	226	77	--	--	--	303
Currency translation difference	(474)	(144)	(65)	(13)	(10)	(706)
Balance at 31 December	**6,137**	**3,100**	**206**	**200**	**173**	**9,816**
Non-current	6,137	2,724	--	--	--	8,861
Current	--	376	206	200	173	955
	6,137	**3,100**	**206**	**200**	**173**	**9,816**

28 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 years ended 31 December, earnings per share is calculated by dividing the profit attributable to ordinary shareholders, by the weighted average number of shares outstanding.

	2018	2017
Profit / (loss) attributable to owners of the Company	6,118	(14,406)
Weighted average number of shares	74,307,399	74,307,399
Basic and diluted earnings per share with par value of TL 1	8.23	(19,39)

29 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 December 2018 is USD 200 (31 December 2017: USD 315).

The information related to the significant lawsuits that the Group is directly or indirectly a party to is as follows:

29 Commitments and contingencies *(continued)*

(a) Litigations (continued)

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, 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.

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.

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 favour 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. Upon exhaustion of judicial remedies, Ege Port-Kuşadası has submitted an individual application to the Constitutional Court, and the case is pending.

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.

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 success of the pending cases is linked to the decision of the Constitutional Court regarding the collective labour agreement, and Management believes that it will be decided in favor of the Group.

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

29 Commitments and contingencies *(continued)*

(b) *Guarantees*

As at 31 December 2018 and 2017, the letters of guarantee given comprised the following:

Letters of guarantee	2018	2017
Given to seller for the call option on APVS shares (*)	5,585	5,835
Given to Privatization Administration / Port Authority	2,572	2,238
Other governmental authorities	2,220	--
Given to Electricity Distribution Companies	5	8
Given to courts	4	6
Others	66	15
Total letter of guarantee	**10,452**	**8,102**

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

Other collaterals are disclosed in Note 24.

(c) *Contractual obligations*

Ege Liman

The details of the TOORA 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.

29 Commitments and contingencies *(continued)*

(c) *Contractual obligations (continued)*

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.

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 Container Terminal and General Cargo JSC-Bar ("CTGC") 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).

29 Commitments and contingencies *(continued)*

(c) *Contractual obligations (continued)*

Port of Adria *(continued)*

CTGC 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, CTGC 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.

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. 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:

29 Commitments and contingencies *(continued)*

(c) *Contractual obligations (continued)*

Barcelona Cruise Port *(continued)*

Creuers will be performing the management of port services related to the traffic of tourist cruises at the Port of Barcelona, as well as the development of commercial complementary activities corresponding to a seaport, in WTC Wharf in Barcelona for an operational period of 27 years. The port operation rights for the World Trade Centre Wharf (comprised of Terminals N and S) terminate in 2027. However, the Port concession period can be extended automatically for three years provided that (i) Creuers has complied with all the obligations set forth in the Port Concession; and (ii) Creuers remains rendering port services on tourist cruises until the expiry of the extended term. Therefore, the concession period is considered as 30 years. Creuers is liable for the maintenance of Adossat Wharf Terminals N and S together with the port equipment in good repair and in operating condition throughout its operating right period. After the expiry of the contractual period, the real estate and the integral parts of it shall be surrendered to the Barcelona Port Authority.

Malaga Cruise Port
The details of the TOORA Contract dated 9 July 2008, executed by and between Cruceros Malaga and the Malaga Port authority are stated below:

Cruceros Málaga, S.A. obtained an administrative concession to occupy the Levante Terminal of the Malaga Port and its exploitation, for a 30-year period, terminating in 2038. The concession term can be extended for up to fifteen years, in two terms of 10 and 5 additional years (extending the total concession period to 45 years), due to an amendment to the Malaga Levante Agreement approved by the Malaga Port Authority in its resolution dated 28 October 2009. These extensions require (i) the approval by the Malaga Port Authority and (ii) Cruceros Malaga to comply with all of the obligations set forth in the concession. Cruceros will perform passenger services, terminal usage and luggage services, as well as undertake general maintenance of the Levante Terminal. Cruceros is responsible for ensuring that the port equipment is maintained in good repair and operating condition throughout the concession term.

The concession is subject to an annual payment, which consisted of the following fees: (i) a fee for the occupancy of the public land at the port, and (ii) a fee for the operation of public land for commercial activities.

The details of the TOORA Contract dated 11 December 2011, executed by and between Cruceros Malaga and the Malaga Port authority are stated below:

Cruceros Málaga, S.A. obtained an administrative concession to occupy El Palmeral Terminal of the Malaga Port and its exploitation, for a 30-year period, terminating in 2042. Cruceros will perform passenger services, terminal usage and luggage services, as well as undertake general maintenance of the El Palmeral Terminal. Cruceros is responsible for ensuring that the port equipment is maintained in good repair and operating condition throughout the concession term.

The concession is subject to an annual payment, which was 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.

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

29 Commitments and contingencies *(continued)*

(c) Contractual obligations (continued)

Ravenna Passenger Terminal
On 19 December 2009, Ravenna Passenger Terminal ("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 centre. 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 ("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.

(d) Operating leases

Lease as lessee

The Group entered into various operating lease agreements. Operating lease rentals are payable as follows:

	As at 31 December 2018	As at 31 December 2017
Less than one year	4,315	3,187
Between one and five years	17,825	12,545
More than five years	136,720	139,510
	158,860	**155,242**

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 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 IAS 17 – operating leases.

For the year ended 31 December 2018 payments recognised as rent expense were USD 5,675 thousand (31 December 2017: USD 4,765 thousand) in the consolidated income statement and other comprehensive income.

Lease as lessor

The future lease receipts or future lease receivables under operating leases are as follows:

	As at 31 December 2018	As at 31 December 2017
Less than one year	5,141	2,326
Between one and five years	7,059	8,569
More than five years	4,020	4,753
	16,220	**15,648**

29 Commitments and contingencies *(continued)*

(d) Operating leases (continued)

Lease as lessee (continued)

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 Liman and Bodrum Liman of up to 5 years.

During the year ended 31 December 2018, USD 10,044 thousand (31 December 2017: USD 12,669 thousand) was recognised as rental income in the consolidated income statement and other comprehensive income.

30 Service concession arrangement

i) Creuers

The port operation rights, which belongs to Creuers, recognised under intangible assets represents fixed asset elements built or acquired from third parties to adapt Sea Stations North and South of the World Trade Center and A and B of the Adossat Wharf of Port of Barcelona, according to administrative concession contracts to adapt and exploit such terminals in order to render the basic passengers' boarding and disembarkation port services and luggage and vehicle loading and unloading under passage system on cruise terminals.

The intangible model is applied to such agreements, since the consideration received consists on the right to collect the corresponding rates on the basis of the usage degree of the public service. Rates applied by Creuers are annually reviewed and approved by the Port Authorities of Barcelona.

The administrative concession contracts signed between the Port Authorities of Barcelona and Creuers are described below:

- Contract to adapt the Sea Station and render the tourist cruise port service of North and South terminals of the World Trade Center, signed for a 27-year period from its granting date, in October 1999.
- Contract to adapt the Sea Station A and B of the Adossat Wharf of Port of Barcelona and render the tourist cruise port service signed for a 27-year period from its granting date, in May 2003.

The Creuers' main actions in relation to the adaptation of the Sea Station refer to the construction of a building, fixed fixtures and equipment of terminals for their exploitation under the terms contemplated on concession agreements.

On the basis of obligations assumed on the concession agreement, the corresponding provision for reposition and large repair actions is recorded (Note 27).

ii) Cruceros

The port operation rights, which belongs to Cruceros, recognised under intangible assets represents fixed asset elements built or acquired from third parties to adapt Maritime Station Levante and Maritime Station El Palmeral of Port of Malaga, according to administrative concession contracts to adapt and exploit such terminals in order to render the basic passengers' boarding and disembarkation port services and luggage and vehicle loading and unloading under passage system on cruise terminals.

The intangible model is applied to such agreements, since the consideration received consists on the right to collect the corresponding rates on the basis of the usage degree of the public service. Rates applied by Cruceros are annually reviewed and approved by the Port Authority of Malaga.

The administrative concession contracts signed between the Port Authority of Malaga and Cruceros are described below:

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

30 Service concession arrangement *(continued)*

ii) *Cruceros*

- Contract for transforming the authorisation to occupy and operate the "Terminal Marítima de Levante" signed for a 30-year period from its granting date, in February 2008.
- Contract to adjust the maritime station and install a mobile walkway in dock no. 2, and operation of the whole in the Port of Malaga signed for a 30-year period from its granting date, in December 2011.

The Cruceros' main actions in relation to the adaptation of the Maritime Station Levante refer to the construction of a building, fixed fixtures and equipment of terminals for their exploitation under the terms contemplated on concession agreements.

On the basis of obligations assumed on the concession agreement, the corresponding provision for reposition and large repair actions is recorded (Note 27).

31 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 related party transactions between the Company and its subsidiaries have been eliminated on consolidation, 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	2018	2017
GPH PLC	1,474	--
Global Yatırım Holding	447	307
Straton Maden (*)	73	62
Naturel Gaz (*)	72	74
Adonia Shipping (*)	67	1,030
IEG Global	57	--
Mehmet Kutman	17	24
Others	56	491
Total	**2,263**	**1,988**

(*) These amounts are related with the work advances paid related with the services taken on utilities by Group Companies. The charged interest rate is 9.75% as at 31 December 2018 (31 December 2017: 9.75%).

Due to related parties

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

Current payables to related parties	2018	2017
GPH PLC	6,970	3,573
Global Sigorta (*)	309	244
Global Menkul (*)	1	1
Mehmet Kutman	--	191
Other	44	47
Total	**7,324**	**4,056**

(*) These amounts are related to professional services taken. The charged interest rate is 19.50% as at 31 December 2018 (31 December 2017: 8.50%).

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

31 Related parties *(continued)*

Transactions with related parties:

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

	2018		2017	
	Interest Received	**Other**	**Interest received**	**Other**
Global Yatırım Holding	251	--	1,490	--
Global Menkul	197	--	--	--
Total	**448**	**--**	**1,490**	**--**

	2018		2017	
	Interest Given	**Other**	**Interest Given**	**Other**
Global Yatırım Holding	--	--	--	2
Global Menkul	--	--	--	--
Total	**--**	**--**	**--**	**2**

For the year ended 31 December 2017, the Group recognised interest income on Global Yatırım bonds amounting to USD 1,490 (31 December 2018: nil). For the year ended 31 December 2017, the effective interest rate was 8% (31 December 2018: nil). For the year ended 31 December 2017, the Group accounted for a gain amounting to USD 15 thousand from the purchase and the sale of Global Yatırım Holding's publicly traded share certificates (31 December 2018: nil).

Transactions with key management personnel

Key management personnel composed of 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:

	2018	2017
Salaries	1,896	1,749
Bonus	810	255
Attendance fees to Board of Directors	221	122
Other	25	19
Total	**2,952**	**2,145**

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

32 Financial risk management

Overview

The Group has exposure to the following risks from its use of financial instruments:

- Capital risk management,
- Credit risk,
- Liquidity risk,
- Market risk.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout this consolidated financial statements.

Financial risk management objectives

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Capital risk management

The Group seeks to provide superior returns to its shareholders, and ensure that it is not overly dependent upon short and medium term debt that might not be available at renewal. Maintaining the flexibility to invest for growth is a key capital management consideration. The Group manages its capital structure and reacts to changes in economic conditions by varying returns to shareholders, issuing new shares or increasing or reducing borrowings.

The Group is not exposed to any externally imposed capital requirements. The total capital structure of the Group consists of net loans and borrowings (as detailed in Note 21 offset by cash and cash equivalents) and equity of the Group (comprising share capital, share premium, legal reserves and retained earnings (as detailed in Note 22).

To maintain the financial strength to access new capital at reasonable cost. The Group monitors its net leverage ratio which is operating net loans and borrowings to Adjusted EBITDA. The Group is also mindful of potential impacts on the key metrics employed by the credit rating agencies in considering increases to its borrowings. The Group is comfortably in compliance with its bank facility ratio covenants and these measures do not inhibit the Group's operations or its financing plans.

	2018	**2017**
Gross debt	347,051	341,719
Cash and bank balances	(79,280)	(48,308)
Short term financial investments	(72)	(14,728)
Net debt	**267,699**	**278,683**
Equity	198,101	211,102
Net debt to Equity ratio	**1.35**	**1.32**

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

32 Financial risk management (continued)

Credit risk

Trade receivables and contract assets

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers. Management has a credit risk policy in place to monitor the exposure to credit risk on an ongoing basis. The Group has the ability to receive collateral for its financial assets. Furthermore, the Group obtains letters of guarantee or similar collaterals from third parties for specific agreements and projects, if necessary. Regarding the credibility of the counterparty, letters of guarantee or advance payments are received as collateral for trade receivables from port operations. Within the context of credit risk policies described in this paragraph, the Group does not have significant credit risk from port operations.

More than 85% of the Group's customers have been transacting with the Group for over four years, and none of these customers' balances have been written off or are credit impaired at the reporting date. The Group does not require collateral in respect of trade and other receivables. The group does not have trade receivable and contract assets for which no loss allowance is recognised because of collateral.

At 31 December 2018, the exposure to credit risk for trade receivables and contract assets by Country was as follows;

	Carrying amount	
	2018	2017
Turkey	6,075	6,293
Spain	3,855	4,564
Montenegro	1,173	1,298
Malta	680	1,117
Italy	1,130	801
	12,913	**14,073**

At 31 December 2018, the exposure to credit risk for trade receivables and contract assets by type of counterparty was as follows;

	Carrying amount	
	2018	2017
Cruise Customers	7,064	8,585
Commercial customers	5,270	5,385
Others	579	103
	12,913	**14,073**

At 31 December 2018, the carrying amount of the Group's most significant customer (a European Commercial Line) was $1,621 thousand (2017: $1,935 thousand).

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

32 Financial risk management (continued)

Credit risk (continued)

Comparative information under IFRS 9

An analysis of the credit quality of trade receivables that were neither past due nor impaired and the ageing of trade receivables that were past due but not impaired as at 31 December 2017 is as follows.:

	As at 31 December 2017
1 to 30 days overdue	851
1 to 3 months overdue	1,418
3 to 12 months overdue	338
Total	**2,607**

Impaired trade receivables at 31 December 2017 had fully provided. At 31 December 2017, there was no impairment loss related to customers during the year.

Expected credit loss assessment for customers as at 1 January and 31 December 2018

The Group uses an allowance matrix to measure the ECLs of trade receivables from customers, which comprise mainly globally well-known commercial and cruise lines, as well as international retail operators and local investors.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write off. Roll rates are calculated separately for exposures in different groups based on the following common credit risk characteristics – scale of company, age of customer relationship and type of service provided.

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets from individual customers as at 31 December 2018.

	Weighted average loss rate	Gross carrying amount	Loss allowance	Credit Impaired
Current – not past due	0.5%	5,332	(27)	No
1 to 30 days overdue	1.0%	1,809	(18)	No
1 to 3 months overdue	3.3%	603	(20)	No
3 to 12 months overdue	13.4%	355	(45)	No
More than 12 months overdue	35.1%	4,814	(1,691)	Yes
Total		**12,913**	**(1,800)**	

Loss rates are based on actual credit loss experience over the past three years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

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

32 Financial risk management (continued)

Credit risk (continued)

Movements in the allowance for impairment in respect of trade receivables and contract assets

The movement in the allowance for impairment in respect of trade receivables and contract assets during the year was as follows.

	2018
Balance at 1 January under IAS 39	**1,998**
Adjustment on initial application of IFRS 9	--
Balance at 1 January under IFRS 9	**1,998**
Amounts written off	(72)
Collections	(179)
Allowance for the period	143
Foreign currency translation difference	(199)
Balance at 31 December	**1,691**

Guarantees

The Group's policy is to provide financial guarantees only for subsidiaries' liabilities. At 31 December 2018, the Company has issued a guarantee to certain banks in respect of credit facilities granted to two subsidiaries (Note 24).

Liquidity risk

Liquidity risk management

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group has access to funding sources from banks and keeps a certain level of assets as cash and cash equivalents required for daily operations of the Group entities. The Group continuously assesses liquidity risk by identifying and monitoring changes in funding required in meeting business goals and targets set in terms of the overall Group strategy.

Current and future loan needs of the Group are supplied by continuous accessibility of a sufficient number of high quality banks for major subsidiaries of the Group.

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

32 Financial risk management *(continued)*

Liquidity risk (continued)

Liquidity risk tables

The following tables detail the Group's remaining contractual maturity for its non-derivative and derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the balance sheet date. The contractual maturity is based on the earliest date on which the Group may be required to pay.

As at 31 December 2018

CONTRACTUAL MATURITIES	Carrying value	Total cash outflow due to contracts	0-3 months	3-12 months	1-5 years	>5 years
NON-DERIVATIVE FINANCIAL LIABILITIES						
Banks loans and Eurobond	345,141	412,337	3,362	48,150	341,046	19,779
Finance lease liabilities	1,910	1,944	358	989	597	--
Other financial liabilities	3,410	3,482	--	--	3,482	--
Trade and other payables (*)	12,251	12,361	5,624	6,737	--	--
Due to related parties	336	340	294	46	--	--
DERIVATIVE FINANCIAL LIABILITIES						
Net settled:						
Interest rate swaps	617	666	--	--	666	--

(*) Trade and other payables in the consolidated balance sheet includes taxes payable and social security contribution USD 1,558 thousand, payables to personnel USD 686 thousand, advanced received USD 879 thousand and deferred revenue USD 111 thousand, which are not financial liabilities and hence excluded from the tables above.

As at 31 December 2017

CONTRACTUAL MATURITIES	Carrying value	Total cash outflow due to contracts	0-3 months	3-12 months	1-5 years	>5 years
NON-DERIVATIVE FINANCIAL LIABILITIES						
Banks loans and Eurobond	338,326	439,623	14,829	30,704	387,940	6,150
Finance lease liabilities	3,394	3,742	404	1,193	2,145	--
Other financial liabilities	2,662	2,662	--	--	2,662	--
Trade and other payables (*)	13,211	13,634	2,676	10,958	--	--
Due to related parties	483	640	157	483	--	--
DERIVATIVE FINANCIAL LIABILITIES						
Net settled:						
Interest rate swaps	855	935	--	--	910	25

(*) Trade and other payables in the consolidated balance sheet includes taxes payable and social security contribution USD 1,043 thousand, payables to personnel USD 391 thousand, advanced received USD 1,001 thousand and deferred revenue USD 216 thousand, which are not financial liabilities and hence excluded from the tables above.

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

32 Financial risk management *(continued)*

Market risk

Market risk management

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Market risk for all subsidiaries is monitored and managed by the Global Yatırım Holding's Treasury and Fund Management Department.

The Group has exposure to the following market risks from its use of financial instruments:

- currency risk
- interest rate risk

Currency risk

The Group is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the functional currency of each company. The currencies in which these transactions primarily are denominated are USD, Euro and TL.

Ortadoğu Liman having functional currency of USD, and Ege Liman and Bodrum Liman having functional currency of Euro are exposed to currency risk on purchases that are denominated in TL. Global Liman having a functional currency of TL is exposed to currency risk on borrowings that are denominated in USD.

As at 31 December 2018, the Group had outstanding foreign-currency denominated borrowing designated as a hedge of net foreign investment of USD 250,224 thousand (31 December 2017: USD 249,445 thousand). The results of hedges of the Group's net investment in foreign operations included in hedging reserves was a net loss of USD 54,699 thousand after tax for the period ended 31 December 2018 (net loss of USD 13,389 thousand after tax for the period ended 31 December 2017). In the years ended 31 December 2017 and 2018, USD 3,931 thousand, USD 17,552 thousand respectively was recognised in profit or loss due to hedge ineffectiveness.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Group ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

As at 31 December 2018, foreign currency risk exposures of the Group comprised the following:

	As at 31 December 2018			
	USD equivalents	**USD**	**EUR**	**TL**
Other non-current assets	1,609	1,500	--	575
Non-current assets	**1,609**	**1,500**	**--**	**575**
Trade and other receivables	10,788	4,967	4,958	709
Due from related parties	1,755	848	385	2,807
Other current assets	2,198	839	60	6,756
Cash and cash equivalents	44,885	10,628	24,863	30,322
Current assets	**59,626**	**17,282**	**30,266**	**40,594**
Total assets	**61,235**	**18,782**	**30,266**	**41,169**
Loans and borrowings	57,271	54,060	2,742	404
Other liabilities	1,495	--	--	7,865
Non-current liabilities	**58,766**	**54,060**	**2,742**	**8,269**
Loans and borrowings	16,790	4,225	10,966	--
Trade payables	1,309	390	51	4,521
Due to related parties	366	290	63	20
Current tax liabilities	1,954	--	--	10,282
Provisions	316	--	--	1,660
Current liabilities	**20,735**	**4,905**	**11,080**	**16,483**
Total liabilities	**79,501**	**58,965**	**13,822**	**24,752**
Net foreign currency position	**(18,266)**	**(40,183)**	**16,444**	**16,417**

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

32 Financial risk management *(continued)*

Market risk

Currency risk (continued)

As at 31 December 2017, foreign currency risk exposures of the Group comprised the following:

	As at 31 December 2017			
	USD equivalents	**USD**	**EUR**	**TL**
Other non-current assets	1,833	1,500	--	1,255
Non-current assets	**1,833**	**1,500**	**--**	**1,255**
Trade and other receivables	3,682	1,626	12	7,701
Due from related parties	14,460	86	--	54,215
Investments	12,455	11,894	--	2,116
Other current assets	941	35	--	3,414
Cash and cash equivalents	5,827	3,097	1,393	4,009
Current assets	**37,365**	**16,738**	**1,405**	**71,455**
Total assets	**39,198**	**18,238**	**1,405**	**72,710**
Loans and borrowings	56,828	52,164	3,656	1,085
Other liabilities	780	--	--	2,943
Non-current liabilities	**57,608**	**52,164**	**3,656**	**4,028**
Loans and borrowings	9,349	7,824	952	1,455
Trade payables	4,642	1,589	122	10,964
Due to related parties	867	--	--	3,270
Current tax liabilities	1,437	--	--	5,420
Provisions	286	--	--	1,078
Current liabilities	**16,581**	**9,413**	**1,074**	**22,187**
Total liabilities	**74,189**	**61,577**	**4,730**	**26,215**
Net foreign currency position	**(34,991)**	**(43,338)**	**(3,325)**	**46,495**

USD exchange rate risk of subsidiaries and joint ventures whose functional currency is other than USD, is shown in USD line in the foreign currency risk table.

Sensitivity Analysis

A 10 percent strengthening or depreciation of the Turkish Lira against the following currencies as at 31 December 2018 and 2017 would have increased equity or profit or loss, excluding tax effects, by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

Year ended 31 December 2018	**PROFIT / (LOSS)**	
	Increase	**Decrease**
A 10 percent (strengthening)/weakening of TL against USD:		
1- Net USD asset / (liability)	(402)	402
2- Hedged portion against USD risk (-)	--	--
3- Net effect of USD (1+2)	**(402)**	**402**
A 10 percent (strengthening)/weakening of TL against Euro:		
4- Net Euro asset/(liability)	193	(193)
5- Hedged portion against Euro risk(-)	--	--
6- Net effect of Euro (4+5)	**193**	**(193)**
TOTAL (3+6)	**209**	**(209)**

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

32 Financial risk management *(continued)*

Market risk (continued)

Currency risk (continued)

Year ended 31 December 2017	PROFIT / (LOSS)	
	Increase	**Decrease**
A 10 percent (strengthening)/weakening of TL against USD:		
1- Net USD asset / (liability)	(433)	433
2- Hedged portion against USD risk (-)	--	--
3- Net effect of USD (1+2)	**(433)**	**433**
A 10 percent (strengthening)/weakening of TL against Euro:		
4- Net Euro asset/(liability)	(37)	37
5- Hedged portion against Euro risk(-)	--	--
6- Net effect of Euro (4+5)	**(37)**	**37**
TOTAL (3+6)	**(470)**	**470**

Interest rate risk

The Group's operations are subject to the risk of interest rate fluctuations to the extent that interest-earning assets and interest-bearing liabilities mature or re-price at different times or in differing amounts.

Interest rate exposure			
		As at 31 December 2018	**As at 31 December 2017**
Fixed-rate financial instruments			
Financial assets	Cash and cash equivalents	27,217	28,954
	Available for sale financial assets	--	14,728
	Amounts due from related parties	2,263	1,914
Financial liabilities	Loans and borrowings	(274,964)	(267,883)
	Other financial liabilities	(3,408)	(2,662)
		(248,892)	**(224,949)**
Effect of interest rate swap		(24,202)	(29,548)
		(273,094)	**(254,497)**
Floating-rate financial instruments			
Financial liabilities	Loans and borrowings	(72,087)	(73,837)
Effect of interest rate swap (*)		24,202	29,548
		(47,885)	**(44,289)**

(*) 75% of total borrowing made on BPI is fixed from an interest rate of 0.97 against Euribor until end of the related borrowing (31 December 2023).

Cash flow sensitivity analysis floating-rate financial instruments

As at 31 December 2018, had the interest rates been higher by 100 basis points where all other variables remain constant, interest expense would have been higher by USD 478 (2017: higher by USD 443) and equity attributable to equity holders of the Company, excluding tax effects, would have been lower by USD 302 (2017: lower by USD 344).

32 Financial risk management *(continued)*

Market risk (continued)

Interest rate risk (continued)

Interest rate swap contracts

Under the interest rate swap contracts, the Group agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Group to mitigate the risk of changing interest rates on the fair value of issued fixed rate debt held and the cash flow exposures on the issued variable rate debt held. The fair value of interest rate swaps at the reporting date is determined by discounting the future cash flows using the curves at the reporting date and the credit risk inherent in the contract and is disclosed below. The average interest rate is based on the outstanding balances at the end of the financial year.

The following tables detail the notional principal amounts and remaining items of interest rate swap contracts outstanding as at the reporting date.

Cash flow hedges

As at 31 December 2018

fixed rate contract	Average contract fixed interest rate (%)	Notional principal value (USD '000)	Fair value (USD '000)
Less than 1 year	--	--	--
1 to 2 years	0.97	9,956	404
2 to 5 years	0.97	14,246	213
5 years +	--	--	--
	0.97	**24,202**	**617**

As at 31 December 2017

fixed rate contracts	Average contract fixed interest rate (%)	Notional principal value (USD '000)	Fair value (USD '000)
Less than 1 year	--	--	--
1 to 2 years	0.97	8,361	484
2 to 5 years	0.97	16,412	348
5 years +	0.97	3,241	23
	0.97	**28,014**	**855**

The interest rate swaps settle on a semi-annual basis. The floating rate on the interest rate swaps is 0.97%. The Group will settle the difference between the fixed and floating interest rate on a net basis.

All interest rate swap contracts exchanging floating rate interest amounts for fixed rate interest amounts are designated as cash flow hedges to reduce the Group's cash flow exposure resulting from variable interest rates on borrowings. The interest rate swaps and the interest payments on the loan occur simultaneously and the amount accumulated in equity is reclassified to profit or loss over the period that the floating rate interest payments on debt affect profit or loss.

Interest rate risk sensitivity analysis

As at 31 December 2018, had the interest rates been higher by 100 basis points where all other variables remain constant, interest expense would have been higher by USD 478 thousand (31 December 2017: higher by USD 458 thousand) and equity attributable to equity holders of the Company, excluding tax effects, would have been lower by USD 302 thousand (31 December 2017: lower by USD 344 thousand).

This analysis assumes that all other variables, in particular currency rates, remain constant.

The Group's sensitivity to interest rates has decreased during the current period mainly due to the reduction in variable rate debt instruments and the repayment of principal amounts.

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

32 Financial risk management *(continued)*

Fair value measurements

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

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

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

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

	Note	As at 31 December 2018	As at 31 December 2017
Financial assets		Carrying Amount	Carrying Amount
Trade and other receivables	18	19,987	15,702
Due from related parties	31	2,263	1,988
Cash and cash equivalents	21	71,805	40,725
Other investments	16	72	14,728
Total		**94,127**	**73,143**

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

	Note	As at 31 December 2018		As at 31 December 2017	
Financial liabilities		Carrying Amount	Fair Value	Carrying Amount	Fair Value
Loans and borrowings	24	347,051	336,338	341,720	347,788
Trade and other payables	25	14,344	14,344	14,921	14,921
Due to related parties	31	7,324	7,324	4,056	4,056
Derivative financial liabilities	32	617	617	855	855
Other financial liabilities	32	3,410	3,410	2,662	2,662
Total		**372,746**	**362,033**	**364,214**	**370,282**

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

32 Financial risk management *(continued)*

Fair value measurements (continued)

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

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

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

Financial instruments at fair value

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

		Level 1	Level 2	Level 3	Total
As at 31 December 2018	Other financial assets	--	--	--	--
	Derivative financial liabilities	--	617	--	617
As at 31 December 2017	Derivative financial liabilities	--	855	--	855

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.

Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

			Non-cash changes						
	01/01/18	**Financing cash flows**	**Translation reserves**	**Acquisition of subsidiary**	**Disposal of subsidiary**	**Fair value adjustments**	**New finance leases**	**Other changes**	**31/12/2018**
Bank loans (Note 24)	341,720	8,036	(3,987)	--	--	--	--	1,282	347,051
Loans from related parties (Note 31)	483	(148)	1	--	--	--	--	--	336
Other financing liabilities	2,662	--	(104)	--	--	--	--	850	3,408
Interest rate swaps	855	(275)	(118)	--	--	155	--	--	617
Total financial liabilities	**345,720**	**7,613**	**(4,208)**	--	--	**155**	--	**2,132**	**351,412**

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

32 Financial risk management *(continued)*

Fair value measurements (continued)

Reconciliation of liabilities arising from financing (continued)

			Non-cash changes						
	01/01/17	**Financing cash flows**	**Translation reserves**	**Acquisition of subsidiary**	**Disposal of subsidiary**	**Fair value adjustments**	**New finance leases**	**Other changes**	**31/12/2017**
Bank loans (Note 24)	339,289	(9,204)	11,346	--	--	--	--	289	341,720
Loans from related parties (Note 31)	581	(133)	35	--	--	--	--	--	483
Other financing liabilities	2,655	(140)	147	--	--	--	--	--	2,662
Interest rate swaps	1,131	(389)	55	--	--	55	--	--	852
Total financial liabilities	**343,656**	**(9,866)**	**11,583**			**55**		**289**	**345,717**

33 Events after the reporting date

The Company has signed a 30-year concession agreement with the Government of Antigua and Barbuda for cruise port operations in Antigua on an exclusive basis. The concession also includes certain retail outlets in the project area.

The successful commencement of the concession is subject to a number of final conditions being satisfied, including, amongst others, the Group securing suitable financing. The Company is in advanced discussions with local and international banks in relation to long term bank financing for the concession. Full financial closure and commencement of the concession is expected to occur in the first half of the year 2019, although there can be no certainty as to the timing or that the final conditions will be satisfied.

The Company has been awarded by Government of the Bahamas, Nassau Cruise Port Ltd ("NCP"), a consortium comprising GPH, the Bahamian Investment Fund ("BIF") and the Yes Foundation the cruise port tender for a 25-year concession for the Prince George Wharf and related areas, at Nassau cruise port.

The Company, NCP and the Government of the Bahamas will start working towards agreeing the terms of a concession agreement. NCP will be 49% owned by the Company, 49% owned BIF and 2% owned by Yes Foundation, with Global Ports Holding operating the port.

GPH is in advanced stage discussions with local and international banks over long-term bank financing for the concession. Full financial closure and commencement of the concession is expected to occur in the second half year of the year 2019, although there can be no certainty as to the timing or that the final conditions will be satisfied.