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**21 August 2017**

## Global Ports Holding Plc

### Unaudited interim results for the six months ended 30 June 2017

**Good performance in the Commercial segment; strong Cruise passenger  
 number growth although financial performance impacted by weakness in  
 Turkish Cruise ports**

Global Ports Holding PLC ("GPH" or the "Group"), the world's largest independent cruise port operator, today announces its unaudited results for the six months ending 30 June 2017.

#### Key Financials & KPI Highlights

	H1 2017	H1 2016	YoY Change
<b>Passengers (m PAX) <sup>3</sup></b>	<b>1.53</b>	<b>1.34</b>	<b>14.1%</b>
<b>General &amp; Bulk Cargo ('000)</b>	<b>807.9</b>	<b>753.6</b>	<b>7.2%</b>
<b>Throughput ('000 TEU)</b>	<b>122.6</b>	<b>105.0</b>	<b>16.7%</b>
<b>Revenue (USD m)</b>	<b>49.7</b>	<b>52.7</b>	<b>(5.7%)</b>
Cruise Revenue (USD m) <sup>1</sup>	18.5	22.0	(15.9%)
Commercial Revenue (USD m)	31.3	30.8	1.6%
<b>Segmental EBITDA (USD m) <sup>2</sup></b>	<b>32.2</b>	<b>34.7</b>	<b>(7.2%)</b>
<b>Segmental EBITDA Margin</b>	<b>64.7%</b>	<b>65.8%</b>	<b>(110bps)</b>
Cruise Segmental EBITDA (USD m)	10.1	13.7	(25.8%)
Cruise Margin	54.8%	62.1%	(730bps)
Commercial Segmental EBITDA (USD m)	22.1	21.0	4.9%
Commercial Margin	70.6%	68.4%	220bps
<b>(Loss) / Profit for the period (USD m)</b>	<b>(6.7)</b>	<b>0.4</b>	<b>n.m.</b>

<sup>1</sup> Cruise revenues include sum of all cruise ports excluding Venice, La Spezia, Lisbon and Singapore (equity accounted investee entities).

<sup>2</sup> Segmental EBITDA indicate only operational companies; excludes GPH HoldCo expenses and exceptional and other non-cash income and expenses. See Note 2(e).

<sup>3</sup> Passenger numbers refer to controlled operations, hence excluding equity pick-up entities Venice, Lisbon and Singapore.

#### Financial and Operational Highlights

- Solid Commercial segment performance unaffected by Turkish geopolitical developments

## Global Ports Holding PLC Interim Financial Report 2017

- Strong cruise passenger number growth, although financial performance impacted by ongoing weakness in consumer sentiment towards higher margin Turkish cruise ports
  - Overall Segmental EBITDA down 7.2% to USD 32.2m
  - Ongoing weakness in sentiment for Turkish cruise ports led to decline in Cruise Segmental EBITDA of USD 3.6m to USD 10.1m
  - Solid increase of Commercial Segmental EBITDA by 4.9% to USD 22.1m
  - Additional negative forex impact from weaker Euro (-3.1% compared to first half 2016) affects translation of Euro earnings of all cruise ports and Port of Adria
- Loss after tax for the period was USD 6.7m (H1 2016: Profit after tax for the period: USD 0.4m) which included USD 15.1m amortisation expense in relation to Port Operation Rights
- Strong operating cash flow of USD 25.2m during the reporting period (compared to USD 29.5m in H1 2016)
- Robust financial profile with Net Debt<sup>1</sup> / EBITDA<sup>2</sup> of 2.9x, in line with financial policy
- Good progress in Cruise segment's M&A pipeline
- Interim dividend of GBP 21.6p per share

<sup>1</sup> Calculated as loans and borrowings including finance lease obligations less cash and cash equivalents less other short term investments.

<sup>2</sup> Consolidated EBITDA is calculated as Segmental EBITDA less unallocated expenses. See Note 2(e).

### Strategic Highlights and Outlook

- For the 2017 full year Segmental EBITDA is expected to show single-digit growth from FY16 despite lower contribution from Turkish cruise ports
- Good progress is being made in projects in the Group's strong M&A pipeline and the Group will make further announcements as appropriate

#### **Emre Sayın, Chief Executive Officer said;**

“While geopolitical developments have had a negative effect on our Turkish Cruise revenues, our Turkish Commercial segment is robust and has performed well. Our M&A pipeline of international cruise ports remains strong with progress being made on a number of our target acquisitions and we will update the market as these progress. Our overall strategy of expanding our global footprint of cruise ports from the Mediterranean to the Caribbean and Asia, as set out at the IPO, remains on track. The result of this will be a reduction in the significance of our Turkish cruise port operation to our overall business.”

**Mr. Emre SAYIN, Chief Executive Officer and the senior management of Global Ports Holding PLC will hold a conference call with equity investors and analysts to discuss these interim results on 21 August 2017 at 9:00 UK time (BST). Below are the details for the conference call.**

## Global Ports Holding PLC Interim Financial Report 2017

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*Certain data in this announcement, including financial, statistical, and operating information has been rounded. As a result of the rounding, the totals of data presented and the percentages in tables changes in this announcement may vary slightly from the actual arithmetic total or percentages as calculated from the rounded data.*

# Global Ports Holding PLC Interim Financial Report 2017

## H1 2017 Financial Performance Overview

Having successfully completed the London IPO of GPH in May this year, the Group raised net primary proceeds of USD 73m which will be used to develop and expand the Group's Cruise business.

Overall revenues during the period declined by 5.7% from H1 2016 (USD 52.7m) to USD 49.7m and Segmental EBITDA margins fell 110bps to 64.7%. Ongoing geopolitical developments led to a deterioration of consumer sentiment towards Turkey, and a significant decline in cruise calls at the Turkish cruise ports (particularly Ege) which had a material impact on Cruise revenues. However, weakness in Turkish cruise ports has been partly offset by the strong performance in the Commercial business, which is insulated from regional instability. During this period, Commercial revenue was up 1.6% and Commercial Segmental EBITDA up 4.9% YoY. Also, we have seen a strong performance in our European portfolio of cruise ports, with revenues up at Valetta and in the Other Cruise segment in this period.

**Cruise segment** volumes in the first half are typically lower as it includes the seasonality impact of a quiet Q1 period. The first half of 2017 saw strong overall 14.1% growth in total cruise passenger numbers driven by a combination of organic growth in Valetta Cruise Port and inorganic growth from first time consolidation of small Italian ports (part of the Other Cruise segment). GPH's European cruise ports experienced above-average passenger growth fully compensating the decline in Turkish ports, however, overall Cruise revenues and passenger yields declined mainly due to loss of passenger volume in the higher margin Turkish ports.

Turkish ports had a weak start to the main season (end of May / June), in particular Ege Port, which is behind management expectations. Cruise lines decided on short notice that cruise ships would not to call at the Turkish ports due to the ongoing geopolitical challenges and consumer sentiment. Renovation of the shopping mall in Ege Port during Q1 and parts of Q2 had an additional impact on revenues (primarily ancillary revenues) as well as Segmental EBITDA. The Cruise Segmental EBITDA decline is mainly attributable to Ege Port, which has the highest margin among GPH's cruise ports, such that a loss in Turkish passenger volume and lower ancillary revenues diluted total Segmental EBITDA margin.

Cruise Segmental EBITDA was also negatively impacted by Euro/USD fluctuations and passenger mix. All cruise ports' revenues are mainly Euro denominated and fluctuations of the average Euro/USD exchange rate compared to H1 2016 negatively impacted revenues and Segmental EBITDA reported in USD. In addition Creuers' (Barcelona and Malaga) Segmental EBITDA margin was impacted by changes in the passenger mix between turnaround and transit passengers, and between Barcelona and Malaga.

## **Global Ports Holding PLC Interim Financial Report 2017**

**Commercial Port Operations** performed well during the period. Commercial revenues were USD 31.3m in H1 2017, up 1.6% year-on-year, due to strong growth in container volumes (up 16.7% YoY), along with a 7.2% increase in general and bulk cargo compared to H1 2016. The main driver of this growth was the strong increase in marble and cement exports at Port Akdeniz as well as new general cargo customers which helped overall cargo volume expansion. Container yields are broadly flat, while cargo yields are down 25% due to lower project cargo volumes and an increase in steel coils volumes (in particular in Port of Adria).

Commercial Segmental EBITDA increased by 4.9% to USD 22.1m driven by double-digit growth in Antalya, which more than offset the lower Segmental EBITDA in Port of Adria attributable to lower project cargo, which is more volatile by nature. Commercial Segmental EBITDA margin grew by 220 bps from H1 2016, largely due to strong growth in Antalya's Segmental EBITDA margin as a result of operational improvements and higher share of high-margin container business.

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## Segment Review

### Cruise Segment

#### H1 2017 Detailed Financial Review – Cruise Segment

	H1 2017	H1 2016	YoY Change
<b>Cruise Port Operations</b>			
Passengers (m) <sup>1</sup>	1.53	1.34	14.1%
<i>Turnaround Passengers</i>	0.60	0.54	11.5%
<i>Transit Passengers</i>	0.93	0.80	15.8%
Revenue (USD m)	18.5	22.0	(15.9%)
<i>of which Ancillary Revenue</i>	6.0	6.9	(13.8%)
Yield (USD, revenue per passenger)	12.1	16.4	(26.2%)
<i>Yield (USD, ancillary revenue per pax)</i>	4.0	5.3	(24.1%)
Segmental EBITDA (USD m)	10.1	13.7	(25.8%)
Segmental EBITDA Margin	54.8%	62.1%	(730bps)
<i>% of Group's total revenue</i>	37.2%	41.7%	(450bps)
<i>% of Group's total EBITDA</i>	31.5%	39.4%	(790bps)
Capital expenditures (USD m)	4.7	3.3	41.0%
<b>Creuers (Barcelona and Malaga)</b>			
Passengers (m)	0.90	0.85	5.3%
<i>Turnaround Passengers</i>	0.48	0.48	0.2%
<i>Transit Passengers</i>	0.42	0.37	11.8%
Revenue (USD m)	10.0	10.1	(1.6%)
<i>of which Ancillary Revenue</i>	1.0	1.1	(4.5%)
Yield (USD, revenue per pax)	11.1	11.9	(7.1%)
<i>Yield (USD, ancillary revenue per pax)</i>	1.2	1.3	(9.3%)
Segmental EBITDA (USD m)	5.4	5.9	(9.2%)
Segmental EBITDA Margin	53.8%	58.3%	(450bps)
<b>Ege Port</b>			
Passengers (m)	0.06	0.17	(63.4%)
<i>Turnaround Passengers</i>	0.01	0.01	8.3%
<i>Transit Passengers</i>	0.06	0.16	168.5%
Revenue (USD m)	1.7	5.8	(70.3%)
<i>of which Ancillary Revenue</i>	0.7	1.8	(64.0%)
Yield (USD, revenue per pax)	37.6	37.4	0.5%
<i>Yield (USD, ancillary revenue per pax)</i>	14.4	11.9	21.8%
Segmental EBITDA (USD m)	1.0	4.3	(77.3%)
Segmental EBITDA Margin	56.1%	73.4%	(1,730bps)
<b>Valletta Cruise Port</b>			
Passengers (m)	0.31	0.26	20.3%
<i>Turnaround Passengers</i>	0.08	0.04	133.9%
<i>Transit Passengers</i>	0.23	0.22	2.0%
Revenue (USD m)	5.2	5.2	(0.4%)
<i>of which Ancillary Revenue</i>	2.8	2.8	0.5%
Yield (USD, revenue per pax)	16.7	20.0	(16.5%)
<i>Yield (USD, ancillary revenue per pax)</i>	9.1	10.9	(16.5%)
Segmental EBITDA (USD m)	2.6	2.4	7.0%
Segmental EBITDA Margin	49.5%	46.1%	340bps
<b>Other Cruise</b>			
Passengers (m)	0.26	0.07	303.2%
<i>Turnaround Passengers</i>	0.03	0.02	57.7%
<i>Transit Passengers</i>	0.23	0.05	327.2%
Revenue (USD m)	1.6	0.9	92.0%
<i>of which Ancillary Revenue</i>	0.5	0.3	78.8%
Segmental EBITDA (USD m)	1.3	1.1	13.7%

<sup>1</sup>Passenger numbers refer to consolidation perimeter, hence excluding equity pick-up entities Venice, Lisbon and Singapore

## Global Ports Holding PLC Interim Financial Report 2017

There is some seasonality effect in our first-half financials given Q1 is the low season in the cruise business in the Mediterranean (the main cruise season starts at the end of May) and therefore H1 should not be used to extrapolate full year performance. Thanks to its well diversified portfolio, GPH saw cruise passenger numbers rise by a significant 14.1% in H1 2017 YoY (through organic and inorganic growth). This was driven by above-market growth in the European ports and the first-time consolidation of the small Italian ports since acquisition (acquisition completed late 2016).

All GPH cruise ports' tariffs are denominated in Euro. The average Euro/USD exchange rate during the period resulted in the Euro weakening by 3.1% compared to the same period last year which negatively impacted the Group's revenues and Segmental EBITDA in its reporting currency USD.

Turkish ports have disappointed and continue to show decline in cruise calls due to the ongoing geopolitical tension in Turkey and the Eastern Mediterranean. However, the first half of 2017 demonstrated the resilience of the GPH cruise network, and the growth of the European ports has more than offset the decline in Turkish passenger volumes (up by 2.6% organic passenger growth rate for all cruise ports). Furthermore, GPH's management believe that this weakness is temporary and our Turkish cruise ports will grow to pre-crisis levels once the geopolitical tensions soften.

Despite the overall positive volume trend in passengers, revenues and Segmental EBITDA from cruise operations have declined. Turkish ports are the more profitable ports in the GPH portfolio with industry-leading Segmental EBITDA margins due to high yields and high share of ancillary revenue. A lower contribution from them (further impacted by the renovation of the shopping mall in Ege Port) could not be fully offset by the other ports in terms of revenue and Segmental EBITDA.

As stated in the IPO process, GPH is actively focusing on increasing ancillary revenues in its cruise ports. We have strengthened our team for these opportunities by creating the position of Ancillary Services Director and were able to recruit a senior professional with a relevant track record in the aviation industry. The absolute decline in total ancillary revenues is mainly due to Ege Port where renovations (which have now been completed) have resulted in lost rental revenue and lower revenue-share from our tenants due to lower traffic.

For the half-year ended 30 June 2017, Creuers (Barcelona and Malaga) received 351 cruise calls bringing in 895,101 cruise passengers, of which 476,455 were turnaround passengers and

## **Global Ports Holding PLC Interim Financial Report 2017**

418,646 were transit passengers. Creuers generated revenues of USD 10m which is broadly flat and down by 1.6% on H1 2016 and Segmental EBITDA of USD 5.4m down by 9.2% YoY. Revenue and Segmental EBITDA were impacted by changes in the passenger mix. Malaga Cruise Port reported strong growth in turnaround passengers, whereas the transit passenger growth mainly came from Barcelona; Malaga Cruise Port has lower margins compared to Barcelona Cruise Port.

Valletta Cruise Port, with its unique position for West Med and East Med itineraries, contributed significantly to GPH's H1 2017 passenger and Segmental EBITDA performance. In H1 2017, Valletta Cruise Port received 317 cruise calls bringing in 311,152 cruise passengers, of which 83,983 were turnaround passengers and 227,169 were transit passengers. Segmental EBITDA of the Valletta Cruise Port was up by 7.0% to USD 2.6m, implying a 340bps increase in Segmental EBITDA margin, thanks to the increasing share of turnaround passengers in the passenger mix. Operational performance, both revenue and Segmental EBITDA, trailed volume growth mainly due to the growth mostly coming in Q1 2017 and benefitting from a good winter season but at preferential winter rates. In addition, lower travel retail as well as a weaker EUR (on average compared to H1 2016) has also impacted operating figures.

In H1 2017, Ege Port had total of 61 cruise calls bringing in 45,962 cruise passengers and a total of 149 ferry calls bringing in 15,771 ferry passengers with a total of 61,733 passengers visiting the port. Ege Port revenues and Segmental EBITDA declined by 70.3% and 77.3%, respectively, due to i) renovation works in Ege Port's shopping mall and ii) the decline in number of calls and passenger numbers starting in May. The unexpected decline in passenger volumes was due to cruise lines deciding on short notice to substitute Turkish ports (mainly with Greek island ports) due to negative perception of Turkey among foreign tourists. We remain cautious for the remainder of the year but expect a recovery in passenger volume in the mid-term because of the attractiveness of Turkish ports for cruise lines and passengers.

### **Cruise M&A Pipeline**

As communicated during the IPO process, inorganic expansion is an important part of GPH's growth strategy. During the first half of 2017 and since the IPO further progress has been made with respect to our M&A pipeline and GPH will update the market as these projects further progress.



# Global Ports Holding PLC Interim Financial Report 2017

## Commercial Business

### H1 2017 Detailed Financial Review – Commercial Business

	H1 2017	H1 2016	YoY Change
<b>Commercial Port Operations</b>			
General & Bulk Cargo ('000 tonnes)	807.9	753.6	7.2%
Throughput ('000 TEU)	122.6	105.0	16.7%
Revenue (USD m)	31.3	30.8	1.6%
<i>Yield (USD, Revenue per TEU)</i>	176.6	180.6	(2.2%)
<i>Yield (USD, Revenue per tonnes)</i>	6.9	9.2	(25.0%)
Segmental EBITDA (USD m)	22.1	21.0	4.9%
Segmental EBITDA Margin	70.6%	68.4%	220bps
<i>% of Group's total revenue</i>	62.8%	58.3%	450bps
<i>% of Group's total EBITDA</i>	68.6%	60.6%	790bps
Capital expenditures (USD m)	7.5	5.4	39.2%
<b>Port Akdeniz- Antalya</b>			
General & Bulk Cargo ('000)	738.2	708.5	4.2%
Throughput ('000 TEU)	98.1	82.5	18.9%
Revenue (USD m)	28.0	26.0	7.4%
<i>Yield (USD, Revenue per TEU)</i>	198.2	202.3	(2.0%)
<i>Yield (USD, Revenue per tonnes)</i>	6.5	7.4	(12.3%)
Segmental EBITDA (USD m)	21.4	19.4	10.2%
Segmental EBITDA Margin	76.3%	74.4%	190bps
<b>Port of Adria</b>			
General & Bulk Cargo ('000)	69.7	45.1	54.5%
Throughput ('000 TEU)	24.5	22.5	8.7%
Revenue (USD m)	3.3	4.7	(30.7%)
<i>Yield (USD, Revenue per TEU)</i>	90.2	101.2	(10.8%)
<i>Yield (USD, Revenue per tonnes)</i>	11.3	37.5	(70.0%)
Segmental EBITDA (USD m)	0.7	1.6	(57.7%)
Segmental EBITDA Margin	21.4%	35.0%	(1,360bps)

TEU throughput increased by 16.7% in H1 2017 YoY thanks to strong marble export at Port of Akdeniz. TEU yields softened slightly by 2.2% due to changes in TEU mix. General & bulk cargo volume was up 7.2% driven by new general cargo agreement signed at Port of Adria and growth in cement exports in Antalya. Due to lower volumes of project cargo in H1 the yield decreased to USD 6.9 from USD 9.2 last year.

Revenue growth was below volume growth mainly due to lower project cargo volumes as well as a weaker Euro (on average compared to first half 2016) resulting in lower reported revenues from the Euro denominated Port of Adria. Segmental EBITDA for the Commercial business was USD 22.1m in H1 2017, up 4.9% on H1 2016, translating into c.220bps improvement in Segmental EBITDA margin. The improvement was driven by an increase in high-margin TEU business, increased operational efficiencies and a favorable currency environment in Turkey.

# Global Ports Holding PLC Interim Financial Report 2017

## Group Financial Performance

### **Capital Expenditure**

Capital Expenditure for H1 2017 was USD 10.6m, primarily to fund the modernisation programme at Port of Adria (investment in equipment and machinery) completed in H1 2017, and renovation works for Ege Port's shopping mall.

### **Debt Profile**

Net debt at 30 June 2017 decreased to USD 215m from USD 284m at 2016YE mainly due to net IPO proceeds of USD 73m and the collection of related party loans of USD 27.7m. The Group's Net Debt to EBITDA ratio of 2.9x is in line with GPH's financial policy as communicated during the IPO process. The Leverage Ratio as per the Eurobond issued by Global Liman Isletmerleri A.S. (100% subsidiary of GPH) is 4.7x versus a covenant of 5.0x.

### **Liquidity and Funding (IPO)**

- Global Ports Holding Listed on the London Stock Exchange in May 2017
- Offer Price: 740 pence per GPH share
- Offer size: USD 207m (including USD 7m over-allotment option)
- Free float of 34.37% while GIH and EBRD hold 60.60% and 5.03% respectively
- The Group raised net primary proceeds of USD 73m which will be used to develop and expand the Group's Cruise business

### **Capital Reduction**

As of July 2017, the nominal value of each of the ordinary shares in the capital of GPH has been reduced from £5.00 to £0.01. While the total equity of GPH remains unchanged, this reduction of capital has created distributable reserves of USD 427.0m.

### **Dividends**

In line with GPH's dividend policy communicated in its IPO process, GPH's Board of Directors has approved an interim dividend for the first half 2017 of GBP 21.6p per share. This will be paid on 29 September 2017 to shareholders on the register on 1 September 2017.

### **Principal risks and uncertainties**

The principal risks and uncertainties to which the Group is exposed are the same as those disclosed in the prospectus relating to Global Ports Holding PLC dated 2 May 2017 available on GPH's website.

**Global Ports Holdings PLC**  
**Interim condensed consolidated financial statements**  
**For the six months ended 30 June 2017**

# Global Ports Holding PLC Interim Financial Report 2017

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## Responsibility Statement

We confirm that to the best of our knowledge:

- a) The condensed set of financial statements has been prepared in accordance with IAS 34 'Interim Financial Reporting';
- b) The interim management report includes a fair review of the information required by DTR 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and
- c) The interim management report includes a fair review of the information required by DTR 2.2.8R (disclosure of related parties' transactions and changes therein).

By order of the Board,

Chief Financial Officer  
Ferdag Ildir  
19 August 2017

# Global Ports Holding PLC Interim Financial Report 2017

## Independent Review Report Global Ports Holding PLC

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 2017 which comprises the interim condensed consolidated income statement, the interim condensed 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 related notes 1 to 19. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company 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. Our work has been undertaken so that we might state to the company those matters we are required to state to it in an independent review 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 formed.

### 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 Disclosure and Transparency Rules of the United Kingdom’s Financial Conduct Authority.

As disclosed in note 2a, the annual financial statements of the group are prepared in accordance with IFRSs 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 International Accounting Standard 34 “Interim Financial Reporting” as adopted by the European Union.

### 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.

### 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 United Kingdom. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) 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.

### Conclusion

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 2017 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom’s Financial Conduct Authority.

### Deloitte LLP

Statutory Auditor  
London, United Kingdom  
19 August 2017

# Global Ports Holding PLC Interim Financial Report 2017

## Interim condensed consolidated income statement

(USD '000)	<i>Notes</i>	Six months ended 30 June 2017 (Unaudited)	Six months ended 30 June 2016 (Unaudited)	Year ended 31 December 2016 (Audited)
Revenue	5	49,747	52,742	114,869
Cost of sales	5	(35,810)	(35,978)	(72,083)
<b>Gross profit</b>		<b>13,937</b>	<b>16,764</b>	<b>42,786</b>
Other income		698	374	475
Selling and marketing expenses		(435)	(500)	(808)
Administrative expenses	6	(6,436)	(7,442)	(16,204)
Other expenses		(4,328)	(1,831)	(5,508)
<b>Operating profit</b>		<b>3,436</b>	<b>7,365</b>	<b>20,741</b>
Finance income	7	5,954	4,201	17,511
Finance costs	7	(16,837)	(14,667)	(35,272)
<b>Net finance costs</b>		<b>(10,883)</b>	<b>(10,466)</b>	<b>(17,761)</b>
Share of profit of equity-accounted investees		915	760	2,219
<b>(Loss) / Profit before tax</b>		<b>(6,532)</b>	<b>(2,341)</b>	<b>5,199</b>
Tax (expense)/benefit	10	(207)	2,760	(925)
<b>(Loss) / Profit for the period / year</b>		<b>(6,739)</b>	<b>419</b>	<b>4,274</b>
(Loss) / Profit for the period / year attributable to:				
Owners of the Company		(6,408)	(218)	2,208
Non-controlling interests		(331)	637	2,066
		<b>(6,739)</b>	<b>419</b>	<b>4,274</b>

# Global Ports Holding PLC Interim Financial Report 2017

## Interim condensed statement of other comprehensive income

(USD '000)	<i>Notes</i>	Six months ended 30 June 2017 (Unaudited)	Six months ended 30 June 2016 (Unaudited)	Year ended 31 December 2016 (Audited)
<b><i>Other comprehensive income</i></b>				
<b>Items that will not be reclassified subsequently to profit or loss</b>				
Remeasurement of defined benefit liability		(2)	4	50
Income tax relating to items that will not be reclassified subsequently to profit or loss		--	(1)	(10)
		<u>(2)</u>	<u>3</u>	<u>40</u>
<b>Items that may be reclassified subsequently to profit or loss</b>				
Foreign currency translation differences		15,883	3,973	25,200
Cash flow hedges - effective portion of changes in fair value		282	(578)	(247)
Movement on net investment hedges		983	1,124	(59,569)
Income tax relating to items that may be reclassified subsequently to profit or loss		(267)	(80)	11,975
		<u>16,881</u>	<u>4,439</u>	<u>(22,641)</u>
<b>Other comprehensive income / (loss) for the period year, net of income tax</b>		<u>16,879</u>	<u>4,442</u>	<u>(22,601)</u>
<b>Total comprehensive income / (loss) for the period / year</b>		<u>10,140</u>	<u>4,861</u>	<u>(18,327)</u>
Total comprehensive income/(loss) attributable to:				
Owners of the Company		4,015	2,556	(17,799)
Non-controlling interests		6,125	2,305	(528)
		<u>10,140</u>	<u>4,861</u>	<u>(18,327)</u>
<b>Basic and diluted (loss) / earnings per share (cents per share)</b>	15	<u>(11.3)</u>	<u>(0.4)</u>	<u>4.0</u>



# Global Ports Holding PLC Interim Financial Report 2017

## Interim condensed consolidated statement of financial position

		As at 30 June 2017 (USD '000) (Unaudited)	As at 31 December 2016 (USD '000) (Audited)	As at 30 June 2016 (USD '000) (Unaudited)
	<i>Notes</i>			
<b>Non-current assets</b>				
Property and equipment	8	129,151	115,765	121,621
Intangible assets	9	430,358	426,081	452,117
Goodwill		15,716	14,515	12,860
Equity-accounted investees		19,497	17,168	13,613
Deferred tax assets		2,947	3,047	5,052
Other non-current assets		8,199	11,420	12,969
		<b>605,868</b>	<b>587,996</b>	<b>618,232</b>
<b>Current assets</b>				
Trade and other receivables		16,972	11,922	13,517
Due from related parties	17	3,042	31,501	37,945
Other investments		14,806	14,602	14,113
Other current assets		6,894	6,263	8,350
Income tax receivable		--	1,505	1,581
Prepaid taxes		1,210	1,815	29
Cash and cash equivalents	11	124,400	44,310	44,862
		<b>167,324</b>	<b>111,918</b>	<b>120,397</b>
<b>Total assets</b>		<b>773,192</b>	<b>699,914</b>	<b>738,629</b>
<b>Current liabilities</b>				
Loans and borrowings	13	47,008	43,659	38,303
Other financial liabilities		--	140	537
Trade and other payables		16,510	14,463	16,924
Due to related parties	17	555	581	407
Current tax liabilities		2,509	1,814	2,520
Provisions	14	866	1,199	606
		<b>67,448</b>	<b>61,856</b>	<b>59,297</b>
<b>Non-current liabilities</b>				
Loans and borrowings	13	307,547	299,020	309,881
Other financial liabilities		3,093	2,524	2,363
Derivative financial liabilities	18	932	1,131	1,549
Deferred tax liabilities		98,386	97,173	101,571
Provisions	14	17,373	14,858	15,190
Employee benefits		970	1,287	1,530
		<b>428,301</b>	<b>415,993</b>	<b>432,084</b>
<b>Total liabilities</b>		<b>495,749</b>	<b>477,849</b>	<b>491,381</b>
<b>Net assets</b>		<b>277,443</b>	<b>222,065</b>	<b>247,248</b>
<b>Equity</b>				
Share capital	12	405,297	33,836	33,836
Share premium account	12	22,543	54,539	54,539
Legal reserves	12	13,012	12,424	11,724
Hedging and translation reserves		7,482	(2,944)	19,874
Merger reserves		(266,430)	--	--
Retained earnings		9,841	43,622	41,859
<b>Equity attributable to equity holders of the Company</b>		<b>191,745</b>	<b>141,477</b>	<b>161,832</b>
Non-controlling interests		<b>85,698</b>	<b>80,588</b>	<b>85,416</b>
<b>Total equity</b>		<b>277,443</b>	<b>222,065</b>	<b>247,248</b>
Share capital	12	405,297	33,836	33,836

# Global Ports Holding PLC Interim Financial Report 2017

## Interim condensed consolidated statement of changes in equity

(USD '000)	<i>Notes</i>	Share capital	Share premium	Legal reserves	Hedging reserves	Translation reserves	Merger reserves	Retained earnings	Total	Non- controlling interests	Total equity
<b>Balance at 1 January 2017 (Audited)</b>		<b>33,836</b>	<b>54,539</b>	<b>12,424</b>	<b>(122,708)</b>	<b>119,764</b>	<b>--</b>	<b>43,622</b>	<b>141,477</b>	<b>80,588</b>	<b>222,065</b>
Loss for the year		--	--	--	--	--	--	(6,408)	<b>(6,408)</b>	(331)	<b>(6,739)</b>
Other comprehensive income / (loss) for the year		--	--	--	998	9,428	--	(2)	<b>10,424</b>	6,455	<b>16,879</b>
<b>Total comprehensive income / (loss) for the year</b>		<b>--</b>	<b>--</b>	<b>--</b>	<b>998</b>	<b>9,428</b>	<b>--</b>	<b>(6,410)</b>	<b>4,016</b>	<b>6,124</b>	<b>10,140</b>
<i>Transactions with owners of the Company</i>											
Group restructuring	2(c)	320,969	(54,539)	--	--	--	(266,430)	--	--	--	--
Issuance of shares on IPO		50,492	22,543	--	--	--	--	--	<b>73,035</b>	--	<b>73,035</b>
Transfer to legal reserves		--	--	588	--	--	--	(588)	--	--	--
Dividends	12	--	--	--	--	--	--	(26,783)	<b>(26,783)</b>	(1,014)	<b>(27,797)</b>
Total contributions and distributions		<b>371,461</b>	<b>(31,996)</b>	<b>588</b>	<b>--</b>	<b>--</b>	<b>(266,430)</b>	<b>(27,371)</b>	<b>46,252</b>	<b>(1,014)</b>	<b>45,238</b>
Total transactions with owners of the Company		<b>371,461</b>	<b>(31,996)</b>	<b>588</b>	<b>998</b>	<b>9,428</b>	<b>(266,430)</b>	<b>(33,781)</b>	<b>50,268</b>	<b>5,110</b>	<b>55,378</b>
<b>Balance at 30 June 2017 (Unaudited)</b>		<b>405,297</b>	<b>22,543</b>	<b>13,012</b>	<b>(121,710)</b>	<b>129,192</b>	<b>(266,430)</b>	<b>9,841</b>	<b>191,745</b>	<b>85,698</b>	<b>277,443</b>

# Global Ports Holding PLC Interim Financial Report 2017

## Interim condensed consolidated statement of changes in equity (continued)

(USD '000)	<i>Notes</i>	Share capital	Share premium	Legal reserves	Hedging reserves	Translation reserves	Retained earnings	Total	Non- controlling interests	Total equity
<b>Balance at 1 January 2016 (Audited)</b>		<b>33,836</b>	<b>54,539</b>	<b>9,917</b>	<b>(74,867)</b>	<b>91,970</b>	<b>78,488</b>	<b>193,883</b>	<b>83,941</b>	<b>277,824</b>
Profit for the year		--	--	--	--	--	(218)	(218)	637	419
Other comprehensive income / (loss) for the year		--	--	--	466	2,305	3	2,774	1,668	4,442
<b>Total comprehensive income / (loss) for the year</b>		--	--	--	<b>466</b>	<b>2,305</b>	<b>(215)</b>	<b>2,556</b>	<b>2,305</b>	<b>4,861</b>
<i>Transactions with owners of the Company</i>										
Issue of share capital										
Transfer to legal reserves		--	--	1,807	--	--	(1,807)	--	--	--
Dividends		--	--	--	--	--	(34,607)	(34,607)	(830)	(35,437)
Total contributions and distributions		--	--	<b>1,807</b>	--	--	<b>(36,414)</b>	<b>(34,607)</b>	<b>(830)</b>	<b>(35,437)</b>
Total transactions with owners of the Company		--	--	<b>1,807</b>	<b>466</b>	<b>2,305</b>	<b>(36,629)</b>	<b>(32,051)</b>	<b>1,475</b>	<b>(30,576)</b>
<b>Balance at 30 June 2016 (Unaudited)</b>		<b>33,836</b>	<b>54,539</b>	<b>11,724</b>	<b>(74,401)</b>	<b>94,275</b>	<b>41,859</b>	<b>161,832</b>	<b>85,416</b>	<b>247,248</b>

# Global Ports Holding PLC Interim Financial Report 2017

## Interim condensed consolidated statement of changes in equity (continued)

(USD '000)	<i>Notes</i>	Share capital	Share premium	Legal reserves	Hedging reserves	Translation reserves	Retained earnings	Total	Non- controlling interests	Total equity
<b>Balance at 1 January 2016 (Audited)</b>		<b>33,836</b>	<b>54,539</b>	<b>9,917</b>	<b>(74,867)</b>	<b>91,970</b>	<b>78,488</b>	<b>193,883</b>	<b>83,941</b>	<b>277,824</b>
Profit for the year		--	--	--	--	--	2,208	<b>2,208</b>	2,066	<b>4,274</b>
Other comprehensive income / (loss) for the year		--	--	--	(47,841)	27,794	40	<b>(20,007)</b>	(2,594)	<b>(22,601)</b>
<b>Total comprehensive income / (loss) for the year</b>		--	--	--	<b>(47,841)</b>	<b>27,794</b>	<b>2,248</b>	<b>(17,799)</b>	<b>(528)</b>	<b>(18,327)</b>
<i>Transactions with owners of the Company</i>										
Transfer to legal reserves		--	--	2,507	--	--	(2,507)	--	--	--
Dividends	12	--	--	--	--	--	(34,607)	<b>(34,607)</b>	(3,010)	<b>(37,617)</b>
Total contributions and distributions		--	--	<b>2,507</b>	--	--	<b>(37,114)</b>	<b>(34,607)</b>	<b>(3,010)</b>	<b>(37,617)</b>
Changes in ownership interests										
Acquisition of subsidiary		--	--	--	--	--	--	--	185	<b>185</b>
Total changes in ownership interests		--	--	--	--	--	--	--	<b>185</b>	<b>185</b>
Total transactions with owners of the Company		--	--	<b>2,507</b>	<b>(47,841)</b>	<b>27,794</b>	<b>(34,866)</b>	<b>(52,406)</b>	<b>(3,353)</b>	<b>(55,759)</b>
<b>Balance at 31 December 2016 (Audited)</b>		<b>33,836</b>	<b>54,539</b>	<b>12,424</b>	<b>(122,708)</b>	<b>119,764</b>	<b>43,622</b>	<b>141,477</b>	<b>80,588</b>	<b>222,065</b>

# Global Ports Holding PLC Interim Financial Report 2017

## Interim condensed consolidated cash flow statement

		Six months ended 30 June 2017 (USD '000) (Unaudited)	Six months ended 30 June 2016 (USD '000) (Unaudited)	Year ended 31 December 2016 (USD '000) (Audited)
<b>Cash flows from operating activities</b>				
(Loss) / Profit for the year		(6,739)	419	4,274
<b>Adjustments for:</b>				
Depreciation and amortisation expense	8, 9	20,326	20,331	40,556
Share of profit of equity-accounted investees, net of tax		(915)	(760)	(2,219)
Finance costs (excluding foreign exchange differences)		12,918	13,250	27,237
Finance income (excluding foreign exchange differences)		(1,415)	(2,053)	(3,922)
Foreign exchange differences on finance costs and income, net		(620)	(732)	(5,553)
Income tax expense / (benefit)	10	207	(2,760)	925
Employment termination indemnity reserve		144	149	172
Provisional charges		1,306	1,400	3,740
<b>Operating cash flow before changes in operating assets and liabilities</b>		<b>25,212</b>	<b>29,244</b>	<b>65,210</b>
Changes in:				
- trade and other receivables		(3,242)	(2,726)	(2,059)
- other current assets		1,616	(1,813)	(1,205)
- related party receivables		(7)	(8)	3
- other non-current assets		1,475	5,408	3,189
- trade and other payables		2,277	3,338	776
- related party payables		(299)	(271)	(53)
- provisions		(703)	(622)	(1,524)
<b>Cash generated by operations before benefit and tax payments</b>		<b>26,329</b>	<b>32,550</b>	<b>64,337</b>
Employee benefits paid		(44)	(119)	(229)
Income taxes paid		(2,824)	(840)	(4,478)
<b>Net cash generated from operating activities</b>		<b>23,461</b>	<b>31,591</b>	<b>59,630</b>
<b>Investing activities</b>				
Acquisition of property and equipment	8	(10,035)	(6,093)	(8,296)
Advances given for PPE		(61)	(42)	(2,247)
Acquisition of intangible assets	9	(563)	(66)	(99)
Proceeds from sale of property and equipment		117	--	38
Financial investments		733	4,247	4,511
Interest received		286	319	600
Investment in equity-accounted investee		--	(5,803)	(8,576)
Acquisition of subsidiary (net)		--	--	(2,181)
<b>Net cash used in investing activities</b>		<b>(9,523)</b>	<b>(7,438)</b>	<b>(16,250)</b>
<b>Financing activities</b>				
Net proceeds from issue of shares	2(c)	73,035	--	--
Repayment of related party loans		27,733	662	910
Advances under related party loans		275	(25)	295
Dividends paid to equity owners	12	(26,783)	(34,607)	(34,607)
Dividends paid to NCIs	12	(1,014)	(830)	(3,010)
Interest paid		(12,230)	(11,831)	(26,255)
Proceeds from borrowings		18,814	3,895	12,486
Repayments of borrowings		(13,146)	(8,145)	(17,608)
<b>Net cash from / (used in) financing activities</b>		<b>66,684</b>	<b>(50,881)</b>	<b>(67,789)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>80,622</b>	<b>(26,728)</b>	<b>(24,409)</b>
Effect of foreign exchange rate changes on cash and cash equivalents		1,252	(5,884)	(10,279)
<b>Cash and cash equivalents at beginning of year</b>	11	<b>38,356</b>	<b>73,044</b>	<b>73,044</b>
<b>Cash and cash equivalents at end of year</b>	11	<b>120,230</b>	<b>40,432</b>	<b>38,356</b>

# Global Ports Holding PLC Interim Financial Report 2017

## Notes to the interim condensed set of financial statements

### 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 2017 were authorised for issue in accordance with a resolution of the directors on 19 August 2017.

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 historical financial information available in Part XX of prospectus relating to Global Ports Holding PLC dated 2 May 2017 (the “Prospectus”) available on the Company website.

The financial information contained in this report for the six months ended 30 June 2016 and 30 June 2017 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 2017 have been reviewed by the auditor. The information for the year ended 31 December 2016 does not constitute statutory accounts as defined in section 434 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

The accounting policies adopted in the preparation of the Group’s interim condensed consolidated financial statements are consistent with those followed in the preparation of the historical financial information available in Part XX of the Prospectus available on the Company website.

The critical accounting judgements, estimates and assumptions made by management of the Group and applied in the accompanying interim condensed consolidated financial statements for the six months ended 30 June 2017 are consistent with those applied in the preparation of the historical financial information available in Part XX of the Prospectus, with the exception of those relating to the IPO as detailed here.

# Global Ports Holding PLC Interim Financial Report 2017

## Notes to the interim condensed set of financial statements

### 2 Accounting Policies (*continued*)

#### c) Accounting Policies (*continued*)

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, pro rata to their previous interests in Global Liman İşletmeleri A.Ş. 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 a corresponding negative merger reserve recognized of USD 266,430 thousand.

As a common control transaction, this does not meet the definition of a business combination under IFRS 3 *Business Combinations* and as such, falls outside the scope of the standard. In accordance with IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, guidance has been taken from alternative accounting frameworks, and the introduction of the Company as the parent of the Group has been accounted for in accordance with the group restructuring principles set out in FRS 102.

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.

Post period end the Group undertook a capital reduction as described in Note 19.

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

- IFRS 9 Financial Instruments, effective from 1 January 2018
- IFRS 15 Revenue from contracts with customers, effective from 1 January 2018
- IFRS 16 Leases, effective from 1 January 2019

The Group is currently evaluating the impact of adopting these new accounting standards.

#### 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 States Dollars ("USD"), Euro or Turkish Lira ("TL") as their functional currencies since these currencies represent the primary economic environment in which it operates. 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.

# Global Ports Holding PLC Interim Financial Report 2017

## Notes to the interim condensed set of financial statements

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### Accounting Policies (*continued*)

#### d) Foreign currency (*continued*)

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 2017, 31 December 2016 and 30 June 2016, foreign currency exchange rates of the Central Bank of the Turkish Republic were as follows:

	30 June 2017	31 December 2016	30 June 2016
TL/USD	0.2851	0.2842	0.3456
Euro/USD	1.1414	1.0542	1.1074

For the six months ended 30 June 2017, 30 June 2016 and for the year ended 31 December 2016, average foreign currency exchange rates of the Central Bank of the Turkish Republic were as follows:

	Six months ended 30 June 2017	Six months ended 30 June 2016	Year ended 31 December 2016
TL/USD	0.2750	0.3426	0.3310
Euro/USD	1.0813	1.1160	1.1055

#### 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 include Segmental EBITDA or Adjusted EBITDA (as defined below).

Segmental EBITDA or Adjusted EBITDA, as calculated by the Group, is defined as earnings before interest, tax, depreciation and amortisation excluding the effects of exceptional and other non-cash income and expenses comprising project expenses, bargain purchase gains and reserves, board member leaving fees, employee termination payments, unallocated expenses, finance income, finance costs, and including the share of equity-accounted investees, which are fully integrated into GPH cruise port network.

Segmental EBITDA is the measure used by management to assess the trading performance of our businesses and is therefore the measure of segmental performance that the Group presents under IFRS.

Segmental EBITDA is presented because it eliminates potential differences in performance caused by variations in capital structures (affecting net finance costs), tax positions (such as the availability of net operating losses against which to relieve taxable profits), the cost and age of tangible assets (affecting relative depreciation expense) and the extent to which intangible assets are identifiable (affecting relative amortisation expense).

Segmental EBITDA is also adjusted for exceptional and other non-cash items because they are considered to hinder comparison of the trading performance of the Group’s businesses either year-on-year or with other businesses.

Adjusted EBITDA or Segmental EBITDA is reconciled to profit before income tax in Note 3.



# Global Ports Holding PLC Interim Financial Report 2017

## Notes to the interim condensed set of financial statements

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

The CEO evaluates segmental performance on the basis of earnings before interest, tax, depreciation and amortization ("EBITDA") excluding the effects of exceptional and other non-cash income and expenses comprising project expenses, bargain purchase gains and reserves, board member leaving fees, employee termination payments, unallocated expenses, finance income, finance costs, and including the share of equity-accounted investees which is fully integrated into 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.

Ravenna Terminal Passenger ("Ravenna"), Cagliari Terminal Passenger Srl ("Cagliari") and Catania Terminal Passenger Srl ("Catania") (consolidated under POH) were acquired at the end of 2016, therefore they did not generate any revenue for the Group in 2016.

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.

# Global Ports Holding PLC Interim Financial Report 2017

## Notes to the interim condensed set of financial statements

### 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
<b>Six months ended 30 June 2017 (Unaudited)</b>									
Revenue	9,957	5,170	1,728	1,638	18,493	27,987	3,267	31,254	49,747
Adjusted EBITDA	5,357	2,558	970	1,250	10,135	21,367	698	22,065	32,200
<b>Reconciliation to profit before tax</b>									
Depreciation and amortisation expenses									(20,326)
Exceptional & other non-cash items (*)									(5,270)
Unallocated expenses									(2,253)
Finance income									5,954
Finance costs									(16,837)
<b>(Loss) / profit before income tax</b>									<b>(6,532)</b>
<b>Six months ended 30 June 2016 (Unaudited)</b>									
Revenue	10,121	5,189	5,818	853	21,981	26,047	4,714	30,761	52,742
Adjusted EBITDA	5,899	2,392	4,269	1,100	13,660	19,384	1,649	21,033	34,693
<b>Reconciliation to profit before tax</b>									
Depreciation and amortisation expenses									(20,331)
Exceptional & other non-cash items(*)									(4,036)
Unallocated expenses									(2,201)
Finance income									4,201
Finance costs									(14,667)
<b>(Loss) / profit before income tax</b>									<b>(2,341)</b>
<b>Year ended 31 December 2016 (Audited)</b>									
Revenue	27,113	11,838	11,650	3,034	53,635	53,351	7,883	61,234	114,869
Adjusted EBITDA	18,032	5,859	8,976	4,050	36,917	41,288	2,728	44,016	80,933
<b>Reconciliation to profit before tax</b>									
Depreciation and amortisation expenses									(40,556)
Exceptional & other non-cash items(*)									(12,406)
Unallocated expenses									(5,011)
Finance income									17,511
Finance costs									(35,272)
<b>Profit / (loss) before income tax</b>									<b>5,199</b>

# Global Ports Holding PLC Interim Financial Report 2017

## Notes to the interim condensed set of financial statements

### 3 Segment reporting (continued)

#### b) Reportable segments (continued)

(\*) As of 30 June 2017, exceptional and other non-cash items comprising project expenses amounting to USD 4,317 thousand (30 June 2016: USD 2,209 thousand, 31 December 2016: USD 5,306 thousand), employee termination expenses amounting to USD 179 thousand (30 June 2016: USD 187 thousand, 31 December 2016: USD 1,758 thousand), other provisions reversed amounting to a gain of USD 811 thousand (30 June 2016: a loss of USD 78 thousand, 31 December 2016: a loss of USD 853 thousand), replacement provision expenses amounting USD 1,278 thousand (30 June 2016: USD 1,210 thousand, 31 December 2016: USD 2,600 thousand) and other expenses consists of donations, insurance, commissions amounting to USD 312 thousand (30 June 2016: USD 352 thousand, 31 December 2016: USD 1,889 thousand).

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
<b>30 June 2017 (Unaudited)</b>									
<b>Segment assets</b>	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
<b>Total assets</b>									<b>773,190</b>
<b>Segment liabilities</b>	97,001	36,510	14,316	4,063	151,890	60,725	8,485	69,210	221,100
Unallocated liabilities									274,584
<b>Total liabilities</b>									<b>495,684</b>
<b>31 December 2016 (Audited)</b>									
<b>Segment assets</b>	146,068	101,804	53,066	11,713	312,651	250,527	59,127	309,654	622,305
Equity-accounted investees	--	--	--	17,168	17,168	--	--	--	17,168
Unallocated assets									60,441
<b>Total assets</b>									<b>699,914</b>
<b>Segment liabilities</b>	88,696	35,075	12,942	3,192	139,905	50,840	9,630	60,470	200,375
Unallocated liabilities									277,474
<b>Total liabilities</b>									<b>477,849</b>
<b>30 June 2016 (Unaudited)</b>									
<b>Segment assets</b>	169,914	98,704	71,523	8,815	348,956	266,857	61,370	328,227	677,183
Equity-accounted investees	--	--	--	13,613	13,613	--	--	--	13,613
Unallocated assets									47,833
<b>Total assets</b>									<b>738,629</b>
<b>Segment liabilities</b>	97,357	39,154	13,982	1,095	151,588	49,440	9,400	58,840	210,428
Unallocated liabilities									280,952
<b>Total liabilities</b>									<b>491,380</b>

# Global Ports Holding PLC Interim Financial Report 2017

## Notes to the interim condensed set of financial statements

### 3 Segment reporting (continued)

#### b) Reportable segments (continued)

##### (iii) Other segment information

The following table details other segment information for the:

USD '000	BPI	VCP	Ege Liman	Other	Total Cruise	Ortadoğu Liman	Port of Adria	Total Commercial	Unallocated	Total
<b>Six months ended 30 June 2017</b>										
<b>(Unaudited)</b>										
Depreciation and amortisation expenses	(5,171)	(1,185)	(1,260)	(1,000)	(8,616)	(10,491)	(1,148)	(11,639)	(71)	(20,326)
<b>Additions to non-current assets (*)</b>										
- Capital expenditures	80	268	4,166	201	4,715	1,577	5,952	7,529	283	12,527
<b>Total additions to non-current assets (*)</b>	<b>80</b>	<b>268</b>	<b>4,166</b>	<b>201</b>	<b>4,715</b>	<b>1,577</b>	<b>5,952</b>	<b>7,529</b>	<b>283</b>	<b>12,527</b>
<b>Six months ended 30 June 2016</b>										
<b>(Unaudited)</b>										
Depreciation and amortisation expenses	(5,333)	(1,322)	(1,170)	(927)	(8,752)	(10,447)	(1,099)	(11,546)	(33)	(20,331)
<b>Additions to non-current assets (*)</b>										
- Capital expenditures	60	1,655	619	4	2,338	869	2,913	3,782	40	6,160
<b>Total additions to non-current assets (*)</b>	<b>60</b>	<b>1,655</b>	<b>619</b>	<b>4</b>	<b>2,338</b>	<b>869</b>	<b>2,913</b>	<b>3,782</b>	<b>40</b>	<b>6,160</b>
<b>Year ended 31 December 2016 (Audited)</b>										
Depreciation and amortisation expenses	(10,572)	(2,356)	(2,543)	(2,205)	(17,676)	(20,589)	(2,177)	(22,766)	(114)	(40,556)
<b>Additions to non-current assets (*)</b>										
- Capital expenditures	126	1,960	1,255	4	3,345	1,400	4,009	5,409	261	9,015
- Other	--	--	--	--	--	--	--	--	2,110	2,110
<b>Total additions to non-current assets (*)</b>	<b>126</b>	<b>1,960</b>	<b>1,255</b>	<b>4</b>	<b>3,345</b>	<b>1,400</b>	<b>4,009</b>	<b>5,409</b>	<b>2,371</b>	<b>11,125</b>

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

# Global Ports Holding PLC Interim Financial Report 2017

## Notes to the interim condensed set of financial statements

### 3 Segment reporting (continued)

#### b) Reportable segments (continued)

##### (iv) Geographical information

Operational ports and management offices are primarily in Turkey, Montenegro, Spain and Singapore. 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.

	<b>Six months ended 30 June 2017 (USD '000) (Unaudited)</b>	<b>Six months ended 30 June 2016 (USD '000) (Unaudited)</b>	<b>Year ended 31 December 2016 (USD '000) (Audited)</b>
<b>Revenue</b>			
<b>Turkey</b>	<b>30,551</b>	<b>32,718</b>	<b>68,034</b>
<b>All foreign countries</b>	<b>19,196</b>	<b>20,024</b>	<b>46,835</b>
Montenegro	3,267	4,714	7,884
Malta	5,170	5,189	11,838
Spain	9,957	10,121	
Italy	802	--	27,113
	<b>49,747</b>	<b>52,742</b>	<b>114,869</b>
		<b>As at</b>	
	<b>As at</b>	<b>31 December</b>	<b>As at</b>
	<b>30 June 2017</b>	<b>2016</b>	<b>30 June 2016</b>
	<b>(USD '000)</b>	<b>(USD '000)</b>	<b>(USD '000)</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>	<b>(Unaudited)</b>
<b>Non-current assets</b>			
<b>Turkey</b>	<b>274,006</b>	<b>280,549</b>	<b>295,367</b>
<b>All foreign countries</b>	<b>309,418</b>	<b>287,224</b>	<b>304,200</b>
Spain	143,604	137,601	149,772
Malta	96,810	90,321	95,613
Montenegro	65,490	56,094	58,815
Italy	3,514	3,208	--
	<b>583,424</b>	<b>567,773</b>	<b>599,567</b>

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.

# Global Ports Holding PLC Interim Financial Report 2017

## Notes to the interim condensed set of financial statements

### 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 65% of annual sales arising during the July to December period for the last three years. In 2016, 41% of the Group's full year revenue fell in the first six months, 36% in 2015 and 25% in 2014.

### 5 Revenue and cost of sales

#### *Revenue*

Revenue comprised the following:

	Six months ended 30 June 2017 (USD '000) (Unaudited)	Six months ended 30 June 2016 (USD '000) (Unaudited)	Year ended 31 December 2016 (USD '000) (Audited)
Container revenue	21,539	19,217	39,529
Landing fees	11,757	11,800	31,148
Port service revenue	5,292	7,622	14,458
Rental income	4,608	6,107	13,544
Cargo revenue	5,703	6,922	13,452
Income from duty free	300	317	1,068
Domestic water sales	362	367	973
Other revenue	186	390	697
<b>Total</b>	<b>49,747</b>	<b>52,742</b>	<b>114,869</b>

# Global Ports Holding PLC Interim Financial Report 2017

## Notes to the interim condensed set of financial statements

### 5 Revenue and cost of sales *(continued)*

#### *Cost of sales*

Cost of sales comprised the following:

	Six months ended 30 June 2017 (USD '000) (Unaudited)	Six months ended 30 June 2016 (USD '000) (Unaudited)	Year ended 31 December 2016 (USD '000) (Audited)
Depreciation and amortisation expenses	18,819	18,734	37,575
Personnel expenses	6,268	6,679	13,789
Shopping mall expenses	1,220	1,369	3,360
Commission fees to government authorities and pilotage expense	2,032	2,250	3,204
Subcontractor crane and container service expenses	1,619	1,443	2,783
Security expenses	808	726	1,866
Repair and maintenance expense	805	786	1,716
Insurance expenses	511	572	1,102
Energy usage expenses	372	397	786
Fuel expenses	384	310	642
Freshwater expenses	259	237	601
Container transportation expenses	521	290	600
Waste removal expenses	65	41	215
Tugboat rent expenses	4	277	200
Port rental expenses	389	112	154
Expenses in relation to replacement provisions	989	978	1,939
Other expenses	745	777	1,551
<b>Total</b>	<b>35,810</b>	<b>35,978</b>	<b>72,083</b>

### 6 Administrative expenses

Administrative expenses comprised the following:

	Six months ended 30 June 2017 (USD '000) (Unaudited)	Six months ended 30 June 2016 (USD '000) (Unaudited)	Year ended 31 December 2016 (USD '000) (Audited)
Personnel expenses	1,724	2,561	5,591
Depreciation and amortisation expenses	1,507	1,597	2,981
Consultancy expenses	932	1,104	2,879
Legal fees	735	382	882
Taxes other than on income	513	492	732
Travelling expenses	283	387	687
Allowance for doubtful receivables	(300)	76	680
IT expenses	87	96	260
Communication expenses	123	121	252
Vehicle expenses	74	83	154
Stationery expenses	62	48	115
Office operating expenses	48	40	92
Rent expenses	31	39	70
Repair and maintenance expenses	19	26	50
Other expenses (*)	598	390	779
<b>Total</b>	<b>6,436</b>	<b>7,442</b>	<b>16,204</b>

(\*) USD 221 thousand of other expenses are related to legal provisions in the period ending 30 June 2017.

# Global Ports Holding PLC Interim Financial Report 2017

## Notes to the interim condensed set of financial statements

7

### Finance income and costs

Finance income comprised the following:

	<b>Six months ended 30 June 2017 (USD '000) (Unaudited)</b>	<b>Six months ended 30 June 2016 (USD '000) (Unaudited)</b>	<b>Year ended 31 December 2016 (USD '000) (Audited)</b>
<b>Finance income</b>			
Foreign exchange gains on loans and borrowings	9	7	13
Other foreign exchange gains	4,530	2,141	13,577
Interest income on marketable securities (*)	936	1,120	1,928
Interest income on related parties	179	272	891
Interest income on banks and others	271	303	568
Gain on sale of marketable securities	--	342	408
Interest income from housing loans	15	16	32
Other income	14	--	94
<b>Total</b>	<b>5,954</b>	<b>4,201</b>	<b>17,511</b>

(\*) Interest income on marketable securities comprises the interest income earned from the Global Yatirim Holding's bonds during the period / year. Global Yatirim Holding is the ultimate controlling party of the Group.

The income from financial instruments within the category loans and receivables is USD 1,401 thousand (30 June 2016: USD 1,711 thousand, 31 December 2016: USD 3,419 thousand). Income from financial instruments within the category fair value through profit and loss is nil (30 June 2016: nil, 31 December 2016: nil).

Finance costs comprised the following:

	<b>Six months ended 30 June 2017 (USD '000) (Unaudited)</b>	<b>Six months ended 30 June 2016 (USD '000) (Unaudited)</b>	<b>Year ended 31 December 2016 (USD '000) (Audited)</b>
<b>Finance costs</b>			
Interest expense on loans and borrowings	12,126	12,383	26,153
Foreign exchange losses on loans and borrowings	1,190	456	4,793
Other foreign exchange losses	2,729	960	3,244
Other interest expenses	128	182	435
Letter of guarantee commission expenses	101	10	14
Loan commission expenses	79	--	53
Loss on sale of marketable securities	--	2	3
Unwinding of provisions during the year	289	232	528
Other costs	195	442	49
<b>Total</b>	<b>16,837</b>	<b>14,667</b>	<b>35,272</b>

The interest expense for financial liabilities not classified as fair value through profit or loss is USD 12,254 thousand (30 June 2016: USD 12,565 thousand, 31 December 2016: USD 26,588 thousand).



# Global Ports Holding PLC Interim Financial Report 2017

## Notes to the interim condensed set of financial statements

### 8 Property and equipment

During the period, the Group spent approximately USD 3,871 thousand on shopping mall renovations in Ege Ports, USD 5,679 thousand on a mobile harbor crane in Port of Adria and USD 673 thousand on enhancements to superstructure and USD 511 thousand on machinery in order to increase efficiency in 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 2017 (USD '000) (Unaudited)	Year ended 31 December 2016 (USD '000) (Audited)	Six months ended 30 June 2016 (USD '000) (Unaudited)
Net book value as at 1 January	115,765	119,771	119,771
Additions	11,964	8,916	6,093
Disposals	(117)	(537)	--
Depreciation	(5,234)	(10,199)	(5,110)
Acquisition through business combination	--	939	--
Currency translation differences	6,773	(3,125)	867
<b>Net book value as at 30 June</b>	<b>129,151</b>	<b>115,765</b>	<b>121,621</b>

### 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 2017 (USD '000) (Unaudited)	Year ended 31 December 2016 (USD '000) (Audited)	Six months ended 30 June 2016 (USD '000) (Unaudited)
Net book value as at 1 January	426,081	462,277	462,277
Additions	563	597	66
Acquisition through business combination	--	137	--
Amortization	(15,092)	(30,357)	(15,221)
Currency translation differences	18,806	(6,573)	4,995
<b>Net book value as at 30 June</b>	<b>430,358</b>	<b>426,081</b>	<b>452,117</b>

The details of the principal port operation rights for the six months ended 30 June 2017, year ended 31 December 2016 and six months ended 30 June 2016 are as follows:

	As at 30 June 2017		As at 31 December 2016		As at 30 June 2016	
	Carrying Amount	Remaining Amortisation Period	Carrying Amount	Remaining Amortisation Period	Carrying Amount	Remaining Amortisation Period
<b>USD '000</b>						
Barcelona Ports Investment	140,341	156 months	134,461	162 months	146,336	168 months
Valletta Cruise Port	65,823	593 months	61,409	599 months	65,155	606 months
Port of Adria	22,089	318 months	20,786	324 months	22,240	330 months
Port Akdeniz	185,750	134 months	194,067	140 months	202,384	146 months
Ege Ports	13,277	189 months	12,646	195 months	13,508	201 months
Bodrum Cruise Port	788	21 months	839	27 months	986	33 months
	<b>428,068</b>		<b>424,208</b>		<b>450,609</b>	

# Global Ports Holding PLC Interim Financial Report 2017

## Notes to the interim condensed set of financial statements

### 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 2017 is 12.13%, compared to 10.11% for the six months ended 30 June 2016. The lower tax rate in prior years was the result of growth in portfolio, newly acquired ports within Europe having higher effective tax rates compared to Turkish Ports and the comparative decrease in operations of Turkish Ports, increasing significance of European Ports in realisations.

	Six months ended 30 June 2017 (USD '000) (Unaudited)	Six months ended 30 June 2016 (USD '000) (Unaudited)	Year ended 31 December 2016 (USD '000) (Audited)
Current income taxes	(3,388)	(1,438)	(5,500)
Deferred income taxes	3,181	4,198	4,575
<b>Total</b>	<b>(207)</b>	<b>2,760</b>	<b>(925)</b>

### 11 Cash and cash equivalents

	Six months ended 30 June 2017 (USD '000) (Unaudited)	Year ended 31 December 2016 (USD '000) (Audited)	Six months ended 30 June 2016 (USD '000) (Unaudited)
Cash and cash equivalents	124,400	44,310	44,862
<b>Total</b>	<b>124,400</b>	<b>44,310</b>	<b>44,862</b>

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.

	Six months ended 30 June 2017 (USD '000) (Unaudited)	Year ended 31 December 2016 (USD '000) (Audited)	Six months ended 30 June 2016 (USD '000) (Unaudited)
Cash and cash equivalents per consolidated balance sheet	124,400	44,310	44,862
Less: Restricted cash	(4,170)	(5,954)	(4,430)
<b>Cash and cash equivalents per consolidated cash flow statement</b>	<b>120,230</b>	<b>38,356</b>	<b>40,432</b>

As at 30 June 2017, cash at bank amounting to USD 4,170 thousand (31 December 2016: USD 5,954 thousand, 30 June 2016: USD 4,430 thousand) is restricted due to bank loan guarantees and subscription guarantees.

# Global Ports Holding PLC Interim Financial Report 2017

## Notes to the interim condensed set of financial statements

### 12 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 a corresponding negative merger reserve 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.

Post period end, the Group undertook a capital reduction as described in Note 19.

#### b) Dividends

Dividend distributions are made by the Group in USD in accordance with its articles, after deducting taxes and setting aside the legal reserves.

In March 2017, the General Assembly of the Company decided to distribute a dividend of USD 26,783 thousand to its shareholders. Valetta Cruise Port distributed USD 1,014 thousand to other shareholders.

In March 2016, the General Assembly of the Existing Group decided to distribute a dividend of USD 34,607 thousand to its shareholders. Valetta Cruise Port distributed USD 819 thousand to other shareholders, and BPI distributed USD 2,191 thousand to RCCL.

### 13 Loans and borrowings

Loans and borrowings comprised the following:

	As at 30 June 2017 (USD '000) (Unaudited)	As at 31 December 2016 (USD '000) (Audited)	As at 30 June 2016 (USD '000) (Unaudited)
<b>Short term loans and borrowings</b>			
Short term portion of Eurobond issued	19,333	19,340	19,333
Short term bank loans	4,708	9,068	2,834
- <i>TL loans</i>	1,146	1,397	308
- <i>Foreign currency loans</i>	3,562	7,671	2,526
Short term portion of long term bank loans	21,492	13,710	14,502
- <i>Turkish lira loans</i>	314	--	--
- <i>Foreign currency loans</i>	21,178	13,710	14,502
Finance lease obligations	1,475	1,541	1,634
<b>Total</b>	<b>47,008</b>	<b>43,659</b>	<b>38,303</b>
	As at 30 June 2017 (USD '000) (Unaudited)	As at 31 December 2016 (USD '000) (Audited)	As at 30 June 2016 (USD '000) (Unaudited)
<b>Long term loans and borrowings</b>			
Long term portion of Eurobonds issued	233,175	233,260	233,189
Long term bank loans	71,947	62,845	73,056
- <i>TL Loans</i>	527	--	--
- <i>Foreign currency loans</i>	71,420	62,845	73,056
Finance lease obligations	2,425	2,915	3,636
<b>Total</b>	<b>307,547</b>	<b>299,020</b>	<b>309,881</b>

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## Notes to the interim condensed set of financial statements

### 14 Provisions

	As at 30 June 2017 (USD '000) (Unaudited)	As at 31 December 2016 (USD '000) (Audited)	As at 30 June 2016 (USD '000) (Unaudited)
<b>Non-current</b>			
Maintenance and replacement provision for Creuers (*)	15,946	13,487	12,967
Port of Adria concession fee provision (**)	1,427	1,371	2,223
<b>Total</b>	<b>17,373</b>	<b>14,858</b>	<b>15,190</b>

(\*) 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.

	As at 30 June 2017 (USD '000) (Unaudited)	As at 31 December 2016 (USD '000) (Audited)	As at 30 June 2016 (USD '000) (Unaudited)
<b>Current</b>			
Employee benefit provisions	373	276	341
Short term provisions	493	923	265
<b>Total</b>	<b>866</b>	<b>1,199</b>	<b>606</b>

### 15 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 2017 (USD '000) (Unaudited)	As at 30 June 2016 (USD '000) (Unaudited)	As at 31 December 2016 (USD '000) (Audited)
(Loss) / Profit attributable to owners of the Company	(6,408)	(218)	2,208
Weighted average number of shares	56,914,842	55,000,000	55,000,000
Basic and diluted (loss) / earnings per share (cents per share)	(11.3)	(0.4)	4.0

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### 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. The lawsuits were rejected by the courts of first instance, except for three lawsuits relating to Bodrum Cruise Port for which the courts upheld the applications relating to the extension. Although the Council of State affirmed the first instance court's decision, the respective ministry applied for rectification. All aforementioned court rulings were appealed either by the Group companies or relevant administration. The Council of State reversed the lower courts' judgment with respect to Ege Ports-Kuşadası, but the relevant administration applied to the Council of State for reversal of this judgment and the case is still pending. The appeal relating to Port Akdeniz-Antalya is still pending before the Council of State.

#### *A fee claim by the Ministry of Environment and Forestry against Port Akdeniz-Antalya for the allocation of land from the Türkiye Denizcilik İşletmeleri (TDİ)*

There is a finalised legal challenge regarding payment for land allocated to Port Akdeniz-Antalya by the TDİ. The land was transferred without payment as part of the concession rights agreement. The Council of the State and the Ministry of Environment and Forestry General Directorate challenged the land allocation on the basis that the TDİ should have sought compensation for the land. As far as the Group is aware, the TDİ and the Ministry of Environment and Forestry have not come to an agreement regarding collection of the relevant consideration as of the date of the consolidated financial statements.

As a result of a disagreement between the TDİ and the Ministry of Environment and Forestry, the Ministry of Environment and Forestry may request from the Group the same amount that it previously requested from the TDİ for allocation of these lands. As of the date of the consolidated financial statements, no claim has been made against the Group. Except for a claim requesting the return of training and social facilities operated by third parties which are being used outside of the scope of port operations; and no claim has been made against the Group concerning any payment relating to land allocation of Port Akdeniz-Antalya.

If the Group is forced to pay the aforesaid payment to the Ministry of Environment and Forestry, the Group may seek reimbursement from the TDİ, on the grounds of its right of recourse arising from the agreement transferring operational rights to the land at Port Akdeniz-Antalya.

#### *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 (from 2011 to 2014), and (ii) alleged underpaid wages as of the start of 2014. In April 2017, the Supreme Court ruled that the collective bargaining agreement is not valid. Although various cases remain pending before lower courts, this judgment establishes a precedent that would apply to the remaining pending cases before the lower courts. Accordingly, Management believes that the pending cases will be decided in favour of the Group.

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### 17 Related parties

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

<b>Related parties</b>	<b>Relationship</b>
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:

	<b>As at 30 June 2017 (USD '000) (Unaudited)</b>	<b>As at 31 December 2016 (USD '000) (Audited)</b>	<b>As at 30 June 2016 (USD '000) (Unaudited)</b>
<b>Current receivables from related parties</b>			
Global Yatırım Holding (*)	--	29,058	35,508
Adonia Shipping (**)	1,098	1,066	1,595
Naturel Gaz (**)	76	69	80
Mehmet Kutman	26	26	31
Others (***)	1,842	1,282	731
<b>Total</b>	<b>3,042</b>	<b>31,501</b>	<b>37,945</b>

(\*) The receivable from Global Yatırım Holding comprises charges and expenses incurred by the subsidiaries of the Group on behalf of Global Yatırım Holding prior to 2014. The full amount of \$29.1m that was receivable at 31 December 2016 has subsequently been received in full on IPO date.

(\*\*) These amounts are related with the work advances. The charged interest rate is 9.75% as at 30 June 2017 (31 December 2016: 10.50%, 30 June 2016: 10.50%).

(\*\*\*) Advances paid to related companies founded by the Group.

#### Due to related parties

Current payables to related parties comprised the following:

	<b>As at 30 June 2017 (USD '000) (Unaudited)</b>	<b>As at 31 December 2016 (USD '000) (Audited)</b>	<b>As at 30 June 2016 (USD '000) (Unaudited)</b>
<b>Current payables to related parties</b>			
Mehmet Kutman	205	204	248
Global Yatırım Holding	161	--	--
Global Sigorta (*)	76	356	136
Global Menkul (*)	2	21	23
Other	111	--	--
<b>Total</b>	<b>555</b>	<b>581</b>	<b>407</b>

(\*) These amounts are related to professional services taken. The charged interest rate is 9.75% as at 30 June 2017 (31 December 2016: 10.50%, 30 June 2016: 10.50%).

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### 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 2017 (Unaudited)		Six months ended 30 June 2016 (Unaudited)		Year ended 31 December 2016 (Audited)	
	Interest received	Other	Interest Received	Other	Interest received	Other
Global Yatirim Holding	1,115	--	1,392	--	2,819	--
Adonia Shipping	--	--	--	--	--	5
<b>Total</b>	<b>1,115</b>	<b>--</b>	<b>1,392</b>	<b>--</b>	<b>2,819</b>	<b>5</b>

#### USD '000

	Interest Paid		Interest Paid		Interest paid	
	Paid	Other	Paid	Other	paid	Other
Global Yatirim Holding	--	1	8	2	8	4
Global Menkul	--	--	--	--	--	--
<b>Total</b>	<b>--</b>	<b>1</b>	<b>8</b>	<b>2</b>	<b>8</b>	<b>4</b>

For the six months ended 30 June 2017, the Group recognised interest income on the bonds issued by Global Yatirim Holding in September 2012 with a nominal interest rate of 11% (31 December 2016: 11%, 30 June 2016: 11%) amounting to USD 936 thousand (for the year ended 31 December 2016: USD 1,928 thousand, for the six months ended 30 June 2016: USD 1,120 thousand). For the six months ended 30 June 2017, the effective interest rate was 13.95% (31 December 2016: 14.45%, 30 June 2016: 14.95%). For the six months ended 30 June 2017, the Group did not purchase or sell Global Yatirim Holding's publicly traded share certificates (for the year ended 31 December 2016: a gain of USD 405 thousand, for the six months ended 30 June 2016: a gain of USD 340 thousand).

#### 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	Six months	Year ended 31
	30 June 2017 (USD '000)	ended 30 June 2016 (USD '000)	December 2016 (USD '000)
Salaries	917	1,081	1,761
Bonus	--	11	34
Attendance fees to Board of Directors	69	158	253
Termination benefits	17	26	34
<b>Total</b>	<b>1,003</b>	<b>1,276</b>	<b>2,082</b>

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## Notes to the interim condensed set of financial statements

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### Financial Instruments' fair value disclosures

The Group had no financial instruments in the current or previous year with fair values that are determined by reference to significant unobservable inputs i.e. those that would be classified as level 3 in the fair value hierarchy, nor have there been any transfers of assets or liabilities between levels of the fair value hierarchy. There are no non-recurring fair value measurements.

#### *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.

(USD '000)	<u>Note</u>	<u>As at 30 June 2017</u>		<u>As at 31 December 2016</u>		<u>As at 30 June 2016</u>	
		(Unaudited)		(Audited)		(Unaudited)	
<b>Financial liabilities</b>		<b>Carrying Amount</b>	<b>Fair Value</b>	<b>Carrying Amount</b>	<b>Fair Value</b>	<b>Carrying Amount</b>	<b>Fair Value</b>
Loans and borrowings	13	354,555	364,423	342,679	335,763	348,184	323,537

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



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## Notes to the interim condensed set of financial statements

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### 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
<b>As at 30 June 2017 (Unaudited)</b>	Derivative financial liabilities	--	932	--	932
<b>As at 31 December 2016 (Audited)</b>	Derivative financial liabilities	--	1,131	--	1,131
<b>As at 30 June 2016 (Unaudited)</b>	Derivative financial liabilities	--	1,549	--	1,549

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.

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### Events after the reporting date

The reduction of capital and cancellation of the share premium account, as described in the Prospectus (the "Reduction of Capital"), has been approved by the High Court of Justice of England and Wales (the "Court") on 12 July 2017.

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 Reduction of Capital is a legal and accounting adjustment and is not expected to have any direct impact on the market value of the GPH Shares.

On 19 August 2017 the Board approved an interim dividend of GBP 21.6p per share.