Global Ports Holding Plc

Interim results for the six months ended 30 June 2018

Global Ports Holdings announces record interim results, outlook for full year now towards upper end of expectations

Global Ports Holding Plc ("GPH" or "Group"), the world's largest independent cruise port operator, today announces its unaudited results for the six months ending 30 June 2018.

Key Financials & KPI Highlights	**H1 2018 Reported**	**H1 2018 Constant currency[7]**	**H1 2017**	**YoY Change**
Total Revenue ($m)[2]	**56.6**	**53.4**	**49.7**	**13.7%**
Cruise Revenue ($m)[4]	22.4	19.9	18.5	21.1%
Commercial Revenue ($m)	34.2	33.5	31.3	9.3%
Segmental EBITDA ($m)[3]	**40.3**	**38.4**	**32.2**	**25.2%**
Cruise EBITDA ($m)[5]	14.7	13.1	10.1	45.2%
Commercial EBITDA ($m)	25.6	25.3	22.1	16.0%
Consolidated EBITDA ($m)	**36.1**	**34.2**	**29.9**	**20.4%**
Segmental EBITDA Margin	71.3%	71.9%	64.7%	658bps
Cruise Margin	65.8%	65.8%	54.8%	1095bps
Commercial Margin	74.9%	75.6%	70.6%	434bps
Consolidated EBITDA Margin	63.8%	64.0%	60.2%	358bps
Underlying profit for the period ($m)	**12.4**		**11.4**	**8.5%**
Loss for the period ($m)[6]	**(3.6)**		**(6.7)**	**n.m.**
EPS (c)[8]	**19.7**		**20.1[8]**	**-2.0%**
DPS (c)	27.9		27.9	0.0%
Passengers (m PAX)[1]	1.6		1.5	6.2%
General & Bulk Cargo ('000 tons)	795		808	-1.6%
Container Throughput ('000 TEU)	123		123	0.6%

Overview

Group – Positive performance in 2018 continues

- Total consolidated revenues were $56.6m in the period up 13.7% yoy (7.5% ccy)
- Record H1 Segmental EBITDA - up 25.2% at $40.3m (20.1% ccy), H1 Consolidated EBITDA – up 20.4% to $36.1m (14.2% ccy) in line with management expectations
- Proposed interim dividend of $17.5m, consistent with H1 2017
- Loss for the period of $3.6 million (H1 2017: $6.7m) was mainly due to $16.0m of amortisation expense in relation to port operation rights (H1 2017 $14.8m). Net Finance Cost being flat, the change in underlying profit is driven by (i) change in Operating Profit, (ii) the higher income from Equity accounted investees, partly offset by (iii) higher tax charge (which is eventually due to higher operating profits). Management expect to report a profit in 2019

Cruise – Strong H1 results

- Passenger growth of 6.2% yoy, with 1.6m PAX handled in the period
- Record H1 revenue and EBITDA, up 21.1% and 45.5% respectively (9.7% and 29.7% in constant currency), driven by strong performance at Creuers (Barcelona and Malaga cruise ports) and growth in ancillary services revenues. The equity accounted associate ports Venice, Lisbon and Singapore also rose strongly yoy
- Port agreement signed to operate Havana cruise port - our first in the Americas - and awarded port operating rights for Zadar Gazenica cruise port, subject to signed final concession agreement
- Partnership agreement signed with Dreamlines, a fast-growing online travel agency for cruises

Commercial – robust performance continues

- General & Bulk Cargo volumes -1.6% and TEU Throughput 0.6%
- Total Commercial Revenue and EBITDA up 9.3% and 16.0% respectively, to $34.2m and $25.6m
- Port Adria's performance continues to improve strongly after completion of investment program, increase of EBITDA at Port Akdeniz supported by weak Turkish Lira

Outlook & current trading

The Group has delivered a strong performance in H1 2018 and trading since the period end has been in line with management expectations. We therefore now expect to deliver full year results towards the upper end of our previously stated expectation of mid to high single digit organic growth in constant currency Revenue and Consolidated EBITDA.

Emre Sayin, Chief Executive Officer said;

"We have seen a record performance in the first half of the year, driven by good organic growth. Passenger volumes at our cruise ports have been strong and we are pleased with robust growth at our commercial ports. In our cruise business, we are pleased with the signing of the agreement in Havana– our first in the Americas – and the award of the port operating rights at Zadar, in line with our growth strategy. We have seen good growth in ancillary revenues. Cruise EBITDA growth of 45.5%, corresponds to 29% in constant currency, ahead of our expectations for the period. In our Commercial business, the performance of Port Adria is very encouraging, following the completion of our capex programme, while Port Akdeniz continues to perform well.

Trading since the period end at both our cruise and commercial ports has continued to perform in line with our expectations. Despite significant volatility in Turkish lira during this period, business has not been affected because we are a global business with over 95% of revenues in hard currency. We look forward to welcoming a record number of passengers to our cruise ports in 2018 and expect to deliver full year results towards the upper end of expectations."

Notes

1. Passenger numbers refer to consolidation perimeter, hence excluding equity accounted associate ports Venice, Lisbon and Singapore
2. All $ refers to USD unless otherwise stated
3. Segmental EBITDA figures indicate only operational port companies; excludes GPH HQ expenses
4. Revenue allocated to cruise segment equals sum of revenues of consolidated cruise ports excluding equity accounted associate ports Venice, Lisbon and Singapore
5. EBITDA allocated to cruise segment includes sum of EBITDA of consolidated cruise ports and pro-rata Net Profit of equity accounted associate ports Venice, Lisbon and Singapore
6. Loss for the period of $3.6 million (H1 2017: $6.7m) was mainly due to $16.0m of amortisation expense in relation to port operation rights (H1 2017 $14.8m). Net Finance Cost being flat, the change in underlying profit is driven by (i) change in Operating Profit, (ii) the higher income from Equity accounted investees, partly offset by (iii) higher tax charge (which is eventually due to higher operating profits).
7. Performance at constant currency calculated by translating € earnings from our consolidated cruise ports for the current period into $ at the average exchange rates used over the same period in the prior year.
8. EPS for H1 2017 is calculated using the avg weighed number of shares for period, including the period prior to IPO. Using the number of shares at the end of H1 2017, EPS for H1 2017 would have been 18.2c

Notes to Editors

GPH is the world's largest cruise port operator with an established presence in the Mediterranean, Caribbean, Atlantic and Asia-Pacific regions. GPH was established in 2004 as an international port operator with a diversified portfolio of cruise and commercial ports. As an independent cruise port operator, the group holds a unique position in the cruise port landscape, positioning itself as the world's leading cruise port brand, with an integrated platform of cruise ports serving cruise liners, ferries, yachts and mega-yachts. As the world's sole cruise ports consolidator, GPH's portfolio consists of investments in 14 cruise ports and two commercial ports in 9 countries and continues to grow steadily. GPH provides services for more than 7.0 million passengers reaching an annual market share of 23% in the Mediterranean. The group also offers commercial port operations which specialize in container, bulk and general cargo handling.

For further information, please contact:

Global Ports Holding Plc
Martin Brown, Investor Relations Director
Telephone: +44 (0) 7947 163 687 Email: martinb@globalportsholding.com

Brunswick Group LLP
Nina Coad
Imran Jina
Telephone: +44 (0) 207 404 5959 Email: GPH@brunswickgroup.com

A copy of this report will be available on our website www.globalportsholding.com today from 0700hrs (BST).

Investor Presentation

An analyst and investor presentation will be held today at Brunswick's offices, 16 Lincolns Inn Fields, London, WC2A 3ED at 0900 hrs (BST) with registration from 0830 hrs.

For those unable to attend, a live conference call will be available at 0900 hrs (BST).

Dial-in Number	+442071943759
PIN:	31403082#

Access to the slide presentation during this live event is available http://event.on24.com/wcc/r/1817767-1/CB1CB21DB2FE235BB1C29EFD89DF82C6?partnerref=rss-events

Group performance review

Group performance in the first half of 2018 improved on the same period last year, with group revenue up 13.7% (7.5% in constancy currency) to $56.6m (H1 2017: $49.7m) and consolidated EBITDA up 20.4% (14.2% in constant currency) to $36.1m (H1 2017: $29.9m), with underlying profit before tax up 8.5% to $12.4m. The consolidation perimeter is comparable between H1 2018 and the same period last year, hence all growth is organic growth exclusively, the recently completed management contract for Havana cruise port had no impact on H1 2018 financials.

The first half of our financial year is typically lower in terms of cruise passenger volumes due to the seasonally low Q1, hence trends during first half are not fully informative for full-year trends. Nevertheless we are pleased to have welcomed 1.62m cruise passengers (H1 2017: 1.53m, FY 2017: 4.1m) to our consolidated cruise ports, an organic growth rate of 6.2%. While at all ports, including equity accounted associate ports Venice, Lisbon and Singapore, we welcomed 2.7m passengers (H1 2017: 2.2m, FY 2017: 7.0m).

Cruise Revenue in the first half increased 21.1% to $22.4m (H1 2017: $18.5m, FY 2017: $50.3m), and Cruise segmental EBITDA grew almost twice as much at 45.2% to $14.7m, which was at the upper end of our expectations. The performance of our equity accounted associate ports (Venice, Lisbon and Singapore), with a pro-rata net income contribution at the Group EBITDA level, was a particular driver of this strong growth ($2.7m H1 2018 and $0.9m H1 2017). However, excluding the impact of our equity accounted associates, Cruise EBITDA growth was still strong at 28% (14.2% ccy). On a constant currency basis, first half cruise revenue was $19.9m and Cruise segmental EBITDA was $13.1m.

Commercial Port operations performed in line with our expectations for the period, with Commercial revenues rising by 9.3% in the period to $34.2m (H1 2017: $31.3m). While Port Akdeniz revenues were flat, Port Adria’s 88.9% growth in revenue (68.5% ccy) was the driver of the revenue growth at our Commercial ports.

Commercial Segmental EBITDA increased by 16.0% to $25.6m driven by the strong performance from Port Adria which delivered EBITDA growth of 253% (215% ccy). While project cargo, deferred from 2017 as previously disclosed, was a significant contributor to this strong performance, the actions taken under our wider port improvement plan are also continuing to come through. Port Akdeniz delivered EBITDA growth of 8.3%, mainly due to the weaker Turkish Lira to $. Segmental EBITDA margin rose 434bps to 74.9%.

Central costs increased by 89% yoy, reflecting a full six months impact of Plc costs vs H1 2017, and our investment in central costs to create a sustainable platform for growth, including the strengthening of the management team as well as the timing impact of some annual costs being incurred fully in H1 2018.

Loss for the period of $3.6 million (H1 2017: $6.7m) was mainly due to $16.0m of amortisation expense in relation to port operation rights (H1 2017 $14.8m). Net Finance Cost being flat, the change in underlying profit is driven by (i) change in Operating Profit, (ii) the higher income from Equity accounted investees, partly offset by (iii) higher tax charge (which is eventually due to higher operating profits).

Turkey

During the period there has been significant volatility in regard to the Turkish Lira. While we of course hope for a period of stability the impact of such moves is relatively immaterial to Global Ports Holding. We are a global business and our revenues are in hard currency reflecting our global footprint and global industry standard norms.

During the first six months of the year, in consolidated revenue terms, 50.5% (FY 2017: 49.7%) of the revenue generated was in Euros and 49.5% (FY: 2017 50.3%) of the revenue generated was in US dollars, with negligible amounts in Turkish Lira. In terms of costs, at each of our ports the vast majority of costs are incurred in local currency. For all our non-Turkish ports, (with the exception of equity associate Singapore) this means Euro costs matching Euro revenues.

In our Turkish cruise ports the vast majority of our revenues are in Euros, Euro tariffs are cruise industry standard for ports across the Mediterranean, Adriatic and Aegean Seas, while the majority of our costs are in Turkish Lira. At Port Akdeniz, where 90% of volumes are exports which are based on underlying trades denominated in hard currencies. Our container revenues are generated with major international shipping lines and as is industry standard their revenues are generated in $, and the ultimate exporters in the case of marble. are hundreds of small marble producers/exporters, all of whom are exporting marble in $ prices. The majority of general and bulk cargo goods that we are handling for export are denominated in $, again in keeping with global industry standards.

Cruise Ports Business Review

The backdrop to the global cruise industry remains extremely positive. The global cruise ship order book, which currently sits at a record high of 113 new ships between 2018-2027, remains very supportive of the outlook for the global cruise industry and cruise passenger volumes.

In addition, not only is the total number of cruise ships set to grow, the ships are getting increasingly larger in terms of berths per vessel. In 2017, average berths per vessel was 1,466, while the average size for the 113 new ships on order is over 3,000 berths per ship, the underlying structural growth in overall passenger growth remains very supportive of our strategy.

Based on current known orders and the greater size of new ships once completed, this implies the average global cruise passenger growth rate is c4-5% per annum over the medium term according to Cruise Industry News, with new supply arguably creating its own demand.

As the world’s largest cruise port operator we are uniquely positioned to benefit from this structural growth and, in conjunction with our cruise line partners, play an active role in helping drive this growth.

Cruise Port Operations	H1 2018 Reported	H1 2018 Constant currency[7]	H1 2017	YoY Reported Change
Revenue (USD m)	**22.4**	**19.9**	**18.5**	**21.1%**
of which Ancillary Revenue	6.7	6.0	5.8	16.4%
Segmental EBITDA (USD m)	**14.7**	**13.1**	**10.1**	**45.2%**
Segmental EBITDA Margin	65.8%	65.8%	54.8%	
Passengers (m)[1]	**1.6**		**1.5**	**6.2%**
Turnaround Passengers	0.66		0.59	3.7%
Transit Passengers	0.96		0.93	10.1%
Yield (USD, revenue per passenger)	**13.8**	**12.3**	**12.1**	**14.0%**
Yield (USD, ancillary revenue per passenger)	4.2	3.7	3.8	9.6%
Creuers (Barcelona and Malaga)				
Revenue (USD m)	**13.3**	**11.9**	**10.0**	**34.0%**
of which Ancillary Revenue	1.9	1.7	1.3	49.1%
Segmental EBITDA (USD m)	**8.0**	**7.1**	**5.4**	**49.6%**
Segmental EBITDA Margin	60.1%	60.1%	53.8%	
Passengers (m)[1]	**1.02**		**0.89**	**14.3%**
Turnaround Passengers	0.58		0.48	21.7%
Transit Passengers	0.44		0.42	5.9%
Yield (USD, revenue per passenger)	**13.0**	**11.6**	**11.1**	**17.2%**
Yield (USD, ancillary revenue per passenger)	1.8	1.6	1.4	30.4%
Ege Port				
Revenue (USD m)	**1.74**	**1.55**	**1.73**	**0.5%**
of which Ancillary Revenue	0.6	0.6	0.7	-4.9%
Segmental EBITDA (USD m)	**0.95**	**0.84**	**0.97**	**-2.4%**
Segmental EBITDA Margin	54.5%	54.5%	56.1%	
Passengers (m)[1]	**0.06**		**0.06**	**0.4%**
Turnaround Passengers	0.01		0.01	62.0%
Transit Passengers	0.05		0.06	-5.7%
Yield (USD, revenue per passenger)	**28.0**	**25.0**	**28.0**	**0.1%**
Yield (USD, ancillary revenue per passenger)	10.3	9.2	10.9	-5.3%
Valletta Cruise Port				
Revenue (USD m)	**5.7**	**5.1**	**5.2**	**9.8%**
of which Ancillary Revenue	3.3	2.9	3.0	7.6%
Segmental EBITDA (USD m)	**2.5**	**2.3**	**2.6**	**-0.6%**
Segmental EBITDA Margin	44.8%	44.8%	49.5%	
Passengers (m)[1]	**0.28**		**0.31**	**-9.2%**
Turnaround Passengers	0.06		0.08	-29.1%
Transit Passengers	0.22		0.23	-1.9%
Yield (USD, revenue per passenger)	**20.1**	**17.9**	**16.6**	**21.0%**
Yield (USD, ancillary revenue per passenger)	11.6	10.3	9.8	18.6%
Other Cruise				
Revenue (USD m)	**1.6**	**1.4**	**1.6**	**-0.7%**
of which Ancillary Revenue	1.0	0.9	0.9	16.5%
Segmental EBITDA (USD m)	**3.2**	**2.8**	**1.2**	**157.2%**
Passengers (m)[1]	**0.26**		**0.26**	**-1.9%**
Turnaround Passengers	0.25		0.23	7.5%
Transit Passengers	0.01		0.03	-68.5%

Please refer to notes on page 2

While the first half of our financial year is typically lower in terms of cruise passenger volumes due to the fact it includes the seasonally low Q1, we nevertheless welcomed 1.62m (H1 2017: 1.53m, FY 2017: 4.1m) cruise passengers to our consolidated cruise ports, an organic growth rate of 6.2%. While at all ports including equity accounted associate ports Venice, Lisbon and Singapore we welcomed 2.7m (H1 2017: 2.2m, FY 2017: 7.0m).

In the first half Cruise Revenue increased 21.1% to $22.4m vs H1 2017 $18.5m and Cruise segmental EBITDA grew almost twice that rate at 45.2% to $14.7m. The revenue from our cruise ports are almost exclusively Euro based at present, with most ports also incurring costs in Euros, with the exception of our Turkish ports which have a largely Turkish Lira cost base. On a constant €/$ currency basis, first half cruise revenue was $19.9m and Cruise segmental EBITDA was $13.1m, a growth rate of 7.9% and 29.5% respectively.

The performance of our equity accounted associates (Venice, Lisbon and Singapore), with a pro-rata net income contribution at the Group EBITDA level, was a particular driver of this strong growth ($2.5m H1 2018 and $0.8m H1 2017). Excluding the impact of our equity accounted associates, Cruise EBITDA growth was 28% (14% ccy).

H1 2018 has been a strong period for our ancillary services business, with tangible results now being delivered. While total ancillary revenue growth was 16% in the period, 4% in constant currency, the underlying performance at our ports was very strong. Excluding Valletta, which suffered a weather related drop in PAX in the period and our Turkish ports, ancillary revenue grew 53% (36% in ccy) in the period.

Our Guest Information Centers continue to deliver good results both in revenues and guest satisfaction and we continue to work on further developing this service as our teams learn from their experiences. We are in detailed discussions with a third party over our plans for the redevelopment of our retail offering and our Iberian ports and provide investors with an update when it is appropriate to do so.

Creuers (Barcelona and Malaga)	H1 2018 Reported	H1 2018 Constant currency[7]	H1 2017	YoY Change
Revenue (USD m)	**13.3**	**11.9**	**10.0**	**34.0%**
of which Ancillary Revenue	1.9	1.7	1.3	49.1%
Segmental EBITDA (USD m)	**8.0**	**7.1**	**5.4**	**49.6%**
Segmental EBITDA Margin	60.1%	60.1%	53.8%	
Passengers (m)[1]	**1.02**		**0.89**	**14.4%**
Turnaround Passengers	0.58		0.48	21.7%
Transit Passengers	0.44		0.42	6.0%
Yield (USD, revenue per passenger)	**13.0**	**11.6**	**11.1**	**17.2%**
Yield (USD, ancillary revenue per passenger)	1.8	1.6	1.4	30.4%

Please refer to notes on page 2

Creuers (Barcelona & Malaga), in line with our expectations, performed strongly in the period, welcoming 1.0m (H1 2017: 0.9m) passengers in H1 2018, an increase of 14.4% on the same period last year. Revenue of $13.3m (H1 2017: $10.0m) was up 34% yoy in the period, with a constant currency increase of 20%.

The increase in yield per PAX and revenue growth in excess of passenger volume growth was driven by a favourable turnaround passenger mix at Barcelona, 65.2% vs 60.7% in H1 2017, and growth in ancillary revenues at both ports.

Creuers delivered EBITDA for the period of $8.0m (H1 2017: $5.4m), up 49.6% yoy, on a constant currency basis EBITDA grew 33%. The increase in Creuers EBITDA margin of 5.29% to 59.8% was primarily driven by the positive gearing impact of the higher PAX volumes and favourable turnaround passenger mix in the period.

Our ancillary revenues at Creuers increased by 49.1% in the period, 33% in constant currency. In addition to being underpinned by strong PAX growth in the period, notable drivers of the ancillary revenue growth at Creuers included increased additional security and extra luggage handling and water supply.

Valletta Cruise Port	H1 2018 Reported	H1 2018 Constant currency[7]	H1 2017	YoY Change
Revenue (USD m)	**5.7**	**5.1**	**5.2**	**9.8%**
of which Ancillary Revenue	3.3	2.9	3.0	7.6%
Segmental EBITDA (USD m)	**2.5**	**2.3**	**2.6**	**-0.6%**
Segmental EBITDA Margin	44.8%	44.8%	49.5%	
Passengers (m)[1]	**0.28**		**0.31**	**-9.2%**
Turnaround Passengers	0.06		0.08	-29.1%
Transit Passengers	0.22		0.23	-1.9%
Yield (USD, revenue per passenger)	**20.1**	**17.9**	**16.6**	**21.0%**
Yield (USD, ancillary revenue per passenger)	11.6	10.3	9.8	18.6%

Please refer to notes on page 2

Valletta, with its unique position for West Med and East Med itineraries, continues to contribute strongly to the group, welcoming 282k passengers (H1 2017: 311k), a decrease of 9.2% vs the same period last year. This yoy reduction in passenger volumes in H1 2018 was driven by an increase in the number of weather related cancellations during the winter months. Given current scheduling commitments, we expect the negative percentage impact on PAX volumes to reduce for the full year.

Valletta's revenue for the period was $5.7m (H1 2017: $5.2m), an increase of 9.8% yoy. However, on a constant currency basis revenue fell 2.1%. With this outperformance vs passenger volumes being primarily driven by higher yields per PAX, which rose 21.0% in the period, 7.9% in constant currency. This increased per PAX yield was primarily driven by the positive impact of planned tariff increases.

Valletta delivered $2.5m of EBITDA in the period, a decrease of -0.6% yoy (H1 2017: $2.6m), albeit on a constant currency basis, EBITDA fell 11.0%. This divergence from the trend in revenue was primarily the result of increased costs associated with the hosting of Med Cruise General Assembly during the period.

Ancillary revenues at Valletta increased by 7.6% in the period, a fall of 4% in constant currency. This performance was largely driven by the decrease in PAX volumes during the period, offset by the impact of a rise in the ancillary yield per PAX. The rise in the yield per PAX was driven by a number of factors, most notably stable ancillary revenues from areas not directly related to PAX volumes as well as an improvement in the performance of our GICs.

Ege Port	H1 2018 Reported	H1 2018 Constant currency[7]	H1 2017	YoY Change
Revenue (USD m)	**1.74**	**1.55**	**1.73**	**0.5%**
of which Ancillary Revenue	0.6	0.6	0.7	-4.9%
Segmental EBITDA (USD m)	**0.95**	**0.84**	**0.97**	**-2.4%**
Segmental EBITDA Margin	54.5%	54.5%	56.1%	
Passengers (m)[1]	**0.06**		**0.06**	**0.4%**
Turnaround Passengers	0.01		0.01	62.0%
Transit Passengers	0.05		0.06	-5.7%
Yield (USD, revenue per passenger)	**28.0**	**25.0**	**28.0**	**0.1%**

Please refer to notes on page 2

Ege Port welcomed 62k passengers in the period (H1 2017: 62k), broadly flat yoy. Revenue of $1.7m (H1 2017: $1.7m) was +0.5% on the same period last year, while EBITDA of $0.95m (H1 2017: $0.97m) was down 2.4% on yoy.

Ancillary revenues fell by 4.9% in the period, -15% in constant currency. Ege's retail operations are the driver of this decline, with the low PAX volumes continuing to impact total spend on retail, while a drop in Turkish ferry PAX as a result of the weak Turkish Lira has impacted duty free sales. However, we will shortly open some additional retail space which we expect to have a positive impact on ancillary revenue in 2019 and beyond.

While Ege Port has performed in line with our expectations for the period, passenger numbers remain significantly below historic norms. However, looking beyond 2018 we are very pleased with current scheduling trends for 2019 and 2020. Perhaps most importantly Carnival, Norwegian and Royal Caribbean have now all scheduled calls for 2019.

Other Cruise	H1 2018 Reported	H1 2018 Constant currency[7]	H1 2017	YoY Change
Revenue (USD m)	**1.6**	**1.4**	**1.6**	**-0.7%**
of which Ancillary Revenue	1.0	0.9	0.9	16.5%
Segmental EBITDA (USD m)	**3.2**	**2.8**	**1.2**	**157.2%**
Passengers (m)[1]	**0.26**		**0.26**	**-1.9%**
Turnaround Passengers	0.25		0.23	7.5%
Transit Passengers	0.01		0.03	-68.5%

Please refer to notes on page 2

Other Cruise reflects the contribution of our smaller cruise ports and the net income contribution of our minority holdings at Venice, Lisbon and Singapore, which is reported in Other Cruise EBITDA.

In H1 2018 we welcomed 0.26m passengers at our Other Cruise ports (excluding equity accounted associates), a decline of -1.9% on H1 2017. Revenue of $1.6m (H1 2017: 1.6m) was down -0.7% on the same period last year. While EBITDA of $3.2m (H1 2017: $1.2m) was +157.2% on the previous period.

In terms of ports operated by GPH, we have been particularly pleased by the performance of Cagliari and Catania where profitability is continuing to improve since we acquired the ports. Our other Turkish ports (Bodrum and Antalya) continue to suffer from the sharp drop in PAX numbers experienced in 2017, however, as with Ege, scheduling trends for 2019 and 2020 are positive.

Equity accounted associate ports

Our equity accounted associate ports, Venice, Lisbon and Singapore performed well in the period, reporting total PAX volumes of 1.1m, an increase of 64% on the 0.7m reported H1 2017. Lisbon has continued to perform well since the state of the art terminal was opened, reporting 14.7% growth in passenger numbers to 0.22m (H1 2017: 0.19m). However, progress in Lisbon's underlying EBITDA has been held back by increased security costs associated with the new facilities and the fact that not all of the new terminals F&B facilities were open during the period. Our equity accounted associates contributed $2.7m H1 2018 vs $0.9m H1 2017.

New Ports and partnerships

During the period we signed a 15 year management agreement for Havana cruise port, Cuba - our first in the Americas and were awarded the port operating rights for Zadar Gazenica cruise port, subject to signed final concession agreement, as well as signing a partnership agreement with Dreamlines, a fast-growing online travel agency dedicated to cruises.

The signing of the agreement for Havana represented an important milestone in the group's development, marking our first step into the Americas. Under the terms of the agreement, use its global expertise and operating model to manage all of the cruise port operations over the life of the agreement. As consideration, the Group will be paid a management fee that is based on a number of factors including passenger numbers, with growth based incentives. In addition to operating the cruise port operations, the Group will continue to work with our Cuban partners on the design and technical specification of the cruise port investment program, including proposed new terminals. Once these have been completed Global Ports Holding will take responsibility for the marketing and commercialisation of these new facilities.

The cruise port agreement is part of significant investment by Cuba into the port area and the tourism infrastructure in Havana. The port currently has capacity of two berths and in 2017 welcomed c328,000 cruise passengers, a growth rate of 156% compared to 2016, with over 500,000 cruise passengers forecast for 2018. As part of Cuba's significant investment program into the port and surrounding area the number of berths will increase to six by 2024, significantly increasing the passenger capacity of the Havana port. This management contract was secured shortly before the period and has not impacted the financial performance during the period.

The proposed concession agreement for Zadar Gazenica cruise port, Croatia will see us operate the cruise ship passenger port and terminal services, an international ferry terminal, Ro-Ro services, vehicles and passenger services as well as the extensive commercial area. In 2017, Zadar welcomed 124k passengers, with schedule calls for 2018 suggesting that this will grow to close to 150k passengers for 2018.

We look forward to working with the relevant authorities and partners in both regions to drive increased passenger volumes at both ports.

During the period we were delighted to announce GPH had entered into an exclusive partnership with, and simultaneously made an investment into Dreamlines. Founded in 2012, Dreamlines is a fast-growing online travel agency dedicated to cruises and is now the 2nd largest online travel agent for cruise bookings in the world, and the largest ex US. It operates in twelve countries around the world (Australia, Austria, Brazil, France, Germany, Italy, Netherlands, Russia, Singapore, Switzerland, UK and USA), and has tripled booking volumes over the last three years, delivering 40% YoY organic growth in 2017.

Based on its unique online platform and supported by more than 300 cruise sales experts Dreamlines sells cruise products online, via phone and email. The exclusive partnership with Dreamlines will allow GPH to deepen our understanding of passengers' whole cruise experience as we continue to build our knowledge and expertise in B2C service and product offerings around cruise ports. The partnership will allow GPH to work with Dreamlines on ways to promote its cruise ports and destinations to cruise customers worldwide as well as explore the potential for the development of additional retail and service opportunities, particularly pre and post cruise, which in the medium term could enhance and broaden our ancillary revenues.

Commercial Ports Business Review

	H1 2018 Reported	H1 2018 Constant currency[7]	H1 2017	YoY Change
Commercial				
Revenue (USD m)	**34.2**	**33.5**	**31.3**	**9.3%**
Segmental EBITDA (USD m)	**25.6**	**25.3**	**22.1**	**16.0%**
Segmental EBITDA Margin	74.9%	75.6%	70.6%	4.3%
General & Bulk Cargo ('000)	794,929		807,878	-1.6%
Throughput ('000 TEU)	123,251		122,571	0.6%
Yield (USD, Revenue per TEU)	176.3		176.6	-0.2%
Yield (USD, Revenue per tonnes)	9.0		6.9	30.1%
Port Akdeniz				
Revenue (USD m)	**28.0**		**28.0**	**0.0%**
Segmental EBITDA (USD m)	**23.1**		**21.4**	**8.3%**
Segmental EBITDA Margin	82.7%		76.3%	
General & Bulk Cargo ('000)	694,864		738,195	-5.9%
Throughput ('000 TEU)	97,691		98,062	-0.4%
Yield (USD, Revenue per TEU)	194.1		198.2	-2.1%
Yield (USD, Revenue per tonnes)	6.5		6.5	0.0%
Port Adria				
Revenue (USD m)	**6.17**	**5.50**	**3.26**	**88.9%**
Segmental EBITDA (USD m)	**2.46**	**2.19**	**0.69**	**252.7%**
Segmental EBITDA Margin	39.9%	39.9%	21.4%	86.6%
General & Bulk Cargo ('000)	100,065		69,683	43.6%
Throughput ('000 TEU)	25,560		24,509	4.3%
Yield (USD, Revenue per TEU)	108.2	96.5	90.2	19.9%
Yield (USD, Revenue per tonnes)	26.2	11.1	11.3	132.4%

Please refer to notes on page 2

Commercial Port operations performed in line with our expectations in the period, with Commercial revenues rising by 9.3% in the period to $34.2m (H1: 2017 $31.3m). While Port Akdeniz revenues were flat in the period, Port Adria's 88.9% growth in revenue was the clear driver of the revenue growth at our Commercial ports.

In terms of volumes, General & Bulk Cargo volumes, our ports experienced a decline of -1.6% tonnes in the period, driven by a -5.9% reduction in General & Bulk Volumes at Port Akdeniz. While the strong growth at Port Adria was driven by good volumes of project cargo during the period, as previously highlighted. Overall TEU throughput increased 0.6% in the period.

In terms of yields, total container yields were down very slightly, while Port Adria's project cargo drove a 30.1% increase in cargo yields, excluding this project cargo, cargo yields were up 4.0%.

Commercial Segmental EBITDA increased by 16.0% to $25.6m driven by the strong performance from Port Adria and the positive impact of the move in the $/TL exchange rate at Port Akdeniz due to the port's cost structure being c70% in local currency while revenues are almost all exclusively collected in $.

Port Akdeniz	H1 2018	H1 2018 Constant currency[7]	H1 2017	YoY Change
Revenue (USD m)	**28.0**		**28.0**	**0.0%**
Segmental EBITDA (USD m)	**23.1**		**21.4**	**8.3%**
Segmental EBITDA Margin	82.7%		76.3%	
General & Bulk Cargo ('000)	694,864		738,195	-5.9%
Throughput ('000 TEU)	97,691		98,062	-0.4%
Yield (USD, Revenue per TEU)	194.1		198.2	-2.1%
Yield (USD, Revenue per tonnes)	6.5		6.5	0.2%

Please refer to notes on page 2

Port Akdeniz, our largest commercial port, delivered revenue that was flat on last year at $28.0m, while EBITDA rose 8.3% to $23.1m. General & Bulk Cargo volumes were down 5.9%, driven by the continuation of a trend highlighted earlier in the year, namely lower levels of cement exports and coal imports. Cement volumes, as expected have started to pick up and coal volumes are expected to improve in the second half. There was good growth in volumes of fertiliser and barite in the period.

In terms of TEU, Port Akdeniz experienced a modest decrease of -0.4% in H1 2018 vs the same period last year. Total marble volumes were down -3.7%, however, this was largely offset by other fully loaded export containers increasing by 29% in the period. Total revenue was flat yoy despite cargo handling revenue being slightly lower, this was the result of growth in vessel service revenues such as pilotage and towage which are not included in cargo handling revenue or per TEU or per Tonne calculations.

EBITDA increased by 8.3% in the period, driven by the positive impact of the Turkish Lira to $ exchange rate, stripping out this benefit EBITDA was flat yoy.

Port Adria	H1 2018	H1 2018 Constant currency[7]	H1 2017	YoY Change
Revenue (USD m)	**6.17**	**5.50**	**3.26**	**88.9%**
Segmental EBITDA (USD m)	**2.46**	**2.19**	**0.69**	**252.7%**
Segmental EBITDA Margin	39.9%	39.9%	21.4%	86.6%
General & Bulk Cargo ('000)	100,065		69,683	43.6%
Throughput ('000 TEU)	25,560		24,509	4.3%
Yield (USD, Revenue per TEU)	108.2	96.5	90.2	19.9%
Yield (USD, Revenue per tonnes)	26.2	11.1	11.3	132.4%

Please refer to notes on page 2

Port of Adria performed well in the period, with strong underlying volumes in addition to project cargo helping to drive the strong 88.9% and 252.7% yoy improvements in revenue and EBITDA respectively. Port of Adria's functional currency is € for the almost all of its revenues and costs, so the foreign exchange impact is predominately translational. On a constant currency basis revenue grew 68% and EBITDA grew 214%.

While the previously deferred project cargo volumes helped drive this performance, the underlying business performed strongly in line with our expectations. Having only recently completed the capex program to modernise the port and improve its efficiency we are very pleased with the performance of Port Adria.

General & Bulk Cargo tons were up 43.6% on H1 2017, excluding the wind turbine project cargo, volumes were up 30%, with this strong performance primarily driven by strong import volumes across a wide range of commodities and goods. TEU throughput growth of 4.3% was driven by a general improvement in volumes of both import and export containers volumes.

TEU yields rose 19.9% to $108.2 and excluding project cargo, revenue per ton increased by 10.7% to $12.5. However, in constant currency TEU yields increased by 7% and cargo yields reduced by -1.3%, with these changes driven by cargo mix.

Financial Overview

Loss for the period of $3.6 million (H1 2017: $6.7m) was mainly due to $16.0m of amortisation expense in relation to port operation rights (H1 2017 $14.8m). Net Finance Cost being flat, the change in underlying profit is driven by (i) change in Operating Profit, (ii) the higher income from Equity accounted investees, partly offset by (iii) higher tax charge (which is eventually due to higher operating profits).

Specific Adjusting Items in Operating Profit

As of 30 June 2018, specific adjusting items comprising project expenses amounting to $3.6m (H1 2017: $4.3m) and other specific adjustment items $0.6m (H1 2017: $1.0m) Please see note 2e in the interim condensed consolidated financial statements for more details.

Finance Costs

The Group's net finance charge in the period was $11.4m, no material change compared to H1 2017 ($10.9m).

Taxation

Global Ports Holding is a multinational group and as such is liable for taxation in multiple jurisdictions around the world. The Group's underlying tax charge for the period was $1.5m (H1 2017: $0.2m), representing an effective underlying tax charge of 16.22% (H1 2017: 12.13%). The higher tax rate compared with prior years is the result of the growth in the portfolio; ports within Europe generally having higher effective tax rates compared to Turkish ports and also an increase in Turkish tax rate from 20% in 2017 to 22% for the years 2018, 2019 and 2020.

Earnings Per Share

The Group's underlying earnings per share were 19.7c (H1 2017: 20.1c), primarily driven by operational growth and equity accounted associates, which was partially offset with the depreciation of Euro against US Dollar. Basic earnings per share was -6.0c (H1 2017: -11.3c), the change is explained by the same drivers on underlying earnings per share.

Cash Flow and Investment

Operating cash flow was $24.5m (H1 2017: $21.7m). Capital expenditure during the period was $5.6m, a significant decrease on the $10.6m incurred in H1 2017. The yoy decrease was driven by the fact that last year we completed the modernisation program at Port of Adria and renovation works in Ege Port's shopping mall in H1 2017. In, H1 2018 the group spent approximately $2.7m on enhancements to superstructure in Port Akdeniz, $0.9m on enhancements to superstructure in Port of Adria and $1m on terminal improvements in Creuers del Port de Barcelona in H1 2018. The group has entered a strategic partnership with Dreamlines GmbH ("Dreamlines") and concurrently invested €10 million into Dreamlines in the form of a convertible loan note.

Balance Sheet

At 30th June 2018 net debt was $253.1m (31st December 2017: $227.5m) Increase was mainly driven by EBRD loan and some additional credit lines used, partially offset by BPI loan early repayment made in March 2018 and cash created during the period. The group's Net Debt/Adjusted EBITDA ratio was 3.0x times as at 30th June 2018 (31st December 2017: 3.1x).

Gross debt at period end was $354.8m (31st December 2017: $341.7m), the increase was mainly driven by a EBRD loan drawdown received by Port of Adria for the infrastructure investments, partially offset by a repayment of part of BPI loan. The Leverage Ratio as per GPH's Eurobond improved to 4.2x at 30th June 2018 (31st December 2017: 4.5x), vs a covenant of 5.0x.

Impact of Foreign Currency Movements

All of GPH's European, Turkish and Adriatic cruise ports operate in Euros, with the majority of costs being in Euros at our non Turkish cruise ports. Our Commercial port, Port of Adria receives revenues in Euros and the majority of its costs are incurred in Euros. The translation of profits from these port operating entities are not hedged and as a result, the movement of the US dollar and Euro exchange rates directly affects the Group's reported results.

The vast majority of our revenues at our Turkish cruise ports are in Euros, while the majority of costs are in Turkish Lira. Our Commercial port, Port of Antalya, receives revenues in US Dollars and c70% of its costs are incurred in Turkish Lira. The group does not hedge this exposure as a result, the movement of the US dollar and Euro exchange rates to the Turkish Lira directly affects the Group's reported results.

In the first half of 2018, the group was impacted by favourable movements against the prior year, particularly with respect to $ against the Euro and Turkish Lira. The details of the foreign exchange rates used in the period can be found in Note 2 d) of the consolidated financial statements.

Dividend

The board has proposed an interim dividend of $17.5m (27.9c per share), which will be paid no later than 31 October 2018.

Global Ports Holding PLC

Interim condensed consolidated financial statements

For the six months ended 30 June 2018

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Responsibility Statement

We confirm that to the best of our knowledge:

- the condensed set of financial statements has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU,

- the interim management report includes a fair review of the information required by:

    a) DTR 4.2.7R of the Disclosure Guidance and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and

    b) DTR 4.2.8R of the Disclosure Guidance and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

By order of the Board,

Ayşegül BENSEL
Vice Chairperson
17 August 2018

INDEPENDENT REVIEW REPORT TO GLOBAL PORTS HOLDING PLC

Conclusion

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2018 which comprises the interim condensed consolidated income statement, the interim condensed consolidated statement of other comprehensive income, the interim condensed consolidated statement of financial position, the interim condensed consolidated statement of changes in equity, the interim condensed consolidated cash flow statement and the related explanatory notes.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2018 is not prepared, in all material respects, in accordance with IAS 34 Interim Financial Reporting as adopted by the EU and the Disclosure Guidance and Transparency Rules ("the DTR") of the UK's Financial Conduct Authority ("the UK FCA").

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Auditing Practices Board for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. We read the other information contained in the half-yearly financial report and consider whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the DTR of the UK FCA.

As disclosed in note 2, the annual financial statements of the group are prepared in accordance with International Financial Reporting Standards as adopted by the EU. The directors are responsible for preparing the condensed set of financial statements included in the half-yearly financial report in accordance with IAS 34 as adopted by the EU.

Our responsibility

Our responsibility is to express to the company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

The purpose of our review work and to whom we owe our responsibilities

This report is made solely to the company in accordance with the terms of our engagement to assist the company in meeting the requirements of the DTR of the UK FCA. Our review has been undertaken so that we might state to the company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company for our review work, for this report, or for the conclusions we have reached.

John Luke

for and on behalf of KPMG LLP

Chartered Accountants

15 Canada Square
London, E14 5GL
United Kingdom
17 August 2018

Interim condensed consolidated income statement

(USD '000)	*Notes*	Six months ended 30 June 2018 (Unaudited)	Six months ended 30 June 2017 (Unaudited)	Year ended 31 December 2017 (Audited)
Revenue	*5*	56,556	49,747	116,366
Cost of sales	*5*	(37,789)	(35,810)	(75,548)
Gross profit		**18,767**	**13,937**	**40,818**
Other income		3,200	698	2,228
Selling and marketing expenses		(640)	(435)	(1,296)
Administrative expenses	*6*	(9,589)	(6,436)	(16,375)
Other expenses		(5,224)	(4,328)	(14,440)
Operating profit		**6,514**	**3,436**	**10,935**
Finance income	*7*	10,942	5,954	15,778
Finance costs	*7*	(22,297)	(16,837)	(39,793)
Net finance costs		**(11,355)**	**(10,883)**	**(24,015)**
Share of profit of equity-accounted investees		2,730	915	2,548
Loss before tax		**(2,111)**	**(6,532)**	**(10,532)**
Tax expense	*10*	(1,527)	(207)	(3,599)
Loss for the period / year		**(3,638)**	**(6,739)**	**(14,131)**
(Loss) / Profit for the period / year attributable to:				
Owners of the Company		(3,789)	(6,408)	(15,576)
Non-controlling interests		151	(331)	1,445
		(3,638)	**(6,739)**	**(14,131)**

Interim condensed statement of other comprehensive income

(USD '000)	*Notes*	Six months ended 30 June 2018 (Unaudited)	Six months ended 30 June 2017 (Unaudited)	Year ended 31 December 2017 (Audited)
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss				
Remeasurement of defined benefit liability		12	(2)	(23)
Income tax relating to items that will not be reclassified subsequently to profit or loss		(3)	--	5
		9	**(2)**	(18)
Items that may be reclassified subsequently to profit or loss				
Foreign currency translation differences		26,294	15,883	41,699
Cash flow hedges - effective portion of changes in fair value		(17)	169	(55)
Cash flow hedges – realized amounts transferred to income statement		53	43	389
Losses on a hedge of a net investment		(37,342)	786	(13,389)
		(11,012)	**16,881**	**28,644**
Other comprehensive (loss) / income for the year, net of income tax		**(11,003)**	**16,879**	**28,626**
Total comprehensive (loss) / income for the year		**(14,641)**	**10,140**	**14,495**
Total comprehensive (loss) / income attributable to:				
Owners of the Company		(11,811)	4,015	2,231
Non-controlling interests		(2,830)	6,125	12,264
		(14,641)	**10,140**	**14,495**
Basic and diluted (loss) / earnings per share (cents per share)	*17*	**(6.0)**	**(11.3)**	**(26.0)**

Global Ports Holding PLC Interim Financial Report 2018

Interim condensed consolidated statement of financial position

	Notes	As at 30 June 2018 (USD '000) (Unaudited)	As at 31 December 2017 (USD '000) (Audited)	As at 30 June 2017 (USD '000) (Unaudited)
Non-current assets				
Property and equipment	*8*	131,110	134,664	129,151
Intangible assets	*9*	410,036	433,075	430,358
Goodwill		13,699	14,088	15,716
Equity-accounted investees		23,538	22,004	19,497
Other investments		5	6	6
Other financial assets	*11*	11,782	--	--
Deferred tax assets	*10*	1,492	1,695	2,941
Other non-current assets		4,964	5,022	8,199
		596,626	**610,554**	**605,868**
Current assets				
Trade and other receivables		16,881	15,702	16,972
Due from related parties	*19*	1,730	1,599	3,042
Other investments	*12*	705	14,728	14,806
Other current assets		5,677	4,947(*)	4,975
Inventory		1,791	1,714(*)	1,919
Prepaid taxes		722	2,932	1,210
Cash and cash equivalents	*13*	100,999	99,448	124,400
		128,505	**141,070**	**167,324**
Total assets		**725,131**	**751,624**	**773,192**
Current liabilities				
Loans and borrowings	*15*	48,074	44,878	47,008
Trade and other payables		13,975	15,862	16,510
Due to related parties	*19*	250	483	555
Current tax liabilities		2,430	2,217	2,509
Provisions	*16*	1,156	1,202	866
		65,885	**64,642**	**67,448**
Non-current liabilities				
Loans and borrowings	*15*	306,747	296,842	307,547
Other financial liabilities		2,551	2,662	3,093
Derivative financial liabilities	*20*	788	852	932
Deferred tax liabilities	*10*	96,304	99,879	98,386
Provisions	*16*	20,316	21,081	17,373
Employee benefits		837	936	970
		427,543	**422,252**	**428,301**
Total liabilities		**493,428**	**486,894**	**495,749**
Net assets		**231,703**	**264,730**	**277,443**
Equity				
Share capital	*14*	811	811	405,297
Share premium account	*14*	--	--	22,543
Legal reserves	*14*	13,030	13,012	13,012
Hedging and translation reserves		6,832	14,863	7,482
Merger reserves		--	--	(266,430)
Retained earnings		121,628	143,148	9,841
Equity attributable to equity holders of the Company		**142,301**	**171,834**	**191,745**
Non-controlling interests		**89,402**	**92,896**	**85,698**
Total equity		**231,703**	**264,730**	**277,443**

(*) In the prior year end accounts the narrative for line items of "inventory" and "other current assets" was inadvertently switched on the face of the balance sheet. The above comparative now reflects the appropriate position.

Interim condensed consolidated statement of changes in equity

(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 (Audited)		**811**	**--**	**13,012**	**(135,763)**	**150,626**	**143,148**	**171,834**	**92,896**	**264,730**
Loss for the year		--	--	--	--	--	(3,789)	**(3,789)**	151	**(3,638)**
Other comprehensive (loss) / income for the year		--	--	--	(37,306)	29,275	9	**(8,022)**	(2,981)	**(11,003)**
Total comprehensive (loss) / income for the year		**--**	**--**	**--**	**(37,306)**	**29,275**	**(3,780)**	**(11,811)**	**(2,830)**	**(14,641)**
Transactions with owners of the Company										
Transfer to legal reserves		--	**--**	18	--	--	(18)	**--**	--	**--**
Dividends	*14*	--	**--**	--	--	--	(17,722)	**(17,722)**	(664)	**(18,386)**
Total contributions and distributions		**--**	**--**	**18**	**--**	**--**	**(17,740)**	**(17,722)**	**(664)**	**(18,386)**
Total transactions with owners of the Company		**--**	**--**	**18**	**(37,306)**	**29,275**	**(21,520)**	**(29,533)**	**(3,494)**	**(33,027)**
Balance at 30 June 2018 (Unaudited)		**811**	**--**	**13,030**	**(173,069)**	**179,901**	**121,628**	**142,301**	**89,402**	**231,703**

(USD '000)	*Notes*	Share capital	Share premium	Legal reserves	Hedging reserves	Translation reserves	Merger reserves	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 1 January 2017 (Restated*, Audited)		**354,805**	**--**	**12,424**	**(122,708)**	**119,764**	**(266,430)**	**43,622**	**141,477**	**80,588**	**222,065**
Loss for the year		--	--	--	--	--	--	(6,408)	**(6,408)**	(331)	**(6,739)**
Other comprehensive income / (loss) for the year		--	--	--	998	9,428	--	(2)	**10,424**	6,455	**16,879**
Total comprehensive income / (loss) for the year		**--**	**--**	**--**	**998**	**9,428**	**--**	**(6,410)**	**4,016**	**6,124**	**10,140**
Transactions with owners of the Company											
Issuance of shares on IPO		50,492	22,543	--	--	--	--	--	**73,035**	--	**73,035**
Transfer to legal reserves		--	--	588	--	--	--	(588)	**--**	--	**--**
Dividends	*14*	--	--	--	--	--	--	(26,783)	**(26,783)**	(1,014)	**(27,797)**
Total contributions and distributions		**50,492**	**22,543**	**588**	**--**	**--**	**(266,430)**	**(27,371)**	**46,252**	**(1,014)**	**45,238**
Total transactions with owners of the Company		**50,492**	**22,543**	**588**	**998**	**9,428**	**(266,430)**	**(33,781)**	**50,268**	**5,110**	**55,378**
Balance at 30 June 2017 (Unaudited)		**405,297**	**22,543**	**13,012**	**(121,710)**	**129,192**	**(266,430)**	**9,841**	**191,745**	**85,698**	**277,443**

(*) In the prior period interim financial report share capital had been recorded at $33,836k; share premium at $54,539; and a merger reserve of nil as at 1 January 2017. However, as a result of the group restructuring transaction in early 2017, it should have been accounted for as if the group had always existed in the current form for the entire period, including the comparative. The share capital at 1 January 2017 should have been recognised at the reorganised amount of $354,805k with an amount of $266,430k in the merger reserve and share premium of nil.

Interim condensed consolidated statement of changes in equity (continued)

(USD '000)	*Notes*	Share capital	Share premium	Legal reserves	Hedging reserves	Translation reserves	Merger Reserves	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 1 January 2017 (Restated*, Audited)		**354,805**	**--**	**12,424**	**(122,708)**	**119,764**	**(266,430)**	**43,622**	**141,477**	**80,588**	**222,065**
Impact of finalization of acquisition accounting (**)		--	--	--	--	(18)	--	131	**113**	1,107	**1,220**
Restated balance at 1 January 2017		**354,805**	**--**	**12,424**	**(122,708)**	**119,746**	**(266,430)**	**43,753**	**141,590**	**81,695**	**223,285**
Profit for the year		--	--	--	--	--	--	(15,576)	**(15,576)**	1,445	**(14,131)**
Other comprehensive income / (loss) for the year		--	--	--	(13,055)	30,880	--	(18)	**17,807**	10,819	**28,626**
Total comprehensive income / (loss) for the year		**--**	**--**	**--**	**(13,055)**	**30,880**	**--**	**(15,594)**	**2,231**	**12,264**	**14,495**
Transactions with owners of the Company											
Issuance of shares on IPO	*14*	50,492	22,543	--	--	--	--	--	**73,035**	--	**73,035**
Share capital reduction		(404,486)	(22,543)	--	--	--	266,430	160,599	**--**	--	**--**
Transfer to legal reserves		--	--	588	--	--	--	(588)	**--**	--	**--**
Dividends		--	--	--	--	--	--	(45,022)	**(45,022)**	(1,063)	**(46,085)**
Total contributions and distributions		**(353,994)**	--	**588**	**--**	**--**	**266,430**	**114,989**	**28,013**	**(1,063)**	**26,950**
Total transactions with owners of the Company		**(353,994)**	--	**588**	**(13,055)**	**30,880**	**266,430**	**99,395**	**30,244**	**11,201**	**41,445**
Balance at 31 December 2017 (Audited)		**811**	**--**	**13,012**	**(135,763)**	**150,626**	**--**	**143,148**	**171,834**	**92,896**	**264,730**

(*) In the prior period interim financial report share capital had been recorded at $33,836k; share premium at $54,539; and a merger reserve of nil as at 1 January 2017. However, as a result of the group restructuring transaction in early 2017, it should have been accounted for as if the group had always existed in the current form for the entire period, including the comparative. The share capital at 1 January 2017 should have been recognised at the reorganised amount of $354,805k with an amount of $266,430k in the merger reserve and share premium of nil.

(**) The Group acquired three Italian cruise ports in September 2016 and October 2016. In accordance with IFRS 3 Business Combinations the previously reported provisional acquisition values were finalized during 2017 giving rise to a previously unrecognized gain on bargain purchase of USD 131 thousand and the 2016 financial information has been restated to reflect this gain and the final asset and liability figures.

Global Ports Holding PLC Interim Financial Report 2018
Interim condensed consolidated cash flow statement

	Notes	Six months ended 30 June 2018 (USD '000) (Unaudited)	Six months ended 30 June 2017 (USD '000) (Unaudited)	Year ended 31 December 2017 (USD '000) (Audited)
Cash flows from operating activities				
Loss for the year		(3,638)	(6,739)	(14,131)
Adjustments for:				
Depreciation and amortisation expense	*8, 9*	22,586	20,326	42,779
Share of profit of equity-accounted investees, net of tax		(2,730)	(915)	(2,548)
Gain on disposal of property plant and equipment		(12)	--	(148)
Finance costs (excluding foreign exchange differences)		12,866	12,918	26,910
Finance income (excluding foreign exchange differences)		(1,014)	(1,415)	(2,752)
Foreign exchange differences on finance costs and income, net		(497)	(620)	(143)
Income tax expense	*10*	1,524	207	3,599
Employment termination indemnity reserve		99	144	253
Provisions		148	1,306	3,103
Operating cash flow before changes in operating assets and liabilities		**29,332**	**25,212**	**56,922**
Changes in:				
- trade and other receivables		(1,027)	(5,025)	(3,486)
- other current assets		1,404	1,616	(689)
- related party receivables		--	(7)	(5)
- other non-current assets		57	1,475	1,785
- trade and other payables		(2,064)	2,277	1,120
- related party payables		(187)	(299)	(131)
- provisions		(244)	(703)	(1,237)
Cash generated by operations before benefit and tax payments		**27,271**	**27,280**	**24,546**
Post employment benefits paid		(58)	(44)	(127)
Income taxes paid		(2,737)	(2,824)	(8,127)
Net cash generated from operating activities		**24,476**	**21,678**	**46,025**
Investing activities				
Acquisition of property and equipment	*8*	(5,431)	(10,035)	(13,279)
Advances given for tangible assets		(152)	(61)	(319)
Acquisition of intangible assets	*9*	(151)	(563)	(596)
Proceeds from sale of property and equipment		11	117	360
Proceeds from disposal of bond and short-term investments		13,822	733	1,381
Bank interest received		840	286	971
Investment in FVTPL instruments		(11,782)	--	--
Net cash used in investing activities		**(2,843)**	**(9,523)**	**(11,482)**
Financing activities				
Increase in share capital		--	73,035	73,035
Cash inflow from related parties		(159)	27,733	28,856
Cash outflow to related parties		20	275	(52)
Dividends paid to equity owners	*14*	(17,722)	(26,783)	(45,022)
Dividends paid to NCIs	*14*	--	(1,014)	(1,063)
Interest paid		(11,666)	(12,230)	(25,519)
Proceeds from borrowings		34,770	18,814	26,534
Repayments of borrowings		(24,738)	(13,146)	(35,738)
Net cash from / (used in) financing activities		**(19,495)**	**66,684**	**21,031**
Net increase / (decrease) in cash and cash equivalents		**2,138**	**78,839**	**55,574**
Effect of foreign exchange rate changes on cash and cash equivalents		(587)	1,251	(435)
Cash and cash equivalents at beginning of year	*13*	99,448	44,310	44,309
Cash and cash equivalents at end of year	*13*	**100,999**	**124,400**	**99,448**

1 General information

Global Ports Holding PLC is a public company incorporated in the United Kingdom and registered in England and Wales under the Companies Act 2006. The address of the registered office is 100 New Bridge Street, London EC4V 6JA, United Kingdom. Global Ports Holding PLC is the ultimate holding company of Global Liman Isletmeleri A.S. and its subsidiaries (the "Existing Group").

These unaudited condensed interim consolidated financial statements of Global Ports Holding PLC (the "Company", and together with its subsidiaries, the "Group") for the six months ended 30 June 2018 were authorised for issue in accordance with a resolution of the directors on 17 August 2018.

On 17 May 2017, the Group completed the initial public offering ("IPO") of its ordinary shares and was admitted to the standard listing segment of the Official List of the Financial Conduct Authority ("FCA") and is trading on the main market of the London Stock Exchange.

2 Accounting policies

a) Basis of preparation

The annual financial statements of Global Ports Holding PLC are prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with the International Accounting Standard 34 'Interim Financial Reporting', as adopted by the European Union and the requirements of the Disclosure and Transparency Rules ("DTR") of the FCA in the United Kingdom as applicable to interim financial reporting.

The interim condensed financial statements represent a 'condensed set of financial statements' as referred to in the DTR issued by the FCA. The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the consolidated financial statements as at and for the year ended 31 December 2017 available on the Company website.

The financial information contained in this report for the six months ended 30 June 2017 and 30 June 2018 is unaudited. The interim condensed consolidated income statement and other comprehensive income, the condensed consolidated statement of financial position, the condensed consolidated statement of changes in equity, and the condensed consolidated statement of cash flows for the six months ended 30 June 2018 have been reviewed by the auditor. The comparative figures for the financial year ended 31 December 2017 are not the company's statutory accounts for that financial year. Those accounts have been reported on by the company's previous auditor and delivered to the registrar of companies. The report of the previous auditor was (i) unqualified, (ii) did not include a reference to any matters to which the previous auditor drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

b) Going concern

The Directors have assessed the latest forecast future cash flows which indicate that the Group has sufficient resources to cover the Group's cash needs for at least twelve months after the date of approval of these interim financial statements. They are satisfied that the Group has adequate resources to continue in operational existence for the foreseeable future, and thus they continue to adopt the going concern basis of accounting in accordance with IAS 34 in preparing the interim financial statements.

c) Accounting Policies

Except as described below, the accounting policies applied in these interim financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 December 2017.

2 Accounting Policies *(continued)*

c) Accounting Policies *(continued)*

The changes in accounting policies are also expected to be reflected in the Group's consolidated financial statements as at and for the year ending 31 December 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: 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 fees charged for retail space rental, where performance obligations might be performed over a period greater than a few days, and project cargo operations, where performance obligations might be performed over a period greater than a few weeks. Currently revenue is recognised over time for these services and thas not changed materially under IFRS 15.

IFRS 9 – Financial Investments: The Group adopted IFRS 9 on 1 January 2018. 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.

The following table summarises the impact, net of tax, of transition to IFRS 9:

I. Classification and measurement of financial assets and financial liabilities
Given the nature of the Group's financial assets held, no material changes to the classification and measurement of financial instruments have been identified, in particular in relation to the carrying value of financial assets under the IFRS 9 'expected loss model'.

II. Impairment of financial assets

The Group has performed an analysis of the groups receivables profile, by nature of its business and its clients and historical performance of its receivables. The adoption of the expected credit loss approach has not resulted in a material change in provision for impairment loss as at 30 June 2018.

III. 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 is expected to remain 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.

The following standard is in issue but not yet adopted by the Group:

- IFRS 16 Leases, effective from 1 January 2019

The Group's current commitments in respect of operating lease rentals payable, for which all of the underlying lease agreements are likely to be impacted by the implementation of this standard, were USD 155.2 million as at 31 December 2017.

2 Accounting Policies *(continued)*

d) Foreign currency

Transactions in foreign currencies are translated into the respective functional currencies of the Group entities by using the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies carried at historical cost should be retranslated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognised in profit or loss.

The Group entities use United Stated Dollars ("USD"), Euro or Turkish Lira ("TL") as their functional currencies since these currencies represent the primary economic environment in which they operate. 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. 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*.

For the purpose of the interim condensed consolidated financial statements, US Dollars has been chosen as the presentation currency by management to facilitate the investors' ability to evaluate the Group's performance and financial position in relation to similar companies domiciled in different jurisdictions, and to eliminate the depreciating effect of TL against hard currencies, considering all subsidiaries of the Company are earning revenues in hard currencies.

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

Below are the foreign exchange rates used by the Group for the periods shown.

As at 30 June 2018, 31 December 2017 and 30 June 2017, foreign currency exchange rates of the Central Bank of the Turkish Republic were as follows:

	30 June 2018	31 December 2017	30 June 2017
TL/USD	0.2193	0.2651	0. 2851
Euro/USD	1.1641	1.1971	1. 1414

For the six months ended 30 June 2018, 30 June 2017 and for the year ended 31 December 2017, average foreign currency exchange rates of the Central Bank of the Turkish Republic were as follows:

	Six months ended 30 June 2018	Six months ended 30 June 2017	Year ended 31 December 2017
TL/USD	0.2450	0.2750	0.2741
Euro/USD	1.2093	1.0813	1.1285

e) Alternative performance measures

This interim condensed set of financial statements includes certain measures to assess the financial performance of the Group's business that are termed "non-IFRS measures" because they exclude amounts that are included in, or include amounts that are excluded from, the most directly comparable measure calculated and presented in accordance with IFRS, or are calculated using financial measures that are not calculated in accordance with IFRS. These non-GAAP measures comprise the following;

2 Accounting Policies *(continued)*

e) Alternative performance measures *(continued)*

Segmental EBITDA

Segmental EBITDA calculated as income/(loss) before tax after adding back: interest; depreciation; amortisation; unallocated expenses; and specific adjusting items.

Management evaluates segmental performance based on Segmental EBITDA. This is done to reflect the fact that there is a variety of financing structures in place both at a port and Group-level, and the nature of the port operating right intangible assets vary by port depending on which concessions were acquired versus awarded, and which fall to be treated under IFRIC 12. As such, management considers monitoring performance in this way, using Segmental EBITDA, gives a more comparable basis for profitability between the portfolio of ports and a metric closer to net cash generation. Excluding project costs for acquisitions and one-off transactions such as the IPO as well as unallocated expenses, gives a more comparable year-on-year measure of port-level trading performance.

Management is using Segmental EBITDA for evaluating each port and group-level performances on operational level. As per management's view, some specific adjusting items included on the computation of Segmental EBITDA.

Specific adjusting items

The Group presents specific adjusting items separately. For proper evaluation of individual ports financial performance and consolidated financial statements, Management considers disclosing specific adjusting items separately because of their size and nature. These expenses and incomes include project expenses; being the costs of specific M&A activities and the costs associated with appraising and securing new and potential future port agreements, employee termination expenses, income from insurance repayments, replacement provisions and other provision expenses and other expenses consists of donations, commissions, etc.

Specific adjusting items comprised as following,

	Six months ended 30 June 2018 (USD '000) (Unaudited)	**Six months ended 30 June 2017 (USD '000) (Unaudited)**	**Year ended 31 December 2017 (USD '000) (Audited)**
Project expenses	3,646	4,317	16,342
Employee termination expenses	112	174	250
Replacement provisions	--	1,278	2,078
Provisions / (reversal of provisions)	306	(811)	(135)
Other expenses	175	312	480
Specific adjusting items	**4,239**	**5,270**	**19,015**

Adjusted EBITDA

Adjusted EBITDA calculated as Segmental EBITDA less unallocated (holding company) expenses.

Management uses Adjusted EBITDA measure to evaluate Group's consolidated performance on an "as-is" basis with respect to the existing portfolio of ports. Notably excluded from Adjusted EBITDA, the costs of specific M&A activities and the costs associated with appraising and securing new and potential future port agreements. M&A and project development are key elements of the Group's strategy in the Cruise segment. Project lead times and upfront expenses for projects can be significant, however these expenses (as well as expenses related to raising financing such as IPO or acquisition financing) do not relate to the current portfolio of ports but to future EBITDA potential. Accordingly, these expenses would distort Adjusted EBITDA which management is using to monitor the existing portfolio's performance.

A full reconciliation for Segmental EBITDA and Adjusted EBITDA to profit before tax is provided in the Segment Reporting Note 3 to these financial statements.

2 Accounting Policies *(continued)*

e) Alternative performance measures *(continued)*

Underlying Profit

Underlying Profit is calculated as profit / (loss) for the year after adding back: amortization expense in relation to Port Operation Rights and the one-off expenses related to the IPO.

Adjusted earnings per share
Adjusted earnings per share is calculated as underlying profit divided by weighted average per share.

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

Underlying profit and adjusted earnings per share computed as following;

	Six months ended 30 June 2018 (USD '000) (Unaudited)	**Six months ended 30 June 2017 (USD '000) (Unaudited)**	**Year ended 31 December 2017 (USD '000) (Audited)**
Loss for the Period	(3,638)	(6,739)	(14,131)
Amortisation of port operating rights	16,045	14,814	31,032
IPO costs	--	3,357	9,768
personnel premiums related based on successful listing on LSE	--	--	1,841
Underlying Profit	**12,407**	**11,432**	**28,510**
Weighted average number of shares	62,826,963	56,902,687	59,889,171
Adjusted earnings per share (pence)	**19.7**	**20.1**	**47.6**

Net debt

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

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

Net debt comprised as following;

	Six months ended 30 June 2018 (USD '000) (Unaudited)	**Six months ended 30 June 2017 (USD '000) (Unaudited)**	**Year ended 31 December 2017 (USD '000) (Audited)**
Gross debt	354,822	354,556	341,719
Cash and bank balances	(100,999)	(124,400)	(99,448)
Short term financial investments	(705)	(14,806)	(14,728)
Net debt	**253,118**	**215,350**	**227,543**
Equity	231,703	277,444	264,730
Net debt to Equity ratio	**1.09**	**0.78**	**0.86**

2 Accounting Policies *(continued)*

e) Alternative performance measures *(continued)*

Leverage ratio

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

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

Leverage ratio computation is made as follows;

	Six months ended 30 June 2018 (USD '000) (Unaudited)	**Six months ended 30 June 2017 (USD '000) (Unaudited)**	**Year ended 31 December 2017 (USD '000) (Audited)**
Gross debt	354,822	354,556	341,719
Adjusted EBITDA (annualized)	81,401	74,433	75,277
Leverage ratio	4.36x	4.76x	4.54x

CAPEX

CAPEX represents the recurring level of capital expenditure required by the Group excluding M&A related capital expenditure.

CAPEX computed as 'Acquisition of property and equipment' and 'Acquisition of intangible assets' per the cash flow statement.

	Six months ended 30 June 2018 (USD '000) (Unaudited)	**Six months ended 30 June 2017 (USD '000) (Unaudited)**	**Year ended 31 December 2017 (USD '000) (Audited)**
Acquisition of property and equipment	5,431	10,035	13,279
Acquisition of intangible assets	151	563	596
CAPEX	**5,582**	**10,598**	**13,875**

Cash conversion ratio

Cash conversion ratio represents a measure of cash generation after taking account of on-going capital expenditure required to maintain the existing portfolio of ports.

It is computed as Adjusted EBITDA less CAPEX divided by Adjusted EBITDA.

	Six months ended 30 June 2018 (USD '000) (Unaudited)	**Six months ended 30 June 2017 (USD '000) (Unaudited)**	**Year ended 31 December 2017 (USD '000) (Audited)**
Adjusted EBITDA (annualized)	81,401	74,433	75,277
CAPEX	(5,582)	(10,598)	(13,875)
Cash converted after CAPEX	75,819	63,835	61,402
Cash conversion ratio	**93.1%**	**85.8%**	**81.6%**

3 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 ports in each country with same operations as an operating segment, separately, as each country represents a set of activities which generates revenue and the financial information of ports are 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 ("EBITDA") excluding the effects of specific adjusting items 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 the 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 Company 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:

- Barcelona Port Investments SL ("BPI"), Valletta Cruise Port Plc ("VCP"), Ege Liman İşletmeleri A.Ş. ("Ege Liman"), Bodrum Liman İşletmeleri A.Ş. ("Bodrum Liman"), Ortadoğu Antalya Liman İşletmeleri A.Ş. ("Ortadoğu" or "Akdeniz"), Port Operation Holding Srl ("POH"), Lisbon Cruise Terminals LDA ("Port of Lisbon" or "LCT"), SATS – Creuers Cruise Services Pte. Ltd. ("Singapore Cruise 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 (Commercial port operations) and Port of Container Terminal and General Cargo ("Port of Adria" or "Port of 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. Segments that do not exceed the quantitative thresholds for reporting information about operating segments have been included in Other.

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. Unallocated comprises holding company related items.

3 Segment reporting (continued)

b) Reportable segments *(continued)*

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

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

USD '000	BPI	VCP	Ege Liman	Other	*Total Cruise*	Ortadoğu Liman	Port of Adria	*Total Commercial*	Total
Six months ended 30 June 2018 (Unaudited)									
Revenue	13,348	5,677	1,737	1,626	*22,388*	27,997	6,172	*34,169*	56,557
Segmental EBITDA	8,017	2,544	946	3,214	*14,721*	23,145	2,460	*25,605*	40,326
Unallocated expenses									(4,257)
Adjusted EBITDA									36,069
Reconciliation to profit before tax									
Depreciation and amortisation expenses									(22,586)
Specific adjusting items									(4,239)
Finance income									10,942
Finance costs									(22,297)
(Loss) / profit before income tax									**(2,111)**
Six months ended 30 June 2017 (Unaudited)									
Revenue	9,957	5,170	1,728	1,638	*18,493*	27,987	3,267	*31,254*	49,747
Segmental EBITDA	5,357	2,558	970	1,250	*10,135*	21,367	698	*22,065*	32,200
Unallocated expenses									(2,253)
Adjusted EBITDA									29,947
Reconciliation to profit before tax									
Depreciation and amortisation expenses									(20,326)
Specific adjusting items									(5,270)
Finance income									5,954
Finance costs									(16,837)
(Loss) / profit before income tax									**(6,532)**
Year ended 31 December 2017 (Audited)									
Revenue	27,376	12,916	4,819	5,165	*50,276*	58,549	7,541	*66,090*	116,366
Segmental EBITDA	17,558	6,826	2,954	4,877	*32,215*	46,436	1,855	*48,291*	80,506
Unallocated expenses									(5,229)
Adjusted EBITDA									75,277
Reconciliation to profit before tax									
Depreciation and amortisation expenses									(42,779)
Specific adjusting items									(19,015)
Finance income									15,778
Finance costs									(39,793)
(Loss) / profit before income tax									**(10,532)**

3 Segment reporting *(continued)*

b) Reportable segments *(continued)*

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

(ii) Segment assets and liabilities
The following is an analysis of the Group's assets and liabilities by reportable segment:

USD '000	BPI	VCP	Ege Liman	Other	*Total Cruise*	Ortadoğu Liman	Port of Adria	*Total Commercial*	Total
30 June 2018 (Unaudited)									
Segment assets	157,627	101,532	51,022	14,869	*325,050*	211,925	69,552	*281,477*	606,527
Equity-accounted investees	--	--	--	23,538	*23,538*	--	--	--	23,538
Unallocated assets									95,066
Total assets									**725,131**
Segment liabilities	81,982	38,166	14,147	6,440	*140,735*	59,433	28,601	*88,034*	228,769
Unallocated liabilities									264,704
Total liabilities									**493,473**
31 December 2017 (Audited)									
Segment assets	164,043	115,673	55,965	13,900	*349,581*	234,902	70,526	*305,428*	655,009
Equity-accounted investees	--	--	--	22,004	*22,004*	--	--	--	22,004
Unallocated assets									74,611
Total assets									**751,624**
Segment liabilities	98,490	37,471	13,285	5,068	*154,314*	53,333	8,157	*61,490*	215,804
Unallocated liabilities									271,090
Total liabilities									**486,894**
30 June 2017 (Unaudited)									
Segment assets	160,027	104,783	61,599	12,196	*338,605*	260,385	68,454	*328,839*	667,444
Equity-accounted investees	--	--	--	19,497	*19,497*	--	--	--	19,497
Unallocated assets									86,249
Total assets									**773,190**
Segment liabilities	97,001	36,510	14,316	4,063	*151,890*	60,725	8,485	*69,210*	221,100
Unallocated liabilities									274,584
Total liabilities									**495,684**

3 Segment reporting (continued)

b) Reportable segments *(continued)*

(iii) Other segment information

The following table details other segment information:

USD '000	BPI	VCP	Ege Liman	Other	*Total Cruise*	Ortadoğu Liman	Port of Adria	*Total Commercial*	Unallocated	Total
Six months ended 30 June 2018 (Unaudited)										
Depreciation and amortisation expenses	(5,826)	(1,326)	(1,581)	(1,760)	*(10,493)*	(10,517)	(1,472)	*(11,989)*	(104)	(22,586)
Additions to non-current assets (*)										
- Capital expenditures	1,101	259	46	203	*1,609*	2,988	900	*3,888*	85	5,582
Total additions to non-current assets (*)	**1,101**	**259**	**46**	**203**	***1,609***	**2,988**	**900**	***3,888***	**85**	**5,582**
Six months ended 30 June 2017 (Unaudited)										
Depreciation and amortisation expenses	(5,171)	(1,185)	(1,260)	(1,000)	*(8,616)*	(10,491)	(1,148)	*(11,639)*	(71)	(20,326)
Additions to non-current assets (*)										
- Capital expenditures	80	268	4,166	201	*4,715*	1,577	5,952	*7,529*	283	*12,527*
Total additions to non-current assets (*)	**80**	**268**	**4,166**	**201**	***4,715***	**1,577**	**5,952**	***7,529***	**283**	**12,527**
Year ended 31 December 2017 (Audited)										
Depreciation and amortisation expenses	(10,869)	(2,582)	(2,788)	(3,119)	*(19,358)*	(20,742)	(2,514)	*(23,256)*	(165)	(42,779)
Additions to non-current assets (*)										
- Capital expenditures	209	801	3,448	1,447	*5,905*	2,851	6,581	*9,432*	467	15,804
Total additions to non-current assets (*)	**209**	**801**	**3,448**	**1,447**	***5,905***	**2,851**	**6,581**	***9,432***	**467**	**15,804**

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

3 Segment reporting (continued)

b) Reportable segments *(continued)*

(iv) Geographical information

Operational ports and management offices are primarily in Turkey, Montenegro, Spain, Malta and Italy. 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 non-current assets has been based on the geographic location of the assets.

Revenue	**Six months ended 30 June 2018 (USD '000) (Unaudited)**	**Six months ended 30 June 2017 (USD '000) (Unaudited)**	**Year ended 31 December 2017 (USD '000) (Audited)**
Turkey	**30,276**	**30,551**	**66,009**
Other foreign countries	**26,280**	**19,196**	**50,357**
Montenegro	6,172	3,267	7,541
Malta	5,677	5,170	12,916
Spain	13,348	9,957	27,376
Italy	1,083	802	2,524
	56,556	**49,747**	**116,366**

Non-current assets	**As at 30 June 2018 (USD '000) (Unaudited)**	**As at 31 December 2017 (USD '000) (Audited)**	**As at 30 June 2017 (USD '000) (Unaudited)**
UK	**148**	**117**	**--**
Turkey	**265,512**	**265,791**	**274,006**
Other foreign countries	**305,936**	**320,947**	**309,418**
Spain	136,434	144,939	143,604
Malta	96,839	100,632	96,810
Montenegro	65,243	67,416	65,490
Italy	7,420	7,960	3,514
	571,596	**586,855**	**583,424**

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

(v) Information about major customers

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

4 Seasonality of Revenue

Sales from the Cruise business are more heavily weighted towards the second half of the calendar year with, on average, approximately 62% of annual sales arising during the July to December period for the last three years. In 2017, 37% of the Group's full year revenue fell in the first six months, 41% in 2016 and 36% in 2015.

5 Revenue and cost of sales

Revenue

The Group's operations and main revenue streams are those described in the last annual financial statements. The Group's revenue is derived mainly from cruise and commercial operations.

The nature and effect of initially applying IFRS 15 on the Group's interim financial statements are disclosed in Note 2c.

Revenue comprised the following:

	Six months ended 30 June 2018 (USD '000) (Unaudited)	Six months ended 30 June 2017 (USD '000) (Unaudited)	Year ended 31 December 2017 (USD '000) (Audited)
Container revenue	21,718	21,539	43,560
Landing fees	14,848	11,757	31,676
Port service revenue	5,528	5,292	12,145
Rental income	4,268	3,995	8,140
Cargo revenue	7,351	5,703	14,603
Income from duty free operations	1,776	913	4,528
Domestic water sales	426	362	848
Other revenue	641	186	866
Total	**56,556**	**49,747**	**116,366**

Cost of sales
Cost of sales comprised the following:

	Six months ended 30 June 2018 (USD '000) (Unaudited)	Six months ended 30 June 2017 (USD '000) (Unaudited)	Year ended 31 December 2017 (USD '000) (Audited)
Depreciation and amortisation expenses	20,993	18,819	39,507
Personnel expenses	7,108	6,268	14,329
Shopping mall expenses	130	99	660
Cost of inventories sold	1,189	1,121	2,590
Commission fees to government authorities and pilotage expense	1,127	2,032	3,204
Subcontractor crane and container service expenses	1,523	1,619	3,032
Security expenses	1,146	808	1,940
Repair and maintenance expense	1,005	805	1,808
Insurance expenses	501	511	987
Energy usage expenses	397	372	747
Fuel expenses	440	384	842
Freshwater expenses	303	259	602
Container transportation expenses	545	521	964
Waste removal expenses	75	65	192
Port rental expenses	579	389	571
Expenses in relation to replacement provisions	--	989	2,078
Other expenses	728	749	1,495
Total	**37,789**	**35,810**	**75,548**

6 Administrative expenses

Administrative expenses comprised the following:

	Six months ended 30 June 2018 (USD '000) (Unaudited)	Six months ended 30 June 2017 (USD '000) (Unaudited)	Year ended 31 December 2017 (USD '000) (Audited)
Personnel expenses	3,107	1,724	4,917
Depreciation and amortisation expenses	1,590	1,507	3,272
Consultancy expenses	2,242	932	3,497
Representation expenses	518	735	1,205
Taxes other than on income	335	513	662
Travelling expenses	330	283	543
Allowance for doubtful receivables	344	(300)	307
IT expenses	179	87	271
Communication expenses	158	123	275
Vehicle expenses	93	74	151
Stationery expenses	42	62	87
Office operating expenses	39	48	112
Insurance expenses	77	14	114
Rent expenses	139	31	77
Repair and maintenance expenses	14	19	42
Other expenses	382	584	843
Total	**9,589**	**6,436**	**16,375**

7 Finance income and costs

Finance income comprised the following:

Finance income	Six months ended 30 June 2018 (USD '000) (Unaudited)	Six months ended 30 June 2017 (USD '000) (Unaudited)	Year ended 31 December 2017 (USD '000) (Audited)
Foreign exchange gains on loans and borrowings	--	9	--
Other foreign exchange gains (*)	9,927	4,530	13,026
Interest income on marketable securities (**)	--	936	1,490
Interest income on related parties	297	179	--
Interest income on banks and others	692	271	973
Gain on sale of marketable securities	9	--	15
Interest income from housing loans	--	15	32
Other income	17	14	242
Total	**10,942**	**5,954**	**15,778**

(*) The Group's foreign exchange gains arise mainly through its operations in Turkey, depreciation of TL against the functional currencies of these entities results in a benefit as the cost base is significantly more weighted to TL than the revenues.

(**) Interest income on marketable securities comprised during the prior periods the interest income earned from the Global Yatırım Holding's bonds. Global Yatırım Holding is the ultimate controlling party of the Group. The bonds' maturity was 30 June 2021 with an annual nominal interest rate of 8% and nominal amounts of USD 13,944 thousand. The Group had used 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.

The income from financial instruments within the category loans and receivables is USD 1,010 thousand (30 June 2017: USD 1,401 thousand, 31 December 2017: USD 2,495 thousand).

7 **Finance income and costs (continued)**

Finance costs comprised the following:

Finance costs	Six months ended 30 June 2018 (USD '000) (Unaudited)	Six months ended 30 June 2017 (USD '000) (Unaudited)	Year ended 31 December 2017 (USD '000) (Audited)
Interest expense on loans and borrowings	12,243	12,126	25,598
Foreign exchange losses on loans and borrowings (*)	9,260	1,190	12,608
Other foreign exchange losses	171	2,729	275
Other interest expenses	161	128	323
Letter of guarantee commission expenses	120	101	190
Loan commission expenses	34	79	79
Unwinding of provisions during the year	149	289	591
Other costs	159	195	129
Total	**22,297**	**16,837**	**39,793**

(*) The groups foreign exchange losses arise mainly through its USD denominated borrowings held in a Turkish Lira functional currency entity.

The interest expense for financial liabilities not classified as fair value through profit or loss is USD 12,404 thousand (30 June 2017: USD 12,254 thousand, 31 December 2017: USD 25,625 thousand).

8 **Property and equipment**

During the period, the Group spent approximately USD 2,727 thousand on enhancements to superstructure in Port Akdeniz, USD 859 thousand on enhancements to superstructure in Port of Adria and USD 1,001 thousand on renovation of terminal in Creuers del Port de Barcelona in order to increase shopping mall operations.

A summary of the movements in the net book value of property and equipment for the 6-month period is as follows:

	Six months ended 30 June 2018 (USD '000) (Unaudited)	Year ended 31 December 2017 (USD '000) (Audited)	Six months ended 30 June 2017 (USD '000) (Unaudited)
Net book value as at 1 January	134,664	115,765	115,765
Additions	5,431	15,156	11,964
Disposals	--	(210)	(117)
Depreciation	(6,188)	(11,134)	(5,234)
Currency translation differences	(2,797)	15,087	6,773
Net book value as at 30 June	**131,110**	**134,664**	**129,151**

9 **Intangible assets**

A summary of the movements in the net book value of intangible assets for the 6-month period is as follows:

	Six months ended 30 June 2018 (USD '000) (Unaudited)	Year ended 31 December 2017 (USD '000) (Audited)	Six months ended 30 June 2017 (USD '000) (Unaudited)
Net book value as at 1 January	433,075	432,642	426,081
Additions	151	648	563
Disposals	--	2	--
Amortization	(16,398)	(31,645)	(15,092)
Currency translation differences	(6,792)	31,432	18,806
Net book value as at 30 June	**410,036**	**433,075**	**430,358**

9 Intangible assets (continued)

The details of the principal port operation rights for the six months ended 30 June 2018, year ended 31 December 2017 and six months ended 30 June 2017 are as follows:

	As at 30 June 2018		As at 31 December 2017		As at 30 June 2017	
USD '000	Carrying Amount	Remaining Amortisation Period	Carrying Amount	Remaining Amortisation Period	Carrying Amount	Remaining Amortisation Period
Barcelona Ports Investment	132,331	144 months	141,622	150 months	140,341	156 months
Valletta Cruise Port	65,776	581 months	68,339	587 months	65,823	593 months
Port of Adria	21,679	306 months	22,731	312 months	22,089	318 months
Port Akdeniz	169,116	122 months	177,433	128 months	185,750	134 months
Ege Ports	12,696	177 months	13,491	183 months	13,277	189 months
Port Operation Holding	6,121	100 months	6,644	106 months	N/A	N/A
Bodrum Cruise Port	556	9 months	698	15 months	788	21 months
	408,275		**430,958**		**428,068**	

10 Taxation

Income tax expense is recognised based on management's estimate of the average annual effective income tax rate for each relevant taxing jurisdiction and applied individually to the interim period pre-tax income of each jurisdiction. The estimated average annual tax rate used for the year to 30 June 2018 is 16.22%, compared to 12.13% for the six months ended 30 June 2017.

The higher tax rate compared with prior years is the result of the growth in the portfolio; ports within Europe generally having higher effective tax rates compared to Turkish ports and also an increase in Turkish tax rate from 20% in 2017 to 22% for the years 2018, 2019 and 2020.

	Six months ended 30 June 2018 (USD '000) (Unaudited)	Six months ended 30 June 2017 (USD '000) (Unaudited)	Year ended 31 December 2017 (USD '000) (Audited)
Current income taxes	(3,724)	(3,388)	(8,947)
Deferred income taxes	2,197	3,181	5,348
Total	**(1,527)**	**(207)**	**(3,599)**

11 Other financial assets

	Six months ended 30 June 2018 (USD '000) (Unaudited)	Year ended 31 December 2017 (USD '000) (Audited)	Six months ended 30 June 2017 (USD '000) (Unaudited)
Non-current			
Financial assets designated as fair value through profit or loss	11,782	--	--
	11,782	--	--

The group has made an investment into Dreamlines GmbH ("Dreamlines"). The group invested €10 million in the form of a convertible loan note with a conversion option into a mid-single-digit equity stake. The option is valid for 12 months from the investment date.

12 Other investments

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

	Six months ended 30 June 2018 (USD '000) (Unaudited)	Year ended 31 December 2017 (USD '000) (Audited)	Six months ended 30 June 2017 (USD '000) (Unaudited)
Global Yatırım Holding bonds (*)	--	14,029	14,601
Time deposits with the maturity more than 3 months	75	223	205
Other financial assets	630	476	--
Total	**705**	**14,728**	**14,806**

(*) The Group purchased Global Yatırım Holding's (the parent company) bonds. These bonds' maturity was 30 June 2021 with an annual nominal interest rate of 8% and nominal amounts of USD 13,944 thousand. These bonds were not quoted in an active market and were classified as loans and receivables, held at amortised cost. The Group had used 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.

13 Cash and cash equivalents

	Six months ended 30 June 2018 (USD '000) (Unaudited)	Year ended 31 December 2017 (USD '000) (Audited)	Six months ended 30 June 2017 (USD '000) (Unaudited)
Cash and cash equivalents	100,999	99,448	124,400
Total	**100,999**	**99,448**	**124,400**

Cash and cash equivalents comprise cash held by the Group and short-term bank deposits with a maturity at inception of three months or less. The carrying amount of these assets approximates their fair value.

As at 30 June 2018, cash at bank amounting to USD 7,530 thousand (31 December 2017: USD 5,954 thousand, 30 June 2017: USD 4,170 thousand) is restricted, principally due to being held on reserve accounts as required by debt agreements.

14 Capital and reserves

a) Share capital

On 17 May 2017, immediately prior to the IPO, the Company became the parent company of the Group through the acquisition of the full share capital of Global Liman İşletmeleri A.Ş., in exchange for 55,000,000 £5 shares in the Company issued to the previous shareholders. As of this date, the Company’s share capital increased from £1 to £275,000 thousand (USD 354,805 thousand). From that point, in the consolidated financial statements, the share capital became that of GPH PLC. The previously recognised share capital of USD 33,836 thousand and share premium of USD 54,539 thousand was eliminated with merger reserves recognised of USD 266,430 thousand.

Also on 17 May 2017, the Group completed an IPO, achieving a standard listing on the London Stock Exchange. During the listing, an additional 7,826,962 £5 shares were issued for net proceeds of USD 73,035 thousand, giving additional share capital of USD 50,492 thousand and additional share premium of USD 22,543 thousand. Following the IPO, the Company had 62,826,963, £5 ordinary shares in issuance.

As of 12 July 2017, The Company has performed a reduction of capital and cancellation of the share premium account. The Court Order approving the Reduction of Capital has been registered with the Registrar of Companies on 12 July 2017 and accordingly the Reduction of Capital has become effective. The nominal value of each of the ordinary shares in the capital of GPH (the "GPH Shares") has been reduced from GBP 5.00 to GBP 0.01, whereas the total equity of GPH remains unchanged, and the Reduction of Capital has created distributable reserves of approximately GBP 332.3 million (USD 427.2 million) for GPH.

The Company's shares are ordinary voting shares. There are no preferential rights attached to any shares of the Company. Redeemable non-voting preference shares issued during establishment amounting GBP 50 thousand were cancelled in February 2018.

b) Dividends

Dividend distribution declarations are made by the Company in GBP and paid in USD in accordance with its articles of association, after deducting taxes and setting aside the legal reserves as discussed above.

GPH PLC has distributed the 2017 final dividend of GBP 0.201per share to its shareholders with payment made as of 11 May 2018, giving a distribution of GBP 12,667 thousand (USD 17,722 thousand).

GPH PLC proposed and paid a 2017 interim dividend of GBP 0.216 per share to its shareholders with payment made as of 29 September 2017, giving a distribution of GBP 13,570 thousand (USD 18,239 thousand).

The total dividends in respect of the year ended 31 December 2017 were therefore GBP 26.199 thousand (USD 35,961 thousand).

Prior to the group restructuring, Global Liman İşletmeleri A.Ş. was the parent company of the group and in 9 March 2017 it paid its 2016 final dividend to shareholders totalling USD 26,783 thousand.

Dividends paid to non-controlling interests totalled USD 664 in 2018 (2017: 1,063) and comprised a distribution of USD 664 thousand made by BPI to RCCL (2017: USD 1,063 thousand made to other shareholders by Valletta Cruise Port).

15 Loans and borrowings

Loans and borrowings comprised the following:

Short term loans and borrowings	As at 30 June 2018 (USD '000) (Unaudited)	As at 31 December 2017 (USD '000) (Audited)	As at 30 June 2017 (USD '000) (Unaudited)
Short term portion of Eurobond issued (i)	18,551	18,556	19,333
Short term bank loans	6,600	7,272	4,708
- *USD loans*	*5,739*	*7,225*	--
- *TL loans*	*533*	*47*	*1,146*
- *Other foreign currency loans*	*328*	--	*3,562*
Short term portion of long term bank loans	21,612	17,571	21,492
- *USD loans*	*195*	*824*	*8,954*
- *Turkish lira loans*	*332*	*339*	*314*
- *Other foreign currency loans*	*21,085*	*16,408*	*12,224*
Finance lease obligations	1,311	1,479	1,475
Total	**48,074**	**44,878**	**47,008**

Long term loans and borrowings	As at 30 June 2018 (USD '000) (Unaudited)	As at 31 December 2017 (USD '000) (Audited)	As at 30 June 2017 (USD '000) (Unaudited)
Long term portion of Eurobonds issued (i)	231,198	230,889	233,175
Long term bank loans	74,332	64,038	71,947
- *USD Loans*	*286*	*194*	*3,015*
- *TL Loans*	*224*	*288*	*527*
- *Foreign currency loans*	*73,822*	*63,556*	*68,405*
Finance lease obligations	1,217	1,915	2,425
Total	**306,747**	**296,842**	**307,547**

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

Eurobonds contain the following key financial covenants:

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

According to the Eurobond issued by Global Liman, the consolidated leverage ratio may not exceed 5.0 to 1 (incurrence covenant). The consolidated leverage ratio as defined in the Eurobond includes Global Liman as the issuer and all of its consolidated subsidiaries excluding the Malaga Cruise Port and Valletta Cruise Port (both being Unrestricted Subsidiaries as defined in the Eurobond). Irrespective of the consolidated leverage ratio, the issuer will be entitled to incur any or all of the following indebtedness:

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

16 Provisions

Non-current	As at 30 June 2018 (USD '000) (Unaudited)	As at 31 December 2017 (USD '000) (Audited)	As at 30 June 2017 (USD '000) (Unaudited)
Maintenance and replacement provision for Creuers (*)	17,423	17,918	15,946
Port of Adria concession fee provision (**)	1,397	1,496	1,427
Italian Ports Concession fee provisions(***)	1,496	1,667	--
Total	**20,316**	**21,081**	**17,373**

(*) As part of the concession agreement between Creuers and the Barcelona and Malaga Port Authorities entered in 2013, 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.

(**) 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 44,315.74 per year until end of concession. The expense relating to this concession agreement is recognized on a straight-line basis over the concession period, giving rise to an accrual in the earlier years.

Current	As at 30 June 2018 (USD '000) (Unaudited)	As at 31 December 2017 (USD '000) (Audited)	As at 30 June 2017 (USD '000) (Unaudited)
Employee benefit provisions	218	348	373
Short term provisions	938	854	493
Total	**1,156**	**1,202**	**866**

17 Earnings per share

The Group presents basic earnings per share ("basic EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, less own shares acquired. In accordance with IAS 33, the comparative weighted average number of shares was restated to apply the number of shares which arose from the group reconstructing described in Note 2c.

The Group does not present separate diluted earnings per share ("diluted EPS") data, because there are no potential convertible dilutive securities or options.

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

	As at 30 June 2018 (USD '000) (Unaudited)	**As at 30 June 2017 (USD '000) (Unaudited)**	**As at 31 December 2017 (USD '000) (Audited)**
Loss attributable to owners of the Company	(3,789)	(15,576)	(6,408)
Weighted average number of shares	62,826,963	59,889,171	56,902,687
Basic and diluted (loss) / earnings per share (cents per share)	(6.0)	(26.0)	(11.3)

18 Commitment and contingencies

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 Ports-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 such decision of the Court. The appeal is pending before the Council of State.

Ege Ports-Kuşadası filed lawsuits against Privatization Administration and General Directorate of Turkey Maritime Organization requesting cancellation with respect to rejection of the extension applications. Both authorities filed their defenses and Ege Ports-Kuşadası submitted its reply to the defenses in due time. The Court dismissed the case and the Group lawyers appealed such decision of the Court. The Council of State reversed the lower courts' judgement in favor of Ege Ports-Kuşadası. The Privatization Administration applied to the Council of State for reversal of this judgement and the case is still pending.

Bodrum Cruise Port filed a lawsuit against (i) Ministry of Finance General Directorate of National Estate, (ii) the District Governorship of Bodrum and (iii) the Ministry of Transportation, Maritime Affairs and Communication requesting cancellation with respect to rejection of the extension applications. Bodrum Cruise Port’s objection was approved by the court and rejection decision of the Ministry of Transportation, Maritime Affairs and Communication had been cancelled in favor of Bodrum Cruise Port. The Ministry’s appeal has been overruled and first instance court judgement has been affirmed by the Council of State. The Ministry has applied for the rectification of the decision and the Council of State has rejected the request in favor of Bodrum Cruise Port as the final verdict.

On the other hand, extending operation right terms to 49 years is also a possibility for certain facilities and investments including Bodrum Cruise Port as per the new amendment of law published in the Official Gazette of 5 December 2017. Guidelines as referred in the law are expected to be announced by relevant ministries.

Other legal proceedings

The Port of Adria-Bar (Montenegro) was party to a collective bargaining agreement with a union representing workers in a range of functions that expired in 2010, before the Port of Adria-Bar was acquired by the Group. However, a number of lawsuits have been brought in connection to this collective bargaining 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 bargaining agreement cannot be applied on rights, duties and responsibilities for employees of Port of Adria-Bar after 30 September 2010. Although various cases remain pending before lower courts, the Standpoint establishes a precedent that would apply to the remaining pending cases before the lower courts. Accordingly, Management strongly believes that the pending cases will be decided in favor of the Group.

19 Related parties

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

Related parties	Relationship
Mehmet Kutman	Shareholder of ultimate controlling party
Global Yatırım Holding	Ultimate controlling party
Global Ports Holding B.V.	Parent Company
Global Sigorta Aracılık Hizmetleri A.Ş. ("Global Sigorta")	Ultimate controlling party's subsidiary
IEG Kurumsal Finansal Danışmanlık A.Ş.	Ultimate controlling party's subsidiary
Global Menkul Değerler A.Ş. ("Global Menkul")	Ultimate controlling party's subsidiary
Adonia Shipping	Ultimate controlling party's subsidiary
Naturel Gaz	Ultimate controlling party's subsidiary

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

Due from related parties

Current receivables from related parties comprised the following:

Current receivables from related parties	As at 30 June 2018 (USD '000) (Unaudited)	As at 31 December 2017 (USD '000) (Audited)	As at 30 June 2017 (USD '000) (Unaudited)
Global Yatırım Holding	478	307	--
Adonia Shipping (*)	855	1,030	1,098
Naturel Gaz (*)	74	74	76
Mehmet Kutman	20	24	26
Others (*)	303	164	1,842
Total	**1,730**	**1,599**	**3,042**

(*) These amounts are payments in advance for contracted work. These have a interest rate changed of 8.50% p.a. as at 30 June 2018 (31 December 2017: 8.50%, 30 June 2017: 9.75%).

Due to related parties

Current payables to related parties comprised the following:

Current payables to related parties	As at 30 June 2018 (USD '000) (Unaudited)	As at 31 December 2017 (USD '000) (Audited)	As at 30 June 2017 (USD '000) (Unaudited)
Mehmet Kutman	157	191	205
Global Yatırım Holding	--	244	161
Global Sigorta (*)	57	1	76
Global Menkul (*)	1	13	2
Other	35	34	111
Total	**250**	**483**	**555**

(*) These amounts are related to professional services provided. These have a interest rate of 8.50% p.a. as at 30 June 2018 (31 December 2017: 8.50%, 30 June 2017: 9.75%).

19 Related parties *(continued)*

Transactions with related parties

Transactions with other related parties comprised the following for the following periods:

(USD '000)	Six months ended 30 June 2018 (Unaudited)		Six months ended 30 June 2017 (Unaudited)		Year ended 31 December 2017 (Audited)	
	Interest received	**Other**	**Interest Received**	**Other**	**Interest received**	**Other**
Global Yatırım Holding	297	--	1,115	--	1,490	--
Adonia Shipping	--	--	--	--	--	--
Total	**297**	**--**	**1,115**	**--**	**1,490**	**--**

USD '000						
	Interest Paid	**Other**	**Interest Paid**	**Other**	**Interest paid**	**Other**
Global Yatırım Holding	--	1	--	1	--	2
Global Menkul	--	--	--	--	--	--
Total	**--**	**1**	**--**	**1**	**--**	**2**

For the six months ended 30 June 2017, the Group recognised interest income on the bonds issued by Global Yatırım Holding in September 2012 with a nominal interest rate of 11% (31 December 2017: 8%, 30 June 2018: nil) amounting to USD 936 thousand (for the year ended 31 December 2017: USD 1,490 thousand, for the six months ended 30 June 2018: nil). For the six months ended 30 June 2017, the effective interest rate was 13.95% (31 December 2017: 8%, 30 June 2018: nil). For the six months ended 30 June 2018, the Group accounted for a gain amounting to USD 12 thousand from purchase and sale of Global Yatırım Holding's publicly traded share certificates (for the year ended 31 December 2017: a gain of USD 15 thousand, for the six months ended 30 June 2017: nil).

Transactions with key management personnel

Key management personnel comprised the members of the Board and the Company's senior management. Details of benefits to key management personnel comprised the following for the following periods:

	Six months ended 30 June 2018 (USD '000)	Six months ended 30 June 2017 (USD '000)	Year ended 31 December 2017 (USD '000)
Salaries	1,248	917	2,452
Bonus	49	--	255
Attendance fees to Board of Directors	56	69	122
Termination benefits	19	17	19
Total	**1,372**	**1,003**	**2,848**

20 Financial Instruments' fair value disclosures

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 indirectly (i.e. derived from prices);
- Level 3: Inputs for the asset or liability that is not based on observable market data (unobservable inputs).

Except as detailed in the following table, the directors consider the carrying amounts of the Group's financial assets and financial liabilities were approximate to their fair values.

	Note	As at 30 June 2018 (Unaudited)		As at 31 December 2017 (Audited)		As at 30 June 2017 (Unaudited)	
(USD '000)		**Carrying**	**Fair**	**Carrying**	**Fair**	**Carrying**	**Fair**
Financial assets							
Other financial assets		11,782	11,782	--	--	--	--
Financial liabilities							
Loans and borrowings	15	354,822	363,873	341,720	347,788	354,555	364,423

The Group's convertible debt instrument, issued by Dreamlines, has been included in Level 3 of the fair value hierarchy. The methodology used to ascertain the fair value of the instrument is based on the initial investment cost due to the close proximity of the transaction date to the period end date.

Reconciliation of Level 3 fair value:

30 June 2018	**Unquoted equities USD'000**	**Total USD'000**
Opening Balance	-	-
Total gains or losses		
- in profit or loss*	(195)	(195)
- in other comprehensive income	-	-
Purchases	11,977	11,977
Closing Balance	**11,782**	**11,782**
*Gains or losses included in profit or loss attributable to assets and liabilities still held as at 30 June 2018		
Foreign exchange losses	(195)	(195)

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.

20 Financial Instruments' fair value disclosures *(continued)*

Fair value measurements (continued)

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

(USD '000)

		Level 1	Level 2	Level 3	Total
As at 30 June 2018 (Unaudited)	Other financial assets	--	--	11,782	11,782
	Derivative financial liabilities	--	788	--	788
As at 31 December 2017	Derivative financial liabilities	--	852	--	852
As at 30 June 2017 (Unaudited)	Derivative financial liabilities	--	932	--	932

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.

21 Events after the reporting date

As announced in the official gazetta, Turkiye Denizcilik Isletmeleri A.S. ("TDI") decided to transfer land that was being used by GPH at Port Akdeniz to the Free Trade Zone that operates alongside our port assets. As a result of this transfer the operating area of Port Akdeniz will slightly reduce, however given the excess capacity that exists at the port we do not expect this decision to have a material impact on the operating capability of the port. In terms of any specific services that could be impacted, by this decision management have already identified a number alternatives.