FROM THE MEDITERRANEAN TO THE WORLD...

GLOBAL INVESTMENT HOLDINGS

ANNUAL REPORT 2022

Contents

As FERTILE as the Mediterranean

As a company, Global Investment Holdings, which operates in 14 countries across four continents through investments in different lines of business, we have managed to achieve very successful results in 2022. However, it was a year characterized by macroeconomic challenges.

With our investment portfolio that differentiates from traditional holding companies, we make a difference in all of our areas of business, getting the right results with the right investments. We carry out business always with a fresh sense of excitement and eagerness and proceed with the passion of success.

REAPING THE FRUITS OF OUR INVESTMENTS!
We are continuing to expand our network in port management, which has recovered to pre-pandemic levels. Our share in the Mediterranean market, which has been one of the world's fastest-growing areas for cruise shipping, has risen to 40%, and we also maintain our progress in the Caribbean. Our investments in other lines of business also are being translated into value.

Our annual report provides a summary of 2022 in a fashion inspired by the Mediterranean, which not only houses our country but also represents one of our growth routes.

As AUTHENTIC as the Mediterranean

Investment, as our company’s name would suggest, is the primary driving force guiding us on the path to success. Since the company’s inception, we carefully select suitable industries to focus on and explore the potential opportunities in each sector. Our operations are carried out by teams of professional managers uniquely qualified to assess the specific conditions, dynamics, and challenges of the industries. We shape future investments with a different business model that relies on agility and first-mover advantages.

REVENUE GROWTH

300%

As DIVERSE as the Mediterranean

We are a holding company that diversifies investments in its sectors and implements active investment strategies to maximize its share value. We make bold investment decisions based on meticulous research to diversify our portfolio. In addition to port management, we balance the composition of our portfolio with companies that can create a difference and maintain their strength in electricity generation, gas, mining, brokerage&asset management, and real estate.

EBITDA GROWTH

493%

As PRODUCTIVE as the Mediterranean

As the business has returned to normal following the pandemic, our profitability continues to increase on a consolidated basis, for example, in the port management line of business. Furthermore, we are taking significant steps in line with our strategy to reduce the debts persisting from 2021. Significant increases in total assets, revenues, and EBITDA ratios show a healthy portfolio composition.

NET DEBT/EBITDA

3.8x

RENEWABLE ENERGY CAPACITY

40.0 MW

As ENERGETIC AND NATURAL as the Mediterranean

As a Group included in the BIST Sustainability Index, we make investment decisions by considering the future of our planet. To reduce carbon emissions, we strive to minimize our environmental impact through our operations in the energy area and the energy-saving measures within the Group. We continue to work toward a green future with renewable energy investments and electricity generation from biomass.

As AMBITIOUS as the Caribbean

As a Group, we know no limits to success and are expanding our sphere of influence. In fact, our growth in port management demonstrates our vision. We opened ports in Nassau and Antigua in the Caribbean. Finally, we signed a concession agreement for San Juan Cruise Port in the capital of Puerto Rico, the autonomous territory of the USA, to the portfolio.
We signed a preliminary agreement with the Government of St. Lucia to operate the cruise operations in St. Lucia. We are committed to maintaining ambitious targets in different geographies.

Chairman’s Message

We saw a complete return to regular operations in 2022 and began to reap the profits of our corporate vision.

Mehmet Kutman
Chairman

Dear Shareholders and Stakeholders,

2022 was a year of significant, if troubled, recovery for the world. For our Group, we saw a complete return to regular operations in 2022 and began to reap the profits of our corporate vision.

For the full year, Global Investment Holdings generated revenues of TL 7.2 billion and EBITDA of TL 2.5 billion. These represented rises of 300% and 493% growth compared to 2021. The improvement in our operational and financial performance was broad-based. It was also sustained and, thanks to the high operational gearing at the ports, indeed accelerated over the course of the year.

The challenges facing the global economy in 2022, and likely to be encountered to a lesser extent in 2023, were, on the one hand, the hangover caused by the strong monetary and fiscal measures taken to compensate for the impact of Covid on output; and on the other, continuing dislocations caused by strict zero-Covid measures in China. In keeping with orthodox economics, central banks responded by raising interest rates to stave off a further surge in inflation. The post-Covid boom is over, and the economic issues that existed before Covid – extraordinary levels of public and private indebtedness, an over-reliance on economic policy anchored to the asset price-bond pair, and problems with productivity – have once again returned to the fore. In Europe this was further complicated by an unforeseen if not wholly unexpected war, which caused a stark political division not seen for forty years and contributed to global increases in energy and food prices. In Türkiye, inflation rose to heights not seen for two decades. Meanwhile, a world that had endured lockdowns rushed to travel. While global tourism was still only approximately two-thirds as strong in terms of passengers as in 2019, the gap narrowed every quarter from 58% of 2019 figures in Q1 to 25% in Q4 2022. The three best sub-regions in terms of annual performance were Western Europe (down 13% over 2019), the Caribbean (-16%), and Northern and Mediterranean Europe (each -18%).

In 2023 we expect economic growth to be more muted in the developed world, but the developing world – led by a China that has dropped its draconian anti-Covid policies – should pick up the slack. We cannot forecast the state of the war in Ukraine. In Türkiye, general elections will take place in May, with some uncertainty as to the economic policy that will follow. International travel is expected to reach pre-pandemic levels by the second half of the year, especially as China is once again open. However, all this suggests the likelihood that commodity prices will be stronger than otherwise, which is one of the reasons we expect that globally inflation will prove sticky.

NET REVENUES

7.2

TL BILLION

Additionally, in 2023, the Republic of Türkiye is celebrating its 100th anniversary.

The global backdrop can be said to have been largely benign for our subsidiaries, and this is expected to continue to some degree in 2023.

The recent earthquakes in Southeast Türkiye

Two powerful earthquakes centred around the city of Kahramanmaraş (historically the birthplace of the heresiarch Nestorius as well as Leo the Isaurian), as well as countless aftershocks along a 400-kilometre-long fault line, wrought devastation in an area the size of England. Mere words cannot express our sadness and, given the very large number of casualties, it seems almost heartless to offer futile condolences to their surviving families.

I will not go into great detail here about our own corporate or private responses, but suffice it to say that Naturelgaz provided critical support to hospitals in the region by supplying them with CNG when the natural gas pipeline flow was disrupted, and we have provided many lorry loads of prefabricated housing, tents, furnishings and generators, along with essential clothing, and household items, food and equipment. We opened our facilities, insofar as possible, to house and feed the displaced, as well as provided significant monetary assistance. Our ports have also worked to process and load equipment, donations and other necessities on ships headed for the affected areas.

Our performance

The surge in international travel is also reflected in our cruise business which is now almost back to normal. With respect to our ports subsidiary, **Global Ports Holding**, which operated across 14 countries and 27 cruise ports, there was a dramatic improvement over 2021. The number of ships calling at our ports and the total number of passengers can be said to be back to pre-Covid levels. We continue to make incremental additions to our port network. In 2022, one of the more interesting additions was in Prince Rupert, BC Canada, which represents our first foray into mainland North America. Consequently, GPH recorded a 508% rise in revenues to TL 1.7 billion and a 5107% rise in EBITDA to TL 1.1 billion.

Chairman's Message

All our companies are profitable, and we continue to expect good dividend flow from them, which we will continue to use to deleverage.

In the near future, we hope to add Puerto Rico, thus positioning ourselves even more solidly in the Caribbean market while gaining a foothold in the US sphere of operations. In any event, by the end of 2023, our network should have expanded to over 30 ports, and the reconstruction of the facilities at the key port of Nassau should be almost completed; as well, more than a dozen projects remain in the longer-term pipeline. We believe our experience, track record of success, commitment to excellence, and inclusive investment strategy will sustain growth in all regions. With the re-opening of the East Asian sphere, more of our inorganic growth may well derive from that fast-growing region, though probably not as early as 2023.

In 2022, our compressed natural gas distribution subsidiary, **Naturelgaz**, had another strong year. The backdrop was not always favourable – the war in Ukraine, gyrating spot prices in Europe for natural gas, and a negative divergence between gas and electricity prices meant that the market within Türkiye remained unsettled. However, following its highly successful listing in the previous year, Naturelgaz overcame these issues by further expanding its market share in Turkish natural gas distribution beyond what we expected a year before. As its share of the Turkish non-pipe CNG distribution is now above 80% and its share of the Turkish non-pipe CNG+LNG is over 30%, organic growth has slowed somewhat compared to a decade ago, but market share gains were still solid and contributed to an excellent performance. Naturelgaz recorded a 441% rise in revenues to TL 3.7 billion and an 892% rise in EBITDA to TL 801 million.

TOTAL ASSETS

23.7

TL BILLION

Naturelgaz will continue to evaluate and negotiate the opportunities in other countries where, for whatever reason, natural gas pipelines do not serve all areas where there is demand. This is a necessity as there will be a limit to growth within Türkiye even if, as demonstrated in 2022, we can be pleasantly surprised.

Although in broadly the same sector, different dynamics were in play for our renewable energy company, **Consus Enerji**. Its three operational divisions faced diverging market conditions in 2022. Solar energy's performance was exactly as expected – that is to say, excellent; the biomass division's performance was again as expected – that is to say, well; but the co/tri-generation division fell behind as a result of electricity prices lagging input costs for their customers, partly due to market forces, but largely as a result of government fiat. Nevertheless, the Company recorded a 50% rise in revenues to TL 553 million and a 24% rise in EBITDA to TL 184 million – less than we had hoped, but nonetheless a solid performance in a strange year.

In April 2022, we were happy to list Consus through an IPO which raised approximately TL 520 million. The relative performance has been disappointing but understandable given the unpredictable market conditions noted above.

Looking further ahead, we are comfortable in expecting growth to come from solar or solar/hybrid sources. A number of these are natural consequences of the growth of our ports division – for example we are targeting solar/hybrid generation of approximately nine times our current solar generation from projects related to the ports alone, of which San Juan in Puerto Rico may be the most noteworthy, but we have increased our presence elsewhere too – Tarragona and Las Palmas in Spain, Crotone in Italy, and Kalundborg in Denmark, to name a few. The pipeline is full and there is always the possibility of ad hoc investments if opportunities arise.

Our third area of focus, asset management, is the business most exposed to the vagaries of government economic policy as well as economic developments in Türkiye. As bonds yield less than 25% in an environment where inflation is running much higher, and there are alternative investments available, compounded by a strong lira, the fixed-income side of the business is under tremendous pressure, which is only partially alleviated by the stellar performance of the equity side. Consequently, it has been a difficult year for **Istanbul Asset Management.** Fortunately, the same factors meant that the performance of our brokerage subsidiary, **Global Securities**, was again excellent. Combined, the performance of the two was reasonable: combined EBITDA rose 254% to TL 311 million.

Whatever the vicissitudes of operating in 2022 might have been for these companies, we are convinced of the enormous potential in Turkish financial services. Istanbul Asset Management might have only TL 45.8 billion under management at the end of 2022, but this still represents the largest accumulation of funds by an independent asset manager in Türkiye, and is a small fraction of where we expect the business to be in the coming decade.

Our mining arm, **Straton**, had a mixed performance during the Covid period, but showed a brisk recovery in 2021, leading to an initially superlative performance in 2022. Unfortunately, later months proved to be more challenging, a situation we expect will continue through to mid-2023. A combination of still-high inflation within Türkiye and the government's desire to keep the lira stable to prevent further pass-throughs in cost pressures, along with the fact that most of our exports are to Europe, means that the volume (not the value) of sales in 2022 was down approximately 10% and a further 5-10% decline is forecast for 2023. However, sales still rose 81% to TL 331 million and EBITDA 65% to TL 106 million.

All our companies are profitable, and we continue to expect good dividend flow from them, which we will continue to use to deleverage. We are not traders but investors, and usually very long-term, so our leverage is not low but is improving rapidly as previous investments mature.

We were extremely pleased with the performance of GLYHO in the stock market, with our share price rising from TL 1.98 at the end of 2021 to TL 11.23 at the end of 2022. This was a good year for the Istanbul Stock Exchange in general – the BIST rose 197% over the course of the year. We believe the 467% rise in our share price was a positive response to both the dawning realisation of our long-term approach and the shorter-term operational and financial improvements.

The longer term

The low inflation/low interest rate paradigm that has dominated economic policy-making over the past forty years has brought great increases in wealth and output. As this has continued for over a generation, the notion that this is perpetual seems to have shaped assumptions. The experience of the UK in particular, but the rest of the world also in 2022, reveals the fragility of that assumption. Even more so, the notion that wars would not be big enough to affect the global economy was founded on a pious hope, while the covid pandemic reminded us that it does not take a war to turn everything upside down. Assumptions and policies are worthy, but they must be taken with a pinch of salt, and this pragmatism is factored into our plans.

Similarly, the notion that we can continue to use the resources of the Earth as we please and with no regard for the consequences will create mounting difficulties. As I write this, Türkiye is in the grip of an unnatural heatwave – temperatures in Istanbul are nine degrees higher than historical averages – as well as a drought that will affect both the economy and the quality of life in 2023. Fortunately, the Group's carbon imprint is relatively low, partly, at least, due to our emphasis on solar power.

We will of course continue to press for growth in all our main operational areas. Indeed, the opportunities in each are such that not to do so would be a dereliction of duty. But we are cognizant that operating conditions in the next twenty years will not be a replica of the past twenty. Fortunately, Global Investment Holdings is today in a position such that, as a result of our previous investments and hard work, we can begin to enjoy the fruits of our labours while still forging ahead.

Mehmet Kutman
Chairman

Global Investment Holdings Group in Summary

Over the past 17 years, GIH has grown its total assets by 100-fold and total equity by 34-fold, transforming from a brokerage firm into a diversified conglomerate.

GIH AT A GLANCE

Global Investment Holdings (GIH) is a diversified conglomerate with investments in a number of businesses – port infrastructure, energy generation, non-piped natural gas sales and distribution, mining, real estate development, brokerage and asset management. GIH focuses on maximizing shareholder value by diversifying investments in its operational areas and executing agile investment strategies. The Group, founded as a brokerage firm in 1990, has operated as a holding, and multi-faceted group of companies since 2005, transforming into a dynamic investment vehicle. The Holding focuses on a variety of nascent business sectors and traditional non-banking financial service providers that offer high growth potential with "first mover" advantages. GIH functions as an umbrella to manage key issues, such as investment, financing, organization, and management, of its affiliates by participating in their capital and management.

Over the past 17 years, GIH has grown its total assets by 100-fold and total equity by 34-fold, transforming from a brokerage firm into a diversified conglomerate. As of end-2022, GIH reported total assets of TL 23.7 billion and total equity of TL 4.7 billion.

TOTAL EQUITY

4.7

TL BILLION

Global Investment Holdings is registered with the Capital Markets Board of Türkiye (CMB). GIH has been listed on Borsa Istanbul (BIST) since May 1995. (GIH stock formerly traded under the company name Global Menkul Değerler A.Ş. from May 1995 to 1 October 2004.) Currently, 99.99% of GIH's shares are traded on BIST. GIH completed its first IPO abroad, on the London Stock Exchange, in May 2017 with its ports subsidiary Global Ports Holding Plc. Additionally, among the Group companies, Naturelgaz, non-piped natural gas subsidiary, Consus Enerji, operating in renewables and distributed power and Global Securities offering brokerage services, are listed on Borsa Istanbul, trading under the tickers NTGAZ, CONSE and GLBMD, respectively. Furthermore, Ardus Gayrimenkul Yatırımları A.Ş. operating in the field of real estate and Istanbul Asset Management operating in the field of independent portfolio management.

Currently, Global Investment Holdings Group operates in six key business areas:

- **Port Infrastructure:** Operation of cruise ports and commercial ports;
- **Power Generation:** Renewables (biomass and solar) and distributed power plants (cogeneration and trigeneration);
- **Gas:** Non-piped natural gas sales and distribution;
- **Mining:** Extraction of feldspar in the most efficient and environmentally responsible manner while producing added-value feldspar products;
- **Real Estate:** Development and operation of real estate projects;
- **Finance:** Non-banking financial services, including brokerage, advisory and asset management.

STRATEGIC FOCUS: PORT INFRASTRUCTURE, GAS, POWER GENERATION, MINING AND ASSET MANAGEMENT

Going forward, the Group's strategy is to develop regional and global enterprises in selected core businesses: port infrastructure, gas, power generation, mining, and asset management. This focus will allow GIH to target its resources more efficiently and expand more rapidly in these strategic, high-growth areas:

- **Port Infrastructure:** Make acquisitions in high-value regions of the Americas and Med, consolidate the market further while seeking horizontal growth in port/passenger related businesses;
- **Gas:** Maintain the leadership position in the Turkish non-piped natural gas market and expand to international markets;
- **Power Generation:** Develop green energy projects with attractive long-term feed-in tariffs and innovative energy efficiency solutions;
- **Mining:** Grow the current mining business with acquisitions in Türkiye and abroad;
- **Asset Management:** Grow and create Türkiye's largest independent asset manager.

The Holding which maintains its rapid growth by using the resources efficiently in these crucial industries estimated to grow significantly in the near future targets maximizing its share values with active investment strategies as diversifying its investments. With its robust and diversified portfolio and capable management team, GIH always aims to contribute to the development of the countries where it operates through responsible investment. GIH is committed to providing sustainable returns to its shareholders by putting sustainability at the centre of all its operations. The core of GIH's sustainability approach is maintaining and developing its corporate reputation and the trust of its all stakeholders – GIH's most valuable asset. The Group also believes that financial returns alone are not sufficient. GIH aims for its enterprises to also generate social benefits and contribute to sustainable development in the regions where it operates.

CAPABILITIES

Fast Moving
- Identifies attractive investment opportunities in rapidly growing industries
- Not limited by geographic or sector restrictions
- Proven track record of successful exits

First Entrant
- Unique position as industry consolidator in its port operations
- Always prioritizes potential for future growth

Dynamic
- Investment portfolio unlike traditional holding companies
- Robust investment vehicle with interests across a variety of emerging business sectors
- Immediately responsive to a continuously changing business environment and focused on operational efficiency
- Significant operational value-added capabilities to improve underlying business Fundamentals

Global Investment Holdings Group in Summary

VISION

Global Investment Holdings aims to become a leader in its operations, to initiate new and innovative projects with growth potential and to become a pioneer in developing and evolving the business environment around the world.

MISSION

The Holding is committed to developing a portfolio of competitive companies, within the sectors in which it operates, with strong and healthy growth prospects in conformity with global standards. The Holding is also responsible for updating strategies for its subsidiaries, along the lines of the changing local and global environment, as to ensure their quick adaptations to changing business conditions and help their continuous growth.

Global Investment Holdings Group in Summary

GIH functions as an umbrella to manage key issues, such as investment, financing, organization, and management, of its affiliates by participating in their capital and management.

Our Key Investment Principles

- Businesses with robust/defensible competitive positions and regional/global expansion potential
- High and sustainable barriers to entry
- Business models with high revenue visibility
- Multiple value creation levers that we have the power to influence
- Partnerships with global leaders on a case-by-case basis

Our Strategy

- Expanding all our portfolio companies
- Creating a worldwide & top-tier (consolidating the cruise port industry globally)
- Attach value to portfolio companies
- Create regional/international entities with a strategic focus on port infrastructure, gas, power generation, mining, and asset management
- Opportunistic approach to new business areas

GLOBAL INVESTMENT HOLDINGS' SHAREHOLDING STRUCTURE

As of 31 December 2022, GIH's issued capital amounted to TL 650,000,000 with an authorized capital ceiling of TL 9,000,000,000. The authorized capital ceiling permit granted by the Capital Markets Board was valid for five years, expiring at end-2022. Accordingly, GIH's BoD resolved to make the necessary amendments to the Articles of Association to extend the ceiling for another five years and to increase the ceiling to TL 9 billion. Amendments had been obtained by The CMB and approved by the General Assembly. Global Investment Holdings' shareholder structure as of 31 December 2022 is as follows:

Strong and Committed Shareholder Structure

	31 December 2022	
	Shares (TL)	**(%)**
Turkcom Turizm Enerji İnşaat Gıda Yatırımlar A.Ş.*	168,807,528	25.97%
Mehmet Kutman	50,097,214	7.71%
Other	431,095,258	66.32%
Total	**650,000,000**	**100.00%**

** Fully owned by Mehmet Kutman, the founding shareholder, Chairman and Chief Executive Officer of Global Investment Holdings.*

Global Investment Holdings Group

Global Investment Holdings is a diversified conglomerate operating in 14 different countries across 4 continents.

World's largest independent cruise port operator with 27 ports, in 14 different countries across 4 continents

Normally c.15 million passengers annually with an established presence in the Mediterranean, Caribbean-America, Asia-Pacific, Africa, and Northern Europe.

Listed on the London Stock Exchange

Americas
Antigua Cruise Port
Nassau Cruise Port
Prince Rupert Cruise Port

West Med & Atlantic
Alicante Cruise Port
Barcelona Cruise Port
Fuerteventura Cruise Port
Kalundborg Cruise Port
Lanzarote Cruise Port
Las Palmas Cruise Port
Lisbon Cruise Port
Malaga Cruise Port
Tarragona Cruise Port
Valencia Cruise Port
Vigo Cruise Port

Central Med
Cagliari Cruise Port
Catania Cruise Port
Crotone Cruise Port
La Goulette Cruise Port
Taranto Cruise Port
Valletta Cruise Port
Venice Cruise Port

East Med & [Adriatic]
Bodrum Cruise Port
Ege Port Kusadasi
Port of Adria, Bar
Zadar

Asia
Ha Long Cruise Port
Singapore Cruise Port

Port Infrastructure

Combined capacity of 94.1 MW, of which 40.0 MW is from renewable sources (Biomass: 29.2 MW, Solar: 10.8 MW)

Co/tri-generation plants with 54.1 MW installed capacity in distributed power business

Aydın
12 MW biomass power plant

Şanlıurfa
5.2 MW biomass power plant

Mardin
12 MW biomass power plant
10.8 MWp solar power plant

Distributed Power Plants
(Cogeneration/ Trigeneration)
54.1 MW capacity at 8 different points in Türkiye

Power Generation

Non-piped Natural Gas (CNG & LNG) Sales and Distribution
Türkiye and Europe's leading non-piped natural gas (CNG: Compressed Natural Gas/LNG: Liquefied Natural Gas) distributor in terms of plant infrastructure and bulk sales volume

Solid infrastructure: all plants, stations and equipment established and used by the company conform to international standards and regulations

Nationwide CNG plant infrastructure in Türkiye with 13 bulk CNG plants (1 Bulk CNG plant with a partnership agreement) and 5 Auto CNG stations

- **Bulk (Industrial) CNG Plants:** Antalya, Bursa, Denizli, Elazığ, Erzurum (with a partnership agreement), İzmir, Kayseri, Kırıkkale, Konya, Lüleburgaz, Ordu, Osmaniye, Rize
- **Auto CNG Stations:** Istanbul/Alibeyköy, Bolu, Kocaeli/Çayırova, Konya, Mersin

Bulk CNG plant network with extensive coverage and Auto CNG stations on critical logistics routes

In terms of LNG product, 5 LNG road tankers, 31 LNG storage tanks and 94 ambient air heated vaporizers

Gas

One of Türkiye's leading players in industrial minerals with ~ 1.0 million tons feldspar annual production capacity

Total feldspar sales
497,866 tons

Export volume
387,278 tons

Developing and operating real estate projects

Consolidated total gross leasable area
45,348 m^2

- **Sümerpark Real Estate Project:** Sümerpark Project, which is the new living center of Denizli, is on 100,908.07 m^2 total gross construction area. The project is composed of Sümerpark Evleri, consisting of 608 houses, private school, and hospital lands.
- **Van Shopping Centre:** Van Shopping Centre is the first shopping centre in the city and provides a strong selection on 55,000 m^2 building area and 26,047 m^2 leasable area.
- **Rıhtım 51 (Karaköy):** Rıhtım 51 has 2nd degree listed historical building. The renovation projects of the property have been completed and the building permit is obtained for the 6,603 m^2 hotel project.
- **Aqua Dolce Resort (Cyprus):** Maya, which was established to develop the Aqua Dolce Tourism and Entertainment Center Project and is designed to include Aqua Dolce Tourism and Entertainment Center, Resort Hotel, SPA, multi-purpose conference hall, casino, sports facilities, apartments, and residences.

Asset Management
Largest independent asset management company with domestic capital and without a bank/brokerage house/insurance company as a parent, serving domestic, international, corporate, and individual investors with its innovative product portfolio

Brokerage
Ranking among Türkiye's leading independent brokerage firms offering securities and derivatives trading and portfolio management services to international and Turkish investors

Istanbul Asset Management Assets Under Management
TL 45.8 billion

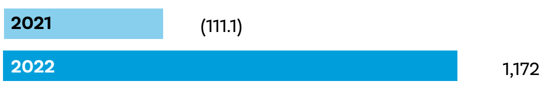
Global MD Portfolio Management Assets Under Management
TL 980 million

Global Securities
Trading volume of TL 379 billion

Consolidated Financial Highlights

Global Investment Holdings reported TL 7,175.5 million Consolidated Net Revenues in 2022 surged by 300% over 2021.

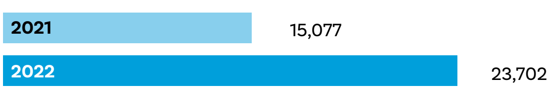
Net Profit (Loss)
TL Million



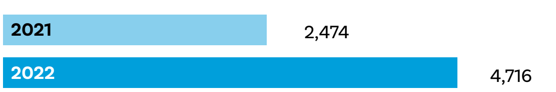
Net Revenue[1]
TL Million

Operating EBITDA[1]
TL Million

Total Assets
TL Million



Equity
TL Million



[1] Revenues exclude the impact of IFRIC 12 on Cruise Ports amounting to 1,543.3bn TL for 2022 and 791.1 mn TL for 2021.

Gas	52.2%
Port Infrastructure[1]	24.2%
Power Generation	7.7%
Finance	10.2%
Mining	4.6%
Real Estate	1.0%
Other[2]	0.1%

[1] Revenues exclude the impact of IFRIC 12 on Cruise Ports amounting to TL 1,543.3bn for 2022 and TL 791.1 mn for 2021.
[2] Includes Global Investment Holdings' solo operations.

Key Financial Indicators

As of end-2022, GIH reported total assets of TL 23.7 billion and total equity of TL 4.7 billion.

Consolidated Balance Sheet (TL million)	**2021**	**2022**
Current Assets	3,640	5,136
Non-Current Assets	11,437	18,566
Total Assets	15,077	23,702
Short-term Liabilities	3,447	5,500
Long-term Liabilities	9,156	13,486
Total Shareholders' Equity	2,474	4,716
Total Liabilities and Shareholders' Equity	15,077	23,702

Consolidated Income Statement (TL million)	**2021**	**2022**
Net Revenues[1]	1,794	7,176
Gross Profit	478	2,890
Operating EBITDA[1]	425	2,521
Profit/(Loss) Before Tax	(204)	1,966
Net Profit/(Loss) for the Period	(111)	1,172

[1] *Revenues exclude the impact of IFRIC 12 on Cruise Ports amounting to TL 1,543.3 bn for 2022 and TL 791,1 mn for 2021.*

Milestones

GPH is the world's largest independent cruise port operator with diversified and strategically located cruise port network.

1990
- GIH was established (as Global Securities)

2004
- Global Securities became GIH
- GPH was established (commenced operations in Ege Port Kuşadası in 2003)
- Acquired Energaz at USD 36.3 million valuation

2006
- Acquired 40% stake in Port Akdeniz, Antalya

2007
- Acquired Yeşil Energy at USD 33.7 million valuation

2008
- Acquired 60% stake in Bodrum Cruise Port

2009
- Sold Yeşil Energy to Statkraft (Norway) at USD 115.8 million valuation

2010
- Acquired remaining stake in Port Akdeniz, Antalya (59.8%)

2011
- Global Asset Management sold 60% shares to Azimut, Italy at TL 7.8 million valuation
- IPO of Global Securities for 10,000,000 shares (25%) at TL 66.2 million valuation
- Sale of 22% of GPH shares to VEI, Italy at USD 350 million valuation
- Acquisition of 25% of Naturelgaz CNG Distributor
- Opened Sümerpark Shopping Centre

2012
- Sold Energaz to STFA at USD 75 million valuation
- Acquired additional 55% of Naturelgaz
- Sümerpark Apartments Phase I completed

2013
- Acquired minority stake in Creuers (Barcelona, Málaga and Singapore Cruise Ports)
- Acquired 62% stake in Port of Adria, Bar, commercial port
- Straton Mining acquired

2014
- Acquired further stake in Creuers (GPH stake 62%)
- Signed concession agreement for Lisbon Cruise Port (GPH's effective stake: 46%)
- Opened Final Private School in Denizli

2015
- Acquired 55.6% stake in Valletta Cruise Port
- European Bank for Reconstruction and Development (EBRD) acquired 10.84% stake in GPH
- GIH decided to enter the Biomass business in Türkiye
- Opened VAN Shopping Centre
- Sümerpark Apartments phase II completed
- Global Securities completed the acquisition of a 100% stake in Eczacıbaşı Securities

2016
- Acquired 44.5% stake in Venice Cruise Port as part of a strong consortium together with Costa Crociere, MSC Cruises and Royal Caribbean Cruises
- Acquired 53.7% indirect stake in Ravenna Cruise Port
- Acquired 62.2% indirect stake in Catania Cruise Port
- Acquired 70.9% indirect stake in Cagliari Cruise Port

2017
- IPO of GPH on the London Stock Exchange @ GBP 465m market cap
- Centricus investment into GIH (31% share sale)
- Greenfield investments for 2 biomass pp's with 17.2 MW installed capacity completed
- SkyCity (Sümerpark Office) project phase I completed

2018

- GIH is included in the BIST Sustainability Index
- Signed a concession agreement for Zadar Cruise Port, Croatia
- Extended Bodrum Cruise Port concession to 2067
- Operational biomass portfolio increased to 29.2 MW
- Construction of 10.8 MWp solar power plant started (Mardin/Türkiye)

2019

- Started operating Nassau Cruise Port, the Bahamas for a 25-year term
- Commenced cruise port operations in Antigua & Barbuda for a 30-year term
- Reached merger agreement with Istanbul Asset Management
- Extended Marina Bay Cruise Centre Singapore concession to 2027
- Added first solar power plant, Ra Solar, to a renewable portfolio with 10.8 MWp installed capacity in Mardin/Türkiye
- Signed a 15-year management service agreement for Ha Long Cruise Port, Vietnam

2020

- 30th anniversary of Group foundation
- Concluded acquisition of the operator of La Goulette Cruise Port, Tunisia
- Concluded acquisition of remaining shares in Malaga Cruise Port concession (GPH stake 62%)
- Acquired Socar Türkiye LNG at TL 32.4 million valuation
- Signed a sale and purchase agreement to sell Port Akdeniz
- Signed an agreement to operate and manage Valencia Cruise Port, Spain, for 35-years
- Awarded a 20-year concession to manage Taranto Cruise Port, Italy
- Finalized the merger of Actus Asset Management and Istanbul Asset Management, creating the largest domestic and independent asset management company in Türkiye

2021

- Completed the sale of Port Akdeniz for an EV of TL 1,033,158,000 (USD 140 mn)
- Refinanced the USD 250 mn Eurobond at interest costs lower than the Eurobond with a 5-year maturity
- Completed a 5-year loan agreement for up to USD 261.3 mn with a leading global investment firm
- Increased its issued share capital in cash, from TL 325,888,409.93 to TL 650,000,000, resulting in total proceeds of TL 487,180,209.05, which is used to reduce indebtedness
- Signed a 20-year lease agreement with the Port of Authority of Kalundborg to manage the cruise services in Kalundborg Cruise Port, Denmark
- Preferred bidder status (in a joint venture with a local partner) for Las Palmas, Fuerteventura, Lanzarote Cruise Ports
- Signed an agreement with Petrol Ofisi to create synergies in the Auto CNG business
- Following an exceptionally Successful IPO, Naturelgaz shares started to float on Borsa Istanbul as of 1 April 2021 with a free float of 30%
- Applied to the Capital Markets Board to get approval to amend the Articles of Association for the purpose of the IPO of Consus Enerji
- Exercised its option to buy additional 40% stake in Istanbul Asset Management in September 2021, increasing its stake in the company from 26.6% to 66.6%
- Established GYH Danışmanlık ve Yönetim Hizmetleri A.Ş., 100% subsidiary to collect the Group's financial services companies under one roof

2022

- The IPO process of a fully owned subsidiary, Consus Enerji, has been completed. Consus Enerji shares started to float on Borsa Istanbul as of 20 April 2022 with a free float of 30%.
- Tarragona Port Authority awarded Global Ports Holding a 12-year concession, with a six-year extension option, to manage the services for cruise passengers in Tarragona, Spain.
- A Concession Agreement has been signed for a four-year renewable concession to manage the services for cruise passengers in the Port of Crotone, Italy.
- Global Ports Canary Islands S.L. ("GPCI"), an 80:20 joint venture between GPH and our local partner Sepcan S.L., has successfully completed the competitive RFP process for Las Palmas de Gran Canaria, Arrecife (Lanzarote) and Puerto del Rosario (Fuerteventura) cruise ports.
- H. Faik Açıkalın and Gülsüm Azeri were appointed as independent board members.
- GPH signed a 30-year concession agreement with the Puerto Rico Ports Authority for San Juan Cruise Port, Puerto Rico.
- GPH signed a Memorandum of Understanding (MoU) with the Government of St Lucia for a 30-year concession, with a potential 10-year extension option for the cruise-related operations in St Lucia.
- GIH, together with its 100% subsidiary Ardus Gayrimenkul Yatırımları A.Ş., sold their shares in Pera GYO, having no direct or indirect shares left in Pera GYO.
- GPH signed a 10-year concession, with a 10-year extension option, with Prince Rupert Port Authority to manage cruise services at Prince Rupert Cruise Port in British Columbia, Canada.

Port Infrastructure

GPH OPERATES 27 PORTS IN 14 COUNTRIES ACROSS FOUR CONTINENTS...

Global Ports Holding at a Glance

GPH operates or manages a network of cruise ports primarily through long-term concession agreements or management agreements.

WHO WE ARE
Global Ports Holding Plc (GPH) is the world's largest independent cruise port operator with a prominent presence in the Mediterranean, Caribbean-America, Asia-Pacific, Africa, and Northern European regions. GPH serves the needs of the world's cruise lines, ferries and mega yachts through interests in a strategically located network of cruise ports.

GPH operates 27 ports in 14 countries across four continents and continues to grow steadily.

GPH normally provides services for approximately 15 million passengers, reaching a market share of 40% in the Mediterranean annually. The Group also manages a commercial port operation specializing in container and general cargo handling. We offer our customers and their passengers leading levels of service tailored to their needs, delivered with leading standards of safety, security, and performance worldwide.

Our Cruise Port Business
Global Ports Holding PLC ("GPH") is the world's largest independent cruise port operator, with an established presence in the Mediterranean, Caribbean-America, Mediterranean and Asia-Pacific, Africa, and Northern European regions.

GPH operates or manages a network of cruise ports primarily through long-term concession agreements or management agreements.

PASSENGERS
15
MILLION

We aim to be a key enabler of sustainable cruise tourism in our destinations, for the benefit of all stakeholders. This 'all stakeholder' philosophy brings a mindful approach to the development and promotion of our ports and destinations.

WHAT WE DO
We consider our cruise revenue based on two defined segments.

1. Primary Port Services: Across our network, we provide an extensive range of primary port services to cruise lines, passengers, and crew. We also work closely with destination stakeholders such as retailers and third-party service providers.

Examples of core port services:
- Berthing
- Mooring
- Stevedoring
- Security
- Luggage handling

2. Ancillary Services: Our ancillary service offerings complement our primary port services. These ancillary services primarily target the enhancement of the overall passenger experience in the port and destination.

We break ancillary services down into three key areas:
- Destination & Shoreside Services
- Area & Terminal Management
- Crew Services

The services available at each port vary according to the specifics of the concession or management agreement as well as the physical layout of the port. Often, GPH will partner with local stakeholders to deliver these services, providing an authentic local experience in the port and helping to integrate the port into the fabric of the local economy.

Examples of our ancillary port services port services can be seen below:

Destination & Shoreside Services	Area & Terminal Management	Crew Services
- Transportation services	- Retail & Duty-free shops	- Catering
- Guest Information Centres	- Food & Beverage outlets	- Transportation
- Baggage storage		- Crew lounges

Key Inputs & Drivers

Cruise passenger volumes
The most important driver of our cruise operations is cruise passenger volumes. They underpin most of our revenue and are the key to successfully delivering organic growth. Cruise passenger numbers are themselves driven by the number of cruise calls at our ports, the capacity of each ship, and the occupancy rate of each ship.

Typically, cruise ships sail with occupancy levels of over 100%, which provides good visibility on our business's most important driver. Overall, occupancy levels in 2022 were below 100% as the industry continued to recover from Covid-19. However, they rose throughout the year and are expected to normalize in all geographies by 2023. The longer-term outlook for passenger volumes continues to be supported by the expected strong increase in the number of cruise ships coming to the market over the next decade.

Ancillary services
While terminal, port and marine services generate our primary port services revenue, expanding the contribution from our ancillary services is key to our organic growth strategy. We are targeting a steady increase in ports' profitability through destination and shoreside services, area and terminal management, and crew services.

MARKET SHARE IN MEDITERRANEAN

40%

Global Ports Holding at a Glance

We are targeting a steady increase in ports' profitability through destination and shoreside services, area and terminal management, and crew services.

Costs
Flexible costs are a vital component of our model and success. Our ports always contend with monthly, weekly, and daily changes in resourcing needs. The majority of our costs rise and fall with volume, using third parties and contractors to best match the ports' staffing needs day-to-day.

Competitive advantage
Our cruise ports are located in some of the most enticing, must-see destinations in the world; the allure of these destinations cannot be replicated just anywhere. The waterfronts surrounding our ports are nearly always largely developed and carefully protected, making it unlikely that new competing ports would be permitted and thus creating a significant competitive advantage.

We believe our experience and know-how, coupled with our carefully honed global operating procedures, create a distinct competitive advantage compared to other potential operators when it comes to new concessions and agreements.

Creating value and delivering for our customers and stakeholders
GPH focuses on creating the best bespoke operating model at each port. This is achieved through the utilization of our proprietary GPH operating framework, which brings global best practices to each port.

Our operating framework focuses on four primary pillars: organisation, functions, technology, and governance. Our best practices have been learned and refined from our experiences worldwide, in a way that a singular port would find hard to achieve.

A key component of both our operating framework and best practice is our 'all stakeholders' approach. This means our cruise operations adapt to the needs of our destinations and our local stakeholders.

GPH brings significant cruise port investment knowledge and capability to our destinations. Where appropriate, we invest significantly in the enhancement and expansion of cruise port infrastructure, increasing capacity and driving a steep change in the cruise line and passenger experience, while simultaneously increasing the economic benefit of cruise passengers to the destination.

Our USPs

Size and scale
We are the world's largest independent cruise port operator. We have a proven track record of transforming traditional cruise ports and terminals into world-leading destinations and delivering excellent customer experiences. Due to our reputation as a leading and reliable port operator, GPH is the natural partner for cruise lines and local stakeholders.

Operational excellence
We excel at operating our ports and running them professionally and safely. We understand all stakeholders' needs and bring a mindful 'all stakeholder' approach to developing destinations. This includes our proprietary GPH security code and rigorous health and safety procedures.

Modern infrastructure
We are significant investors in the physical infrastructure of our cruise ports, with state-of-the-art cruise terminals and modern and energy-efficient equipment. We are also significant investors in optimization technology, including our proprietary GPH security code and cloud-based port operating systems.

Marketing and influential strength
Our local management teams leverage our centralized marketing capability to promote and present a superior branded value proposition for our destinations and all stakeholders as an integrated cruise port network.

A TRULY GLOBAL NETWORK

- Unrivalled size and reach: GPH owns and operates the world's largest independent cruise port network. Our presence and track record in the Mediterranean represents a barrier to entry for aspiring competitors.
- Long-term revenues: The concessions we operate are long-term in nature.
- Scope for ancillary revenues: Our network has significant opportunities to grow ancillary services as we expand our port network and invest in our current facilities.
- A single, effective Group: Our unified approach opens up operational synergies, global standards and best practice sharing across our network.
- Flexible business model: Our business model is inherently flexible. The majority of our costs rise and fall with volume.
- Strongly cash generative business model: Covid-19 aside, our business model requires low or negative working capital and requires limited maintenance Capex model, ensuring strong cash conversion.
- A demonstrable market leader: We have a proven and dynamic management team under our roof, with deep experience in port investments, operations, business turnarounds, and marketing.

Industry Sector Report and Outlook

The outlook for the cruise industry is extremely positive. The global cruise fleet is now fully deployed. Occupancy rates, which returned to pre-Covid 19 levels in some markets during 2022, are expected to be at pre-Covid 19 levels across the global cruise fleet by summer 2023.

Looking further into the future, the cruise ship order book is robust and points to considerable growth in the industry's capacity to the end of the decade. Passenger demand is also robust, with cruise lines reporting a record-breaking 2023 wave season.

The combination of capacity growth and strong passenger demand reflects the strength of the industry and the success of the industry's segmentation strategy.

The need globally for significant investment into cruise port assets along with GPH's experience and know-how in cruise port operations and port and destination development means we have a distinct competitive advantage when bidding for new cruise port concessions. We expect our inorganic growth strategy to deliver further significant progress in the year ahead.

Global Ports Holding at a Glance

For GPH, there are 4,632 current cruise call reservations for calendar year 2023, implying passenger volumes in excess of 11.8 million.

A year of recovery
2022 saw a substantial increase in activity across the global cruise industry. While there was a continued impact from Covid-19 travel restrictions in the first half of the year, by early summer 2022, 90% of the global cruise fleet had been deployed, and occupancy levels had risen strongly from 2021 levels. Average occupancy rates in the sector improved to 90-95% during Q4 2022. In the Caribbeans, occupancy rates exceeded 100%.

Global Ports Holding experienced this impact across its port network. While occupancy levels varied across markets, the positive trend was evident across the industry. Although the average occupancy rates of the cruise ships visiting GPH's consolidated ports in January 2022 were just 42%, it continued to rise gradually over the months, reaching 98% in December 2022. The number of calls at GPH's consolidated ports in December 2022 reached 94% of December 2019 (pre-pandemic) levels, while the number of passengers visiting GPH's consolidated ports in December 2022 standalone was 20% higher than 2019 levels. The ports of the Canary Islands (Las Palmas, Lanzarote, and Fuerteventura) have been included in the calculation starting from October 2022, which was a main driver in the considerable increase in passenger numbers. In FY 2022, total consolidated passenger numbers reached 83% of FY 2019; while total consolidated call numbers were 8% higher than FY 2019.

As well as a return to full fleet deployment and rising occupancy rates, the industry's capacity grew strongly due to a sizeable number of new ships joining the global cruise fleet.

2023 is expected to be a record breaker
The global cruise fleet is expected to expand in 2023, hitting an all-time high for the number of ships, berths, and passenger capacity. With industry occupancy levels expected to reach pre-covid levels by the summer of 2023, the year ahead is projected to see the cruise industry not just demonstrate that it has recovered from Covid but reach a series of exciting new highs.

The major cruise lines have all reported strong booking trends and patterns for 2023, with booking windows returning to normal, having been shortened by the uncertainty around Covid-19-related travel restrictions.

For GPH, there are 4,632 current cruise call reservations for calendar year 2023, implying passenger volumes in excess of 11.8 million. Passenger volumes at all ports, including equity accounted ports La Goulette, Lisbon, Singapore, and Venice, are expected to be in excess of 15 million. These expected values compare favourably to the actual number of cruise calls in the last pre-pandemic year 2019, during which GPH consolidated ports reached 3,346 cruise calls (adjusted to include full year for Nassau and Antigua).

Long-term growth
Looking further into the future, long-established demand and supply trends in the cruise industry have re-established themselves as key drivers of cruise industry growth. According to Cruise Industry News, by the end of 2027, passenger capacity in the cruise industry is forecast to grow to over 40 million, a growth rate of 45% from pre-pandemic levels.

The medium to long-term demand trends have been largely unaffected by Covid-19. If anything, the growing appetite for leisure travel has perhaps been amplified by Covid-19. The introduction of so many new classes of cruise ships in such a short period of time reflects the industry's drive to continue attracting new customers to the industry.

Given the industry's anticipated growth out to 2027 and the expected increase in the size of ships, investment in cruise port infrastructure will be critical to many cruise ports in retaining the passengers they already welcome each year, as well as benefitting from this growth.

GPH, with our experience and know-how in cruise port operations and port and destination development, is well-positioned to be a vital enabler of this investment and industry growth in the years ahead.

A growing and sustainable future
As the industry looks to the future, it is poised for significant growth over the medium term and this growth will be delivered in an increasingly sustainable manner.

The cruise industry continues to take major steps to reduce its environmental impact. In 2021, Cruise Lines Industry Association members agreed to reduce carbon emissions by 40% by 2030 compared to 2008 and target net carbon-neutral cruising by 2050. The major cruise lines have all published sustainability goals that include reducing waste, reducing, or removing single-use plastics, increasing the amount of sustainably sourced products, and reducing harmful emissions.

Global Ports Holding is on its own sustainability journey as we seek to reduce our impact on the environments in which we operate and to help facilitate the cruise industry's meeting of environmental goals. We continue to work on projects to help facilitate the introduction of shore power at our ports. We look forward to the completion of the EUR 50 million shore power works in Valletta, Malta, which will reduce emissions in the Gran Harbour by 90%.

2022 GPH Cruise Port Report

2022 was a year of considerable recovery and success at GPH. Our cruise ship calls and passenger volumes recovered steadily over the year, and several exciting new ports joined the network.

The addition of these new ports comes despite the unprecedented nature of the Covid-19 crisis and its significant impact on our business. Since year-end, this growth has continued, with Alicante Cruise Port and Valencia Cruise Port joining GPH's network. The addition of these ports means that, since the onset of the Covid pandemic, GPH has added twelve new cruise ports to the portfolio.

Global Ports Holding at a Glance

Our Americas operations achieved a new milestone in the year, signing GPH's first cruise port concession in North America.

As a result of the strong performance of the business in 2022 and the continued growth in the number of ports in the network, GPH took the opportunity to restructure its financial reporting during the year. GPH now reports segments by geography, which better matches the day-to-day management of its port operations.

Americas

Trading in the Americas improved strongly in 2022 compared to 2021, with passenger volumes rising to 3.6 million compared to just 768,000 in 2021 and 643,000 in 2019. GPH's cruise operations in the Americas include the Company's two Caribbean ports, Nassau and Antigua, and Prince Rupert, Canada, which was added to the network during the year. Nassau and Antigua joined the network in Q4 2019; if the two ports had been part of the network for the whole of 2019, passenger volumes for the Americas would have been 4.6 million.

This recovery in passenger volumes, led by an impressive performance at Nassau Cruise Port, ensued despite the first quarter of the year being impacted by continued travel restrictions and concerns around the omicron variant.

Nassau Cruise Port benefitted from its proximity to the key home ports in Florida and the cruise lines' continued desire to operate a higher volume than normal of short cruises in this area at the expense of longer itineraries to other parts of the Caribbean. Nassau Cruise Port welcomed 3.2 million passengers in 2022, compared to 687,000 passengers in 2021 and compared to 3.9 million in 2019.

On some days Nassau Cruise Port, hosts six cruise ships simultaneously, utilising the new berthing that was created as part of our significant investment into this port. On 27 February 2023, the port welcomed a record 28,554 passengers, handled in a single day.

During the year, we continued to invest in the transformation of Nassau Cruise Port; as GPH's investment into the port nears completion, the vision for this port is becoming a reality. GPH management believes this port will stand as a testament to GPH's cruise port and destination development capabilities and as a global blueprint for future cruise port investment.

During the Winter 2022/23 cruise season, the major US cruise lines focused on short cruises to destinations close to their Southern US home ports, which negatively impacted the recovery in passenger volumes at Southern Caribbean cruise ports.

For GPH, this meant that Antigua Cruise Port experienced a significant increase in cruise operations year-on-year but at a slower pace than that experienced by Nassau Cruise Port. Cruise passenger volumes at Antigua Cruise Port of 380,000 in 2022 went up from 81,000 in 2021 but remained significantly below the 733,000 passengers welcomed in 2019.

Our Americas operations achieved a new milestone in the year, signing GPH's first cruise port concession in North America.

The signing of a 10-year concession, with a 10-year extension option for Prince Rupert Cruise Port in British Columbia, Canada, is an important step in GPH's continued global growth ambitions. Prince Rupert Cruise Port is located at the heart of the British Columbian cruise market, just 40 miles from Alaska, one of the largest cruise markets in the world, and ideally placed for cruise itineraries to and from the key homeports in the region, including Seattle and Vancouver. Prince Rupert Cruise Port predominately serves smaller cruise ships and is expected to welcome nearly 80,000 passengers in 2023. The port has the infrastructure and capability to handle larger ships, and GPH expects to drive a considerable increase in passenger volumes in the years ahead. Further significant expansion in the Americas is expected in 2023.

In the second half of 2022, GPH signed a 30-year concession agreement for San Juan Cruise Port, Puerto Rico, and a Memorandum of Understanding for a 30-year concession, with a 10-year extension option, in St Lucia. San Juan Cruise Port is a strategically important port in the Caribbean cruise market, perfectly positioned to be included in both Eastern Caribbean and Southern Caribbean itineraries. As a US territory with good airport and hotel infrastructure, it is also an attractive homeport destination. The port handled 2.2 million passenger movements in 2019. Upon its expected completion in the second half of 2023, San Juan Cruise Port will become the third-largest cruise port in GPH's global network.

The successful execution of the concession agreement for St Lucia is expected in 2023. As part of the agreement, GPH will invest in a material upgrade of the cruise port facilities, including the expansion of the existing berths. In calendar year 2019, St Lucia welcomed approximately 790,000 passengers; over the medium term, passenger volumes are expected to rise to over 1 million.

West Mediterranean and Atlantic

GPH's West Med and Atlantic region includes Spanish ports Barcelona, Fuerteventura, Lanzarote, Las Palmas, Malaga, Tarragona, and Vigo, and Kalundborg, Denmark, and the equity pick-up contribution from Lisbon and Singapore.

In 2022, cruise activity in the West Med and Atlantic region improved as the Mediterranean cruise season progressed. Call volumes, particularly at Barcelona, the largest port in the West Med and Atlantic reporting segment, were strong and, by the summer, were close to 2019 levels. Initially, however, passenger volumes were negatively impacted by the uncertainty around the omicron variant during the important 2022 booking season as well as the lower onboard capacity limits set by the cruise lines as they ramped up operations.

In the first half of the year, call volumes in Barcelona were 8% lower, and passenger volumes were 48% lower than in the comparable period in 2019.

As the period progressed, onboard restrictions eased, and booking patterns and occupancy began normalising. In the second half of the year, compared to 2019, Barcelona's call volumes were just 3% lower, and passenger volumes 12% lower.

Global Ports Holding at a Glance

Grand Harbour Clean Air Project includes a EUR 37 million investment to provide shore power on the five main cruise ship quays of Valletta's Grand Harbour within 2023, resulting in significant air quality improvements and drastic emission reduction.

The West Med and Atlantic region expanded its cruise port footprint further during the year. In January 2022, GPH signed a 12-year extension with a six-year extension option for Tarragona Cruise Port, Spain. Under the terms of the agreement, GPH will invest up to EUR 5.5 million into building a new state-of-the-art modular cruise terminal, which will utilise solar power to ensure the sustainable provision of the terminal's energy needs. The port infrastructure in Tarragona recently underwent a EUR 30 million investment, including building a new pier and providing shore power. In 2019, before this capacity increase, Tarragona welcomed approximately 130,000 passengers.

In the fourth quarter, GPH added three additional ports to the West Med and Atlantic region when its 80:20 joint venture with a local partner signed three concessions in the Canary Islands: Las Palmas Cruise Port (40 years), Lanzarote Cruise Port (20 years), and Fuerteventura Cruise Port (20 years). These three cruise ports handled 1.5 million cruise passenger movements in 2019.

As part of the agreements, the joint venture will invest approximately EUR 40 million into constructing a new cruise terminal in Las Palmas and modular terminal facilities in Lanzarote and Fuerteventura.

In 2022, the West Med and Atlantic region welcomed 2.2 million passengers. Excluding the fourth quarter contribution from the new ports in the Canary Islands, passenger volumes were 1.9 million. This performance compares very favourably to 2019 passenger volumes of just 465,000; however, it is considerably lower than the 2.6 million welcomed in 2019, reflecting the impact of the increase in cruise ship occupancy rates as the year progressed.

Central Mediterranean

Our Central Mediterranean region includes Valletta Cruise Port, Malta, GPH's four Italian ports (Cagliari, Catania, Crotone, and Taranto), and the equity pick-up contribution from La Goulette, Tunisia, and Venice Cruise Port, Italy. Trading in this region was similar to that experienced in the West Med and Atlantic region, with cruise calls rising strongly compared to 2021. However, with lower-than-normal occupancy levels, that increased as the season progressed.

The Central Med region, driven by Valletta Cruise Port, GPH's largest port in this region, welcomed 1 million passengers in 2022, a significant increase from the 300,000 passengers welcomed in 2021 but considerably lower than the 1.4 million welcomed in 2019.

GPH is highly focused on the environmental impact of its cruise operations. While GPH's role in the chain is generally light-touch regarding environmental impacts like emissions, it is resolutely focused on playing its role in reducing the industry's emissions.

In Valletta, GPH is supporting a EUR 49.9 million initiative spearheaded by the Ministry for Transport, Infrastructure and Capital Projects, Infrastructure Malta, and Transport Malta to develop shoreside electricity infrastructure as part of the Grand Harbour Clean Air Project. This project includes a EUR 37 million investment to provide shore power on the five main cruise ship quays of Valletta's Grand Harbour within 2023, resulting in significant air quality improvements and drastic emission reduction.

East Mediterranean and Adriatic

Our East Med and Adriatic operations include our flagship Turkish port, Ege Port, in Kusadasi, as well as ports in Bodrum, Türkiye, and in Zadar, Croatia. In this region, the impact on passenger volumes of lower than-normal occupancy levels was mitigated by the significant increase in cruise calls compared to both 2021 and 2019.

Cruise calls rose to 658 in 2022, compared to 47 in 2021 and 290 in 2019. This increase in cruise calls drove a rise in passenger volumes to 887,000, a significant increase from the 249,000 welcomed in 2021 and the 586,000 in 2019. This strong recovery was driven by the trading at our Turkish ports.

In 2017, our Turkish ports suffered a sharp drop in passenger numbers due to geopolitical issues. In early 2020, bookings from the cruise lines indicated that Ege Port would report a strong recovery in passenger volume numbers. Unfortunately, the onset of the Covid-19 pandemic precluded this expected recovery. Despite the lower-than-normal occupancy levels in 2022, the pent-up demand to return to cruising to Turkish ports drove the robust performance in the East Med & Adriatic region.

Other

Our other reporting segment includes our commercial port, Port of Adria, Montenegro, our management agreement for Ha Long Cruise Port, Vietnam, and the contribution from our port services businesses.

Port of Adria's future within GPH remains under review by the GPH Board. GPH is focused on growing its ancillary services at GPH-operated ports and third-party-operated ports.

These services primarily target enhancing cruise passengers' overall experience in the port and destination and include destination and shoreside services, crew services, and area and terminal management.

A Concession Agreement has been signed for a four-year renewable concession to manage the services for cruise passengers in the Port of Crotone, Italy.

Below ratios in bracket indicate GIH's Effective Ownership

Antigua & Barbuda/Antigua

(63.55 %)

General Information
Terminal: 1
Turnaround Port: Yes

Maximum Ship Dimensions for Berthing
Length: 275 m
Width: No Restrictions
Draught: 7 m-9 m

Quays/Berths
Total Number of Berths: 5
Total Berthing Line Length: 1,720 m
Quays depth: 10.3 m

Distances/Transportation
City Center: 5 m
Airport: 25 km
Shuttle Services: Not needed

GPH Acquisition Date: 2019
End of Concession*: 2049

*With an option to extend the term for an additional 10 years.

Montenegro Adria/Bar

(40.15%)

General Information
Terminal: No
Bus Capacity: 80

Maximum Ship Dimensions for Berthing
Length: 330 m
Width: No limit
Draught: Max 12 m

Quays/Berths
Total Berths: 2 for cruise ships
Total Berthing Lines Length: 490 m
Quays Depth: 10.5 m -12 m
Ship capacity: 2
Berhting /Mooring: Yes

Distances/Transportation
City Centre: 1 km
Airport: 45 km
Shuttle service: At terminal

GPH Acquisition Date: 2013
End of Concession: 2043

Spain/Barcelona

(39.40%)

General Information
Terminal: 5
Bus Capacity: 78
Turnaround Port: Yes

Maximum Ship Dimensions for Berthing
Length: No limit
Width: No limit
Draught: Up to 8 m (Barcelona Pier)
Up to 12 m (Adossat Pier)

Quays/Berths
Total Number of Berths: 6
Total Berthing Line Length: 1,700 m
Quay Depth: Up to 8 m (Barcelona) Up to 12 m (Adossat Pier)

Distances/Transportation
City Centre: 2.5 km
Airport: 12 km
Shuttle Service: Yes

GPH Acquisition Date: 2013-2014
End of Concession*: 2027 (WTC wharf), 2030 (Adossat wharf)

* 3 additional years (until 2033) for Adossat wharf.

Türkiye/Bodrum

(38.13%)

General Information
Terminal: 1
Bus Capacity: 20
Turnaround Port: Yes

Maximum Ship Dimensions for Berthing
Length: 340 m
Width: No limit
Draught: 9 m

Quays/Berths
Total: 4
Total Berthing Lines Length: 680 m
Quays depth: 8 m - 22 m

Distances/Transportation
City Centre: 1.5 km
Airport: 35 km
Shuttle Service: Sea Shuttle Available

GPH Acquisition Date: 2007
End of Concession: 2067

CAGLIARI CRUISE PORT

Italy/Cagliari

(45.05%)

General Information
Terminal: 1
Bus Capacity: 75
Turnaround Port: Yes

Maximum Ship Dimensions for Berthing
Length: 400 m
Width: No limit
Draught: 9.5 m

Quays/Berths
Total Berth: 3
Total Berthing Lines Length: 1,040 m

Distances/Transportation
City Centre: 800 m
Airport: 6 km
Shuttle Service: Free shuttle bus to the port gate

GPH Acquisition Date: 2016
End of Concession: 2029

CATANIA CRUISE PORT

Italy/Catania

(40.16%)

General Information
Terminal: 1
Bus Capacity: 30
Turnaround Port: Yes

Maximum Ship Dimensions for Berthing
Length: 340 m
Width: No Restriction
Draught: 9.5 m

Quays/Berths
Total Berth: 4
Total Berthing Lines Length: 818 m
Quays Depth: 10 m -14 m

Distances/Transportation
City Centre: 700 m
Airport: 5.3 km
Shuttle Service: No

GPH Acquisition Date: 2016
End of Concession*: 2026

*Potential extension being discussed with Port Authority

TARRAGONA CRUISE PORT

Spain/Tarragona

(63.55%)

General Information
Terminal: 1 (Under Development)
Bus Capacity: 55-71
Turnaround Port: Yes

Maximum Ship Dimensions for Berthing
Length: No limit
Width: No limit
Draught: 17-19 m

Quays/Berths
Total Number of Berths: 4
Total Berthing Line Length: 1,435 m
Quay Depth: 17 m

Distances/Transportation
City centre: 5.8 km
Shuttle service: Yes (under request)

GPH Acquisition Date: 2022
End of Concession*: 2034

*+6 years extension option depending on CAPEX investment

CROTONE CRUISE PORT

Italy/Crotone

(63.55%)

General Information
Terminal: 1
Turnaround Port: No

Maximum Ship Limitation for Berthing
Length: 280 m
Width: No Limits
Draught: 7.5 m

Quays/Berths
Berths: 1
Total berthing Length: 330 m
Draught: 8 m
Terminal: 1

Distances/Transportation
City Center: 250 m
Airport: 15 km
Shuttle Service: No

GPH Acquisition Date: 2022
End of Concession: 2026

GPH signed a Memorandum of Understanding (MoU) with the Government of St Lucia for a 30-year concession.

Vigo

Spain/Vigo

(63.55%)

General Information
Terminal: 1
Turnaround Port: No

Maximum Ship Dimensions for Berth
Length: 702 m
Width: 80 m
Draught: 11 m

Quays/Berths
Total number of Berths: 2
Total Berthing Line: 702 m
Quay Depth: 12 m

Distances/Transportation
City Center: 100 m
Airport: 25 km
Shuttle Service: No

GPH Acquisition Date: 2018
End of Concession*: 2024

*+3 years extension option without any limitation

EGE PORT KUŞADASI

Türkiye/Kuşadası

(46.07%)

General Information
Terminal: 1
Bus Capacity: 75
Turnaround Port: Yes

Maximum Ship Dimensions for Berthing
Length: 370 m
Width: No limit
Draught: 10 m

Quays/Berths
Total Berth: 8
Total Berthing Lines Length: 1,297 m
Quays Depth: 9 m-19 m

Distances/Transportation
City Centre: 50 m
Airport: 64 km
Shuttle Service: No

GPH Acquisition Date: 2003
End of Concession: 2033

HA LONG CRUISE PORT

Vietnam/Ha Long

General Information
Terminal: 1
Bus Capacity: 30
Turnaround Port: No

Maximum Ship Dimensions for Berthing
Length: 362 m
Width: 65.7 m
Draught: 9.3 m

Quays/Berths
Total Number of Berths: 2
Total Berthing Line Length: Approx. 924 m
Quay Depth: Vary from 10 m-14 m

GPH Acquisition Date: 2019
End of Concession*: 2034

*+10 years extension option based on mutual agreement

KALUNDBORG CRUISE PORT

Denmark/Kalundborg

(63.55%)

General Information
Terminal: In progress
Bus Capacity: 30
Turnaround Port: Yes

Maximum Ship Dimensions for Berthing
Length: 340 m
Width: No restrictions
Draught: 9 m

Quays/Berths
Total Number of Berths: 2
Total Berthing Line Length: 830 m
Quay Depth: 10 m-15 m

Distances/Transportation
City Center: 5 km
Airport: 15 km
Shuttle Service: Yes

GPH Acquisition Date: 2021
End of Concession*: 2041

*+10 years extension option based on mutual agreement

Tunisia/La Goulette

(31.78%)**

General Information
Terminal: 2
Bus Capacity: 150
Turnaround Port: No

Maximum Ship Dimensions for Berthing
Length: 340 m
Width: No Limit
Draught: 8.4 m

Quays/Berths
Total Number of Berths: 3
Total Berthing Line Length: 657 m
Quay Depth: 5.1 m - 10 m

Distance/Transportation
City Center: 12.2 km
Airport: 17 km
Shuttle Service: No

GPH Acquisition Date: 2019
End of Concession: 2036

**Equity accounted investee

Portugal/Lisbon

(29.36%)

General Information
Terminal: 2
Bus Capacity: 80
Turnaround Port: Yes

Maximum Ship Dimensions for Berthing
Length: No Limit
Width: No Limit
Draught: 10 m

Quays/Berths
Total Berth: 4
Total Berthing Lines Length: 1,425 m (With a Possible Further 483 m)
Quays Depth: 7 m-10 m

Distances/Transportation
City Center: 500 m
Airport: 10 km
Shuttle Service: Yes

GPH Acquisition Date: 2014
End of Concession: 2049

Spain/Málaga

(39.40%)

General Information
Terminal: 3
Bus Capacity: 78
Turnaround Port: Yes

Maximum Ship Dimensions for Berthing
Length: No limit
Width: No limit
Draught: Max 17 m

Quays/Berths
Total Berth: 5
Total Berthing Lines Length: 1,350 m
Quays depth: 11 m-17 m

Distances/Transportation
City Centre: 500 m
Airport: 8 km
Shuttle Service: No

GPH Acquisition Date: 2013-2014
End of Concession*: 2038 (Levante), 2041 (Palmeral)

*Spanish legislation provides for extension of port concessions up to 49 years in return for CAPEX commitment or upfront payment. In addition to the extension under legislation, provision under concession agreement for 10+5 years extensions

Bahamas/Nassau

(31.14%)

General Information
Terminal: 1
Bus Capacity: n/a
Turnaround Port: No

Maximum Ship Dimensions for Berthing
Length: 362 m
Width: 65.7 m
Draught: 9.3 m

Quays/Berths
Total Berth: 6
Total Berthing Lines Length: 2,230 m
Quays depth: 8.9 m-12.5 m

Distances/Transportation
City Centre: 500 m
Airport: 22 km
Shuttle Service: No

GPH Acquisition Date: 2019
End of Concession*: 2051

* With an option to extend the term for an additional 15 years.

GPH signed a 10-year concession, with a 10-year extension option, with Prince Rupert Port Authority to manage cruise services at Prince Rupert Cruise Port in British Columbia, Canada.

TARANTO CRUISE PORT

Italy/Taranto

(63.55%)

General Information
Terminal: 2
Bus Capacity: 80
Turnaround Port: No

Maximum Ship Dimensions for Berthing
Length: 185-330 m
Width: No limit
Draught: 6-10 m

Quays/Berths
Total Berth: 5
Total Berthing Lines Length: 1,395

Distances/Transportation
City Centre: 500 m
Airport: 75 km

GPH Acquisition Date: 2021
End of Concession: 2041

SINGAPORE CRUISE PORT

Singapore

(15.76%)**

General Information
Terminal: 1
Bus Capacity: 30
Turnaround Port: Yes

Maximum Ship Dimensions for Berthing
Length: 360 m
Width: No Limit
Draught: 11.3 m

Quays/Berths
Total Number of Berths: 2
Total Berthing Line Length: 695 m
Quay Depth: 11.3 m-11.5 m

Distances/Transportation
City Center: 500 m
Airport: 25 km

GPH Acquisition Date: 2014
End of Concession: 2027
**Equity accounted investee

VALLETTA CRUISE PORT

Malta/Valletta

(35.33%)

General Information
Terminal: 3
Bus Capacity: 50+
Turnaround Port: Yes

Maximum Ship Dimensions for Berthing
Length: 360 m
Width: No limit
Draught: 12 m

Quays/Berths
Total Berth: 7
Total Berthing Lines Length: 2,117 m
Quays depth: 12 m

Distances/Transportation
City Centre: 1.5 km
Airport: 6 km
Shuttle Service: Yes

GPH Acquisition Date: 2015
End of Concession: 2066

VENICE CRUISE PORT

Italy/Venice

(7.00%)

General Information
Terminals: 10
Bus Capacity: 40
Turnaround Port: Yes

Maximum Ship Dimensions for Berthing
Length: 340 m
Width: No Limit
Draught: Up to 9.1 m
Turning Basin: Up to 340 m

Quays/Berths
Total Number of Berths: 12
Total Berthing Line Length: 3,400 m

Distances/Transportation
City Center: 500 m
Airport: 13 km

GPH Acquisition Date: 2016
End of Concession*: 2024

* Consortium is currently in the advance stage of discussions with Ministry of Transport for extending Venice Cruise Port concession for a minimum of 35 years.
**Equity accounted investee

Valencia

Spain/Valencia

(63.55%)

General Information
Terminal: 1
Turnaround Port: Yes

Maximum Ship Dimensions for Berthing
Length: 365 m
Width: 65.7 m
Draught: 10 m

Quays/Berths
Total Number of Berths: 2
Total Berthing Line Length: 1,700 m
Quay Depth: 12 m

Distances/Transportation
City Center: 3 km
Airport: 25 km

GPH Acquisition Date: 2022
End of Concession*: 2057

* +15 years extension option depending on CAPEX investment

ZADAR CRUISE PORT

Croatia/Zadar

(63.55%)

General Information
Terminal: 1
Turnaround Port: Yes

Maximum Ship Dimensions for Berthing
Length: No limit
Width: No limit
Draught: 7-12 m

Quays/Berths
Total Number of Berths: 5
Total Berthing Lines Length: 1,150 m
Quay Depth: 7-13 m

Distances/Transportation
City Centre: 4 m
Airport: 7 km (high speed)

GPH Acquisition Date: 2018
End of Concession: 2038

Prince Rupert

Canada/Prince Rupert

(63.55%)

General Information
Terminal: 1
Turnaround Port: No

Maximum Ship Dimensions for Berthing
Length: 335 m
Width: No Restrictions
Draught: 15 m

Quays/Berths
Total Number of Berths: 1
Total Berthing Line Length: 325 m
Quays depth: 21 m

Distances/Transportation
City Center: 2 m
Airport: 9.9 km
Shuttle Services: No

GPH Acquisition Date: 2022
End of Concession*: 2032

*+10 years extension option based on mutual agreement

Alicante

Spain/Alicante

(50.84%)

General Information
Terminal: 1
Turnaround Port: No

Maximum Ship Dimensions for Berthing
Length: Unlimited
Width: Unlimited
Draught: Unlimited

Quays/Berths
Total Number of Berths: 4
Total Berthing Line Length: 700 m
Quays Depth: 8.5 m-11.5 m

Distances/Transportation
City Center: 1 km
Airport: 12 km
Shuttle Service: Yes

GPH Acquisition Date: 2023
End of Concession*: 2038

*+7.5 years extension option depending on CAPEX investment

The most important driver of our cruise operations is cruise passenger volumes. They underpin most of our revenue and are the key to successfully delivering organic growth.

Las Palmas

Canary Islands/Las Palmas

(50.84%)

General Information
Terminal: In Development
Bus Capacity: 40
Turnaround Port: Yes

Maximum Ship Dimensions for Berthing
Length: No Limit
Width: No Limit
Draught: 11 m

Quays/Berths
Total Number of Berths: 4
Total Berthing Line Length: 1,615 m
Quays Depth: 11 m
Terminal: Under Development

Distances/Transportation
City Center: 390 m
Airport: 27 km
Shuttle Service: No

GPH Acquisition Date: 2022
End of Concession: 2062

Fuerteventura

Canary Islands/Fuerteventura

(50.84%)

General Information
Terminal: In Development
Bus Capacity: 12
Turnaround Port: Yes

Maximum Ship Dimensions for Berthing
Length: 390 m
Width: No Limit
Draught: 9 m

Quays/Berths
Total Number of Berths: 1
Total Berthing Line: 304 m
Quay Depth: 9 m

Distances/Transportation
City Center: 500 m
Airport: 10 km
Shuttle Service: No

GPH Acquisition Date: 2022
End of Concession: 2042

Lanzarote

Canary Islands/Fuerteventura

(50.84%)

General Information
Terminal: In Development
Bus Capacity: 18
Turnaround Port: Yes

Maximum Ship Dimensions for Berthing
Length: 345 m-640 m
Width: No Limit
Draught: 11 m

Quays/Berths
Total number of Berths: 2
Total Berthing Line: 350 m-640 m
Quay Depth: 11 m

Distances/Transportation
City Center: 1.2 km
Airport: 9.4 km
Shuttle Service: No

GPH Acquisition Date: 2022
End of Concession: 2042

Power Generation

As a pioneering figure in investments in electricity generation from agricultural biomass in Türkiye, Consus Enerji, a subsidiary of Global Investment Holdings, has a total biomass-based installed capacity of 29.2 MW.

Power Generation

Türkiye needs to make use of renewables to a great extent to ensure energy supply security and reach its 2053 net zero emission target.

TOTAL INSTALLED CAPACITY

94.1

MW

CONSUS ENERJI TOTAL REVENUE

553

TL MILLION

General View on the Energy Sector

In 2021 we saw the waning of the COVID-19 pandemic – which had a devastating impact on the entire world and led to fragile economies with serious breaks in supply chains – and witnessed a global economic recovery resulting in a higher demand for energy and stimulating energy markets in return. The global electricity demand rose by 6% in 2021 following the swift economic revival allowed by the lifting of pandemic-related restrictions.

Supply constraints for certain fossil fuels in 2021 and abnormal and occasionally astronomical price spikes, brought about by an environment in which the demand for primary energy sources grew but their supply remained limited, were also among the major challenges in 2022. Overall, unexpected developments, including global and regional crises, pandemics, international political crises, and security concerns for energy supply, had a significant impact on the power industry in 2022.

Unlike the previous year's rising trend in global power consumption, various factors, like the soaring energy prices due to the war between Russia and Ukraine, and the reinstatement of restrictions in China over public health concerns, have led to lower expectations for demand in 2022. The Russia-Ukraine war, which broke out in February 2022, resulted in an energy crisis observed on a regional, national, and global scale and led to price jumps, especially in oil and natural gas, causing inflation rates to reach their highest levels in 40 years. Due to these developments in 2022, many countries, including members of the European Union, faced the danger of recession.

The political-military conflict in the northern Black Sea region brought along many uncertainties and forced the members of the European Union, which were traditionally dependent on Russian resources to meet a great extent of their energy needs, to take more effective and faster steps in terms of energy supply security and energy saving concerns. Many countries, especially EU members, put emergency programs and financial and legal programs into force and took steps to increase the share of renewables in the face of the energy crisis. The need for clean and secure energy has become even more evident in light of concerns about the current climate crises and the energy crises, intensely felt in 2022, with their end results of energy security risks. Yet this need also paved the way for new energy economics.

The European Green Deal, which was put into effect at the end of 2019 by the European Union with the aim of becoming the first climate-neutral region by 2050 and for which Türkiye also implemented an action plan in 2021, and the Carbon Border Adjustment Mechanism (CBAM), developed by the European Commission in 2021, were expected to accelerate the efforts for clean energy; but, due to the war and energy crisis in 2022, European states postponed plans for the gradual shut-down of coal power plants and lifted restrictions in order to raise coal production, thus reducing gas consumption to increase supply

security. In many countries, the record-high increase in natural gas and coal prices compared to the previous year led to price spikes in the wholesale power markets. Another development in the European Union was the European Parliament's historic decision to label investments in natural gas and nuclear energy as "green."

Similarly, China emphasized the importance of energy security and raised concerns about the country's ability to reach its climate targets on the grounds of the devastating effects of the war on the global energy markets and the subsequent record price increases of natural gas and thermal coal.

Despite all these developments in 2022, renewables have remained on the agenda as a strong alternative for countries aiming to reduce their energy dependency within the framework of energy supply security. With the beginning of a bright era for the development of clean energy technologies, investments in clean technologies, such as solar energy, batteries, heat pumps, hydrogen, etc., rose rapidly in 2022.

Another key moment in 2022 was the inclusion of climate compensation as an agenda item in the 27th Conference of the Parties (COP27) held in Egypt. At COP27, the parties agreed on a "Loss and Damage" Fund and reached a milestone for supporting vulnerable countries.

Power Generation

The Turkish power market went through a turbulent process in 2022, with rising prices, escalating foreign exchange rates, and significant regulations put into force.

The United States (US) also saw one of its most notable developments in the energy sector, the Inflation Reduction Act (IRA), signed in August 2022 and introduced as the most extensive climate package in US history. The announcements indicated that the law, which includes tax reductions for clean energy, aims to reduce greenhouse gas emissions and encourage people to use green energy.

The Turkish power market went through a turbulent process in 2022, with rising prices, escalating foreign exchange rates, and significant regulations put into force. Türkiye deeply felt the impacts of the war and the consequent energy crisis, which affected the entire world, but since the country did not impose severe sanctions on Russia, like the members of the European Union and other countries, the most critical issue for Türkiye in 2022 in the short-term was to overcome the problem of rising energy costs, which rose significantly compared to the previous year, with the least possible damage to the Turkish and household-level economy. The development and implementation of policies that encourage the efficient use of imported energy resources were also of great importance for Türkiye in 2022, as they were for the rest of the world.

Türkiye needs to make use of renewables to a great extent to ensure energy supply security and reach its 2053 net zero emission target. The country increased its total installed power capacity by 4% compared to the end of 2021, reaching 103,809 MW in 2022 and, currently, 54% of the country's mentioned total capacity comes from renewables. In 2022, the total installed capacity of renewables increased by 5% compared to the previous year, reaching 56,006 MW. As of the end of 2022, the breakdown for total installed capacity on the basis of primary energy resources indicated that hydropower provided 31% of the total installed capacity, followed by natural gas with 24% and coal with 21%. Again, as of the end of 2022, 11% of the total installed capacity came from wind power and 9% from solar power, while biomass and geothermal resources had a share of 2% each. On the other hand, the number of power plants in Türkiye was 11,427 as of the end of 2022; of these, 9,353 were solar power plants. Distribution of the total installed capacity by the type of electricity utilities remained the same in 2022, and the private sector maintained its 68% share.

In 2022, the total gross amount of electricity generated in Türkiye was 326,419 GWh, indicating a decrease by 1.7% compared to the previous year, and 42% of the total production was from renewables, indicating a 6% increase in the share of renewables compared to the previous year. In 2022, 58% of the total gross power generation was from thermal power generation. In 2022, coal held the largest share in gross generation with 35%, followed by other resources, including natural gas with 22% and hydropower with 21%. In 2022, 19% of this gross production was from geothermal, wind and solar powers, and 3% from biomass power. Annual gross power generation saw a 3% increase in coal's share and a 10% decrease in the share of natural gas compared to the previous year. Meanwhile, the share of hydropower in gross power generation increased by 4% compared to 2021, and the combined share of geothermal, solar and wind by 2%. Examining the results on a company basis, we see that private power generation companies provided 79% of the total gross production in the same period. Türkiye's gross electricity demand, on the other hand, reached 328,719 GWh in 2022.

TÜRKİYE'S GROSS ELECTRICITY DEMAND

328,719

GWH

Another development in the electricity markets in 2022 was the 21.7% decrease in YEKDEM (Renewable Energy Resources Support Mechanism) applications compared to the previous year. In 2022, 1,034 power plants in total with an installed capacity of 24,144.41 MWe received incentives within the scope of YEKDEM, yet only 882 power plants with a total installed capacity of 19,993 MWe submitted applications for 2023. The most important reason for this decrease was the power plants that were left outside the program as a result of their choice to sell at market prices, which are expected to be higher than those offered by YEKDEM.

The amendments to the secondary legislation regulating investment processes that became effective in November 2022 are of great importance for storage investments. These amendments will provide flexibility to the electricity market, especially for wind and solar power plants, and will, undoubtedly, revitalize the sector.

Consus Enerji

Consus Enerji is the main subsidiary of Global Investment Holdings in the power generation sector and has a total installed capacity of 94.1 MW, of which 40.0 MW comes from renewables. The remaining 54.1 MW comes from distributed power plants (solar, cogeneration and trigeneration). As the energy service company (EsCo) with the largest installed capacity in Türkiye, Consus Enerji continues to allow consumers to save more thanks to its distributed power facilities established with the build-operate model to meet consumer consumption needs. As a pioneering figure in investments in electricity generation from agricultural biomass in Türkiye, Consus Enerji, a subsidiary of Global Investment Holdings, has a total biomass-based installed capacity of 29.2 MW, with the Aydın - Söke and Mardin - Derik Biomass Power Plants each featuring an installed capacity of 12 MW, and the Şanlıurfa - Haliliye Biomass Power Plant featuring an installed capacity of 5.2 MW. Consus Enerji's solar power plant operating in Mardin, on the other hand, has an installed capacity of 10.8 MW and is among the power plants that produce the highest amount of electricity per installed capacity thanks to its solar tracking system.

Power Generation

Consus Enerji generates electricity at its biomass power plants by using agricultural residues and similar biomass resources that have no other beneficial use as food or feedstuffs or in another industry.

94.1 MW total capacity with 40.0 MW generated from renewables

- **Aydın:** Biomass power plant with 12 MW capacity
- **Şanlıurfa:** Biomass power plant with 5.2 MW capacity
- **Mardin:** Biomass power plant with 12 MW capacity
- **Mardin:** Solar power plant with 10.8 MWp capacity

Distributed Power Plants: 54.1 MW capacity from eight different locations across Türkiye

Biomass

Consus Enerji generates electricity at its biomass power plants by using agricultural residues and similar biomass resources that have no other beneficial use as food or feedstuffs or in another industry. Edusa Atık, a subsidiary firm of Consus Enerji, undertakes the supply of a variety of biomass resources, including primarily agricultural residues, with the goal of achieving sustainability and security of biomass supply for Consus Enerji power plants. Agricultural residues that remain on the fields of farmers – who are considered stakeholders of the Company – after the harvest and have no other area of use, are collected without creating any burden on or financial cost to the farmers, and these residues gain economic value after being transformed into energy at Consus Enerji's biomass plants. This process ensures that farmers are supported in terms of their production costs. It also supports agricultural sustainability and productivity by avoiding damage to the soil caused by such agricultural residues, which are often burned on the farm field as a means of disposal.

Concentrating its activities mainly in Aydın, Şanlıurfa and Mardin, where the plants are located, as well as in other nearby cities, Edusa Atık produces and supplies biomass through long-term contracts with local farmers, state bodies and solution partners. Edusa Atık collects and removes the agricultural residues remaining on the farm field after the harvest, using modern machinery and equipment, which results in savings as farmers are freed of the burden and costs of such collection activity. The Company's initiatives aim to reduce Türkiye's dependence on imported resources in energy and contribute to the Turkish economy, all the while creating jobs on a regional level.

Distributed Power

Established in 2012 and offering distributed energy cogeneration, trigeneration, and solar power plant and energy efficiency solutions, Tres Enerji designs and builds power plants with optimal energy generation systems and capacities tailored for each customer's needs by using alternative business models, including the build-operate model, as a part of its energy performance solutions. The Company builds distributed power plants to meet the consumption needs of customers, by covering all the investment costs, and operates those facilities in the long-term. This method allows customers to save on energy costs without undertaking any investment costs or assuming any operating responsibility, while also offering them quality and uninterrupted power supply and increasing their competitive power. Tres Enerji currently has a total installed capacity of 54.1 MW from its facilities in eight different locations across Türkiye. Pursuant to the agreement signed in October 2022 for the constructions of a new distributed solar power plant, the total installed capacity will increase to 56.1 MW and the number of facilities to nine following the completion and start of operations of the aforementioned new distributed solar power plant, which is currently under construction. The Company aims to sign new contracts with various industrial and commercial customers and increase its distributed power capacity across Türkiye.

Cogeneration systems are combined energy systems that burn primarily natural gas and other fuels through an engine or turbine to produce both electricity and heat.

The purpose of cogeneration is to maximize the energy yield from the primary fuel. Trigeneration systems, on the other hand, provide energy for enterprises in three different forms simultaneously: electricity, heating, and cooling. Trigeneration differs from other forms of generation in that the cooling mechanism built into the system meets cooling demands by reusing the heat output.

The overall energy efficiency of cogeneration and trigeneration systems, which provide energy in various forms from a single source, including electricity, heating and cooling, can reach high levels of efficiency exceeding 90%. The energy forms that the consumers require are made available at required times and in the required quantities.

Distributed power plants, which enable energy generation at the location of consumption, offer energy efficiency and cost savings while avoiding distribution and transfer losses. They reduce reliance on grids and minimize setbacks like outages, fluctuations, and irregularities.

Besides their economic advantages, cogeneration and trigeneration plants also protect the environment and public health as a result of their contribution to a dramatic reduction in carbon emissions.

Solar power plants stand out as another investment focus and growth area as a part of the distributed energy business line. These solar power plants are established and run, and also provided with financing, to enable businesses to meet their energy needs. These power plant projects aim to allow customers to save on energy costs in their energy consumption while bearing no investment expenses, and also to reduce emissions significantly, thanks to power plants that generate electricity by using the abundant power obtained from the sun.

Power Generation

Ra Solar Power Plant is the first licensed facility in Türkiye to deploy the solar tracking system.

Solar Power

Consus Enerji's solar power plant started its operations at the end of 2019 and continues its activities with its 10.8 MWp installed capacity.

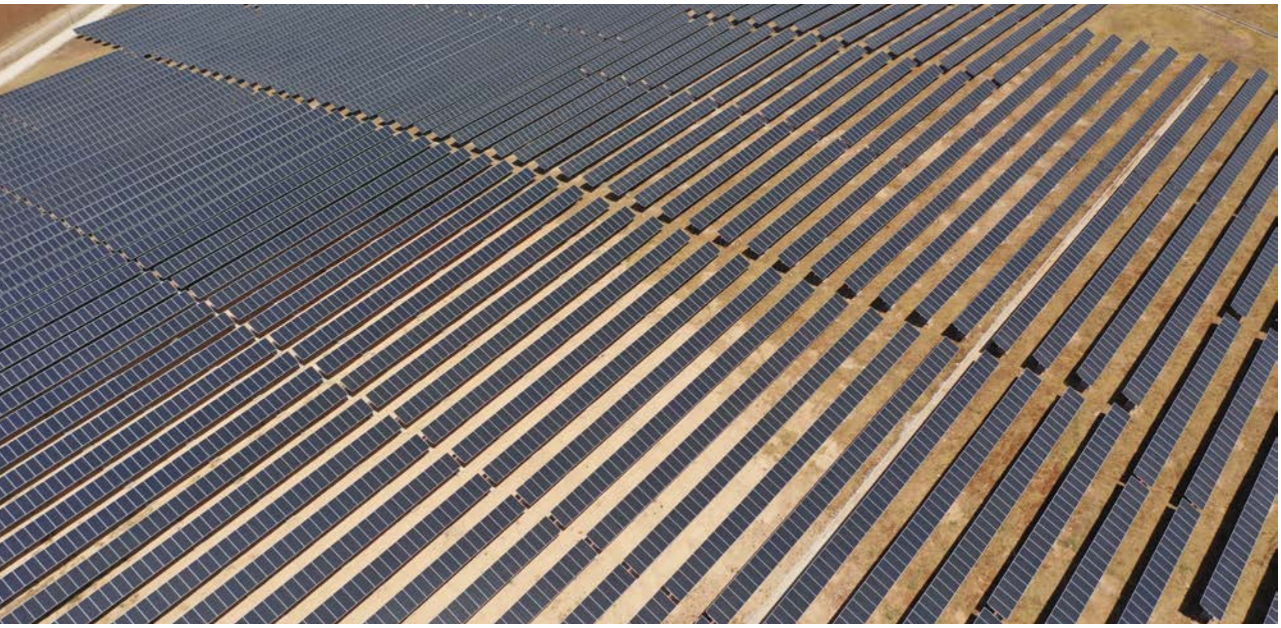
The building process of Ra Solar Power Plant began in 2019 in Artuklu, Mardin, a city in Southeast Anatolia, which is one of the regions with the highest potential for solar power generation in Türkiye. The facility commenced its electricity generation activities at the beginning of 2020. Built on nearly 18 hectares of land and featuring an installed capacity of 10.8 MWp, the plant generates more than 20 GWh of power annually by using photovoltaic modules.

Ra Solar Power Plant is the first licensed facility in Türkiye to deploy the solar tracking system. The plant, a pioneer in the industry in this regard, achieves a high level of efficiency in terms of generation performance per installed capacity.

Significant Growth Potential

Biomass Power Plants

In order to increase production volume and facility efficiency, the Group aims to complete its investments for the hybrid solar power plant, in the first quarter of 2023, in line with the supporting resource regulations. The hybrid plant will have a total installed capacity of 3.6 MW within the boundaries of biomass facilities; as a part of this project, the generation licenses of two biomass power plants were amended to indicate "Main Source: Biomass" and "Secondary: Solar Power Plant" to allow electricity generation from solar energy by way of integration into biomass power plants. Furthermore, the Group applied to EMRA in October 2022 to increase the total hybrid capacity to 11.7 MW.



Solar Energy Projects Line

Caribbean: The potential project portfolio for seven Caribbean countries includes 90 MW installed capacity under development.

A comprehensive preliminary agreement was signed on 27 January 2022 with the Antigua Public Utilities Authority (APUA) in Antigua and Barbuda, which is wholly (100%) owned by the state, for the construction by the Company of a solar power plant with a 5 MW capacity that will be also operated by the Company based on the build-operate model, under a long-term power purchase contract.

Europe: Efforts for an up to 100 MW-project portfolio in Western/Eastern European countries are currently in the assessment process.

For a project that involves two separate storage power generation plants, a preliminary license application was filed with EMRA in November 2022 to establish solar power plants with a total capacity of 100 MW and electricity storage facilities with 100 MW capacity to be integrated with the aforementioned power plants.

Gas

Naturelgaz owns a nationwide CNG plant infrastructure in Türkiye with 13 bulk CNG plants (1 Bulk CNG plant with a partnership agreement) and 5 Auto CNG stations.


TEMİZ ENERJİ
TEMİZ ÇEVRE
www.naturelgaz.com
NATURELGAZ
CNG

Naturelgaz

Naturelgaz is the market leader in Bulk CNG product with an estimated market share of 83%.

INCREASE IN CITYGAS SALES VOLUME IN 2022

54%

NATURELGAZ REVENUES IN 2022

3.7

TL BILLION

Naturelgaz, a subsidiary of GIH, is Türkiye's leading non-piped natural gas (CNG: Compressed Natural Gas/LNG: Liquefied Natural Gas) distributor in terms of nationwide plant infrastructure and bulk CNG sales volume. The company focuses on the sales and distribution of bulk CNG and LNG to industrial and commercial customers – such as factories, power generators, hotels, asphalt plants – in addition to districts and towns (households) not connected to a natural gas pipeline (Citygas) due to economic or geographic constraints. Naturelgaz also supplies CNG primarily for heavy-duty vehicles and provides operational services to natural gas wells that are not able to connect to the national pipeline network.

Based on EMRA's Natural Gas Market Sector Report data, which is the latest available data, the size of the non-piped natural gas market consisting of CNG and LNG products was 678 million Sm^3 in the first 11 months of 2022. The CNG product comprises 37% of this market with 237 million Sm^3. For the same period Naturelgaz's share in the total non-piped (CNG & LNG) natural gas market was 32%. Naturelgaz is also the market leader in Bulk CNG product with an estimated market share of 83% as of November 2022.

Naturelgaz owns a nationwide CNG plant infrastructure in Türkiye with 13 bulk CNG plants (1 Bulk CNG plant with a partnership agreement) and 5 Auto CNG stations.

- Bulk (Industrial) CNG Plants: Antalya, Bursa, Denizli, Elazığ, Erzurum (with a partnership agreement), İzmir, Kayseri, Kırıkkale, Konya Lüleburgaz, Ordu, Osmaniye, Rize.
- Auto CNG Stations: Istanbul/Alibeyköy, Bolu, Kocaeli/Çayırova, Konya, Mersin

All plants, stations and equipment established and used by the company conform to international standards and regulations.

In terms of LNG product, Naturelgaz supplies LNG customers via 5 LNG road tankers, 31 LNG storage tanks and 94 ambient air heated vaporizers.

MAIN BUSINESS LINES:

a) Bulk (Industrial) CNG and LNG

With its 12 bulk (industrial) CNG plants around Türkiye, Naturelgaz supplies natural gas to factories operating in many different sectors, such as chemicals, metals and mining, food processing and building materials, as well as power generators, hotels, asphalt plants and public institutions that use natural gas for heating purposes.

Bulk (Industrial) LNG is used in similar business lines as bulk CNG, mainly by industrial and commercial customers not connected to a natural gas pipeline network due to economic or geographic constraints. LNG is distributed to those customers via LNG road tankers and made ready-to-use through storage tanks and vaporizers installed at customer sites.

In 2022, Naturelgaz generated a sales volume of 222.5 million Sm^3 of bulk CNG and 5.4 million Sm^3 of bulk LNG with its nationwide sales.[3,4]

b) Citygas

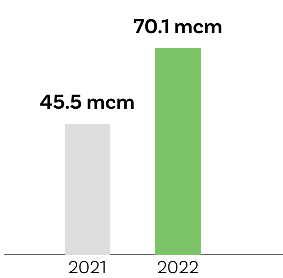
In City Gas business line, Naturelgaz supplies non-piped natural gas to distribution companies in order to meet the natural gas needs of districts and towns with no pipeline connection due to economic and geographic reasons. City Gas operations are carried out with CNG or LNG, depending on the distance of CNG filling plants to districts and towns where the natural gas will be used, road conditions, and usage quantities. Naturelgaz has been using the non-piped natural gas system to supply natural gas to districts and towns since 2017.

As of the end of 2022, Naturelgaz supplies CNG to 104 districts and towns with no natural gas pipeline access due to economic and geographic limitations.

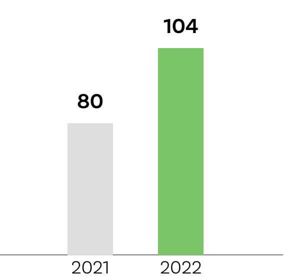
In 2022, Naturelgaz boosted its Citygas sales volume by 54% and supplied 70.1 million Sm^3 CNG to 104 districts and towns (2021: 80) across Türkiye in cooperation with licensed district gas distributors.

This business line is strategic for Naturelgaz not only given the opportunity to expand volumes enormously but also to boost efficiency of operations by eliminating seasonality.

Citygas sales volume



Districts and towns supplied by Naturelgaz



[3] *Source: EMRA Natural Gas Market Monthly Sector Reports*
[4] *Naturelgaz has a partnership agreement with a third party at the Erzurum CNG filling station.*

Naturelgaz

In 2022, Naturelgaz generated a sales volume of 2.0 million Sm^3 from its Auto CNG stations.

c) Auto CNG
In the Auto CNG business line, Naturelgaz targets heavy duty vehicle segments, such as logistics trucks, garbage trucks and buses, that are most suitable for Auto CNG use. As of 2022, the company operates five strategically located Auto CNG stations in Türkiye.

Naturelgaz cooperates with OEM vehicle producers to expand the number of CNG vehicle options in Türkiye. In addition, during the transition process, Naturelgaz cooperates with conversion companies to offer alternative solutions to its customers.

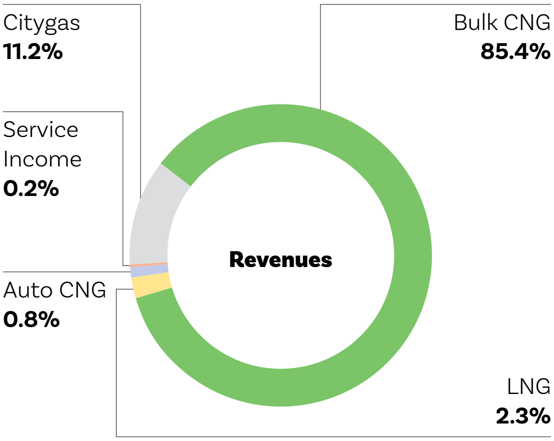
In 2022, Naturelgaz generated a sales volume of 2.0 million Sm^3 from its Auto CNG stations.

d) Well CNG
There is a clear need in the market for CNG in gas wells with uncertain reserves, or where the closest gas pipeline is in a remote location and the connection is not economically viable. Since 2014, Naturelgaz has supplied CNG equipment and operational services to gas wells.

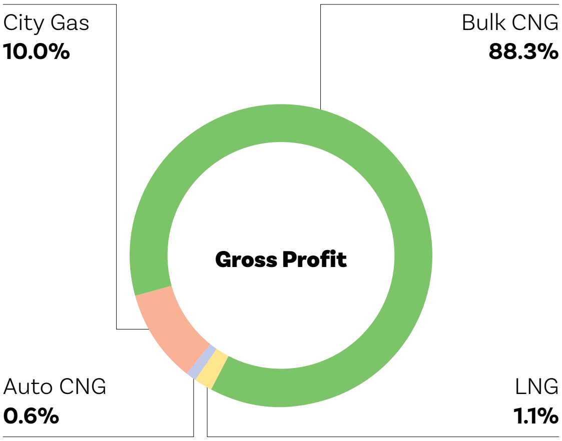
Financial highlights from the year included:

- The total sales volume increased by 12% YoY to 228 million Sm^3, driven mainly by higher Citygas sales. Citygas sales volume surged by 54% as a result of winning new tenders and expanding the subscriber base in towns already supplied by Naturelgaz.
- Total revenues increased by 441% to TL 3.7 billion, reflecting the increase in sales volumes especially in Citygas and Bulk CNG and the increase in gas prices
- EBITDA increased by 801% YoY in 2022, reaching TL 891.6 million. The decrease in seasonality thanks to the increase in Citygas sales volume, effective cost management, and the effects of price differentials due to the higher-than-expected increases in natural gas price index contributed significantly to the EBITDA growth.

Distribution of Sales Revenues in 2022



Distribution of Gross Profit in 2022



WIDE COVERAGE AREA

- Naturelgaz has 17 CNG filling plants in total, including 12 for Industrial CNG and 5 for Auto CNG. Naturelgaz also provides services to its customers in Erzurum CNG Filling Plant under a cooperation agreement.
- For Industrial CNG, services are provided for a radius of approximately 200 km one-way to the filling stations; however, this distance can be extended in line with customer needs.
- Bulk CNG plants serve for both industrial sales and city gas.

Mining

One of the major players in the field in Türkiye, Straton Maden has approximately 20 million tons of reserves in its licensed operation area, and its reserve development activities are currently ongoing.

Straton Maden

Straton Maden employs the most efficient methods and follows an environmentally responsible approach in its mining operations for obtaining high-value feldspar minerals.

ANNUAL VOLUME OF FELDSPAR PRODUCTION IN TÜRKİYE

9

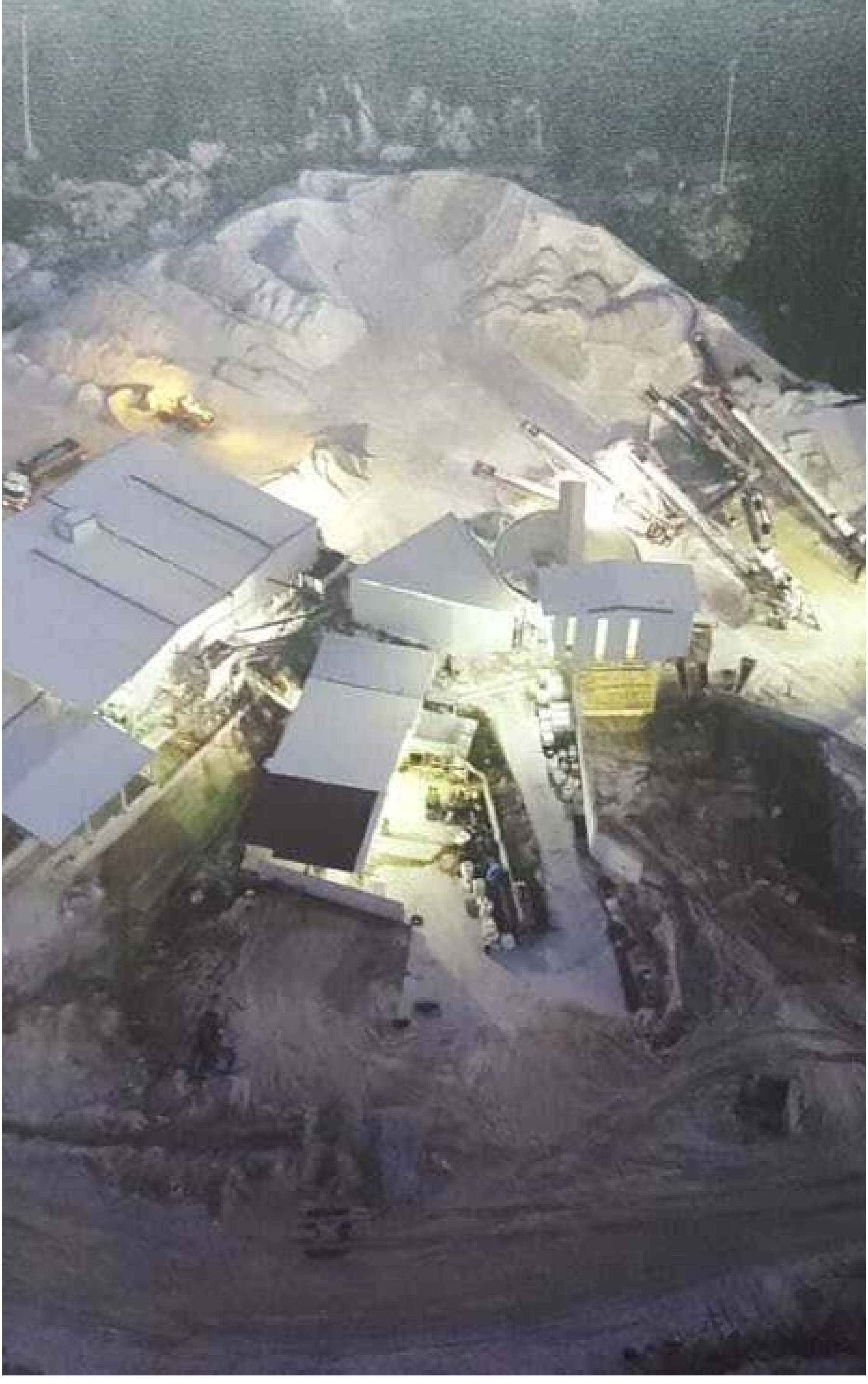
MILLION TONS

Mining Industry Operations
Türkiye possesses 15% of the world's feldspar reserves with a total reserve of 250 million tons. Today, Türkiye is the top producer of feldspar in the world, with an annual volume of more than 9 million tons, about 80% of which is exported. The major export markets for this sector are Spain, Italy, Russia, the US, Bulgaria, Poland, and Egypt.

One of the major players in the field in Türkiye, Straton Maden has approximately 20 million tons of reserves in its licensed operation area, and its reserve development activities are currently ongoing. Straton Maden is a major player in Türkiye for industrial minerals, with an annual feldspar production capacity of approximately 1 million tons, exporting more than 90 percent of its products to Italy, Spain, and Egypt for use in the glass and ceramic industries. Güney Maden, another mining company within the Group, has completed the authorization process for two new feldspar quarries in the Aydın region and initiated production activities in one of those quarries. The new licenses are expected to increase the Group's total feldspar reserves and help raise product quality in the ongoing operations. Güney Maden continues its efforts to complete the authorization processes for additional mining operations and to start production in 2023.

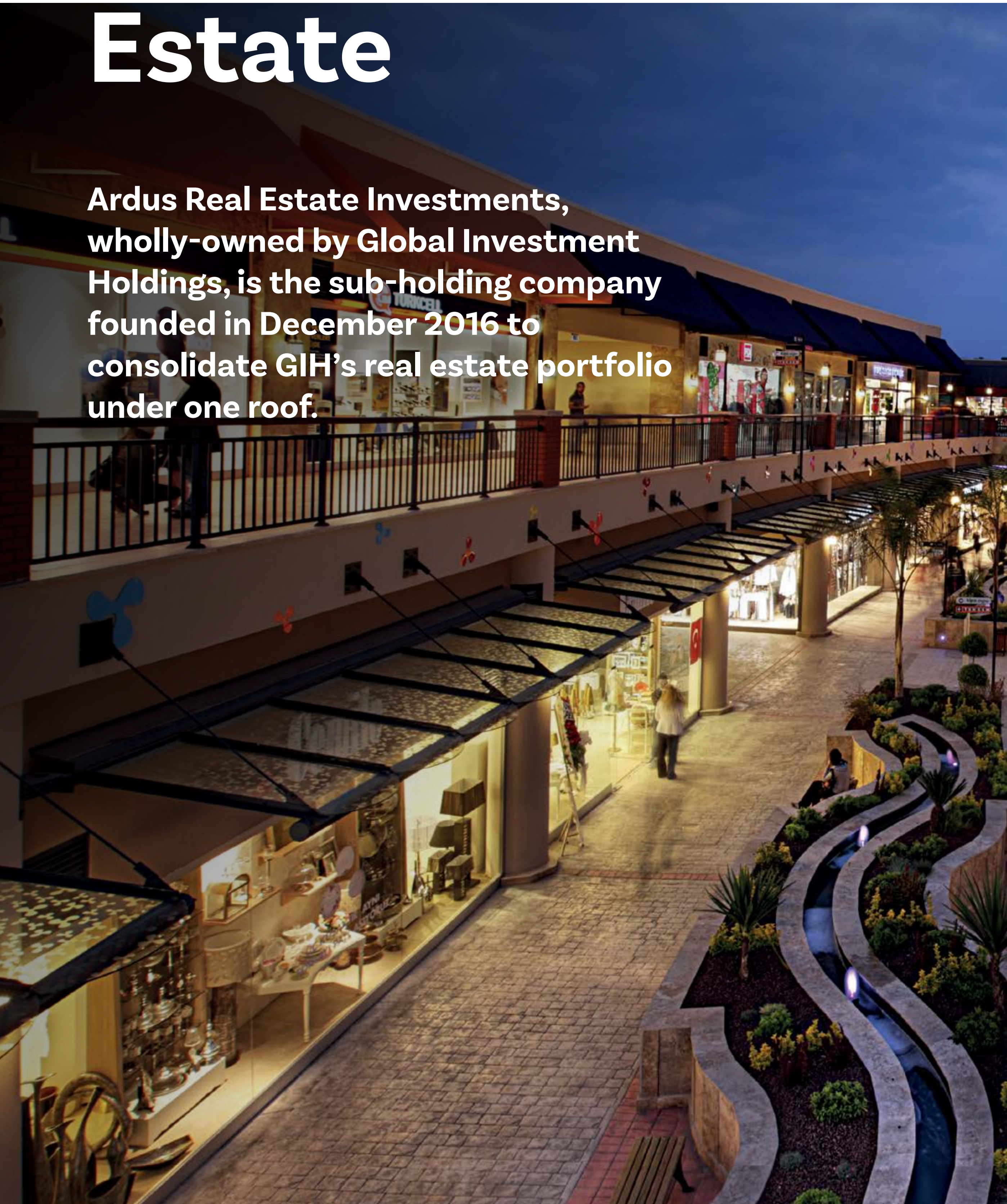
Straton Maden employs the most efficient methods and follows an environmentally responsible approach in its mining operations for obtaining high-value feldspar minerals. In line with this approach, Straton Maden has completed an investment program that aims to expand current production capacity and includes the establishment of new separation and enrichment facilities.

The mining business line saw a 24% annual contraction in demand due to the Covid-19 pandemic in 2020. Yet the mitigation of the pandemic's negative impacts, due to the development and widespread use of vaccines and the recovery in export markets, permitted a significant improvement in 2021 compared to 2020. Despite rising costs across the world and in the mining sector in 2022, the mining company within the Group successfully added new customers to its portfolio and increased sales volume and operating profitability.



Real Estate

Ardus Real Estate Investments, wholly-owned by Global Investment Holdings, is the sub-holding company founded in December 2016 to consolidate GIH's real estate portfolio under one roof.




ixora

Real Estate

The construction industry and its related sub-sectors remain a driving force of economic growth in Türkiye.

RETAIL TURNOVER INDEX ROSE BY

131.2%

IN OCTOBER 2022 COMPARED TO OCTOBER 2021

2022 SECTOR HIGHLIGHTS

The construction industry often serves as a major lever for national economies with the significant added value and employment opportunities it creates. Today, construction encompasses not only delivering buildings, infrastructure, and industrial facilities, but also associated activities that include maintenance, repair, and operation.

Over the last 20 years, Türkiye's construction sector has expanded on par with the country's rapid economic growth. Given the country's ever-expanding status as a global player, the construction industry has the opportunity to grow and develop further in the appropriate environment.

Construction and other related sub-industries are central components of the economy. The Turkish housing industry has achieved rapid growth over the past 15 years. The macroeconomic significance of the construction industry arises from its multiplier effect. Construction sets 250 sub-industries across the economy in motion, galvanizing both economic growth and employment.

While the Turkish construction industry and its sub-sectors have achieved rapid growth over the past two decades, they have benefited most from economic developments subsequent to the 2001 domestic financial crisis. The construction sector accelerated its institutionalization process thanks to the structural transformation it underwent at that time.

The construction industry and its related sub-sectors remain a driving force of economic growth. Industry and service sectors have also been invigorated by the advance of the construction sector in Türkiye.

2022 Sector Highlights

The Retail Turnover Index, compiled by the Alışveriş Merkezi Yatırımcıları Derneği (Shopping Mall Investors Association) and Akademetre Research, rose by 131.2% in October 2022 compared to October 2021, up 1,297 points.

Turnover per leasable area (m^2) in Turkish shopping malls amounted to TL 6,594 in Istanbul and TL 3,845 in Anatolia in October 2022, while Türkiye-wide square meter efficiency was TL 4,945 in October 2022.

Square meter productivity in the clothing category jumped by 14.3% in October 2022 compared to the same period in 2021.

An analysis by shopping mall retail category showed the following productivity increases for October 2022 compared to September 2022: hypermarket: 10.6%; food & beverage: 7.2%; clothing: 14.3%; shoe & bag: 7.9%; technology: 10.0%; and other: 50.0%.

In October 2022, the total number of shopping mall visitors rose by 10.0% compared to 2021, up 88 points.

Home sales in Türkiye fell by 34.1% in November 2022 to 117,806 units. Istanbul accounted for the largest portion of total home sales at 16.7% with 19,687 units sold. Ankara ranked second with an 8.0% share and 9,367 homes sold, while Antalya placed third with a 6.7% share. Provinces with the lowest home sales were Hakkari with 34 units sold, Ardahan with 47 units, and Bayburt with 58 units.

On a monthly basis, home sales in Türkiye decreased by 34.1% in November 2022 compared to November 2021, reaching to 117,806 units sold. Istanbul ranked first with 19,687 home sales and a 16.7% share, followed by Ankara with 9,367 home sales and 8.0% share.

New home sales in Türkiye dropped by 32.9% in November 2022 compared to November 2021, with 37,380 units sold. New home sales accounted for 31.7% of total home sales.

The REIDIN-GYODER New Home Price Index went up by 2.33% in November 2022 compared to November 2021. The index rose 99.43% in November 2022 compared to November 2021. The New Home Price Index was up by 322.2% in November 2022 compared to January 2010, when the index started.

In November 2022, the New Home Price Index increased by 2.64% YoY for 1+1 type homes. Meanwhile, the index increased 4.64% for 2+1 type homes and 3.31% for 3+1 type homes for the same period.

Ardus Real Estate Investments

Current investment portfolio of Ardus Real Estate Investments includes commercial, multi-use commercial, residential and tourism projects.

ARDUS REAL ESTATE INVESTMENTS

Ardus Real Estate Investments, wholly-owned by Global Investment Holdings, is the sub-holding company founded in December 2016 to consolidate GIH's real estate portfolio under one roof. Staffed by a dedicated team of professionals with extensive real estate development experience, Ardus oversees the existing GIH real estate portfolio. The company is engaged in real estate developments with a primary focus on commercial projects. Its current investment portfolio includes commercial, multi-use commercial, residential and tourism projects. Ardus Real Estate's main subsidiary is Global Ticari Emlak, focused on commercial real estate development.

Denizli Sumerpark Mix-Use Real Estate Development

Denizli is a fast-growing industrial city located in southwest Türkiye, the country's Aegean region. As the area's second biggest city after Izmir, Denizli features a strong economy and an expanding population of over 1.1 million. In recent years, it has become a major center for export and industry. Denizli is a key player in Türkiye's textile manufacturing sector. In addition, Denizli is a significant tourism centre with a rich history and extensive cultural assets. Near the ancient cities of Hierapolis, Laodikeia and Tripolis, and the thermal springs of Pamukkale, Denizli's own health and spa sector is maturing in line with its growing tourism industry.

Sümerpark Project, which is the new living center of Denizli, is on 100,908.07 m^2 total gross construction area. The project is composed of Sümerpark Evleri, consisting of 608 houses, private school, and hospital lands.

The first and second phases of the "Sümerpark Evleri" housing project, comprising 231 units in three blocks, were completed in 2015. All units have now been delivered to the owners. There are 377 uncompleted units.

The 18th branch of Final Schools is also a tenant of the Sümerpark project. Construction of the school building, with a total construction area of 11,565 m^2, was completed in August 2014. The school opened in fall 2014, under a 15-year lease contract signed with Final Schools.

The Denizli development project also includes construction of a hospital on another 10,745 m^2 tract located adjacent to Sümerpark housing project.

VAN SHOPPING CENTRE

Van lies on the shore of a large scenic lake of the same name in eastern Türkiye. The city features an ancient citadel set atop a dramatic limestone outcrop, overlooking the atmospheric old town. Rapidly expanding and modernizing, Van is a warm and welcoming centre for regional exploration. It is home to striking monuments such as Van Castle, the mountain fortress of Hoşap and the remote village of Bahçesaray, as well as the Church of the Holy Cross. The city is an engaging and liberal urban area in eastern Anatolia. It is also an important commercial and transportation centre for animal hides, grains, fruits, vegetables, and other local produce, both regionally and to neighbouring countries, including Iran, Iraq, and Armenia. Van also serves as an air and ground transport hub for the country's south-eastern cities, such as Bitlis, Hakkari, Siirt and Muş.

Van Shopping Centre opened its doors on 15 December 2015

Van Shopping Centre was the first shopping centre in the city and provides a strong selection on a 55,000 m^2 building area and 26,047 m^2 leasable area. Van Shopping Centre is home to approximately 86 stores as well as restaurants and cafes, a children's playground, and seven-screen cinemas. In 2022, it attracted more than 7.15 million visitors, while currently operating with 100% occupancy

SALIPAZARI GLOBAL BUILDING (RIHTIM 51)

Vakıf Han No. VI is located in Karaköy, an up-and-coming neighbourhood in Istanbul near the Golden Horn. An active business centre for centuries, Karaköy is an important commercial district hosting many new real estate developments. Rıhtım 51 features a 2nd degree listed historical building. The property's renovation projects have been completed and the building permit obtained for the 6,603 m^2 hotel project.

AQUA DOLCE RESORT

Maya, established to develop the Aqua Dolce Tourism and Entertainment Center Project, is designed to house the Aqua Dolce Tourism and Entertainment Center, the Resort Hotel, a SPA, a multi-purpose conference hall, a casino, sports facilities, and apartments and residences.

Finance

Istanbul Asset Management is the most innovative AM firm in Türkiye with a proven track record of launching multiple first-time funds and products in the local market.


15%
25%
1356.54

Asset Management

In 2022, assets under management in Türkiye's AM industry climbed to TL 1.5 trillion, according to the Turkish Capital Markets Association.

In Türkiye, asset management (AM) constitutes a relatively small and underperforming area of the financial services industry. To date, structural factors have curbed the growth of the industry, especially Türkiye's volatility, as well as extremely high interest rates on short-term deposits imposed to compensate for the volatile market. Asset management has also been ill-served by restrictive regulation in the country. Historically, asset management companies were barred from designing and marketing fund strategies; funds had to be sponsored by banks. Until recently, this environment resulted in a market that lacks capital, savings, and appetite. As of the end of 2022, there are 59 asset management companies in Türkiye, of which 25 manage a portfolio size above TL 5 billion.

A strong year with exceptional asset under management (AUM) growth

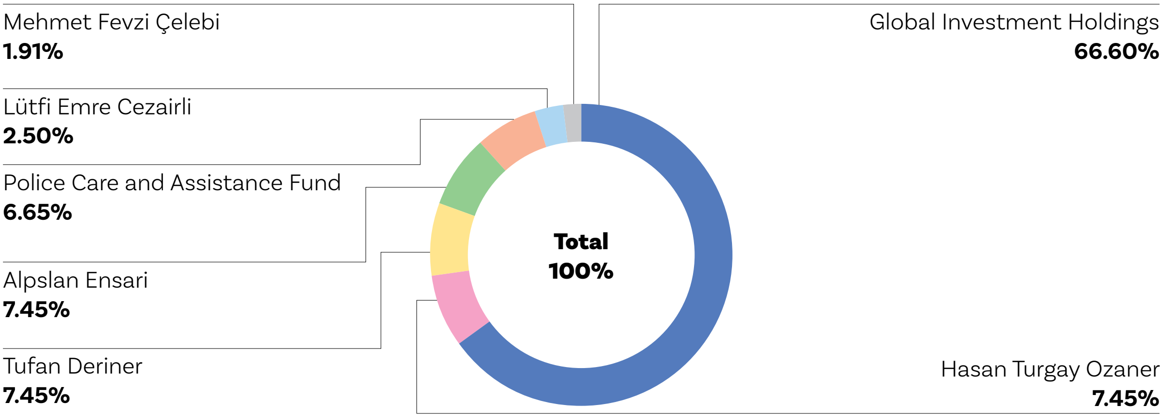
In 2022, assets under management in Türkiye's AM industry climbed to TL 1.5 trillion, according to the Turkish Capital Markets Association (TCMA). AUM growth is predominantly driven by pension fund and other security mutual fund assets, marking a twofold increase over FY 2021.

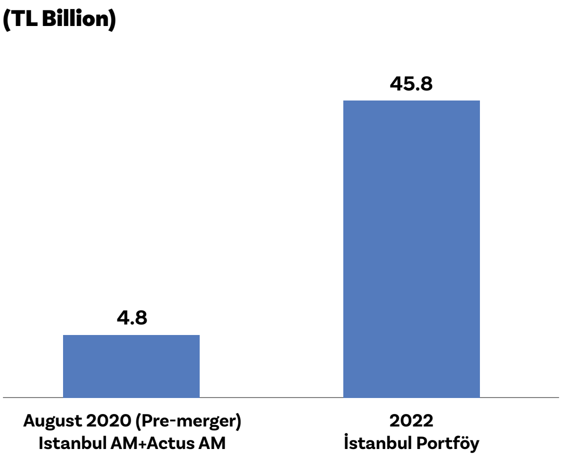
ISTANBUL ASSET MANAGEMENT

Global Investment Holdings' asset management subsidiary merged with Istanbul Asset Management under the name Istanbul Asset Management as of 25 September 2020. At that time, GIH held a 26.6% stake in the merged entity with an option to purchase an additional 40% of the shares on 3 September 2021. In line with its strategy to grow its asset management business, GIH exercised its option to buy an additional 40% of Istanbul Asset Management's shares in September 2021. Through the exercise of the option, Global Investment Holdings acquired 5,673,600 shares with a nominal value of TL 1 each corresponding to 40% of the share capital of Istanbul Asset Management for a consideration of TL 77,352,322, which was fully paid in cash. Accordingly, Global Investment Holdings increased its stake in Istanbul Asset Management from 26.6% to 66.6%, becoming the largest shareholder and paving the way for full consolidation. Meanwhile, the stakes of the existing managing partners – Hasan Turgay Ozaner, Tufan Deriner and Alpaslan Ensari – stood at 22.3% after the transaction. A 6.65% stake is owned by the Police Care and Assistance Funds, which has over 50,000 partners and sizeable assets of TL 1.3 billion.

Shareholding Structure

Share %





Istanbul Asset Management is the largest portfolio management company with domestic capital and that does not have a bank/brokerage house /insurance company as a parent. Before the merger, Istanbul Asset Management and Actus Asset Management had a combined AUM of TL 4.8 billion as of end-August 2021. Since that time, Istanbul Asset Management (the merged entity) increased its total AUM 10-fold to TL 45.8 billion AUM by end-2022.

Asset Management

Istanbul Asset Management aims to maintain its leadership position in alternative asset management classes such as venture capital funds and invest in growth stage technology startups that have the potential to become global growth stories.

Istanbul Asset Management is the most innovative AM firm in Türkiye with a proven track record of launching multiple first-time funds and products in the local market.

Managing 58 funds, five of which are pension funds, as well as several discretionary mandates, Istanbul Asset Management is the only full-fledged asset manager in Türkiye. Istanbul Asset Management aims to maintain its leadership position in alternative asset management classes such as venture capital funds and invest in growth stage technology startups that have the potential to become global growth stories.

Completing 2022 in the ninth place in terms of managed portfolio size, Istanbul Asset Management aims to carry its long-term goal in asset management to an international scale. The asset size target of TL 30 billion, which was determined at the beginning of 2022 and declared to our investors, was significantly exceeded at the end of the year, reaching TL 45.8 billion. This growth trend is expected to continue in 2023. Global Investment Holdings plans to focus on its investments in Alternative Mutual Funds through its Istanbul Portfolio.

GLOBAL MD PORTFOLIO MANAGEMENT

Global MD Portfolio Management, fully owned by Global Securities, is a leading non-bank portfolio management firm focused on pension funds – namely Fiba Emeklilik – real estate funds and venture capital funds. Global MD offers top quality portfolio management services to both individual and institutional investors, managing 14 funds invested in the Turkish equity and debt markets.

At end-2022, Global MD reported a total portfolio fund size of TL 1 billion.

Global MD is the founder of Torkam Global MD Real Estate Fund, one of Türkiye's first real estate investment funds, in which Emlak Konut pledged to become a seed investor – a sector first. Additionally, Global MD's first venture capital fund, Acalis First Venture Capital Fund, offers the opportunity to invest in disabled and elder care centres across Türkiye.

Global MD embraces the mission of becoming one of the leading portfolio management firms by adding new venture and real estate funds to its current roster in 2023 and beyond.

Global MD focuses on providing exceptional customer service and aims for fund performances in the highest rankings of their respective categories.

IEG GLOBAL ADVISORY

In 2011, Global Securities established a joint venture with IEG-Investment Banking Group, one of Europe's leading international investment banking advisory firms. The joint venture provides financial advisory services on mergers & acquisitions, public & private equity, and debt financing, as well as sophisticated CFO advisory in Türkiye. Its superior, multidisciplinary, and international Istanbul-based team focuses squarely on cross-border transactions and financing.

IEG's services include advisory on mergers & acquisitions, financing, and financial strategy, as well as placement of equity, debt, and hybrid capital. IEG has an executive team of over 100 professionals at its Berlin headquarters and international offices. Established in 1999, IEG-Investment Banking Group is an independent, international investment bank with branches and associated offices in New York, Istanbul, Johannesburg, Stuttgart, New Delhi, Shanghai, Tunis, and Zurich.

PORTFOLIO VALUE (TL MILLION)

Year	Number of Companies*	TL Million	USD Million
2010	28	46,889	30,304
2011	31	47,851	25,174
2012	35	56,369	31,510
2013	40	64,828	30,372
2014	40	81,848	35,067
2015	46	100,995	33,610
2016	50	122,081	34,604
2017	49	158,635	41,841
2018	54	173,416	32,662
2019	51	284,225	47,667
2020	49	364,616	48,980
2021	52	653,076	48,835
2022	59	1,566,646	83,509

(*) *Companies that have a portfolio management licence.*

As of 31 December 2022	
Number of Asset Management Companies*	59
Total AUM	TL 1,566 trillion
Total AUM/GDP	9.6%
Number of Independent AMs (excl. bank subsidiaries)	45
Market Share of Independent AMs	22%

**Companies that have a portfolio management licence.*

Brokerage

Established in 1990, Global Securities is a BIST-listed firm that provides brokerage and financial advisory, as well as corporate finance and research services to individuals and corporates, local and international investors.

TOTAL TRADING VOLUME OF FOREIGN INVESTORS IN BORSA ISTANBUL IN DECEMBER 2022

101.34

USD BILLION

Borsa Istanbul in 2022

While the developments between Russia and Ukraine caused an increase in inflationary pressure in 2022, many central banks around the world, especially those in developed countries, took tightening steps within the framework of their monetary policies. The rise in inflation and rising interest rates put pressure on risk appetite in global markets. The BIST 100 index tested the highest level of 5,562 in 2022 and completed the year at 5,509. The Index diverged positively from the global stock markets during this period and closed the year with a gain of 196.6% in TL terms and 111.4% in dollar terms.

According to the data released by Borsa Istanbul, foreign investors purchased USD 50.16 billion in December 2022, while selling USD 51.17 billion, resulting in a net sale of USD 1.01 billion. The total trading volume of foreign investors in Borsa Istanbul in December was USD 101.34 billion. In 2022, foreigners sold USD 4.49 billion in total, following net sales of USD 2.01 billion in 2018, USD 600.8 million in 2019, USD 4.58 billion in 2020, and USD 1.63 billion in 2021. The share of foreign investors in BIST, which was 40.6% at the beginning of the year, shrank to 29.5% at the end of 2022.

At the end of 2021, there were 450 companies trading on the BIST All Index. This figure rose to 488 by the end of 2022, with 38 new public offerings during the year. The total size of public offerings was TL 19.1 billion in 2022, of which TL 11.6 billion were capital increases and TL 7.4 billion were joint sales. In 2021, total public offerings amounted to TL 21.5 billion with 52 companies. Together with the capital increases and secondary public offerings, financing raised as of 2022/11 totalled TL 49.8 billion, up from TL 36.4 billion in 2021. Corporate bond issues raised a total of TL 323 billion via 1,688 debt instruments (The figure was TL 258 billion via 1,294 debt instruments in 2021).

GLOBAL SECURITIES

Established in 1990, Global Securities is a BIST-listed firm that provides brokerage and financial advisory, as well as corporate finance and research services to individuals and corporates, local and international investors. The company's core business is delivering securities, asset management and derivatives trading services to international and domestic clients.

In 2004, when Global Investment Holdings became an investment holding company, GIH spun off its brokerage and related businesses to a new, wholly-owned subsidiary, Global Securities. Following its 2011 public offering, Global Securities was listed on Borsa Istanbul (BIST).

In June 2015, Global Securities completed the acquisition of a 100% stake in Eczacıbaşı Securities, another major non-bank owned brokerage company, and the target firm's subsidiary Emdaş Asset Management, for TL 22.1 million. The acquisition of Eczacıbaşı Securities, which combines two deep-rooted and respected companies under one roof, created considerable synergy, resulting in one of the largest independent brokerage companies in the sector.

Global Securities had a market share of 0.95% with an equity trading volume of TL 379 mn, ranking 22nd among domestic brokerage houses in 2022.

Strategy

Formulated with the vision of being an industry pioneer in Türkiye, Global Securities executes the core strategy of serving its clients with the deep know-how and experience it has accumulated over the years as a leading and dependable brokerage firm.

Sustainability

Better financial results with a sustainability policy

Management Discussion and Analysis

Dear Stakeholders,

As Global Investment Holdings, we work in alignment with the responsibility we feel towards our society and our world.

We carry out our operations in all areas – including port management, power generation, gas, mining, real estate and finance – in compliance with environmental legislation and international standards.

As we declare in our Environmental Policy, we are committed to managing and minimizing the environmental impacts arising from our operations, and continuously improving our environmental performance. In order to limit our impacts on climate change, we aim to reduce our greenhouse gas emissions and conduct studies and works to reduce energy use and increase energy efficiency at every stage of our operations. In all our operations, we also aim to reduce the use of water and natural resources and achieve the best possible level of efficiency.

Together with our subsidiaries, we continue to contribute to the sustainable world goals while improving our financial results in firm steps. Thanks to our strong corporate governance approach, integrated risk management and internal control mechanisms, we utilize the competitive advantage of being the "first mover," while our business strategy enables us to rapidly adapt to an ever-changing business environment and market conditions to act upon attractive investment opportunities in growing industries.

Within the scope of our sustainable growth approach, we adapt to future trends, follow technological developments, invest in R&D and innovation, and manage the value chain in an integrated manner, aiming to create value for all our stakeholders while ensuring operational and financial growth.

In 2022, we completely emerged from the financial effects of the pandemic, returning to normal and even exceeding 2019 numbers while generating a positive bottom line throughout the entire year. GIH reported a consolidated net profit of TL 1.172 million in FY 2022, compared to a net loss of TL 111.1 million in FY 2021.

The 2022 consolidated revenues of Global Investment Holdings (GIH) were announced as TL 7,175.5 million, up 300% compared to the previous year, excluding the impact of IFRIC 12 on Cruise Ports amounting to TL 1,543.3 billion for 2022 and TL 791.1 million for 2021. Consolidated operating earnings before interest, tax, depreciation, and amortization (EBITDA) rose by 493% to TL 2,520.9 million. This increase was driven by the strong contribution from all business divisions, with the gas and ports businesses contributing the most.

On the other hand, since 2021, we have strived to rapidly reduce our debt and have made good progress towards this goal. The listing of our subsidiaries Naturelgaz and Consus Enerji, the sale of our commercial port in Antalya, and the capital increase process of GIH melted down holding stand-alone gross debt amount has decreased by half in dollar terms in the last two years. (2020YE: USD 103.6 million; 2021YE: USD 55.8 million; 2022YE: USD 54.8 million)

Our revenues in the port business line, which exceeded USD 100 million prior to the pandemic and was close to zero during the pandemic, have grown rapidly as we reached 2019 stats in terms of the number of passengers in cruise tourism and even exceeded previous stats with the commissioning of newly built cruise ships. Operational consolidated adjusted EBITDA in the port business line of the Holding was recorded as TL 1,053.5 million in the 2022 fiscal year, compared to TL 20.2 million in the 2021 fiscal year.

Naturelgaz maintained its solid financial position and recorded significant growth in FY 2022. Revenues increased by 441% YoY, reaching TL 3.7 billion and EBITDA increased by 801% YoY in FY 2022, reaching TL 892 million, reflecting the elevation in sales volume especially in Citygas and Bulk CNG and the increase in gas prices.

The power generation business line was not adversely affected by the pandemic. Revenues rose by 50% in 2022, while EBITDA increased by 24%.

We continued our strong development in the mining, real estate, and finance business lines, and demonstrated the diversity of our investments. In the mining business line, The Company's main export markets continued to be Spain, Italy, and Egypt. Export-related sales volume was 387,278 tons while domestic sales volume was realized at 110,588 tons for the period.

We actively utilize opportunities in the field of securities and asset management. In the securities and asset management business line, we increased our revenues by 223%, while EBITDA grew by 254% year-on-year.

In 2023, our companies are profitable, and we continue to expect a robust dividend flow from them, which we will continue to use to deleverage.

Our cruise port operations returned to normal and are continuing to accelerate with higher occupancy rates driven by strong demand. Booking volumes are now well above 2019 levels and the 2023 booked position is well within historical range.

We aim to add new ports to our portfolio during the year in line with our strategic perspective and to operate these ports in accordance with our sustainability policies.

Ferdağ Ildır
Chief Financial Officer

Sustainability

Global Investment Holdings has accelerated its sustainability efforts and started the implementation of sustainability strategy and management projects.

Sustainability at Global Investment Holdings

Sustainability Approach

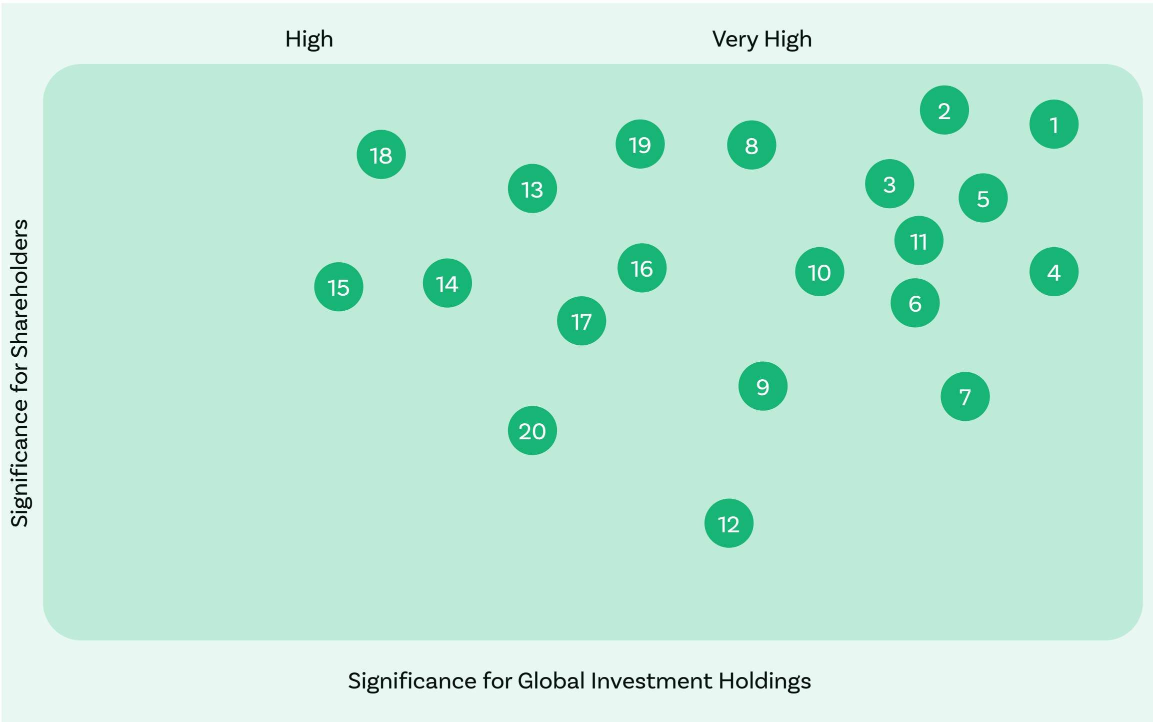
Since the first day of its establishment, Global Investment Holdings has contributed to the development of Turkish capital markets with its diversified and expanding portfolio and a future-oriented investment approach that thrives on excellence. Within the framework of our business strategy, we swiftly adapt to the continuously changing business environment and market conditions to take advantage of attractive investment opportunities in growing sectors. We not only evaluate investments based on their economic success but also expect them to garner permanent results and create value for all our stakeholders. Accordingly, we assess the growth potential of identified sectors through effective risk and market analysis tools and use the first-mover advantage. We manage all our decision-making processes and related work in line with our sustainability approach and corporate governance principles. The sustainability approach of Global Investment Holdings is built on three pillars: the environment, sustainable production and processes, and occupational health and safety.

Sustainability Management

We appointed different business units to establish the Sustainability Committee in 2016 for conducting sustainability studies in a systematic manner, establishing the necessary strategy, objectives, and action plan, and integrating these within our corporate structure. Global Investment Holdings has accelerated its sustainability efforts and started the implementation of sustainability strategy and management projects. These projects aim to determine sustainability related risks and opportunities in our operations and define a holistic sustainability strategy and targets, while establishing a sustainability governance mechanism throughout Global Investment Holdings and its affiliate companies. In this regard, Global Investment Holdings aims to improve its work in this area in a more systematic and effective manner, and to demonstrate its sensitivity with concrete steps.

Material Issues

We are committed to publishing our sustainability performance and plans on our website in the coming year and to improving our efforts in line with feedback from our stakeholders. Under the leadership of the Committee and with the support of the senior management, material issues that need to be addressed in the field of sustainability were identified by conducting a stakeholder analysis. As part of this effort, Global Investment Holdings considered the environmental and social impact analyses conducted with internal and external stakeholders, as well as risk assessment results, global and industry-specific trends, and stakeholder feedback. Different stakeholder groups – including company employees, suppliers, subcontractors, corporate and individual investors, senior management, and subsidiaries – participated in these surveys.



1. Occupational Health and Safety
2. Business Ethics (Anti-Bribery, Anti-Corruption, etc.)
3. Fair, Transparent and Accountable Management Approach
4. Sustainable Financial Growth
5. Renewable Energy
6. Risk Management Including ESG Factors
7. R&D and Innovation
8. Human Rights and Employee Rights
9. Responsible Asset Management
10. Compliance with Changing Regulations
11. Contribution to Local Communities
12. Digitalization
13. Air and Water Pollution
14. Climate Change
15. Equal Opportunity and Diversity
16. Talent Management
17. Social Investment Projects
18. Resource Management
19. Conservation of Biodiversity
20. Talent Management

Sustainability

The sustainability approach of Global Investment Holdings is built on three pillars: the environment, sustainable production and processes, and occupational health and safety.

Contribution to UN Sustainable Development Goals (SDGs)

The Sustainable Development Goals (SDGs) that Global Investment Holdings targets along with its material topics while performing its activities are as follows:

Areas	Purpose	Related SDG
Combatting Climate Change and Energy Management	To make renewable energy investments, to increase fuel efficiency and renewable energy use, to reduce greenhouse gas emissions	6 Clean Water and Sanitation; 7 Affordable and Clean Energy; 9 Industry, Innovation and Infrastructure; 13 Climate Action
Waste Management	To ensure sustainable use of natural resources, sustainable waste management (to prevent waste formation, minimize it in case it cannot be prevented, increase reuse and recycling rates), comply with the relevant legislation regarding the Zero Waste Management System in our fields of activity	12 Responsible Consumption and Production
Supporting Biodiversity	To evaluate the effects of our activities on biodiversity, generate the necessary policies for the protection of biodiversity, and ensure their implementation	14 Life Below Water; 15 Life on Land; 17 Partnerships for the Goals
Occupational Health and Safety	To establish the systems required to eliminate the risk of death and injury in our fields of activity, and provide the ideal working environment needed to protect the physical and mental health of our employees	8 Decent Work and Economic Growth
Diversity and Equal Opportunities	To create an embracing corporate culture that respects differences and supports disadvantaged groups, and manage all business processes in a manner that favours equality of opportunity and does not allow gender discrimination	5 Gender Equality; 10 Reduced Inequalities

Environmental Responsibility

Continuous improvement in environmental awareness, combating climate change, full compliance with legislation, following up on national and international standards and innovations, and increasing the environmental awareness of employees are among the corporate priorities of Global Investment Holdings. Global Investment Holdings strives to protect the environmental interests of both its own facilities and society at the highest level of awareness by continuously assessing and managing its environmental impacts, and by utilizing natural resources and renewable energy and implementing measures to reduce its greenhouse gas emissions at all times. Global Investment Holdings performs activities in all fields of operation, including port infrastructure, power generation, gas, mining, real estate, and finance, in compliance with environmental legislation and international standards.

Climate change is underlied by the development and globalization of industrial activities that drive an increase in fossil fuel consumption and the subsequent deterioration and pollution of air, water, and soil. As stated in its Environmental Policy as well, Global Investment Holdings commits to manage and lower the environmental impacts arising from its activities, and to consistently improve its environmental performance. The Holding aims to reduce greenhouse gas emissions to limit the impact on climate change. Efforts are made to lower energy usage and to increase energy efficiency at all stages of operations. As well, the Holding aims to reduce the use of water and natural resources and utilize them in the most efficient way possible in its all operations. The Holding works on reducing at the source, reusing and recycling the waste resulting from its activities, and disposes of such waste as required by the relevant legislation.
Additionally, we focus on the role of ecosystems, which provide raw materials to numerous industries and are indispensable for the continuity of life, and we take care of protecting biodiversity. At Global Investment Holdings, we are aware of the effect that our world-spanning facilities may have on biodiversity, led by our port operations, which are included within the scope of our wide-ranging activities as required by our expansive investment portfolio. For this reason, we assess the impact of all our operations on biodiversity and have continued to work on this issue studiously since 2015. In addition to minimizing the effect of our operations, we collaborate with others and lead work for the protection of natural life to contribute positively to biodiversity.

Sustainability

As Global Investment Holdings, we regard ourselves as a guest in the countries where we operate, and we actively contribute to the lives and needs of local people.

Interaction with Local Communities
Global Investment Holdings and its subsidiaries focus on integrating social, environmental, ethical, and human rights issues into the Group's activities and main strategy, in close cooperation with the communities where they are located, and their social stakeholders. We regard ourselves as a guest in the countries where we operate, and we actively contribute to the lives and needs of the local population.

Supporting farmers is among our priorities. In this regard, Edusa aims to guarantee the biomass supply of Consus Enerji's power plants and to make it sustainable by assuming the responsibility for supplying various biomass sources, especially agricultural residues. The agricultural residues remaining on the farmers' fields after harvest, and which had no area of use in the past are collected without imposing any burden or cost for the farmers. Later, these residues are converted into energy in biomass power plants owned by Consus Enerji and brought into the economy. Through this method, farmers are supported in terms of production costs. In addition, a contribution is made to agricultural sustainability and productivity by preventing the soil damage caused by disposing of agricultural residues in the field by burning them.

Value Accorded to Human Rights

We conduct our operations in accordance with the Universal Declaration of Human Rights and International Labour Organization (ILO) Conventions. In this respect, we work with the approach of preventing the possible negative effects originating from our operations on the local population and on human rights in the regions where we operate, and of intervening when potential negative effects emerge. In accordance with the fundamental human rights principles, Global Investment Holdings does not permit child labour, forced and/or unfree labour under any circumstance. In addition, we observe compliance with these principles in the selection of suppliers and subcontractors. We also encourage compliance with the principles through the contracts concluded. Goal 8 of the Sustainable Development Goals, "Decent Work and Economic Growth" highlights human rights in the working environment for sustainable development.

We respect human rights, diversity, and inclusion in our approach to our employees. Based on the importance we place on equality, we refrain from any discrimination on the basis of race, religion, language, gender, etc., in hiring people or providing them with career opportunities. We work towards providing decent jobs and contributing to sustainable economic growth within the Sustainable Development Goals.

Gender equality is another important asset for us. Global Investment Holdings and its subsidiaries have 1,401 employees, 22% of whom are women. The proportion of female employees in the Top Management of Global Investment Holdings corresponds to 38%. We aim to boost the percentage of women at all levels of our organization, including our Board, in accordance with Sustainable Development Goals. Global Investment Holdings' Board of Directors has adopted the policy of increasing the rate of female members on the Board of Directors to 25%, monitoring the progress in this regard and reporting it annually. As of the end of 2022, Global Investment Holdings' Board of Directors is composed of seven members, one of whom is female.

In addition, as Global Investment Holdings, we are aware of the importance of local employment. As a Group with more than 1,500 employees, overseas employees compose more than 30% of our work force. We have colleagues from 20 different countries in our group.

Disclosures/Ratings

As part of our commitment to transparency, we strive to disclose our impact and performance on sustainability-related issues.

Our fair, responsible and accountable management approach, ethical principles, environmental sustainability studies, occupational health and safety practices, supplier relations and social contributions, which we evaluate within the scope of our sustainability efforts, constitute an integral part of our business. In line with this approach, we are a signatory to the United Nations Global Compact and committed to the Ten Principles concerning human rights, labour rights, environment, and anti-corruption.

As Global Investment Holdings, we are also listed in the BIST Sustainability Index, which includes companies with high corporate sustainability performance and that are listed on Borsa Istanbul. We publish our sustainability reports on our website to ensure stakeholder engagement and to contribute to our sustainability efforts in this context. We are committed to publishing our sustainability performance and future plans on the website in the coming period and improving our work in line with our stakeholders' feedback.

Memberships and Initiatives Supported

To integrate sustainability into all activities and decision-making processes, Global Investment Holdings diligently monitors national and international developments through close cooperation with all stakeholders, from its employees to its business partners, and shares information with the representatives of different industries via different platforms.

- TCMA - Turkish Capital Markets Association
- Istanbul Chamber of Commerce and Regional Chambers of Commerce
- Chamber of Shipping
- Karaköy Beautification and Protection Association
- TÜYİD - Investor Relations Association
- DEİK - Foreign Economic Relations Board
- Finance Club
- Spanish-Turkish Chamber of Commerce and Industry
- Turkish Cogeneration and Clean Energy Technologies Association
- ICI - Istanbul Chamber of Industry
- ICC - Istanbul Chamber of Commerce
- Liquefied and Compressed Natural Gas Association
- United Nations Global Compact (UNGC)
- Turkish American Businessmen's Association - American Chamber of Commerce - Türkiye (TABA - AmCham)

CMB Sustainability Principles Compliance Report

	PRINCIPLE	COMPLIANCE					
		YES	NO	PARTIAL	N/A	EXPLANATION	RELATED REPORT/LINK
	A. General Principles						
	A1. Strategy, Policy and Targets						
A1.1	The Board of Directors determines material environmental, social and governance (ESG) issues, risks and opportunities.	X					https://www.globalyatirim.com.tr/files/surdurulebilirlik/2021/GYH_SRDE_2021_UYG_uyg_13.pdf
	The Board of Directors establishes relevant ESG policies (e.g. Environmental Policy, Energy Policy, Human Rights and Employee Policy, etc.) and they are publicly disclosed	X					8-GIH-ENVIRONMENTAL_POLICY-062019.pdf (globalyatirim.com.tr), 2-HUMAN_RIGHTS_POLICY_-062019.pdf (globalyatirim.com.tr), Global Investment Holdings- Code of Ethics (globalyatirim.com.tr)
A1.2	Publicly discloses short- and longterm goals set according to ESG policies.	X					https://www.globalyatirim.com.tr/files/surdurulebilirlik/2021/GYH_SRDE_2021_UYG_uyg_13.pdf (Page:41)
	A2. Implementation/Monitoring						
A2.1	Determines and discloses the committees/units responsible for the execution of ESG policies, and the highest level positions in charge of ESG issues at the Company and their duties.	X					Global Investment Holdings - Our Sustainability Committee (globalyatirim.com.tr)
	The responsible committee and/or unit reports the activities carried out as per the policies during the year at least once a year to the Board of Directors.	X					
A2.2	Creates and discloses implementation and action plans aligned with ESG targets	X					Global Investment Holdings - Our Sustainability Approach (globalyatirim.com.tr)
A2.3	Discloses ESG Key Performance Indicators (KPI) and the degree of their achievement by years.	X					https://www.globalyatirim.com.tr/files/surdurulebilirlik/2021/GYH_SRDE_2021_UYG_uyg_13.pdf (Page:80,83,85,89)
A2.4	Discloses efforts for improving sustainability performance with respect to work processes or products and services.	X					https://www.globalyatirim.com.tr/files/surdurulebilirlik/2021/GYH_SRDE_2021_UYG_uyg_13.pdf (Page:60)

	PRINCIPLE	COMPLIANCE					
		YES	NO	PARTIAL	N/A	EXPLANATION	RELATED REPORT/LINK
	A3. Reporting						
A3.1	Discloses sustainability performance, targets and actions in an intelligible, accurate and adequate manner in annual reports	X					
A3.2	Provides information about which of the United Nations (UN) 2030 Sustainable Development Goals its activities relate to	X					https://www.globalyatirim.com.tr/files/surdurulebilirlik/2021/GYH_SRDE_2021_UYG_uyg_13.pdf (Page:41)
A3.3	Makes disclosures regarding the lawsuits filed and/or concluded against the company on account of ESG issues, which are material with respect to ESG policies and/or have material impact on operations.				X		
	A4. Verification						
A4.1	ESG Key Performance measurements are verified by an independent third party and publicly disclosed		X				
	B. Environmental Principles						
B1	Publicly discloses its environmental management policy and practices, action plans, environmental management systems (known by ISO 14001 standard) and programs	X					iso_EN.pdf (globalyatirim.com.tr)
B2	Publicly discloses the limitations over the reporting scope, reporting period, reporting date, reporting conditions of the environmental reports to be prepared for providing environmental management information	X					GYH_SRDT_2021_UYG_uyg_21.pdf (globalyatirim.com.tr) (Page 18)
B3	Provided in A2.1.	X					
B4	Discloses the environmental targets included in rewarding criteria within the scope of performance incentive systems on the basis of stakeholders (board members, executives, employees and so on).		X				
B5	Explains how environmental issues identified to be material are integrated into business goals and strategies.	X					Global Investment Holdings - Our Sustainability Approach (globalyatirim.com.tr)
B6	Provided in A2.4.	X					
B7	Explains how it manages environmental issues throughout the Company's value chain including suppliers and customers so as to cover the operation process as well and how they are integrated into its business goals and strategies.	X					https://www.globalyatirim.com.tr/files/surdurulebilirlik/2021/GYH_SRDE_2021_UYG_uyg_13.pdf (Page:63)
B8	Discloses whether it is involved in policy-making processes on environmental issues of relevant institutions and non-governmental organizations and its collaborations with these institutions and organizations, if any.	X					https://www.globalyatirim.com.tr/files/surdurulebilirlik/2021/GYH_SRDE_2021_UYG_uyg_13.pdf (Page:47)

CMB Sustainability Principles Compliance Report

	PRINCIPLE	COMPLIANCE					
		YES	NO	PARTIAL	N/A	EXPLANATION	RELATED REPORT/LINK
B9	Periodically reports information about its environmental impacts comparatively in the light of environmental indicators; GHG emissions Scope-1 (Direct), Scope-2 (Indirect from purchased energy), Scope-3 (Other indirect), air quality, energy management, water and wastewater management, waste management, biodiversity implications).	X					https://www.globalyatirim.com.tr/files/surdurulebilirlik/2021/GYH_SRDE_2021_UYG_uyg_13.pdf (Page:80,85,88,89)
B10	Discloses the standard, protocol, methodology and baseline year details used to collect and calculate its data.	X					https://www.globalyatirim.com.tr/files/surdurulebilirlik/2021/GYH_SRDE_2021_UYG_uyg_13.pdf (Page:80)
B11	Publicly discloses the status of environmental indicators for the reporting year (increase or decrease) in comparison with previous years.	X					https://www.globalyatirim.com.tr/files/surdurulebilirlik/2021/GYH_SRDE_2021_UYG_uyg_13.pdf (Page:80,85,88,89)
B12	Sets short and long-term goals to reduce its environmental impact and discloses these goals and the progress, if any, as compared to the targets set in previous years.	X					https://www.globalyatirim.com.tr/files/surdurulebilirlik/2021/GYH_SRDE_2021_UYG_uyg_13.pdf (Page:80-89)
B13	Discloses its strategy and actions to combat the climate crisis.	X					https://www.globalyatirim.com.tr/files/surdurulebilirlik/2021/GYH_SRDE_2021_UYG_uyg_13.pdf (Page:80)
B14	Explains its programs or procedures to prevent or minimize the potential negative impacts of the products and/ or services it offers.		X				
	Takes and explains its actions for driving reduction of GHG emission quantities of third parties (e.g. suppliers, sub-contractors, dealers, etc.).		X				
B15	Discloses the total number of actions taken, projects carried out and initiatives undertaken to mitigate its environmental impacts, along with the benefits/revenues and cost savings they provide.	X					https://www.globalyatirim.com.tr/files/surdurulebilirlik/2021/GYH_SRDE_2021_UYG_uyg_13.pdf (Page:81,83,85,89)

	PRINCIPLE	COMPLIANCE					
		YES	NO	PARTIAL	N/A	EXPLANATION	RELATED REPORT/LINK
B16	Reports energy consumption data (gas, diesel oil, fuel oil, LPG, coal, electricity, heating, cooling, etc.) and discloses its energy consumption as Scope-1 and Scope-2.	X					https://www.globalyatirim.com.tr/files/surdurulebilirlik/2021/GYH_SRDE_2021_UYG_uyg_13.pdf (Page:80,85,88,89)
B17	Discloses information about the electricity, heat, steam and cooling generated during the reporting year	X					https://www.globalyatirim.com.tr/files/surdurulebilirlik/2021/GYH_SRDE_2021_UYG_uyg_13.pdf (Page:80-89)
B18	Conducts and discloses studies on increasing the use of renewable energy, transition to zero or low carbon electricity.	X					https://www.globalyatirim.com.tr/files/surdurulebilirlik/2021/GYH_SRDE_2021_UYG_uyg_13.pdf (Page:80-89)
B19	Discloses data on its renewable energy generation and consumption.	X					https://www.globalyatirim.com.tr/files/surdurulebilirlik/2021/GYH_SRDE_2021_UYG_uyg_13.pdf (Page:80-89)
B20	Develops energy efficiency projects and discloses the quantity reduced in energy consumption and emission enabled by these efforts	X					https://www.globalyatirim.com.tr/files/surdurulebilirlik/2021/GYH_SRDE_2021_UYG_uyg_13.pdf (Page:80-89), https://www.kap.org.tr/tr/Bildirim/1080983
B21	Reports the amount of underground or overground water withdrawn, recycled and discharged, the resources and procedures.	X					https://www.globalyatirim.com.tr/files/surdurulebilirlik/2021/GYH_SRDE_2021_UYG_uyg_13.pdf (Page:84)
B22	Discloses whether its operations or activities are included in any carbon pricing system (Emission Trading System, Cap & Trade or Carbon Tax).				X		
B23	Discloses the carbon credits saved or purchased during the reporting period.	X					https://www.globalyatirim.com.tr/files/surdurulebilirlik/2021/GYH_SRDE_2021_UYG_uyg_13.pdf (Page:78,79)
B24	Discloses the details if carbon pricing is applied within the Company				X		
B25	Discloses the platforms that it reports its environmental information to.	X					
	C. Social Principles						
	C1. Human Rights and Employee Rights						
C1.1	Develops a Company Human Rights and Employee Rights Policy, which pledges full compliance with the Universal Declaration of Human Rights, ILO Conventions ratified by Türkiye and other applicable legislation. Discloses the policy and the roles and responsibilities associated for its implementation	X					2-HUMAN_RIGHTS_POLICY_-062019.pdf (globalyatirim.com.tr), Global Investment Holdings - Code of Ethics (globalyatirim.com.tr)

CMB Sustainability Principles Compliance Report

	PRINCIPLE	COMPLIANCE					
		YES	NO	PARTIAL	N/A	EXPLANATION	RELATED REPORT/LINK
C1.2	Incorporates equitable workforce, improvement of working standards, women's employment and inclusion (not discriminating on the basis of gender, race, religion, language, marital status, ethnicity, sexual orientation, gender identity, family responsibilities, union activities, political affiliation, disabilities, social and cultural differences, etc.) in its policy concerning employee rights, while looking out for the effects of supply and value chain.	X					2-HUMAN_RIGHTS_ POLICY_-062019.pdf (globalyatirim.com.tr), Global Investment Holdings - Code of Ethics (globalyatirim.com.tr)
C1.3	Discloses the measures taken throughout the value chain for protecting the rights of groups sensitive to certain economic, environmental, social factors (lowincome groups, women, etc.) or for securing minority rights/equal opportunity.		X				
C1.4	Reports on progress in relation to actions for preventing and remedying discrimination, inequality, human rights violations, forced labor and child labor.	X					2-HUMAN_RIGHTS_ POLICY_-062019.pdf (globalyatirim.com.tr), Global Investment Holdings - Code of Ethics (globalyatirim.com.tr)
C1.5	Incorporates investments in employees (training, development policies), employee compensation, fringe benefits granted, the right to unionize, work/life balance solutions and talent management in its policies concerning employee rights.	X					
	Determines the mechanisms for resolution of employee complaints and labor disputes, and establishes conflict resolution processes.	X					
	Discloses the activities for ensuring employee satisfaction during the reporting period.		X				

	PRINCIPLE	COMPLIANCE					
		YES	NO	PARTIAL	N/A	EXPLANATION	RELATED REPORT/LINK
C1.6	Establishes and discloses occupational health and safety policies.	X					https://www.globalyatirim.com.tr/files/surdurulebilirlik/2021/GYH_SRDE_2021_UYG_uyg_13.pdf (Page:67,69)
	Discloses the measures adopted for preventing workplace accidents and for protecting occupational health along with statistical data on accidents	X					https://www.globalyatirim.com.tr/files/surdurulebilirlik/2021/GYH_SRDE_2021_UYG_uyg_13.pdf (Page:67,69)
C1.7	Establishes and discloses personal data protection and data security policies.	X					CLARIFICATION_TEXT_ON_PROCESSING_AND_PROTECTING_PERSONAL_DATA.pdf (globalyatirim.com.tr)
C1.8	Establishes and discloses a code of ethics.	X					https://www.globalyatirim.com.tr/tr/kurumsal-yonetim/etik-kurallar
C1.9							
C1.10	Organizes information meetings and training programs on ESG policies and practices for employees.	X					
	C2. Stakeholders, International Standards and Initiatives						
C2.1	Establishes and discloses a customer satisfaction policy for handling and resolving customer complaints.				X		
C2.2	Discloses information about the communication maintained with stakeholders (which stakeholders, topics and frequency).	X					https://www.globalyatirim.com.tr/files/surdurulebilirlik/2021/GYH_SRDE_2021_UYG_uyg_13.pdf (Page:46)
C2.3	Discloses the international reporting standards embraced in its reporting	X					
C2.4	Discloses the principles embraced in relation to sustainability, international organizations, committees and principles that it is a signatory or member of.	X					Global Investment Holdings - Our Sustainability Approach (globalyatirim.com.tr)
C2.5	Makes improvements and concrete efforts to qualify for inclusion in sustainability indices of Borsa İstanbul and/or international index providers.	X					
	D. Corporate Governance Principles						
D1	Seeks stakeholders' opinions when determining the measures and strategies in relation to sustainability.	X					
D2	Works on raising awareness of sustainability and its importance through social responsibility projects, awareness activities and training programs.	X					

Investor Relations

Committed to effective, continuous two-way communication with the investment community, Global Investment Holdings Group delivers timely communications and enjoys a transparent relationship with its investors. The Group strives to increase both shareholder and customer satisfaction by adopting and adhering to world-class corporate governance and investor relations guidelines.

Affirming the Group's commitment to transparency and timely public disclosure, the investor relations function is overseen by a dedicated Investor Relations Department, which manages the daily information flow to the investment community.

In 2022, the Investor Relations Department held two teleconferences with multiple participants to inform analysts and portfolio managers on its quarterly financial results and operational developments. In addition to the investor conferences, investor & analyst meetings and quarterly results teleconferences, the Department responded to more than 900 investor requests via phone and email and communicated to over 550 institutional and retail investors.

Additionally, the IR Department proactively contacted relevant financial institutions with company-related and key news updates. The Department actively pursues opportunities to communicate with the investment community through all available channels.

All current and potential investors are encouraged to contact the Group at investor@global.com.tr and visit the corporate website at www.globalyatirim.com.tr.

- GLYHO is included in numerous indexes, including BIST ISTANBUL/BIST SUSTAINABILITY/BIST ALL SHARES-50/BIST MAIN/BIST ALL SHARES/BIST FINANCIALS/BIST HOLD AND INVESTMENT/BIST CORPORATE GOVERNANCE.

Investor Relations Department Information:

Name-Surname	Title/License	Phone	E-mail
Aslı Su Ata	Chief Investor Relations Officer/CMB Advanced Level & Corporate Governance Rating	+90 (212) 244 60 00	investor@global.com.tr

Ratings

Global Investment Holdings' Corporate Governance Rating has been upgraded to 9.21.

Pursuant to the Capital Markets Board (CMB)'s Communiqué on "Rating Activities and Rating Agencies in Capital Markets," Global Investment Holdings' Corporate Governance Rating was reviewed by Kobirate Uluslararası Kredi Derecelendirme ve Kurumsal Yönetim Hizmetleri A.S. (Kobirate International Credit and Corporate Governance Rating: Kobirate). Accordingly, Kobirate upgraded Global Investment Holdings' Corporate Governance Rating to 9.21 (out of 10.0), up from 9.14 a year earlier, indicating that GIH has achieved substantial compliance with CMB's Corporate Governance Principles.

Kobirate reviewed GIH's Corporate Governance Practices under four main categories. Improvements in the "Public Disclosure & Transparency" category contributed to GIH's overall rating upgrade.

	2022
Overall rating (out of 10.0)	9.21
Shareholders (25%)	90.27
Public Disclosure & Transparency (25%)	96.74
Stakeholders (15%)	92.86
Board of Directors (35%)	89.69

The report issued by Kobirate is available on the Global Investment Holdings corporate website. (https://globalyatirim.com.tr/en/).

Credit Ratings
JCR Eurasia Rating has evaluated the consolidated structure of Global Yatırım Holding A.Ş in the investment-level category on the national scale and upgraded its long-term National Issuer Credit Rating to 'BBB+ (tr)' from 'BBB (tr)' and assigned the Short-Term National Issuer Credit Rating at 'J2 (tr)' with a 'Stable' outlook.

On the other hand, the Long-Term International Foreign and Local Currency Issuer Credit Ratings and outlooks were assigned as 'BB/Negative' as parallel to international ratings and outlooks of the Republic of Türkiye.

Considering the aforementioned points, the Holding's Long-Term National Rating has been upgraded to 'BBB+ (tr).' The Holding's diversified portfolio, prominent positions in sub-divisions, FX revenue generation capacity, and improvement in number of passengers and occupancy rates of the port infrastructure business, along with global recession risks and ongoing uncertainties arising from geopolitical tensions, as well as global interest rate hiking, constitute the principal reasons underlying the classification of the outlooks for the Long- and Short-Term National Ratings as 'Stable'. On the other hand, the Group's revenue and profitability performance, liquidity position, asset quality, financial leverage indicators, and local and global macroeconomic indicators, as well as market conditions and legal framework regarding the sector, will be closely monitored by JCR Eurasia Rating.

Long-Term National Local Rating:	BBB+ (tr) / (Stable Outlook)
Short-Term National Local Rating:	J2 (tr) / (Stable Outlook)
Long-Term International Foreign Currency:	BB / (Negative Outlook)
Long-Term International Local Currency:	BB / (Negative Outlook)
Long-Term National Issue Rating:	BBB+ (tr)
Short-Term National Issue Rating:	J2 (tr)

Corporate Citizenship

Global Investment Holdings and its subsidiaries are committed to integrating social, environmental, ethical, and human rights concerns into the Group's business operations and core strategy, in close collaboration with stakeholders and the communities where it operates.

The Company values philanthropic engagements that promote Türkiye and improve the social, cultural, and economic environment, benefiting the country and its citizens, both locally and nationally.

The Company's sponsorship activities in 2022 continued to support sports, educational, charitable, cultural, and social causes, and related projects and events.

Global Run
People from all over the world come together to run for cultural tolerance at the Global Run. Global Run is an annual race organized by Global Ports Holding Plc (GPH) with the hope of bringing the world one step closer to peace and understanding. To date, Global Run has been held in Bodrum, Türkiye; Valletta, Malta; Bar/Kotor, Montenegro, Ravenna, Italy and Barcelona, Spain. The intention is to host a Global Run in all locations of GPH's growing portfolio around the world. In 2021, due to the Covid-19 pandemic, there was no such organization.

Global Run Bodrum
A core component of its social responsibility activities, Global Investment Holdings & Global Ports Holding has organized and sponsored Bodrum Global Run annually since 2014. Each year, around 2 thousand runners participate in the popular footrace in historic Bodrum. Proceeds generated from the race and other activities are donated to Turkish charities. Past recipients include Committee Volunteers Foundation (TOG), TOÇEV and Parıltı Association.

Education
Singling out contributions to education, the Group:

- Sponsored a nationwide Elementary Schools Study Books Support Campaign organized by a national newspaper in 2007 and contributed to a project run jointly by UNICEF and the Ministry of Education to construct two classrooms in Şanlıurfa-Harran.
- Completed the construction of dormitories at Erzincan University Refahiye Occupational High School in 2009. The İzzet Y. Akçal Refahiye Student Dormitories comprise 40 separate units in three blocks.
- Completed construction of Adnan Menderes University Tourism and Hotel Management College Group in collaboration with the Ministry of Education. The College, since opening its doors in 2009, has produced qualified human resources for the Turkish hospitality industry, while contributing to the cultural richness of Kuşadası and its environs.
- Completed construction of a 32-classroom elementary school in the town of Denizli in December 2010. In the same period, it donated clothing, textbooks, and supplies to the elementary school of the Muş Beşçetak village and also donated computers to numerous schools.
- Established the library of Şırnak İpekyolu Primary School in 2012, to contribute to children's personal and educational development. Furthermore, the Group donated computers to Istanbul Dumlupınar Primary School, in parallel to its corporate citizenship commitment.
- Undertook numerous initiatives to benefit the community in the Group's home city of Kuşadası and the area surrounding the Port and since 2003 in particular contributed to the community and the Adnan Menderes University Tourism and Hotel Management College. This has included the donation of computers and other equipment to local schools, as well as funding to rehabilitate local beaches, and technical assistance to Turkish state-run institutions. In addition to providing donations to various charities and regular support for those in need, Ege Ports has also sponsored local motor sports clubs and provided financial support for the replanting of forest land damaged by fire.
- Purchased art inspired by major contemporary and modern Turkish artists from Istanbul Modern and sent as New Year's gifts to support the museum.

Board of Directors

MEHMET KUTMAN
Chairman
Mr. Kutman is a founding shareholder, Chairman and Chief Executive Officer of Global Investment Holdings. Actively involved in business development at the Company, Mr. Kutman also serves on the Board of Directors of several Global Investment Holdings subsidiaries and affiliates.

Mr. Kutman is a member of DEİK (Foreign Economic Relations Board) and a member of TÜSİAD (Turkish Industry & Business Association).

Prior to founding the predecessor of the Company in 1990, Mr. Kutman was a project manager at Net Holding A.Ş., a Turkish corporate group involved in tourism and other related sectors, from 1989 to 1990. Between 1984 and 1989, he resided in the United States, where he served as Vice President at North Carolina National Bank, Sexton Roses Inc., and Philip Bush & Associates. Mr. Kutman holds a BA (Hons.) from Boğaziçi University and an MBA from the University of Texas.

Mr. Kutman plays a vital role in the Yale Program in Brain Tumour Research, which works to better understand the formation of brain tumours and develop improved therapies, as well as various cancer research activities worldwide through the Gregory Mr. Kiez and Mehmet Kutman Foundation.

EROL GÖKER
Vice Chairman
Mr. Göker is a founding shareholder of Global Investment Holdings and has served as Chairman of the Group's Finance division since its formation. In addition to sitting on the Board of Directors of various Group companies, Mr. Göker serves a member of several committees at Borsa Istanbul. He is also a member of TÜSİAD.

Prior to founding the predecessor of the Company in 1990, Mr. Göker led the Capital Markets Department at Net Holding A.Ş. before joining Net Holding A.Ş. he worked at the Capital Markets Board for four years and at the Ministry of Finance in the Tax Auditing Department for four years. Mr. Göker holds a BA in Political Science and an MA in Economics, both from Ankara University.

AYŞEGÜL BENSEL
Executive Board Member
Mrs. Bensel joined the Board of Directors at Global Investment Holdings in 1999 and serves on the Boards of various Group subsidiaries. Mrs. Bensel is a member of the Company's Nomination and Remuneration Committee, Corporate Governance Committee and Early Risk Assessment Committee. Mrs. Bensel has served as the Chair and CEO of the Group's Real Estate division, Pera REIT.

Mrs. Bensel served as the Chair and also, after 2005, as the CEO of Global Life Insurance until the Group sold the company in March 2007. Previously, Mrs. Bensel had been Co-Director of Research at Global Securities between 1998 and 1999, and Assistant Director of Research from 1993 to 1998. Prior to joining the Group as an Equity Research Analyst in 1991, Mrs. Bensel was a Foreign Exchange Dealing Manager in the Turkish banking sector. Mrs. Bensel holds a BA in Business Administration and Finance from Hacettepe University, Ankara.

Board of Directors

SERDAR KIRMAZ
Executive Board Member
Mr. Kırmaz joined the Board of Directors at Global Investment Holdings in 2010. He also serves on the Boards of various subsidiaries. Mr. Kırmaz is a member of the Company's Nomination and Remuneration Committee, Corporate Governance Committee and Early Risk Assessment Committee.

Mr. Kırmaz received his bachelor's degree in business administration from Middle East Technical University, Ankara. In 1988, he joined PricewaterhouseCoopers (PwC), where he became a Partner. From 1997 to 1999, Mr. Kırmaz held advisory positions in various Turkish business groups. Mr. Kırmaz served as the CFO and on the Boards of several subsidiaries of Doğan Group from 2007 to 2010; Global Investments Holdings between 2005 and 2007; and STFA Group from 1999 until 2005.

H. FAİK AÇIKALIN
Independent Board Member
Faik Acıkalin, who has undertaken many important tasks in the Turkish banking sector, has been appointed as an Independent Board Member. Mr. Acıkalin began his career as a management trainee at Interbank, after graduating from Middle East Technical University, Department of Business Administration in 1987. Between 1992 and 1998, he held various positions at different banks. Following his assignment as Executive Vice President at Dışbank in May 1998, he was appointed as Deputy General Manager and Member of the Board of Directors in 1999 and as CEO and Managing Director in December 2000. With the acquisition of Dışbank by Fortis in 2005, Mr. Acıkalin continued his role as the CEO of Fortisbank while also taking part in the international management of the Bank. Mr. Acıkalin left Fortisbank in October 2007 and joined Dogan Gazetecilik as the CEO. In April 2009, he was appointed as the CEO of Yapı Kredi Bank, then a joint venture between Türkiye's largest conglomerate Koç Holding and UNICREDIT of Italy.

In addition to his role as the CEO at Yapı Kredi, Mr. Acıkalin assumed the CEO role at Koç Finansal Hizmetler in 2010, while also serving as the President of Koç Holding A.Ş. Banking and Insurance Group in 2011. During his tenure at Yapı Kredi, Mr. Acıkalin served as the Chairman of Yapı Kredi Bank's domestic and international subsidiaries, as the Vice Chairman of Banque de Commerce et de Placements S.A. and Allianz Life and Pension, and as a Board Member of the Banks Association of Türkiye. Mr. Acıkalin departed his roles at Koc Holding, Yapı Kredi and its subsidiaries as of the end of 2017.

Currently, Mr. Acıkalin serves as an Advisor to the Board of Directors and is an Independent Board Member for leading companies in Türkiye and abroad.

GÜLSÜM AZERİ
Independent Board Member
Gülsüm Azeri, one of Türkiye's most powerful businesswomen, has been appointed as an Independent Board Member. For a significant part of her career, Gülsüm Azeri held senior management roles at Türkiye's major industrial company Şişecam, a producer of glass and chemicals; she served as Chemicals Group President between 1994-1998, Glassware Group President between 1999-2007, and Flatglass Group President between 2007-2011, while concurrently serving as a member of the Executive Committee at Şişecam between 1994-2011. During her tenure at Şişecam, Ms. Azeri exported to 160 countries, while initiating and concluding 15 large-scale production facilities in Türkiye, Bulgaria, Russia, and Egypt. Furthermore, she established business partnerships with leading companies in France, Italy, Belgium, and the United States.

Between 2011-2017, Ms. Azeri served as the CEO and a Board Member at OMV Petrol Ofisi A.Ş. and OMV Gaz ve Enerji Holding A.Ş., while also serving as the Chairman of the Board of Directors of OMV Petrol Ofisi Holding A.Ş. and a member of the Senior Board of VIP Türkiye Holding B.V. Between 2011 and 2013, Ms. Azeri also served as a member of the Board of Directors of Turkish Airlines. In addition, she has been a Board Member at the Istanbul Chamber of Industry, an Executive Board Member at the Turkish Exporters Assembly, and a Board Member and Executive Board Member at The Foreign Economic Relations of Türkiye, while also representing the private sector at the Prime Ministry Ethics Committee between 2005-2011. Additionally, Gülsüm Azeri was selected as the most powerful woman CEO by Ekonomist Magazine for three consecutive years in 2015, 2016 and 2017.

Gülsüm Azeri holds a bachelor's degree in chemical engineering from Boğaziçi University and a Master's degree in Industrial Engineering from the same university. Having been educated at the Austrian- and American-run schools, the Austrian High School and Robert College, Gülsüm Azeri speaks German and English at an advanced level.

OĞUZ SATICI
Board Member
Mr. Satıcı is an Independent Board Member. Mr. Satıcı is the chairman of the Company's Nomination and Remuneration Committee, Audit Committee, Corporate Governance Committee and Early Risk Assessment Committee.

Mr. Satıcı began his professional career in the textile sector, successfully expanding his family's business. He was the youngest person to be elected as an Assembly Member at the Istanbul Chamber of Commerce (İTO) in 1990. Mr. Satıcı served as a Board Member at the Economic Development Foundation (İKV) between 1996 and 1998 and as Chairman of the Istanbul Textile and Raw Materials Exporters' Association from 1999 to 2001.

He was Chairman of the Turkish Exporters Assembly (TİM) for three consecutive terms between 2001 and 2008; his significant contributions during this period included an increase of more than 500% in Türkiye's export volume, an accomplishment widely acknowledged by the Turkish political and business community.

Mr. Satıcı also served as a member of the Coordination Committee for Improvement of the Investment Environment of Türkiye (YOİKK) between 2001 and 2008, and of the Investment Advisory Council of Türkiye (YDK) from 2004 to 2009.

Mr. Satıcı is Chairman of the Türkiye - Central America and Caribbean Business Councils of DEİK (Foreign Economic Relations Board).

Mr. Satıcı was a Board Member at Turkish Eximbank. He holds a BA in Business Administration from Washington International University.

Statement of Independence

I declare that,

- Within the last ten years, I did not serve as a member of the board of directors at Global Yatırım Holding A.Ş. ("Holding") for more than six years in total;

- Within the last five years, neither I nor were my partner, in-laws and blood relatives up to second degree were a shareholder (over 5%) or held voting or privileged rights (over 5%), neither solely nor together, and did not hold an executive position so as to assume substantial duties and responsibilities, at Holding, or companies which Holding has a significant impact on or whose management control is vested upon Holding, or Holding's shareholders who possess Holding's management control or who have a significant impact on Holding, and legal entities at which such shareholders have management control, and that there was no commercial relationship of significance between those persons counted above and me, my partner, in-laws and blood relatives up to second degree;

- Within the last five years, I did not serve as a member of the board of directors, was not a shareholder (5% and over), and did not hold an executive position so as to assume substantial duties and responsibilities at companies to which Holding sold to or purchased from services or goods in a significant amount within the frame of the agreements executed, during the period at which such services or goods were purchased or sold, including firstly the audit (also including tax audit, statutory audit, internal audit), rating and advisory services;

- I have the professional training, knowledge, and experience to duly fulfil the missions I shall assume due to being an independent member of the board of directors;

- I do not work full-time at public institutions and organizations, as of the date I am nominated to the board of directors and for the duration of my term in case of my election;

- I am deemed as residing in Türkiye, as per the Income Tax Law;

- I possess strong ethical standards, professional reputation, and experience, which would allow me to provide a positive contribution to the activities of Holding, to preserve impartiality when conflicts of interest among shareholders arise, and to freely decide by taking into consideration the rights of the shareholders;

- I do not serve as an independent member of the board of directors in more than three companies, at which Holding or its shareholders who possess Holding's management control have management control, and in more than five companies in total that are publicly traded;

- I can spare time for Holding on a scale that would allow me to follow up on the running of company activities and to fully satisfy the requirements of the duties I assume; and that therefore, I shall fulfil my membership to the board of directors, as an independent board member.

H. Faik AÇIKALIN

I declare that,

- Within the last ten years, I did not serve as a member of the board of directors at Global Yatırım Holding A.Ş. ("Holding") for more than six years in total;

- Within the last five years, neither I nor were my partner, in-laws and blood relatives up to second degree were a shareholder (over 5%) or held voting or privileged rights (over 5%), neither solely nor together, and did not hold an executive position so as to assume substantial duties and responsibilities, at Holding, or companies which Holding has a significant impact on or whose management control is vested upon Holding, or Holding's shareholders who possess Holding's management control or who have a significant impact on Holding, and legal entities at which such shareholders have management control, and that there was no commercial relationship of significance between those persons counted above and me, my partner, in-laws and blood relatives up to second degree;

- Within the last five years, I did not serve as a member of the board of directors, was not a shareholder (5% and over), and did not hold an executive position so as to assume substantial duties and responsibilities at companies to which Holding sold to or purchased from services or goods in a significant amount within the frame of the agreements executed, during the period at which such services or goods were purchased or sold, including firstly the audit (also including tax audit, statutory audit, internal audit), rating and advisory services;

- I have the professional training, knowledge, and experience to duly fulfil the missions I shall assume due to being an independent member of the board of directors;

- I do not work full-time at public institutions and organizations, as of the date I am nominated to the board of directors and for the duration of my term in case of my election;

- I am deemed as residing in Türkiye, as per the Income Tax Law;

- I possess strong ethical standards, professional reputation, and experience, which would allow me to provide a positive contribution to the activities of Holding, to preserve impartiality when conflicts of interest among shareholders arise, and to freely decide by taking into consideration the rights of the shareholders;

- I do not serve as an independent member of the board of directors in more than three companies, at which Holding or its shareholders who possess Holding's management control have management control, and in more than five companies in total that are publicly traded;

- I can spare time for Holding on a scale that would allow me to follow up on the running of company activities and to fully satisfy the requirements of the duties I assume; and that therefore, I shall fulfil my membership to the board of directors, as an independent board member.

Gülsüm AZERİ

Committees Formed under the Board of Directors and Their Evaluations by the Board of Directors

Committees are set up within the Company to help the Board of Directors (BoD) fulfil its duties and responsibilities in the best manner. These committees carry out their activities in accordance with the relevant regulations and the working principles which can be found on the Company's corporate website. Meeting minutes are sent to the members of the Board of Directors via email after each committee meeting; as a result, the efficiency of the committees is assessed and overseen by the Board of Directors in the best manner.

In 2021, the Committees of the Board of Directors fulfilled their duties and responsibilities stipulated by the Corporate Governance Principles and their working principles and convened in conformity with their working schedules. Reports including the information about the activities of the Committees and the results of the meetings held within the year were presented to the BoD. Board of Directors has concluded that the benefit expected from the activities of the Board of Directors' Committees was obtained.

Following the appointment of the Board members at the General Assembly Meeting, committees were re-established and their duties and working principles were reviewed and updated in accordance with the Capital Markets Board's II-17.1 Corporate Governance Principles Communiqué. Detailed information on committees and their working principles is available on the Company's corporate website.

Audit Committee

The Audit Committee shall assist the Board of Directors regarding the supervision of matters related to accounting, finance, and audit. The Committee shall review and evaluate the methods and processes developed by the Company with respect to financial reporting and enlightening of the public; financial, operational and activity risks; internal control, internal and external independent audit, and compatibility with laws and regulations and advise the Board of Directors related thereto.

- The Committee makes suggestions to the Board of Directors related to the issues of sound achievement of the internal control network in all the Company's subsidiaries, as well as its perception by the employees and support by the management.
- The Committee ensures that the internal control procedures are all in written format and that they are periodically updated in order to achieve a permanent efficiency.
- The Committee ensures that the coordination and communication between the subsidiaries of the Company and the Internal Audit Department duly functions.

Its members are;
- H. Faik Açıkalın/Chairman
- Gülsüm Azeri/Member

The Audit Committee convenes at least once every three months upon the invitation of the Chairman of the Committee. When deemed necessary, the managers, internal and independent auditors are also invited to the meeting to provide information. The Committee may also decide to receive consultancy services from third parties outside of the Company. The Committee expenses are covered by the Board of Directors. The Audit Committee may notify specific issues to the Company's General Assembly if deemed necessary.

In 2022, the Audit Committee convened four times and has worked on an evaluation of the validity and consistency of the accounting methods used to prepare the accounts, with a special emphasis on the scope and methods of consolidation. Committee reviewed the standalone and consolidated financials along with the notes and management reports while creating the quarterly financials prior to their submission.

Corporate Governance Committee

The Corporate Governance Committee was established to support the Board of Directors for the following purposes: to ensure that the Company shall comply with the Corporate Governance Principles, to support and assist the Board of Directors by carrying out studies on the matters of investor relations and public disclosure.

- The Committee evaluates whether the Company's Management shares with the personnel of the Company the importance and advantages of having effective management applications and whether a true "culture of Corporate Governance" has been established within the Company.
- The Committee makes suggestions to the Board of Directors related to the infrastructure developed for performance increasing management applications, and the sound functioning thereof in all the Company subsidiaries, as well as its perception and compliance by the employees and support by the management.
- The Committee sees whether the Corporate Governance principles are duly applied and the reasons for a negative answer thereto, as well as the conflicts of interest due to non-compliance therewith and makes suggestions of correction to the Board of Directors.
- The duties of the Nomination and Remuneration Committee are being carried out by the Corporate Governance Committee.

Its members are;

- H. Faik Açıkalın/Chairman
- Gülsüm Azeri/Member
- Ayşegül Bensel/Member
- Serdar Kırmaz/Member
- Oğuz Satıcı/Member
- Aslı Su Ata/Member

The Committee convened seven times in 2022. It made assessments of the Company's corporate governance practices and the Corporate Governance Compliance Report in 2022 and informed the BoD on the activities of the Investor Relations Department.

Early Risk Assessment Committee

The purpose of the Early Risk Assessment Committee is to early detection of the risks which poses a threat to the existence, development, and continuation of the corporation, taking the necessary measures with respect to detected risks and working on risk management.

- To advise the Board of Directors on such subjects as early determination, evaluation and calculating the impact and possibilities of strategic, operational, financial, legal, and other types of risks, managing, and reporting such risks in accordance with the Company's corporate risk-taking profile, applying necessary measures on determined risks and taking into consideration the same in decision-making mechanisms, and establishing and integrating effective internal control mechanisms.
- The Committee determines the risk management policies in line with the opinion of the Board of Directors based on the risk management strategies, to determine the implementation procedures and ensuring their application and compliance with them.

Its members are;

- H. Faik Açıkalın/Chairman
- Gülsüm Azeri/Member
- Ayşegül Bensel/Member
- Serdar Kırmaz/Member
- Oğuz Satıcı/Member

The Committee convened four times in 2022.

Corporate Governance

Global Investment Holdings continues to pursue its corporate governance initiative first implemented in 2006 to further formalize and institutionalize the governing principles of the Company and the Group.

GIH is committed to healthy corporate governance practices that strengthen and maintain confidence in the Group, thereby contributing to optimal long-term value creation for shareholders and other stakeholders. The objective of corporate governance is to regulate the division of roles between shareholders, the Board and executive management more comprehensively than is required by legislation.

GIH is conscious of the fact that the methodology for fulfilling the promises on trust and stabilization against the Group's stakeholders can be achieved by corporate governance. The core of GIH's corporate governance approach is to maintain and develop its corporate reputation and the trust of all stakeholders, which are the most valuable assets that have been established over many years. The Company believes that financial returns are not enough unless they also generate social benefits and continue to contribute through Global Investment Holdings or its subsidiaries to sustainable development in the regions where they operate.

GIH structures its corporate governance principles within the framework of accountability, responsibility, fairness, and transparency. GIH's success in many years relies on its transparent management approach in all business lines processes.

Global Investment Holdings Corporate Governance Principles Compliance Report

STATEMENT OF COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES

Global Investment Holdings accommodates and pays utmost attention to the execution of the Corporate Governance Principles published by the Capital Markets Board of Türkiye ("CMB").

In line with this approach, a committee, including three Board of Directors members, was established to carry out the necessary restructuring studies into the Company's organizational structure and Articles of Association. The requirement to include at least two Independent Members in the Board of Directors, as stipulated by the Company's Corporate Governance Principles, has been fulfilled.

Shareholders can find comprehensive and updated information on GIH's website; additionally, they can post their questions to the Investor Relations Department by phone, e-mail, and social media.

GIH continues to pursue necessary revisions by proofing the website and the annual report in greater detail in with the Corporate Governance Principles. The Board of Directors, senior management, and all employees of GIH have consistently supported the adoption of the Corporate Governance Principles within the Company at each stage of the process.

Our Corporate Governance Rating has been determined as a result of an evaluation made under four main topics (Shareholders, Public Disclosure and Transparency, Stakeholders, and Board of Directors), and weighted based on CMB Corporate Governance Principles, and on the current distribution, which is based on the main topics stated below:

Sections/Weight	Rating
Shareholders - 25%	90.27
Public Disclosure & Transparency - 25%	96.74
Stakeholders - 15%	92.86
Board of Directors - 35%	89.69
Overall (Out of 10)	9.21

The report, prepared by Kobirate and related to the corporate governance rating of 9.21, confirms that the Company achieved substantial compliance with CMB's Corporate Governance Principles and applies the necessary policies and measures to its practices.

Reasons for Non-Complied Corporate Governance Principles

The Company continues its efforts toward full compliance with the Corporate Governance Principles. Principles other than those currently being implemented, or not yet implemented, have not caused conflicts of interest among the stakeholders.

The Company's Articles of Association contain no provisions stipulating that material decisions such as "demergers and share exchanges, buying, selling, or leasing significant amounts of tangible/intangible assets, or donation and grants, or giving guarantees such as suretyship, mortgage in favour of third parties" are required to be taken at a General Meeting. The underlying reason is that it is in the nature of the business in which the Company is involved to buy, sell, and lease quite frequently. Having to hold a General Meeting whenever such a transaction takes place is considered impossible; thus, no such article has been included in the Articles of Association. This practice is refrained from to ensure the timely execution of deals, and to avoid missed opportunities.

Global Investment Holdings Corporate Governance Principles Compliance Report

Among the principles that are not compulsory to be implemented from the Corporate Governance Principles, the explanations related to the different practices carried out regarding the principles not yet fully implemented by our company, the reasons for such deviations and the measures taken to prevent conflict of interest are given below.

With reference to Article No. 1.3.10 of the Corporate Governance Principles, the total amounts of all donations and contributions were disclosed; yet beneficiaries' details were not.

With reference to Article No. 1.3.11 of the Corporate Governance Principles, only the shareholders may attend the General Assembly meeting.

With reference to Article No. 1.4.2 of the Corporate Governance Principles, in accordance with Article 6 of the Articles of Association, the shares representing the company's capital are divided into four groups. (A), (D) and (E) Group shares carry privileged voting rights, and Group (C) shares that are traded on the stock exchange have no privileges.

With reference to Article No. 1.5.2 of the Corporate Governance Principles, no arrangement exists.

With reference to Article No. 1.6.2 of the Corporate Governance Principles, due to the fact that our Company is an investment holdings company, the dividend to be distributed annually is decided at the General Assembly meeting according to the investment program of that year. That said, the Board of Directors is assessing the dividend distribution policy to include this matter as well.

With reference to Article No. 3.2.1 of the Corporate Governance Principles, it will be evaluated in future periods.

With reference to Article No. 3.2.2 of the Corporate Governance Principles, such methods are used in some subjects related to employees.

With reference to Article No. 3.3.4 of the Corporate Governance Principles, informative meetings and training are held on occupational health and safety.

With reference to Article No. 3.3.5 of the Corporate Governance Principles, the part about the trade unions is irrelevant.

With reference to Article No. 3.3.8 of the Corporate Governance Principles, there is no action and regulation limiting this right and freedom.

With reference to Article No. 4.2.5 of the Corporate Governance Principles, the roles of Chairman and Chief Executive Officer are executed by Mehmet Kutman due to his proficiency and deep knowledge about investment banking and financial markets.

With reference to Article No. 4.2.8 of the Corporate Governance Principles, there is Directors & Officers Liability Insurance for the damages caused by the board members during their with reference to Article No. 4.4.7 of the Corporate Governance Principles, there is no restriction for the Board members to assume any other duties outside the company. It should be taken into consideration that our Company is a holding company and that it is in the interest of our Company to be represented in the management of related companies. The Board Members' duties outside the Company were announced to the shareholders at the General Assembly Meeting.

With reference to Article No. 4.5.5 of the Corporate Governance Principles, due to the number of board members being limited to 7 as per the Articles of Association, each board member is assigned to more than one committee.

Article 4.6.1 of the Corporate Governance Principles will be evaluated in future periods.

With reference to Article 4.6.4 of the Corporate Governance Principles, there is no exists except those described in the financial statements.

With reference to Article 4.6.5 of the Corporate Governance Principles, all remunerations, as well as all benefits provided to Board Members and executives with administrative responsibilities, were disclosed to the public on a subsidiary basis at the ordinary general assembly meeting held on August 3, 2021. The remunerations and the benefits provided to Mr. Mehmet Kutman, the Chair of the Board, and the Chief Executive Officer, are separately disclosed.

As per CMB resolution No. 2/39 on 10.01.2019, Corporate Governance Compliance Report (CGCR) and Corporate Governance Information Form (CGIF) of our Company have been created as follows and can also be accessed from the Corporate Governance button on the Public Disclosure Platform. (https://www.kap.org.tr/en/sirket-bilgileri/ozet/967-global-yatirim-holding-a-s)

Pursuant to the amendments published in the Official Gazette dated October 2, 2020, and numbered 31262, “requirements to announce if the company implements sustainability principles, to provide reasoned explanations if they are not, description of the impact on environmental and social risk management due to partial or no compliance in the annual report” was incorporated into the Communiqué. Our activities within the scope of the “Sustainability Principles Compliance Framework” adopted by the Turkish Capital Markets Board are reported in a consolidated manner as part of our 2022 Annual Report.

Global Investment Holdings Corporate Governance Principles Compliance Report

Corporate Governance Compliance Report

1.1. FACILITATING THE EXERCISE OF SHAREHOLDER RIGHTS	Yes	Partial	No	Exempted	Not Applicable	Explanation
1.1.2 - Up-to-date information and disclosures which may affect the exercise of shareholder rights are available to investors at the corporate website.	X					
1.2. RIGHT TO OBTAIN AND REVIEW INFORMATION						
1.2.1- Management did not enter into any transaction that would complicate the conduct of special audit.					X	
1.3. GENERAL ASSEMBLY						
1.3.2 -The company ensures the clarity of the General Assembly agenda, and that an item on the agenda does not cover multiple topics.	X					
1.3.7- Insiders with privileged information have informed the board of directors about transactions conducted on their behalf within the scope of the company's activities in order for these transactions to be presented at the General Shareholders' Meeting.					X	
1.3.8 - Members of the board of directors who are concerned with specific agenda items, auditors, and other related persons, as well as the officers who are responsible for the preparation of the financial statements were present at the General Shareholders' Meeting.	X					
1.3.10 - The agenda of the General Shareholders' Meeting included a separate item detailing the amounts and beneficiaries of all donations and contributions.		X				The total amounts of all donations and contributions were disclosed; yet beneficiaries' details were not.
1.3.11 - The General Shareholders' Meeting was held open to the public, including the stakeholders, without having the right to speak.			X			Only the shareholders may attend the General Assembly meeting.

1.4. VOTING RIGHTS	Yes	Partial	No	Exempted	Not Applicable	Explanation
1.4.1-There is no restriction preventing shareholders from exercising their shareholder rights.	X					
1.4.2-The company does not have shares that carry privileged voting rights.			X			In accordance with Article 6 of the Articles of Association, the shares representing the company's capital are divided into four groups. (A), (D) and (E) Group shares carry privileged voting rights, and Group (C) shares that are traded on the stock exchange have no privileges.
1.4.3-The company withholds from exercising its voting rights at the General Shareholders' Meeting of any company with which it has cross-ownership in case such cross-ownership provides management control.	X					
1.5. MINORITY RIGHTS						
1.5.1- The company pays maximum diligence to the exercise of minority rights.	X					
1.5.2-The Articles of Association extend the use of minority rights to those who own less than one twentieth of the outstanding shares and expand the scope of the minority rights.			X			No arrangement exists.

Global Investment Holdings Corporate Governance Principles Compliance Report

1.6. DIVIDEND RIGHT	Yes	Partial	No	Exempted	Not Applicable	Explanation
1.6.1 -The dividend policy approved by the General Shareholders' Meeting is posted on the company website.	X					
1.6.2-The dividend distribution policy comprises the minimum information to ensure that the shareholders can have an opinion on the procedure and principles of dividend distributions in the future.			X			Due to the fact that our Company is an investment holdings company, the dividend to be distributed annually is decided at the General Assembly meeting according to the investment program of that year. That said, the Board of Directors is assessing the dividend distribution policy to include this matter as well.
1.6.3 - The reasons for retaining earnings, and their allocations, are stated in the relevant agenda item.	X					
1.6.4 - The board reviewed whether the dividend policy balances the benefits of the shareholders and those of the company.	X					
1.7. TRANSFER OF SHARES						
1.7.1 - There are no restrictions preventing shares from being transferred.	X					

2.1. CORPORATE WEBSITE	Yes	Partial	No	Exempted	Not Applicable	Explanation
2.1.1.-The company website includes all elements listed in Corporate Governance Principle 2.1.1.	X					
2.1.2-The shareholding structure (names, privileges, number and ratio of shares, and beneficial owners of more than 5% of the issued share capital) is updated on the website at least every 6 months.	X					
2.1.4 -The company website is prepared in other selected foreign languages, in a way to present exactly the same information with the Turkish content.	X					
2.2. ANNUAL REPORT						
2.2.1-The board of directors ensures that the annual report represents a true and complete view of the company's activities.	X					
2.2.2 - The annual report includes all elements listed in Corporate Governance Principle 2.2.2.	X					
3.1. CORPORATION'S POLICY ON STAKEHOLDERS						
3.1.1- The rights of the stakeholders are protected pursuant to the relevant regulations, contracts and within the framework of bona fides principles.	X					
3.1.3-Policies or procedures addressing stakeholders' rights are published on the company's website.	X					
3.1.4 - A whistleblowing programme is in place for reporting legal and ethical issues.	X					
3.1.5-The company addresses conflicts of interest among stakeholders in a balanced manner.	X					

Global Investment Holdings Corporate Governance Principles Compliance Report

3.2. SUPPORTING THE PARTICIPATION OF THE STAKEHOLDERS IN THE CORPORATION'S MANAGEMENT	Yes	Partial	No	Exempted	Not Applicable	Explanation
3.2.1-The Articles of Association, or the internal regulations (terms of reference/manuals), regulate the participation of employees in management.			X			It will be evaluated in future periods.
3.2.2 - Surveys/other research techniques, consultation, interviews, observation method etc. were conducted to obtain opinions from stakeholders on decisions that significantly affect them.		X				Such methods are used in some subjects related to employees.
3.3. HUMAN RESOURCES POLICY						
3.3.1- The company has adopted an employment policy ensuring equal opportunities, and a succession plan for all key managerial positions.	X					
3.3.2-Recruitment criteria are documented.	X					
3.3.3 - The company has a policy on human resources development and organises trainings for employees.	X					
3.3.4-Meetings have been organised to inform employees on the financial status of the company, remuneration, career planning, education, and health.	X					
3.3.5 - Employees, or their representatives, were notified of decisions impacting them. The opinion of the related trade unions was also taken.	X					The part about the trade unions is irrelevant.
3.3.6 - Job descriptions and performance criteria have been prepared for all employees, announced to them, and taken into account to determine employee remuneration.	X					
3.3.7 - Measures (procedures, trainings, raising awareness, goals, monitoring, complaint mechanisms) have been taken to prevent discrimination, and to protect employees against any physical, mental, and emotional mistreatment.	X					
3.3.8 - The company ensures freedom of association and supports the right for collective bargaining.			X			There is no action and regulation limiting this right and freedom.
3.3.9 - A safe working environment for employees is maintained.	X					

3.4. RELATIONS WITH CUSTOMERS AND SUPPLIERS	Yes	Partial	No	Exempted	Not Applicable	Explanation
3.4.1-The company measured its customer satisfaction and operated to ensure full customer satisfaction.					X	
3.4.2-Customers are notified of any delays in handling their requests.					X	
3.4.3 - The company complied with the quality standards with respect to its products and services.					X	
3.4.4 - The company has in place adequate controls to protect the confidentiality of sensitive information and business secrets of its customers and suppliers.	X					
3.5. ETHICAL RULES AND SOCIAL RESPONSIBILITY						
3.5.1-The board of the corporation has adopted a code of ethics, disclosed on the corporate website.	X					
3.5.2-The company has been mindful of its social responsibility and has adopted measures to prevent corruption and bribery.	X					
4.1. ROLE OF THE BOARD OF DIRECTORS						
4.1.1 - The board of directors has ensured strategy and risks do not threaten the long-term interests of the company, and that effective risk management is in place.	X					
4.1.2 - The agenda and minutes of board meetings indicate that the board of directors discussed and approved strategy, ensured resources were adequately allocated, and monitored company and management performance.	X					

Global Investment Holdings Corporate Governance Principles Compliance Report

4.2. ACTIVITIES OF THE BOARD OF DIRECTORS	Yes	Partial	No	Exempted	Not Applicable	Explanation
4.2.1-The board of directors documented its meetings and reported its activities to the shareholders.	X					
4.2.2-Duties and authorities of the members of the board of directors are disclosed in the annual report.	X					
4.2.3-The board has ensured the company has an internal control framework adequate for its activities, size, and complexity.	X					
4.2.4-Information on the functioning and effectiveness of the internal control system is provided in the annual report.	X					
4.2.5 - The roles of the Chairman and Chief Executive Officer are separated and defined.			X			The roles of Chair of the Board and Chief Executive Officer are executed by Mehmet Kutman due to his proficiency and deep knowledge about investment banking and financial markets.
4.2.7 - The board of directors ensures that the Investor Relations department and the corporate governance committee work effectively. The board works closely with them when communicating and settling disputes with shareholders.	X					
4.2.8 - The company has subscribed to a Directors and Officers liability insurance covering more than 25% of the capital.		X				There is Directors & Officers Liability Insurance for the damages caused by the board members during their duties, limited to 5mn USD, which is equal to approximately 14% of our 650 million TL issued capital as of the end of 2022.

4.3. STRUCTURE OF THE BOARD OF DIRECTORS	Yes	Partial	No	Exempted	Not Applicable	Explanation
4.3.9-The board of directors has approved the policy on its own composition, setting a minimal target of 25% for female directors. The board annually evaluates its composition and nominates directors so as to be compliant with the policy.	X					
4.3.10-At least one member of the audit committee has 5 years of experience in audit/accounting and finance.	X					
4.4. BOARD MEETING PROCEDURES						
4.4.1-Each board member attended the majority of the board meetings in person.	X					
4.4.2-The board has formally approved a minimum time by which information and documents relevant to the agenda items should be supplied to all board members.	X					
4.4.3 - The opinions of board members that could not attend the meeting, but did submit their opinion in written format, were presented to other members.					X	Company policies allow the members to not attend the meeting and submit their opinions in writing to the board of directors.
4.4.4-Each member of the board has one vote.	X					
4.4.5-The board has a charter/written internal rules defining the meeting procedures of the board.	X					
4.4.6-Board minutes document that all items on the agenda are discussed, and board resolutions include director's dissenting opinions if any.	X					
4.4.7-There are limits to external commitments of board members. Shareholders are informed of board members' external commitments at the General Shareholders' Meeting.			X			There is no restriction for the Board members to assume any other duties outside the company. It should be taken into consideration that our Company is a holding company and that it is in the interest of our Company to be represented in the management of related companies. The Board Members' duties outside the Company were announced to the shareholders at the General Assembly Meeting.

Global Investment Holdings Corporate Governance Principles Compliance Report

4.5. BOARD COMMITTEES	Yes	Partial	No	Exempted	Not Applicable	Explanation
4.5.5-Board members serve in only one of the Board's committees.			X			Due to the number of board members being limited to 7 in the Articles of Association, each board member is assigned to more than one committee.
4.5.6 - Committees have invited persons to the meetings as deemed necessary to obtain their views.	X					
4.5.7-If external consultancy services are used, the independence of the provider is stated in the annual report.					X	
4.5.8-Minutes of all committee meetings are kept and reported to board members.	X					

4.6. FINANCIAL RIGHTS	Yes	Partial	No	Exempted	Not Applicable	Explanation
4.6.1-The board of directors has conducted a board performance evaluation to review whether it has discharged all its responsibilities effectively.			X			It will be evaluated in the coming periods.
4.6.4-The company did not extend any loans to its board directors or executives, nor extended their lending period or enhanced the amount of those loans, or improve conditions thereon, and did not extend loans under a personal credit title by third parties or provided guarantees such as surety in favour of them.		X				Described in the financial statements.
4.6.5-The individual remuneration of board members and executives is disclosed in the annual report.		X				All remunerations as well as all benefits provided to Board Members and executives with administrative responsibilities were disclosed to the public on a subsidiary basis at the ordinary general assembly meeting. The remunerations and the benefits provided to Mr. Mehmet Kutman, the Chair of the Board and the Chief Executive Officer, are separately disclosed.

Global Investment Holdings Corporate Governance Principles Compliance Report

Corporate Governance Information Form

1. SHAREHOLDERS	
1.1. Facilitating the Exercise of Shareholders Rights	
The number of investor meetings (conference, seminar/etc.) organised by the company during the year	Through the year more than 500 meetings, conference calls, phone calls have been materialized with corporate and retail investors, while more than 1,000 questions have been answered via e-mail and / or phone. In 2022, the Company has held 3 teleconferences with multiple participants to inform analysts and portfolio managers on its quarterly financial results and operational developments.
1.2. Right to Obtain and Examine Information	
The number of special audit request(s)	There were no requests for the appointment of a private auditor during the reporting period.
The number of special audit requests that were accepted at the General Shareholders' Meeting	There was no request for a special auditor at the General Assembly Meeting.
1.3. General Assembly	
Link to the PDP announcement that demonstrates the information requested by Principle 1.3.1. (a-d)	https://www.kap.org.tr/en/Bildirim/1041897
Whether the company provides materials for the General Shareholders' Meeting in English and Turkish at the same time	The English translation of the document "Consolidated Financial Tables and the Independent Auditor Report" was published on our corporate website.
The links to the PDP announcements associated with the transactions that are not approved by the majority of independent directors or by unanimous votes of present board members in the context of Principle 1.3.9	There was no such transaction during the year.
The links to the PDP announcements associated with related party transactions in the context of Article 9 of the Communique on Corporate Governance (II-17.1)	There were no transactions in this scope in this period.
The links to the PDP announcements associated with common and continuous transactions in the context of Article 10 of the Communique on Corporate Governance (II-17.1)	There were no transactions in this scope in this period.
The name of the section on the corporate website that demonstrates the donation policy of the company	Donation Policy could be found under Investor Relations / Corporate Governance section on our corporate website.
The relevant link to the PDP with minute of the General Shareholders' Meeting where the donation policy has been approved	https://www.kap.org.tr/tr/Bildirim/202746
The number of the provisions of the articles of association that discuss the participation of stakeholders to the General Shareholders' Meeting	None
Identified stakeholder groups that participated in the General Shareholders' Meeting, if any	Only the shareholders may attend the General Assembly meeting.

1.4. Voting Rights	
Whether the shares of the company have differential voting rights	Yes
In case that there are voting privileges, indicate the owner and percentage of the voting majority of shares.	In accordance with Article 6 of the Articles of Association, the shares representing the company's capital are divided into four groups. (A), (D) and (E) Group shares carry privileged voting rights, and Group (C) shares that are traded on the stock exchange have no privileges. **Group** / **Number** / **Percentage** A / 20 / 0.00000003% D / 1,000,000 / 0.0015385% E / 1,500,000 / 0.0023077%
The percentage of ownership of the largest shareholder	33.68% (as of 31.12.2022)
1.5. Minority Rights	
Whether the scope of minority rights enlarged (in terms of content or the ratio) in the articles of the association	No
If yes, specify the relevant provision of the articles of association	-
1.6. Dividend Right	
The name of the section on the corporate website that describes the dividend distribution policy	Dividend Distribution Policy could be found under Investor Relations / Corporate Governance section on our corporate website.
Minutes of the relevant agenda item in case the board of directors proposed to the general assembly not to distribute dividends, the reason for such proposal and information as to use of the dividend	Information could be found under Investor Relations / General Assembly / 2021 Ordinary section as the 7th point under Minutes on our corporate website.
"The General Assembly was informed that there would be no dividend distribution because although the standalone/ legal financial statements - prepared in accordance with Tax Procedure Law and Turkish Commercial Code indicated profit, the consolidated financial statements - prepared in compliance with Capital Market Board's Communique for the year ending on 31.12.2021 indicated a period of loss.	https://www.kap.org.tr/en/Bildirim/1051644

General Assembly Meetings

General Meeting Date	The number of information requests received by the company regarding the clarification of the agenda of the General Shareholders' Meeting	Shareholder participation rate to the General Shareholders' Meeting	Percentage of shares directly present at the GSM	Percentage of shares represented by proxy	Specify the name of the page of the corporate website that contains the General Shareholders' Meeting minutes, and also indicates for each resolution the voting levels for or against	Specify the name of the page of the corporate website that contains all questions asked in the general assembly meeting and all responses to them	The number of the relevant item or paragraph of General Shareholders' Meeting minutes in relation to related party transactions	The number of declarations by insiders received by the board of directors	The link to the related PDP general shareholder meeting notification
03.08.2022	0	36.27%	8.34%	27.92%	Information could be found under Investor Relations / General Assembly / 2021 Ordinary Minutes on our corporate website	Information could be found under Investor Relations / General Assembly / 2021 Ordinary Minutes on our corporate website.	Article 13	55	https://www.kap.org.tr/tr/Bildirim/1041897

Global Investment Holdings Corporate Governance Principles Compliance Report

2. DISCLOSURE AND TRANSPARENCY	
2.1. Corporate Website	
Specify the name of the sections of the website providing the information requested by the Principle 2.1.1.	The information can be found under Corporate Governance, Corporate Information, Reports, Presentations and General Assembly.
If applicable, specify the name of the sections of the website providing the list of shareholders (ultimate beneficiaries) who directly or indirectly own more than 5% of the shares.	Shareholding Structure could be found under Investor Relations / Corporate Information section on our corporate website.
List of languages for which the website is available	Turkish, English
2.2. Annual Report	
The page numbers and/or name of the sections in the Annual Report that demonstrate the information requested by principle 2.2.2.	
a) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the duties of the members of the board of directors and executives conducted out of the company and declarations on independence of board members "Managing Body, Senior Management and Personnel"	
b) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on committees formed within the board structure	"Committees formed under Board of Directors and their Evaluations by the Board of Directors"
c) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the number of board meetings in a year and the attendance of the members to these meetings	"Number of meetings that Board of Directors had during the year and attendance rates of board members"
ç) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on amendments in the legislation which may significantly affect the activities of the corporation	"Information on some of the Legislative Amendments that can Affect the Company's Activities"
d) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on significant lawsuits filed against the corporation and the possible results there of "Information Regarding the Lawsuits of the Company and Possible Consequences"	
e) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the conflicts of interest of the corporation among the institutions that it purchases services on matters such as investment consulting and rating and the measures taken by the corporation in order to avoid from these conflicts of interest	"Conflicts of Interest Between the Company's Service Providers such as Investment Consultancy and Rating companies, and Information on Measures Taken by the Company to Prevent these Conflicts of Interests"
f) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the cross-ownership subsidiaries that the direct contribution to the capital exceeds 5%	There is no such situation regarding the Company's capital.
g) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on social rights and professional training of the employees and activities of corporate social responsibility in respect of the corporate activities that arises social and environmental results	"Information on Corporate Social Responsibility Activities Related to Employees' Social Rights, Vocational Training and Other Activities of the Company that May Bear Social and Environmental Consequences"

3. STAKEHOLDERS	
3.1. Corporation's Policy on Stakeholders	
The name of the section on the corporate website that demonstrates the employee remedy or severance policy	Compensation Policy for the Employees could be found under Investor Relations / Corporate Governance section on our corporate website.
The number of definitive convictions the company was subject to in relation to breach of employee rights	0
The position of the person responsible for the alert mechanism (i.e., whistleblowing mechanism)	Internal Audit Unit
The contact detail of the company alert mechanism.	etik@global.com.tr
3.2. Supporting the Participation of the Stakeholders in the Corporation's Management	
Name of the section on the corporate website that demonstrates the internal regulation addressing the participation of employees on management bodies.	None
Corporate bodies where employees are actually represented	None
3.3. Human Resources Policy	
The role of the board on developing and ensuring that the company has a succession plan for the key management positions	Board of Directors performs the performance evaluation of the key managers at regular intervals as well as evaluating a succession plan for the key management.
The name of the section on the corporate website that demonstrates the human resource policy covering equal opportunities and hiring principles. Also provide a summary of relevant parts of the human resource policy.	The information could be found under Investor Relations / Sustainability / Work Life, also in Code of Ethics under Corporate Governance. In addition, personnel regulations are also available on our intranet site.
Whether the company provides an employee stock ownership programme	None
The name of the section on the corporate website that demonstrates the human resource policy covering discrimination and mistreatments and the measures to prevent them. Also provide a summary of relevant parts of the human resource policy.	The information could be found under Investor Relations / Sustainability / Work Life, also in Code of Ethics under Corporate Governance. In addition, personnel regulations are also available on our intranet site.
The number of definitive convictions the company is subject to in relation to health and safety measures	None
3.5. Ethical Rules and Social Responsibility	
The name of the section on the corporate website that demonstrates the code of ethics	The information could be found under Investor Relations / Corporate Governance / Code of Ethics.
The name of the section on the company website that demonstrates the corporate social responsibility report. If such a report does not exist, provide the information about any measures taken on environmental, social, and corporate governance issues.	The information could be found under Investor Relations / Sustainability section.
Any measures combating any kind of corruption including embezzlement and bribery	Principles on these topics are covered in Code of Ethics and, The Anti-Bribery and Anti-Corruption Policy has been implemented as a requirement of this issue. Whistle-blower mail has been created for report violations of this Policy as well as any situations that could damage the Company's reputation or trustworthiness.

Global Investment Holdings Corporate Governance Principles Compliance Report

4. BOARD OF DIRECTORS-I	
4.2. Activity of the Board of Directors	
Date of the last board evaluation conducted	None
Whether the board evaluation was externally facilitated	No
Whether all board members released from their duties at the GSM	Yes
Name(s) of the board member(s) with specific delegated duties and authorities, and descriptions of such duties	There has been no delegation.
Number of reports presented by internal auditors to the audit committee or any relevant committee to the board	5
Specify the name of the section or page number of the annual report that provides the summary of the review of the effectiveness of internal controls	The information can be found at "Information about the risks, Internal Control System and Audit Activities and the opinion of the governing body on this matter" section.
Name of the Chairman	Mehmet Kutman
Name of the CEO	Mehmet Kutman
If the CEO and Chair functions are combined: provide the link to the relevant PDP announcement providing the rationale for such combined roles	https://www.kap.org.tr/tr/Bildirim/917731
Link to the PDP notification stating that any damage that may be caused by the members of the board of directors during the discharge of their duties is insured for an amount exceeding 25% of the company's capital	There is a Directors & Officers Liability Policy for the damages caused by the board members during their duties limited to 5 million USD which is equal to approximately 14% of our TL 650 million issued capital as of the end of 2022.
The name of the section on the corporate website that demonstrates current diversity policy targeting women directors	It could be found under Investor Relations / Corporate Governance section on our corporate website.
The number and ratio of female directors within the Board of Directors	2 directors, the rate is 29.6%

Composition of Board of Directors

Name, Surname of Board Member	Whether Executive Director or Not	Whether Independent Director or Not	The First Election Date to Board	Link to PDP Notification that Includes the Independency Declaration	Whether the Independent Director Considered by the Nomination Committee	Whether She/He is the Director Who Ceased to Satisfy the Independence or Not	Whether the Director Has at Least 5 Years' Experience on Audit, Accounting and/or Finance or Not
MEHMET KUTMAN	Executive	Not Independent Director	01.10.2004	-	-	-	Yes
EROL GÖKER	Executive	Not Independent Director	01.10.2004	-	-	-	Yes
AYŞEGÜL BENSEL	Executive	Not Independent Director	01.10.2004	-	-	-	Yes
SERDAR KIRMAZ	Executive	Not Independent Director	04.06.2010	-	-	-	Yes
OĞUZ SATICI	Non-executive	Not Independent Director	10.05.2012		Yes	No	
H. FAİK AÇIKALIN	Non-executive	Independent Director	10.06.2022	https://www.kap.org.tr/tr/Bildirim/1033492	Considered	No	Yes
GÜLSÜM AZERİ	Non-executive	Independent Director	27.05.2022	https://www.kap.org.tr/tr/Bildirim/1030996	Considered	No	No

4. BOARD OF DIRECTORS-II	
4.4. Meeting Procedures of the Board of Directors	
Number of physical board meetings in the reporting period (meetings in person)	29
Director average attendance rate at board meetings	87.75%
Whether the board uses an electronic portal to support its work or not	No
Number of minimum days ahead of the board meeting to provide information to directors, as per the board charter	3 days
The name of the section on the corporate website that demonstrates information about the board charter	Working Principles of the Board of Directors could be found under Investor Relations / Corporate Governance section on our corporate website.
Number of maximum external commitments for board members as per the policy covering the number of external duties held by directors	None
4.5. Board Committees	
Page numbers or section names of the annual report where information about the board committees is presented	Related information can be found at "Committees Formed Under the Board of Directors and Assessment of the Committees by Board of Directors" section.
Link(s) to the PDP announcement(s) with the board committee charters	Duties and Working Rules of the Committees could be found under Investor Relations / Corporate Governance / Committees section on our corporate website.

Composition of Board Committees- I

Names of the Board Committees	Name of Committees Defined as "Other" in the First Column	Name-Surname of Committee Members	Whether Committee Chair or Not	Whether Board Member or Not
Audit Committee	-	H. Faik Açıkalın	Yes	Board member
Audit Committee	-	Gülsüm Azeri	No	Board member
Corporate Governance Committee	-	H. Faik Açıkalın	Yes	Board member
Corporate Governance Committee	-	Ayşegül Bensel	No	Board member
Corporate Governance Committee	-	Serdar Kırmaz	No	Board member
Corporate Governance Committee	-	Oğuz Satıcı	No	Board member
Corporate Governance Committee	-	Gülsüm Azeri	No	Board member
Corporate Governance Committee	-	Aslı Su Ata	No	Not board member
Early Risk Assessment Committee	-	H. Faik Açıkalın	Yes	Board member
Early Risk Assessment Committee	-	Ayşegül Bensel	No	Board member
Early Risk Assessment Committee	-	Serdar Kırmaz	No	Board member
Early Risk Assessment Committee	-	Oğuz Satıcı	No	Board member
Early Risk Assessment Committee	-	Gülsüm Azeri	No	Board member

Global Investment Holdings Corporate Governance Principles Compliance Report

4. BOARD OF DIRECTORS-III	
4.5. Board Committees-II	
Specify where the activities of the audit committee are presented in your annual report or website (Page number or section name in the annual report/website)	" Duties and Working Rules of the Audit Committee" could be found under Investor Relations / Corporate Governance / Committees section on our corporate website.
Specify where the activities of the corporate governance committee are presented in your annual report or website (Page number or section name in the annual report/website)	"Duties and Working Rules of the Corporate Governance Committee" could be found under Investor Relations / Corporate Governance / Committees section on our corporate website.
Specify where the activities of the early detection of risk committee are presented in your annual report or website (Page number or section name in the annual report/website)	"Duties and Working Rules of the Early Risk Assessment Committee" could be found under Investor Relations / Corporate Governance / Committees section on our corporate website.
4.6. Financial Rights	
Specify where the operational and financial targets and their achievement are presented in your annual report (Page number or section name in the annual report)	Related information can be found at "Financial Statement" section.
Specify the section of website where remuneration policy for executive and non-executive directors are presented.	" Wage Policy for Senior Managers" could be found under Investor Relations / Corporate Governance section on our corporate website.
Specify where the individual remuneration for board members and senior executives are presented in your annual report (Page number or section name in the annual report)	The information can be found at "Financial Benefits Provided to the Board Members and Senior Executives" section.

Composition of Board Committees-II

Names of the Board Committees	Name of Committees Defined as "Other" in the First Column	The Percentage of Non-executive Directors	The Percentage of Independent Directors in the Committee	The Number of Meetings Held in Person	The Number of Reports on Its Activities Submitted to the Board
Audit Committee	-	100%	100%	4	4
Corporate Governance Committee	-	50%	33%	7	7
Early Risk Assessment Committee	-	60%	40%	6	6

Risk Management and Internal Audit Mechanism

Risk Management

"Risk Management and Surveillance Activities" are defined as the identification of ordinary or extraordinary risks that may arise during any operations performed by GIH and its Group companies as part of their activity areas, avoiding such risks by taking preventive measures, identifying individuals responsible for emerging losses, and exerting efforts to prevent re-emergence of such risks, and identifying compliance of all Group activities with the relevant legislation and internal policies.

At Group, risk management is conducted, under the responsibility and supervision of the Board of Directors. The Board fulfils its oversight responsibility via various committees, such as the Audit Committee, Early Risk Assessment Committee, and Investment Committee.

The Group's subsidiaries principal business risks are managed by process owners responsible officers and senior management. The most significant risks from each business unit (based on materiality, or those which may have a significant effect across the business) are reviewed by the relevant Board Committees. Financial, strategic, operational and compliance risks of subsidiaries are also overseen and supervised by the relevant Group Head Officers and Head of Finance as well as the Internal Audit Unit at the Holding level.

GIH has formed the Early Risk Assessment Committee in order to ensure the proper identification of any corporate risks, the accurate determination of the applicable risk mitigation methods and the precise assessment and review of such risks as identified. Amongst the basic tasks of this Committee is the application of an effective Risk Management Program throughout the Company, the identification of the principles and methods underlying such Risk Management Program, and the assurance of continuous development of Risk Management as a Corporate Culture extending to and through the projects, units, and individuals.

In addition, the Committee:

- Provides effective internal control systems in order to identify, evaluate, monitor and manage the risky issues that could affect the achievement of the company's targets according to their influence and possibility.
- Monitors the integration of the risk management and internal control systems to the institutional structure of the company and their effectiveness.
- Works on the issues of measurement, reporting and the utilization of the decision- making mechanisms of the risks by the risk management and internal control systems of the company keeping the appropriate checks required in view.
- Reviews the Committee's operations regularly and submits the proposals for changes to the Board of Directors for approval as necessary.

Risk management activities and Risk registry are formed by considering all the risks that concern GIH and its subsidiaries. Management of the Company prioritized the risks according to their impact and probability and completed the work required to monitor the risks with high scores through critical risk indicators and action plans.

The risk registry has been generated to monitor and manage the risks detected within the Enterprise Risk Management (ERM) activities coordinated with the Internal Audit department and the relevant risks were included in the audit plan.

Risk Management and Internal Audit Mechanism

Internal Control System and Internal Audit Activities

The objective of the Company's Internal Control System is to ensure operational effectiveness and productivity, financial reporting system reliability and compliance with legal regulations.

The Internal Control System is composed of standard descriptions, job descriptions, authorization processes, policies and written procedures defined in the workflows.

The Internal Control System is periodically reviewed and audited for effectiveness by the Internal Audit Unit. The Board of Directors and Audit Committee are periodically informed about the Internal Control System and Internal Audit activities.

The Internal Auditors perform their assigned duties in accordance with the principle of independence and reports directly to the Audit Committee, which consists of members of the Board of Directors, within the organizational structure of the company.

The Internal Audit Department reviews the processes every year and creates a risk-based annual audit plan at the end of each year for the following year. The internal audit activities are carried out in line with this plan.

The internal audit plan is reviewed by the Audit Committee then confirmed by the Board of Directors before it gets implemented. The Department issues its reports that summarize the audit results and ongoing findings with the Audit Committee and Board of Directors.

GIH Internal Audit Department operates in compliance with International Internal Auditing Standards (IIAS). Audit activities are conducted by the Compliance and Internal Audit Department for GIH, its domestic and international operations, affiliated companies, and subsidiaries, cover the following topics. Financial audit, Operational auditan and Special audit (investigations, ad-hoc audits etc.)

Amendments to the Articles of Association in 2022

Article 3 titled "Purpose and Subject" and Article 6 titled "Type of Capital and Shares" have been amended.

Statement of Responsibility

Of the Board Resolution on the Approval of Financial Statements & Annual Report

Date: March 10, 2023
Number: 1087

We hereby declare that the consolidated financial statement, together with the annotations, comprehensive income statement, cash flow statement, statement of changes in owner's equity and the activity report, pertaining to the period between 01.01.2022 and 31.12.2022, prepared by our company in conformity with the Turkish Accounting Standards and the Turkish Financial Reporting Standards ("TMS/TFRS") and the formats that are specified by the Capital Markets' Board ("CMB"), pursuant to the CMB's Communiqué on Principles Regarding Financial Reporting in Capital Markets with the number II.14.1. ("Communiqué"), are examined by us;

That these do not include any statements contrary to the facts in substantial matters or any deficiency which may result in the disclosure being misleading as of the date on which the disclosure is made, as per the information we have within scope of our fields of duty and liability at the company, and

That the financial statements, drafted as per the Communiqué, honestly reflect the truth regarding the assets, liabilities, financial status and profits and losses of the company, along with the ones that are subject to consolidation, and that the activity report honestly reflects the business progress and performance, and also the financial status of our company, along with the ones that are subject to consolidation, together with substantial risks and uncertainties encountered, as per the information we have within scope of our fields of duty and liability at the company.

We declare that we are liable for the statement so made.

Respectfully,

March 10, 2023
H. Faik AÇIKALIN| Chairman of Audit Committee
Gülsüm AZERİ| Member of Audit Committee
Ferdağ ILDIR| Chief Financial Officer

Financial Overview

A bountiful harvest year: Performance across all major business lines well ahead of inflation and guidance...

Global Investment Holdings ("GIH"), a diversified conglomerate operating in 14 different countries across four continents, announced its consolidated results for the full year ending 31 December 2022, and commented on recent developments.

Global Investment Holdings reported Consolidated Net Profit of TL 1,172.0 million in FY 2022, compared to a net loss of TL 111.1 million in FY 2021. Consolidated Net Revenues (excluding IFRIC 12 Construction Revenue) surged by 300% in FY 2022 over FY 2021, reaching TL 7,175.5 million, while Consolidated Operating EBITDA rose 493% to TL 2,520.9 million in the same period.

Global Investment Holdings' Chairman & CEO, Mehmet Kutman, stated:

"I would like to start with my sincere condolences for all our citizens who lost their lives in the earthquake that occurred on 6 February 2023. Our prayers are with their relatives and our nation, and we wish a speedy recovery to our citizens who were affected and injured by the earthquake. We as a country are going through very difficult times and, in an effort to help bind the wounds, all our Group Companies have been working in coordination with public institutions and civil society organizations since the early moments of the earthquake, aiming to directly deliver natural gas, prefabricated containers, fuel, food, water and various other resources to those in need; while also taking part in permanent housing, school and hospital projects."

"2022 has marked itself a challenging but successful transitional year; a very successful year in many respects, despite the inflationary pressures due to increased energy and commodity prices driven by geopolitical tensions and compelling macroeconomic effects. I am pleased to report that, in 2022, our performance across all major business lines was well ahead of inflation as well as guidance figures, and that our expansion continues. In 2022, we emerged from the financial effects of Covid 19, returning to normal and even exceeding 2019 numbers while generating a positive bottom-line throughout the entire year. The ongoing accelerated growth continued into the fourth quarter of 2022, translating into 300% and 493% growth in consolidated revenues and EBITDA, respectively; and TL 1,172.0 million consolidated net profit for the full year 2022 (as opposed to TL 111.1 million net loss in FY 2021). Our major business lines, with the gas and ports businesses contributing the most, demonstrated superior performances in FY 2022. I am pleased to underline that we have emerged from the pandemic stronger, with an expanded ports portfolio across a wider geography, a deleveraged balance sheet, the successful IPOs of our gas and power generation businesses, and upstream dividend and such."

"All our major companies are profitable, and we continue to expect good dividend flow from them, which we will continue to use to deleverage."

The Chairman continued:
"Our cruise port operations returned to normal and are continuing to accelerate with higher occupancy rates driven by strong demand. Booking volumes are now well above 2019 levels and the 2023 booked position is well within historical range. There is a dramatic improvement over 2021 at our 27 cruise ports across 14 countries. The number of ships calling at our ports and the total number of passengers visiting our ports are back to or above pre-Covid levels. Occupancy rates for cruise ships continued to improve, averaging between 90-95%; while in the Caribbeans, occupancy rates were around 100% and above in Q4 2022. Cruise demand is so strong that, according to Cruise Industry News, the industry expects a robust 18% growth in 2023 YoY in passenger capacity worldwide. In a five-year horizon, the worldwide fleet is expected to expand to 494 ships in 2027 from 421 ships in 2022. Likewise, worldwide passenger capacity is expected to increase to 37.0 million in 2027 from 26.5 million in 2022."

"We did and will continue to make incremental additions to our port network. In Q1, we added Tarragona Cruise Port in Spain and Crotone Cruise Port in Italy to our network. In Q2, we received final acceptance for the concessions on three cruise ports in the Canary Islands: Las Palmas de Gran Canaria, Arrecife (Lanzarote) and Puerto del Rosario (Fuerteventura). In Q3, we signed a 30-year concession agreement with the Puerto Rico Ports Authority for San Juan Cruise Port, Puerto Rico, marking a significant development in our strategic ambitions in the Caribbean. And in Q4, we signed a Memorandum of Understanding (MoU) with the Government of St Lucia for a 30-year concession, with a potential 10-year extension option for the cruise-related operations in St Lucia. Furthermore, an important milestone and a step-up in our global reach presented itself with the Prince Rupert Cruise Port in British Columbia, Canada, for which we signed a 10-year concession, with a 10-year extension option, with the Port Authority to manage the port's cruise services. Prince Rupert Cruise Port is GPH's first cruise port in North America. Last but not least, following a public tender process, the Port Authority of Alicante awarded preferred bidder status to an 80:20 joint venture between GPH and its local partner Sepcan S.L, to operate a 15-year cruise port concession for Alicante Cruise Port in Spain. The consortium and Port Authority of Alicante will now work towards agreeing on the terms of the concession agreement, with the consortium currently expected to take over operations at Alicante Cruise Port in the first half of the calendar year 2023. By the end of 2023, I expect our network will have expanded to over 30 ports, and that construction of our facilities at the key port of Nassau will have been completed."

"Following its successful listing in 2021, Naturelgaz (our compressed natural gas distributor) has had another solid year, with volumes rising further. As its share of the Turkish non-pipe CNG distribution is now 83% and its share of the Turkish non-pipe CNG+LNG is 32%, organic growth has slowed somewhat compared to, say, a decade ago, but market share gains were still very strong – an improvement of some 5-6 percentage points over 2021 and beating all estimates by a wide margin."

"I am proud to say that our power generation subsidiary, Consus Enerji (operating in renewables and distributed power) successfully completed its IPO process in April 2022, marking a major milestone in its history. This IPO brought us closer to our goals to list all operational companies under Global Investment Holdings' umbrella, ensuring profitability and hence dividends to our shareholders, and adopting and introducing best practice transparency and corporate governance principles across the Group. Consus continues to expand, especially in its solar energy business, and projects are slated for European and Caribbean countries."

The Chairman continued:
"Our mining arm, Straton, had a mixed performance over the Covid period, but recovered smartly in 2021. Unfortunately, 2022 is proving to be more challenging, a situation we expect will continue through to mid-2023."

"Ardus Gayrimenkul Yatırımları A.Ş., a 100% subsidiary of GIH, has sold its shares in Pera Gayrimenkul Yatırım Ortaklığı A.Ş., previously a subsidiary of GIH, and GIH has sold its shares in Pera Gayrimenkul Yatırım Ortaklığı A.Ş. As a result, GIH has no direct or indirect shares left in Pera Gayrimenkul Yatırım Ortaklığı A.Ş. The same trends stated above, together with the strong rise in consumer expenditure in Türkiye (third quarter GDP figures indicate a near-20% rise) means that our shopping centre and real estate arm has had an even stronger recovery than we forecast, which again we expect will continue into the first half of 2023."

The Chairman concluded:
"Naturelgaz outperformed all estimations and left a great year behind. Beyond doubt, 2022 was the Gas year. We will witness GPH's strong comeback in 2023 as the industry fully recovers, and we will keep adding new destinations to the portfolio. I already call 2023 the Ports year."

Financial Overview

"We have been investing in technology startups for quite some time now and have also created our own investment vehicle. By placing all our subsidiaries operating in the financial sector under one umbrella, we have created a sizeable financial products and services subsidiary which is called GFS Holding A.Ş (previously GYH Danışmanlık ve Yönetim Hizmetleri A.Ş.). We are planning to list GFS on the stock exchange in the last quarter of 2023 or in the beginning of 2024. I believe 2024 will be the Finance year for our Group."

Commenting on the results, the Chief Financial Officer of Global Investment Holdings, Ferdağ Ildır, stated: "I am pleased to state that 2022 has been a very successful year for our Group to fully recover and emerge even stronger from the pandemic and its negative effects on our businesses. Each and every quarter, we delivered an outstanding set of results despite all the challenges in the macro environment. As discussed in the prior quarters, we have been taking major effective steps to reduce the debt burden since 2021. An extensive process including the listing of our subsidiaries Naturelgaz and Consus Enerji, the sale of our commercial port in Antalya, and the capital increase process of GIH melted down holding stand-alone gross debt amount has decreased by half in dollar terms in the last two years. Meanwhile, profitability was boosted remarkably in 2022 thanks to the bolstering activity in all our business lines, especially the return of our cruise port operations business at full speed. As a result, our Net Debt / EBITDA dramatically improved, declining further to 3.8x at Q4 2022 on a consolidated basis from 4.3x at Q3 2022 (2021YE: 11.6x). Hence, with a deleveraged balance sheet, upstream dividends, and strong operations from our subsidiaries, we are positive for 2023 as presented in our guidance, while prioritizing dividend distribution after a successful and profitable recovery period."

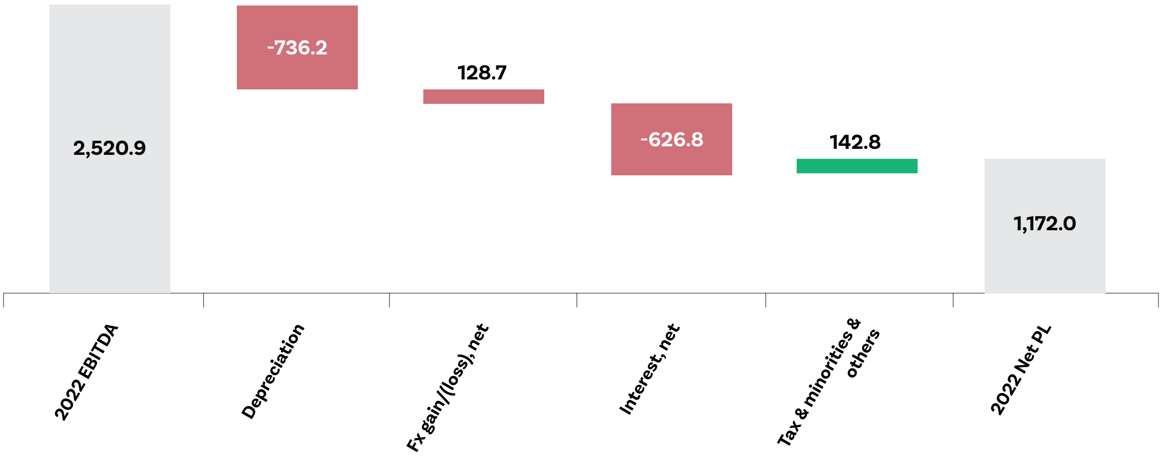
Global Investment Holdings reported TL 7.2 billion in revenues (excluding IFRIC-12 Construction Revenue) in FY 2022, indicating a robust 300% increase YoY with strong contributions from all business divisions, with the gas division and the port division contributing the most. The improvement in revenue generation gained stronger momentum in Q4 2022 (Sep-Dec), more than tripling YoY, in line with strengthening activity in underlying businesses.

Global Investment Holdings' consolidated operating EBITDA soared by 493% in FY 2022 YoY and reached TL 2.5 billion, driven by a solid contribution from all business divisions, with the Ports and Gas division contributing the most.

GIH reported a consolidated net profit of TL 1,172 million in FY 2022, compared to a net loss of TL 111.1 million in FY 2021. The bottom-line incorporated TL 864.9 million of non-cash charges, of which TL 736.2 million was depreciation and amortization, and TL 128.7 million in net foreign exchange loss. Meanwhile, TL 1,123 million in one-off income included project expenses and IFRS-related adjustments such as non-cash valuation gains from investment properties.

Depreciation and amortization charges rose from TL 394.4 million in FY 2021 to TL 736.2 million in FY 2022. If the FX rate had remained the same as the FY 2021 average, depreciation and amortization expenses would have been TL 341.8 million lower.

The Group's net interest expenses increased from TL 276.5 million in FY 2021 to TL 626.8 million in FY 2022. If average FX rate had maintained its FY 2021 level, net interest expense would have been TL 239 million lower than the reported figure in FY 2022.



On a division basis:

Naturelgaz maintained its solid financial position and recorded significant growth in FY 2022. Sales volume reached 227.9 million Sm^3 in FY 2022, representing an increase of 12% YoY. Citygas sales, whose share in the total sales volume increased gradually in 2021, continued its rapid growth in FY 2022 as well. Citygas sales volume rose by 54% YoY, reaching 70.1 million Sm^3. Revenues increased by 441% YoY in FY 2022, reaching TL 3.7 billion, reflecting the increase in sales volume especially in Citygas and Bulk CNG and the increase in gas prices. Gross profit reached TL 971.8 million in FY 2022, representing an increase of 609% YoY, based on company standalone financials. EBITDA increased by 801% YoY in FY 2022, reaching TL 892 million. The decrease in seasonality thanks to the increase in Citygas sales volume, effective cost management, and the effects of price differentials due to the higher-than-expected increases in natural gas price index contributed significantly to the EBITDA growth.

Profit before tax, which was TL 30.2 million in FY 2021, increased to TL 776.9 million in FY 2022, based on company standalone financials. Naturelgaz's net cash surplus amounting to TL 192.6 million as of September 30, 2022, increased to TL 335 million net cash surplus as of 31 December 2022. In addition, Naturelgaz distributed a gross dividend payment of TL 35.8 million to shareholders on 9 May 2022.

On the ports side:
Average occupancy rates in the sector improved to 90-95% during Q4 2022. In the Caribbeans, occupancy rates exceeded 100%. While the average occupancy rates of the cruise ships visiting GPH's consolidated ports in January 2022 was just 42%, it continued to rise gradually over the months and reached 98% in December 2022. The number of calls at GPH's consolidated ports in December 2022 reached 94% of December 2019 (pre-pandemic) levels, while the number of passengers visiting GPH's consolidated ports in December 2022 standalone was 20% higher than 2019 levels. The ports of the Canary Islands (Las Palmas, Lanzarote, and Fuerteventura) have been included in the calculation starting from October 2022, which was one of the main drivers for the dramatic increase in passenger numbers. In FY 2022, total consolidated passenger numbers reached 83% of FY 2019; while total consolidated call numbers were 8% higher than FY 2019. Meanwhile, current cruise call reservations for calendar year 2023 are 4,538, implying passenger volumes in excess of 11 million, assuming pre-pandemic occupancy rates. These expected values compare favourably to the actual number of cruise calls in 2019, the last pre-pandemic year, in which GPH consolidated ports reached 3,346 cruise calls (adjusted to include full year for Nassau and Antigua).

In line with rising occupancy rates and cruise lines having returned to service with full fleet capacity, revenue and EBITDA generation displayed a robust performance, even exceeding pre-pandemic 2019 levels.

Revenues (excluding IFRIC-12 Construction Revenue) surged by 160% in FY 2022 compared to FY 2019, reaching TL 1.7 billion, while adjusted EBITDA jumped by 141% compared to FY 2019, reaching TL 1.0 billion in FY 2022.

Financial Overview

Power division revenues, the operations of which include distributed power (cogeneration/ trigeneration), biomass and solar-based renewable energy production, and wholesale energy services, rose **50% YoY in FY 2022,** generating TL 553 million. The division generated TL 184 million EBITDA in FY 2022, indicating a 24% increase YoY, which is mainly attributable to the increase in electricity prices and FX rates.

Registering a major milestone in its history, Consus Enerji successfully completed its IPO process in April 2022. Trading on the Borsa Istanbul for Consus shares commenced on 20 April 2022 with 30% free float, while GIH remains the largest individual shareholder with a 68% stake.

The mining division realized 497,866 tons of product sales volume in 2022, down by 6% YoY, mainly due to the decrease in feldspar demand in export markets driven by the recession in Europe. The Company's main export markets continued to be Spain, Italy, and Egypt. Export-related sales volume was 387,278 tons, while domestic sales volume was realized at 110,588 tons for the period.

The Company announced revenues of TL 331 million in FY 2022, indicating an 81% increase YoY. The operating EBITDA was TL 106.1 million in FY 2022, indicating 65% growth YoY. The diversification of the customer portfolio as well as the dominancy of hard currency-denominated revenues were factors supporting the strong operational performance.

The real estate division registered a TL 38.7 million increase in revenues and a TL 20.5 million increase in EBITDA in FY 2022 YoY, with revenues and EBITDA standing at TL 71.4 million and TL 33.9 million, respectively. Operational improvement is mainly attributable to the increasing contribution from higher EBITDA-generating rental operations. Rental revenues rose by TL 34.2 million with the elimination of the pandemic impact, while real estate sales increased by TL 4.5 million.

Brokerage and asset management division revenues stood at TL 734 million in FY 2022, registering a 223% increase YoY, thanks to the contribution from increasing transaction volumes and the full consolidation of Istanbul Asset Management, while operating EBITDA was TL 310.8 million, registering a 254% increase YoY.

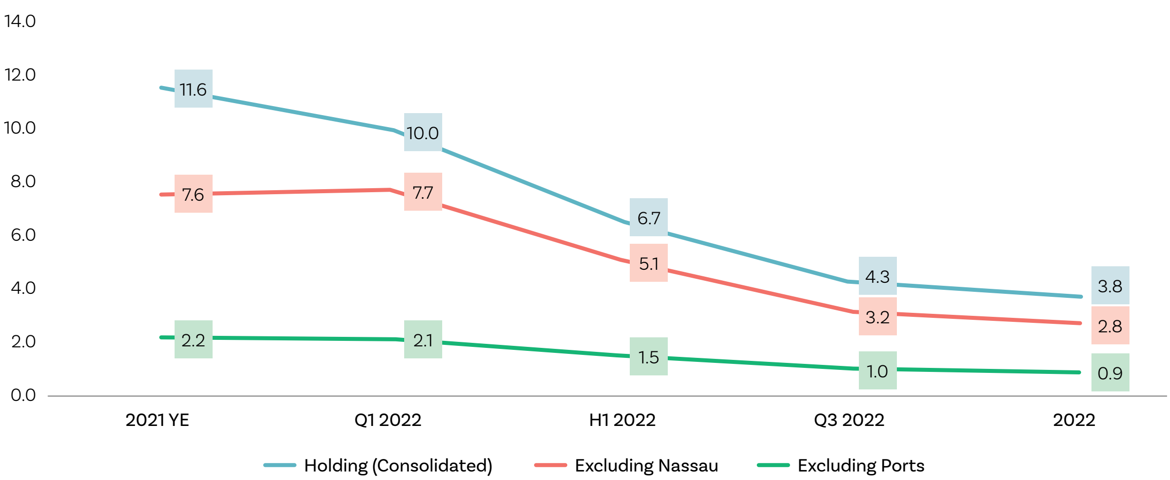
Indebtedness:

Since 2021, we have intended to rapidly decrease our indebtedness and have made good progress towards this goal. The listing of our subsidiaries Naturelgaz and Consus Enerji, the sale of our commercial port in Antalya, and the capital increase process of GIH melted down holding stand-alone gross debt amount has decreased by half in dollar terms in the last two years. (2020YE: USD 103.6 million; 2021YE: USD 55.8 million; 2022YE: USD 54.8 million).

Holding consolidated net debt stood at USD 578.1 million (TL 10.8 billion) at the end of 2022. Meanwhile, excluding GIH, consolidated gross debt of our operational divisions stood at USD 697.2 million, of which USD 564.7 million belongs to our ports division GPH.

The Consolidated Net Debt/EBITDA multiplier declined further to 3.8x at 2022 year-end from 4.3x on 30 September 2022 (2021 year-end: 11.6x). However, when Nassau's long-term debt is excluded, Net Debt / EBITDA multiplier declines to 2.8x at 2022 year-end from 3.2x on 30 September 2022. When the entire ports business is excluded, Net Debt/EBITDA multiplier declines to 0.9x at 2022 year-end.

Net Debt/EBITDA



Dividend Policy

Net profit of the Company is equal to the gross profit calculated as of the end of each accounting period minus the general expenses and various depreciations and other amounts to be paid and set aside by and the taxes to be paid by the Company, and is shown in the yearly balance sheet of the Company to be prepared in accordance with the regulations of the Capital Markets Board, and is, after deduction of the past year losses, if any, distributed and allocated in the following order and as described below:

(a) First, 5% of the net profit will be set aside for the legal reserve fund.

(b) Out of the balance of profit, the first dividend will be set aside at a rate and in an amount to be determined pursuant to the provisions of the Capital Markets Law and communiqués of the Capital Markets Board.

(c) Without prejudice to the first dividend to be set aside over the fiscal profit of the relevant period, an amount up to 10% of the balance of the net profit will be allocated and distributed to the Company employees within the frame of the principles to be determined by the Board of Directors.

(d) Balance of the profit will be set aside to extraordinary reserve funds or distributed as second dividends to the shareholders pro rata their existing capital shares, as and when determined by the General Assembly of Shareholders.

(e) Related provisions of the Turkish Commercial Code are, however, reserved.

Unless and until the reserve funds required to be set aside pursuant to the laws and the first dividend required to be distributed to the shareholders pursuant to the Articles of Association are duly reserved from the net profit, it may not be decided to set aside other reserve funds or to carry the profit forward to the next year. Unless and until the reserve funds required to be set aside pursuant to the laws and the first dividend required to be distributed to the shareholders pursuant to the Articles of Association are duly reserved from the net profit, it may not be decided to allocate and distribute profit shares to the holders of the dividend shares, the Directors and officers, servants and workers, the foundations established for various purposes, or similar other persons and entities.

Profit distribution date will be determined by the General Assembly of Shareholders upon proposals of the Board of Directors in accordance with the provisions of the Capital Markets Law and the communiqués of the Capital Markets Board.

The Board of Directors may distribute an interim dividend provided that there has been a decision of the general assembly giving such authority to the Board of Directors and the distribution is in accordance with the related articles of the Capital Market Law and the Communiqués of the Capital Markets Board. The decision of the general assembly giving such authority to the Board of Directors is limited to the current year. A decision shall not be made to make additional interim dividends or to distribute dividends prior to entering into the accounts the interim dividends paid in the previous period.

Dividend Proposal for 2021:
The General Assembly was informed that there would be no dividend distribution because although the standalone/legal financial statements prepared in accordance with Tax Procedure Law and Turkish Commercial Code indicated profit, the consolidated financial statements prepared in compliance with Capital Market Boards Communique for the year ending on 31.12.2021 indicated a period of loss.

Developments after the Reporting Period

Group Strategic Review
GPH announces that in light of the continued emergence of significant and exciting opportunities in its cruise business, it is undertaking a strategic review of the Group's current capital and financing structure. The purpose of the strategic review is to explore ways to maximise value for all stakeholders and includes a range of potential corporate activity including strategic investments, joint ventures, and new partnerships.

Signing of concessions agreement for Alicante Cruise Port
The Company's indirect subsidiary, Global Ports Holding Plc ("GPH"), has informed us that the joint venture in which it owns an 80% stake, Servicios Portuarios Canarios ("Sepcan") has signed a 15-year cruise port concession for the operation of the Alicante Cruise Port, following the award of preferred bidder status by the Port Authority of Alicante. GPH expects to take over the cruise operations in Alicante before the end of its financial year which ending at 31 March 2023.

The Port Authority of Alicante is currently enhancing the port area in a multimillion-Euro investment that will integrate waterfront and city. Alongside this investment and as part of the concession agreement, the JV plans to invest up to EUR 2.0 million into refurbishing and modernising the cruise terminal.

With over 100,000 passengers annually, Alicante Cruise Port is one of the growing cruise destinations on the east coast of Spain. The port has strong airlift connectivity and is well located for inclusion in diverse Mediterranean itineraries.

Credit Ratings
JCR Eurasia Rating has evaluated the consolidated structure of Global Yatırım Holding A.Ş in investment-level category on the national scale and upgraded its Long-Term National Issuer Credit Rating to 'BBB+ (tr)' from 'BBB (tr)' and assigned the Short-Term National Issuer Credit Rating at 'J2 (tr)' with 'Stable' outlooks.

On the other hand, the Long-Term International Foreign and Local Currency Issuer Credit Ratings and outlooks were assigned as 'BB/Negative' as parallel to the international ratings and outlooks of the Republic of Türkiye.

Considering the aforementioned points, the Holding's Long-Term National Rating has been upgraded to 'BBB+ (tr).' The Holding's diversified portfolio, prominent positions in sub-divisions, FX revenue-generation capacity and improvement in number of passengers and occupancy rates of the port infrastructure business, along with global recession risks and ongoing uncertainties arising from geopolitical tensions as well as global interest rate hiking, constitute the principal reasons underlying the assignment of the outlooks for the Long- and Short-Term National Ratings as 'Stable'. On the other hand, the Group's revenue and profitability performance, liquidity position, asset quality, financial leverage indicators, and local and global macroeconomic indicators as well as the market conditions and legal framework regarding the sector will be closely monitored by JCR Eurasia Rating.

Passenger Statistics
The passenger statistics of the Company's indirect subsidiary Global Ports Holding Plc ("GPH") have been published on our website in Turkish and English for February 2023. It can be accessed via Investor Relations - Reports - Passenger Statistics.

The number of calls at GPH's ports in February 2023 was 32% higher than the February 2022 level, while passenger movements at GPH ports in February 2023 standalone were 200% higher than the February 2022 level. The ports of the Canary Islands (Las Palmas, Lanzarote, and Fuerteventura) have been included in the calculation starting from October 2022, which was one of the main drivers for the increase in passenger numbers.

The average occupancy rate of the cruise ships visiting GPH's ports was 99.7% in January 2023.

Disclaimer

The projects and activities described in this Annual Report are undertaken through a number of companies ("Affiliates") affiliated with Global Yatırım Holding A.Ş. (the "Global Investment Holdings Group," or the "Company"), also referred to herein, together with such Affiliates, as "the Group."

Unless otherwise specified, the information in this Annual Report is given as of December 31, 2021. The terms "current" and "currently," respectively, denote the status of the related information as of the time this Annual Report goes to print.

The currency of the Republic of Türkiye ("Türkiye") is the Turkish Lira ("TL"), which was introduced as of January 1, 2009, upon the conversion of the New Turkish Lira ("YTL") on a one-to-one basis. Solely for convenience, certain Turkish Lira amounts herein have been converted into US Dollars ("USD") based on the official USD/TL exchange rate announced by the Central Bank of Türkiye as of such relevant dates, or else on the average official USD/TL exchange rate for the respective period, except where otherwise specified. No representation is being made that any such TL amount was, or could have been, converted into USD at such a rate, or otherwise.

This Annual Report contains certain forward-looking statements, which typically include terms such as "intend," "expect," "anticipate," "plan," "project," "target" and "scheduled." Such statements are based on the expectations of Company management as this Annual Report goes to print. Such statements are inherently subject to operating risks, including factors beyond our control, such as general economic and political conditions; the volatility of market prices, rates, and indices; legislative and regulatory developments; and to our own ability to attract and retain skilled personnel; to source, structure and procure project financing; to implement optimal technology and information systems, and to otherwise operate successfully in a competitive marketplace. Consequently, our results may vary significantly from time to time, and we may be unable to achieve our strategic objectives.

Global Investment Holdings is incorporated in Istanbul, Türkiye. The registered address of the Company's headquarters is Büyükdere Cad. No: 193 Şişli 34394, Istanbul, Türkiye. Global Investment Holdings is subject to regulation by the Turkish Capital Markets Board ("CMB") and Borsa Istanbul. Other Group companies are subject to capital markets regulations, or those of other regulatory authorities having jurisdiction over them.

Global Yatırım Holding Anonim Şirketi and Its Subsidiaries

Convenience Translation into English of Consolidated Financial Statements as at and for the Year Ended 31 December 2022 Together with Independent Auditor's Report

(Originally issued in Turkish)

PKF Aday Bağımsız Denetim A.Ş.

PKF

Accountants &
business advisers

CONVENIENCE TRANSLATION INTO ENGLISH OF
INDEPENDENT AUDITOR'S REPORT ORIGINALLY ISSUED IN TURKISH

INDEPENDENT AUDITOR'S REPORT

To the General Assembly of Global Yatırım Holding Anonim Şirketi

A) Audit of the Consolidated Financial Statements

1) Opinion

We have audited the accompanying consolidated financial statements of Global Yatırım Holding Anonim Şirketi (the "Parent Company") and its subsidiaries (referred to as the "Group"), which comprise the consolidated statement of financial position as at 31 December 2022 and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements comprising a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with Turkish Financial Reporting Standards ("TFRS").

2) Basis for Opinion

Our audit was conducted in accordance with the Standards on Independent Auditing (the "SIA") that are part of Turkish Standards on Auditing issued by the Public Oversight Accounting and Auditing Standards Authority (the "POA"). Our responsibilities under these standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We hereby declare that we are independent of the Group in accordance with the Ethical Rules for Independent Auditors (the "Ethical Rules") and the ethical requirements regarding independent audit in regulations issued by POA that are relevant to our audit of the consolidated financial statements. We have also fulfilled our other ethical responsibilities in accordance with the Ethical Rules and regulations issued by POA. We believe that the audit evidence we have obtained during the independent audit provides a sufficient and appropriate basis for our opinion.

3) Key Audit Matters

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

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The key audit matters deemed important by us are as follows.

Key Audit Matters	How to perform of matter in audit
As of 31 December 2022, the Group recognizes goodwill amounting to TL 267.446.878 (31 December 2021, 193.832.424 TL) and port operating rights amounting to TL 9.621.485.611 (31 December 2021, 5.811.334.476 TL) in its consolidated financial statements. Goodwill and port operating rights constitute 42% of the Group's total assets. (31 December 2021: 35%). Group management applies annual impairment test for limited life port operating rights (port concession period) in case of goodwill and impairment. The recoverable amount of the cash-generating unit and port operating rights, based on the higher of value in use and fair value less costs to sell, is derived from discounted estimated cash flow models. These models include future passenger numbers, voyages and prices; It incorporates several key assumptions, including estimations of operating costs, rates of increase in maturity value, and weighted average cost of capital (discount rate). This issue has been identified as one of the key audit matters because of the complexity of the accounting standards provisions for the calculation of impairment of goodwill and port operating rights, and the estimations and assumptions used in estimating the recoverable amount require significant Management judgment.	Our audit procedures in this section include the following: Evaluating the appropriateness of the discount rates used in comparing the weighted average cost of capital with the industry averages in the relevant markets in which cash generating units (CGU) operate, with the assistance of our corporate finance experts; Evaluating the appropriateness of assumptions applied to key inputs such as number of trips, passenger numbers, prices, operating costs, inflation and long-term growth rates, including comparing these inputs with external data based on our knowledge of the customer and industry; Performing a sensitivity analysis to assess the impact of reasonably possible decreases in growth rates and projected cash flows and assessing the impact on the currently estimated acceptable range for goodwill and port operating rights; Performing sensitivity analysis, including assessing the impact of reasonably possible reductions in growth rates and estimated cash flows, to assess the effects on the currently estimated headroom for cash-generating units; Evaluating the adequacy of the disclosures in the accompanying consolidated financial statements, including disclosures about key estimates, assumptions, judgments, and sensitivities.

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

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

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

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

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5) Other Considerations

The financial statements of the Company for the accounting period ending on 31 December 2021 were audited by another independent auditor and a positive opinion was given on these financial statements on 11 March 2022.

6) Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Responsibilities of independent auditors in an independent audit are as follows:

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

As part of an independent audit conducted in accordance with SIA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Assess the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our independent auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence. We also communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

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B) Other Responsibilities Arising From Regulatory Requirements

1. No matter has come to our attention that is significant according to subparagraph 4 of Article 402 of Turkish Commercial Code ("TCC") No. 6102 and that causes us to believe that the Group bookkeeping activities concerning the period from 1 January to 31 December 2022 period are not in compliance with the TCC and provisions of the Group articles of association related to financial reporting.

2. In accordance with subparagraph 4 of Article 402 of the TCC, the Board of Directors submitted the necessary explanations to us and provided the documents required within the context of our audit.

The engagement partner who supervised and concluded on this independent auditor's report is Abdulkadir Sayıcı.

İstanbul, March 10, 2023

PKF Aday Bağımsız Denetim A.Ş.
(A Member Firm of PKF International)

Abdulkadir SAYICI
Partner

Global Yatırım Holding A.Ş. and its Subsidiaries

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Global Yatırım Holding A.Ş. and its Subsidiaries

Consolidated Statement of Financial Position as at 31 December 2022

(Currency: Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

	Notes	Audited 31 December 2022	Audited 31 December 2021
ASSETS			
Current assets		**5.135.672.295**	**3.640.176.472**
Cash and cash equivalents	7	1.848.734.791	1.535.926.457
Financial investments	8	379.552.912	176.296.409
Trade receivables		1.359.631.962	470.513.321
- Due from third parties	*10*	*1.359.631.962*	*470.513.321*
Other receivables		217.913.157	442.624.694
- Due from related parties	*6*	*17.803.902*	*15.793.760*
- Due from third parties	*11*	*200.109.255*	*426.830.934*
Receivables from operations in finance sector		559.911.206	342.009.539
- Due from related parties	*6*	*28.051.696*	*10.599.256*
- Due from third parties	*12*	*531.859.510*	*331.410.283*
Inventories	13	280.608.465	140.150.144
Prepaid expenses	14	338.029.600	454.969.270
Derivative financial instruments		2.332.883	-
Current tax assets	32	30.564.449	15.460.791
Other current assets	23	118.392.870	62.225.847
Subtotal		*5.135.672.295*	*3.640.176.472*
Non-current assets		**18.566.106.239**	**11.437.134.670**
Other receivables		194.799.182	122.856.227
- Due from related parties	*6*	*169.007.539*	*105.186.938*
- Due from third parties		*25.791.643*	*17.669.289*
Financial investments	8	5.686.347	4.379.573
Investments accounted for using equity method	19	303.955.016	181.831.423
Investment property	15	2.126.335.389	802.956.000
Property, plant and equipment	16	4.056.772.208	2.873.410.322
Right of use assets	17	1.569.137.325	1.157.663.507
Intangible assets and goodwill		9.888.932.489	6.005.166.900
- Goodwill	*18*	*267.446.878*	*193.832.424*
- Other intangible assets	*18*	*9.621.485.611*	*5.811.334.476*
Prepaid expenses	14	118.653.694	65.218.128
Deferred tax asset	32	273.235.299	196.278.076
Other non-current assets	23	28.599.290	27.374.514
TOTAL ASSETS		**23.701.778.534**	**15.077.311.142**

Accompanying notes are an integral part of these consolidated financial statements.

Global Yatırım Holding A.Ş. and its Subsidiaries

Consolidated Statement of Financial Position as at 31 December 2022

(Currency: Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

	Notes	Audited 31 December 2022	Audited 31 December 2021
LIABILITIES			
Current liabilities		**5.500.204.497**	**3.447.267.622**
Current borrowings	9	1.867.287.882	1.312.653.598
Current portion of non-current borrowings	9	1.394.778.074	1.010.029.934
Trade payables		849.241.543	364.515.363
- Due to third parties	*10*	*849.241.543*	*364.515.363*
Payables related to employee benefits	22	161.016.521	94.318.642
Other payables		275.308.198	112.229.669
- Due to related parties	*6*	*32.648.487*	*3.729.694*
- Due to third parties	*11*	*242.659.711*	*108.499.975*
Payables on financial sector operations		337.417.647	197.491.199
- Due to third parties	*12*	*337.417.647*	*197.491.199*
Deferred income		4.288.833	10.368.691
Current tax liabilities	32	94.474.694	20.771.177
Current provisions		299.476.081	125.841.462
- Current provisions for employee benefits	*22*	*42.349.103*	*11.538.270*
- Other current provisions	*20*	*257.126.978*	*114.303.192*
Other current liabilities	23	216.915.024	199.047.887
Subtotal		*5.500.204.497*	*3.447.267.622*
Non-current liabilities		**13.485.613.906**	**9.156.097.636**
Non-current borrowings	9	11.829.919.233	7.998.440.594
Other payables		106.409.557	88.063.182
- Due to third parties	*11*	*106.409.557*	*88.063.182*
Liabilites due to investments accounted for using equity method	19	870.685	845.470
Deferred income		16.535.384	12.240.369
Derivative financial instruments		12.370.315	18.327.935
Non-current provisions		223.140.656	217.852.618
- Non-current provisions for employee benefits	*22*	*42.363.993*	*17.892.837*
- Other non-current provisions	*20*	*180.776.663*	*199.959.781*
Deferred tax liabilities	32	1.296.368.076	820.327.468
EQUITY		**4.715.960.131**	**2.473.945.884**
Equity attributable to equity holders of the Group		**3.913.277.693**	**1.889.164.327**
Paid-in capital	24	650.000.000	650.000.000
Adjustments to share capital	24	34.659.630	34.659.630
Share premium (discount)	24	622.979.749	519.656.862
Other comprehensive income that will not be reclassified in profit or loss		142.907.008	(1.580.691)
- Other gains / (losses)	*24*	*-*	*3.584.428*
- Increases (decreases) on revaluation of property, plant and equipment	*24*	*154.855.304*	*-*
- Losses on remeasurements of defined benefit plans	*24*	*(11.948.296)*	*(5.165.119)*
Other comprehensive income that will be reclassified in profit or loss		1.203.550.281	824.177.947
- Currency translation differences	*24*	*1.395.096.856*	*1.017.162.385*
- Hedging reserve	*24*	*(191.546.575)*	*(192.984.438)*
Restricted reserves appropriated from profits	24	11.498.088	3.743.204
Prior years' profits / (losses)	24	75.661.603	(30.345.570)
Net profit / (loss) for the period		1.172.021.334	(111.147.055)
Non-controlling interests		**802.682.438**	**584.781.557**
TOTAL EQUITY AND LIABILITIES		**23.701.778.534**	**15.077.311.142**

Accompanying notes are an integral part of these consolidated financial statements.

Global Yatırım Holding A.Ş. and its Subsidiaries

Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Year Ended 31 December 2022

(Currency: Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

	Notes	Audited 1 January- 31 December 2022	Audited 1 January- 31 December 2021
PROFIT OR LOSS			
Revenue	25	7.984.823.450	2.357.260.922
Cost of revenues (-)	25	(5.817.811.515)	(2.100.218.113)
Gross profit from trade operations		**2.167.011.935**	**257.042.809**
Revenues from finance operations	25	734.031.483	227.486.634
Cost of revenues from finance operations (-)	25	(10.921.042)	(6.679.546)
Gross profit from operations in finance sector		**723.110.441**	**220.807.088**
GROSS PROFIT		**2.890.122.376**	**477.849.897**
Marketing expenses (-)	26	(270.730.342)	(126.603.714)
General administrative expenses (-)	26	(922.685.360)	(378.162.437)
Other income from operating activities	28	66.942.186	449.153.157
Other expense from operating activities (-)	28	(207.147.376)	(316.361.085)
OPERATING PROFIT / (LOSS)		**1.556.501.484**	**105.875.818**
Income from investing activities	29	1.313.559.803	346.036.596
Expense from investing activities (-)	29	(2.014.090)	(52.559)
Share of profit/(loss) of equity accounted investees	19	51.389.299	(85.523.524)
Impairment gain/(loss) and reversal of impairment losses determined in accordance with TFRS 9	10	(12.074.262)	(9.785.522)
PROFIT/(LOSS) BEFORE FINANCE INCOME/(COSTS)		**2.907.362.234**	**356.550.809**
Finance income	30	202.063.012	172.605.386
Finance costs (-)	31	(1.143.451.394)	(733.222.514)
PROFIT/(LOSS) BEFORE TAX		**1.965.973.852**	**(204.066.319)**
Tax income/(expense)		**(380.226.007)**	**(181.864.798)**
- Current tax income/(expense)	32	(230.174.687)	(28.342.574)
- Deferred tax income/(expense)	32	(150.051.320)	(153.522.224)
PROFIT/(LOSS) FROM CONTINUING OPERATIONS		**1.585.747.845**	**(385.931.117)**
PROFIT/(LOSS) FOR THE PERIOD		**1.585.747.845**	**(385.931.117)**
Profit/(Loss) for the period attributable to		**1.585.747.845**	**(385.931.117)**
-Non controlling interests		413.726.511	(274.784.062)
-Owners of the company	33	1.172.021.334	(111.147.055)
Earnings/(Loss) per share from continuing operations	33	**1,8031**	**(0,3385)**
Diluted earnings/(loss) per share from continuing operations	33	**1,8031**	**(0,3385)**
OTHER COMPREHENSIVE INCOME/(EXPENSE)			
Items not to be reclassified to profit or loss		**148.178.664**	**(404.604)**
Losses on remeasurements of defined benefit plans		(6.676.640)	(404.604)
Gains (Losses) on revaluation of property, plant and equipment		154.855.304	-
Items to be reclassified to profit or loss		**238.609.516**	**228.674.386**
Currency translation differences		259.648.721	328.945.621
Other components of other comprehensive income / (expense) to be reclassified to other profit or loss	24	(21.039.205)	(100.271.235)
OTHER COMPREHENSIVE INCOME / (EXPENSE)		**386.788.180**	**228.269.782**
TOTAL COMPREHENSIVE INCOME / (EXPENSE)		**1.972.536.025**	**(157.661.335)**
Total comprehensive income / (expense) attributable to		**1.972.536.025**	**(157.661.335)**
Non-controlling interests		189.023.450	(149.766.595)
Owners of the Company		1.783.512.575	(7.894.740)

Accompanying notes are an integral part of these consolidated financial statements.

Global Yatırım Holding A.Ş. and its Subsidiaries

Consolidated Statement of Changes in Shareholders' Equity for the Year Ended 31 December 2022

(Currency: Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

					Other accumulated comprehensive income/expense not to be reclassified to profit or loss			Other accumulated comprehensive income/expense to be reclassified to profit or loss			Retained earnings				
	Paid-in capital	Adjustments to share capital	Treasury shares owned by the Company	Share premiums or discounts	Gains (losses) on remeasurements of defined benefit plans	Increases (decreases) on revaluation of property, plant and equipment	Other reserves of other gains (losses)	Hedging reserve	Currency translation differences	Restricted reserves appropriated from profits	Net profit / (loss) for the period	Prior years' profits or losses	Equity attributable to the owners of the Company	Non-controlling interest	Total
Balance at 1 January 2021	**325.888.410**	**34.659.630**	**(1.439.473)**	**281.223.459**	**(4.638.438)**	**-**	**2.433.128**	**(732.571.016)**	**1.388.012.616**	**7.979.263**	**(298.607.810)**	**85.345.421**	**1.088.285.190**	**460.897.380**	**1.549.182.570**
Other comprehensive income/(expense)	-	-	-	-	(404.604)	-	-	(100.271.235)	203.928.154	-	-	-	**103.252.315**	125.017.467	**228.269.782**
Capital Increase	324.111.590	-	-	163.068.619	-	-	-	-	-	-	-	-	**487.180.209**	-	**487.180.209**
Increase (decrease) due to treasury share transactions	-	-	1.439.473	-	-	-	-	-	-	(1.439.473)	-	1.439.473	**1.439.473**	-	**1.439.473**
Profit (loss) for the period	-	-	-	-	-	-	-	-	-	-	(111.147.055)	-	**(111.147.055)**	(274.784.062)	**(385.931.117)**
Acquisition or disposal of a subsidiary	-	-	-	-	(122.077)	-	-	639.857.813	(576.443.801)	(7.809.659)	-	35.308.342	**90.790.618**	(34.088.032)	**56.702.586**
Increase (decrease) due to other changes (*)	-	-	-	-	-	-	-	-	1.665.416	-	-	-	**1.665.416**	210.857.686	**212.523.102**
Increase (decrease) due to changes in ownership interests in subsidiaries without change in control	-	-	-	75.364.784	-	-	1.151.300	-	-	(324.812)	-	151.506.889	**227.698.161**	106.631.118	**334.329.279**
Dividends paid	-	-	-	-	-	-	-	-	-	5.337.885	-	(5.337.885)	-	(9.750.000)	**(9.750.000)**
Transfers	-	-	-	-	-	-	-	-	-	-	298.607.810	(298.607.810)	-	-	-
Balance at 31 December 2021	**650.000.000**	**34.659.630**	**-**	**519.656.862**	**(5.165.119)**	**-**	**3.584.428**	**(192.984.438)**	**1.017.162.385**	**3.743.204**	**(111.147.055)**	**(30.345.570)**	**1.889.164.327**	**584.781.557**	**2.473.945.884**
Balance at 1 January 2022	**650.000.000**	**34.659.630**	**-**	**519.656.862**	**(5.165.119)**	**-**	**3.584.428**	**(192.984.438)**	**1.017.162.385**	**3.743.204**	**(111.147.055)**	**(30.345.570)**	**1.889.164.327**	**584.781.557**	**2.473.945.884**
Other comprehensive income/(expense)	-	-	-	-	(6.676.640)	154.855.304	-	(21.039.205)	484.351.782	-	-	-	**611.491.241**	(224.703.061)	**386.788.180**
Profit (loss) for the period	-	-	-	-	-	-	-	-	-	-	1.172.021.334	-	**1.172.021.334**	413.726.511	**1.585.747.845**
Acquisition or disposal of a subsidiaries	-	-	-	(63.993)	44.991	-	(3.584.428)	-	-	(56.198)	-	-	**(3.659.628)**	(130.044.950)	**(133.704.578)**
Increase (decrease) through other changes	-	-	-	(1.078.794)	-	-	-	-	-	1.078.794	-	-	-	-	-
Increase (decrease) due to changes in ownership interests in subsidiaries without change in control	-	-	-	104.465.674	(151.528)	-	-	22.477.068	(106.417.311)	-	-	223.886.516	**244.260.419**	175.898.635	**420.159.054**
Dividends paid	-	-	-	-	-	-	-	-	-	6.732.288	-	(6.732.288)	-	(16.976.254)	**(16.976.254)**
Transfers	-	-	-	-	-	-	-	-	-	-	111.147.055	(111.147.055)	-	-	-
Balance at 31 December 2022	**650.000.000**	**34.659.630**	**-**	**622.979.749**	**(11.948.296)**	**154.855.304**	**-**	**(191.546.575)**	**1.395.096.856**	**11.498.088**	**1.172.021.334**	**75.661.603**	**3.913.277.693**	**802.682.438**	**4.715.960.131**

(*) Includes the increase in non-controlling interests related to the capital increase of the subsidiary (Note 11).

Detailed explanations related to equity items and transactions are presented in Note 24.

Accompanying notes are an integral part of these consolidated financial statements.

Global Yatırım Holding A.Ş. and its Subsidiaries

Consolidated Statement of Cash Flows for the Year Ended 31 December 2022

(Currency: Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

	Notes	Audited 1 January-31 December 2022	Audited 1 January-31 December 2021
Profit / (loss) for the period		**1.585.747.845**	**(385.931.117)**
Profit / (loss) from Continuing Operations		1.585.747.845	(385.931.117)
Adjustments for depreciation and amortisation expense	27	736.242.675	394.408.171
Adjustments for / (reversal of) provisions related with employee benefits		16.915.762	4.824.513
Adjustments for losses (gains) on disposal of subsidiaries or joint operations	28	(3.056.561)	(131.421.437)
Adjustments for / (reversal of) other provisions		46.457.829	88.725.238
Adjustments for undistributed profits / (loss) of investments accounted for using equity method	19	(51.389.299)	85.523.524
Adjustments for interest income		(162.677.241)	(127.489.201)
Adjustments for interest expense		772.680.787	349.433.888
Adjustments for fair value (gains) / losses on derivative financial instruments		(6.150.482)	(2.597.429)
Adjustments for tax (income) / expenses	32	380.226.007	181.864.798
Adjustments for unrealised foreign exchange losses / (gains)		450.146.526	679.073.049
Adjustments for losses / (gains) on disposal of property, plant and equipment		(18.197.941)	(6.647.878)
Adjustments for impairment loss / (reversal of impairment loss)	28	10.910.906	31.985.263
Adjustments for bargain purchase gain	28	-	(270.994.797)
Adjustments for fair value losses / (gains) of investment property	29	(1.220.070.000)	(247.919.250)
Financial assets valuation gain		(64.839.734)	(90.782.395)
Other adjustments to reconcile profit (loss) / gain		167.579.577	154.198.025
Adjustments to reconcile profit / (loss) for the period		**2.640.526.656**	**706.252.965**
Decrease / (increase) in financial sector receivables		(200.449.227)	(81.607.412)
Decrease / (increase) in other receivables from third parties related with operations		(896.520.040)	(247.176.231)
Adjustments for increase / (decrease) in inventories		(149.533.692)	(40.334.688)
Increase / (decrease) in trade payables to third parties		486.630.998	123.532.387
Increase / (decrease) in payables to finance sector operations		139.926.448	60.885.587
Increase / (decrease) in employee benefit liabilities		67.372.963	24.440.608
Increase / (decrease) in deferred income		16.115.229	163.085.161
Decrease / (increase) in other assets related with operations		69.949.458	(441.854.259)
Increase / (decrease) in other liabilities related with operations		91.779.840	23.475.484
Interest paid		(6.428.573)	(2.995.518)
Interest received		81.602.247	51.590.017
Payments related with provisions for employee benefits	22	(1.389.616)	(1.972.906)
Income taxes refund / (payments)		(169.992.015)	(11.554.433)
Cash Flows from Operating Activities		**2.169.590.676**	**325.766.762**
Proceeds from sales of property, plant and equipment		24.300.424	9.128.003
Proceeds from sales of intangible assets		9.560	85.901
Acquisition of property, plant and equipment	16	(456.380.643)	(171.158.767)
Acquisition of intangible assets	18	(1.863.791.793)	(925.284.444)
Dividend received		-	13.312.679
Cash outflows from acquisition of investment property	15	(19.515.389)	-
Other payments from cash advances and payables		(196.750.186)	(74.624.067)
Cash outflows arising from purchase of shares or capital increase of associates and/or joint ventures		(10.834.929)	(11.960.327)
Cash flows used in obtaining control of subsidiaries or other businesses	3	-	(77.352.322)
Cash inflows from sale of shares of subsidiaries that doesn't cause loss of control		621.077.832	254.969.532
Cash inflows from losing control of subsidiaries or other businesses		44.294.195	986.474.184
Other cash inflows / (outflows)		(81.949.073)	(136.701.185)
Cash flows used in investing activities		**(1.939.540.002)**	**(133.110.813)**
Cash inflows from sale of treasury shares		-	1.439.473
Proceeds from borrowings	9	3.766.941.422	5.150.265.795
Proceeds from issue of debt instruments	9	720.710.476	720.302.637
Repayment of borrowings	9	(3.395.830.809)	(2.291.547.085)
Payments of issued debt instruments	9	(740.044.766)	(2.893.307.624)
Increase / (decrease) in other payables to related parties		309.013.232	(331.762.515)
Proceeds from issuing shares		-	487.180.209
Proceeds from issuing other equity instruments		-	50.560.152
Dividends paid		(16.876.421)	(9.750.000)
Interest received		160.665.255	35.600.380
Interest paid		(593.094.492)	(493.525.121)
Payments of lease liabilities	9	(94.916.176)	(43.270.268)
Other cash inflows / (outflows)		(211.655.010)	(311.504.981)
Cash flows from financing activities		**(95.087.289)**	**70.681.052**
Net increase / (decrease) in cash and cash equivalents before the effects of foreign currency differences		134.963.385	263.337.001
Effects of foreign currency differences on cash and cash equivalents		133.769.516	116.944.660
Net increase / (decrease) in cash and cash equivalents		268.732.901	380.281.661
Cash and cash equivalents at the beginning of the period	7	1.232.698.823	852.417.162
Cash and cash equivalents at the end of the period	7	1.501.431.724	1.232.698.823

Accompanying notes are an integral part of these consolidated financial statements.

1 ORGANIZATION AND NATURE OF BUSINESS

Global Yatırım Holding A.Ş. ("the Company", or "Holding") was established in 1990 with the trade name Global Menkul Değerler A.Ş. as a brokerage company in İstanbul, Turkey. On 6 October 2004, the Company changed its trade name to Global Yatırım Holding A.Ş and its field of activity to restructure itself as a holding company. As part of its restructuring, on 2 October 2004, a new company, named Global Menkul Değerler A.Ş. was established by through a partial de-merger in accordance with under Turkish legislation law and 99,99% of its shares were owned by the Company. All of the Company's brokerage activities were transferred to this new company. The main operation of the Company's primary purpose is to participate invest in the capital and participate in the management of companies that operate or will operate in the fields of brokerage and asset management (formerly named as "financial services"), energy generation, natural gas, mining (formerly named as "naturel gas/mining/energy generation") , port operations (formerly named as "infrastructure") and real estate development sectors, and to minimize the volatility of its investments against economic fluctuations by handling managing the capital expenditure, financing, organization and administration of those its investment companies within portfolio, while contributing to such companies the achievement of sustainable growth and ensuring the going concern of those such companies to the benefit of the national economy, and to engage in commercial, industrial and financial activities in line with these goals.

Global Yatırım Holding (parent company), its subsidiaries, its joint ventures and its associates are together referred to as "the Group". As at 31 December 2022, the number of employees of the Group is 1.510 (31 December 2021: 1.401).

The Group is registered with the Capital Market Board ("CMB") and its shares have been traded on the Borsa İstanbul ("BIST") since May 1995 (from May 1995 to 1 October 2004, the Company traded as "Global Menkul Değerler A.Ş.").

The registered office of the Company is "Esentepe Mahallesi Büyükdere Caddesi 193 Apt Blok No: 193/2 34394 Şişli/İstanbul".

99,99% of the shares of the Company are listed on the BIST.

The Company's shareholding structure is presented in Note 24.

1 ORGANIZATION AND NATURE OF BUSINESS *(continued)*

The nature of the operations and the locations of the subsidiaries, and equity accounted investees of the Group are listed below:

(a) Subsidiaries

Subsidiaries	Location	Operations
Global Ports Holding B.V. (1)	Netherlands	Port Investments
Global Ports Holding Plc (1)	United Kingdom	Port Investments
Global Ports Europe B.V. ("Global BV")	Netherlands	Port Investments
Global Ports Netherlands B.V.	Netherlands	Port Investments
Global Liman İşletmeleri A.Ş. ("Global Liman")	Turkey	Port Investments
Ege Liman İşletmeleri A.Ş. ("Ege Liman") (2)	Turkey	Port Operations
Bodrum Yolcu Limanı İşletmeleri A.Ş. ("Bodrum Liman") (2)	Turkey	Port Operations
Port of Adria ("Bar Limanı") (2)	Montenegro	Port Operations
Cruceros Malaga, S.A ("Malaga Cruise Port") (3)	Spain	Port Operations
Global Ports Melita Ltd. ("GP Melita")	Malta	Port Operations
Valetta Cruise Port PLC ("VCP") (4)	Malta	Port Operations
Creuers del Port de Barcelona, S.A. ("Barcelona Port") (3)	Spain	Port Operations
Barcelona Port Investments, S.L ("BPI") (3)	Spain	Port Operations
Port Operation Holding S.r.l (5)(2)	Italy	Port Operations
Cagliari Terminali Passeggeri S.r.l. (5)	Italy	Port Operations
Catania Terminali Passeggeri S.r.l. (5)	Italy	Port Operations
Zadar International Port Operations ("ZIPO") (12)	Croatia	Port Operations
Travel Shopping Limited	Malta	Tourism Operations
Global Ports Mediterranean S.L. ("GP Med")	Spain	Tourism Operations
GPH Antigua Ltd. ("Antigua") (19)	Antigua and Barbuda	Port Operations
Nassau Cruise Port Ltd. ("NCP") (20)	Bahamas	Port Operations
GPH Americas Ltd.	Bahamas	Port Investments
GPH Bahamas Ltd. ("GPH Bahamas")	Bahamas	Port Investments
Global Ports Destination Services Ltd.	United Kingdom	Port Services
Global Depolama A.Ş. (2)	Turkey	Storage
Balearic Handling S.L.A.	Spain	Port Services
Shore Handling S.L.A.	Spain	Port Services
Port Management Services S.L.	Spain	Port Operations
Port Finance Investments Limited	United Kingdom	General Corporate Transaction
Taranto Cruise Port S.r.l	Italy	Port Services
Global Ports Canary Islands S.L.	Spain	Port Services
Global Ports Services Med	Spain	Port Services
Port Operations Services Ltd.	Cyprus	Port Operations
GPH Barbados Ltd.	Barbados	Port Management
GPH Cruise Port Finance Ltd. ("GPH CPF")	United Kingdom	Port Investments
GPH Kalundborg ApS	Denmark	Port Operations
Crotone Cruise Port S.r.l (Crotone Cruise Port, Italy)	Italy	Port Operations
Global Ports Tarragona S.L.	Spain	Port Operations
GPH Malta Finance PLC	Malta	General Corporate Transaction
Prince Rupert Cruise Terminal LTD	Canada	Port Operations
Global Gemicilik ve Nakliyat Hizmetleri A.Ş. ("Global Gemicilik")	Turkey	Maritime Investments
Consus Enerji İşletmeciliği ve Hizmetleri A.Ş. ("Consus Enerji") (7) (22)	Turkey	Energy Investments
Tres Enerji Hizmetleri Sanayi ve Ticaret A.Ş ("Tres Enerji") (7)	Turkey	Energy Generation
Mavibayrak Enerji Üretim. A.Ş. ("Mavi Bayrak") (7)	Turkey	Energy Generation
Mavibayrak Doğu Enerji Üretim A.Ş. (7) (8)	Turkey	Energy Generation
Doğal Enerji Hizmetleri ve San.Tic. A.Ş. ("Doğal Enerji") (7)	Turkey	Electricity Generation
Consus Energy Europe B.V.	Netherlands	Energy Investments
Global Africa Power Investments (9)	Mauritius	Energy Generation
Glowi Energy Investments Limited (9)	Malavi	Energy Investments
Glozania Energy Investments Limited (9)	Tanzania	Energy Investments
Barsolar D.O.O.	Montenegro	Energy Generation
Ra Güneş Enerjisi Üretim San. ve Tic. A.Ş. ("Ra Güneş") (6) (7)	Turkey	Electricity Generation
Naturelgaz Sanayi ve Tic. A.Ş. ("Naturelgaz") (21)	Turkey	Compressed Natural Gas Sales
Naturelgaz Gaz İletim A.Ş.	Turkey	Natural Gas and Petroleum Products Transportation
Straton Maden Yatırımları ve İşletmeciliği A.Ş. ("Straton")	Turkey	Mining
Tenera Enerji Tic. A.Ş. ("Tenera") (7)	Turkey	Electricity and Natural Gas Trade

(Currency: Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

1 ORGANIZATION AND NATURE OF BUSINESS *(continued)*

(a) Subsidiaries: *(continued)*

Subsidiaries	Location	Operations
Edusa Atık Bertaraf Geri Kazanım ve Depolama San. ve Tic. A.Ş. ("Edusa Atık") (9)	Turkey	Energy Generation
Solis Enerji Üretim ve Ticaret A.Ş	Turkey	Energy Generation
Dağören Enerji A.Ş. ("Dağören") (7)	Turkey	Electricity Generation
Ardus Gayrimenkul Yatırımları A.Ş. (10)	Turkey	Real Estate Investments
Global Ticari Emlak Yatırımları A.Ş. (11)	Turkey	Real Estate Investments
Rıhtım51 Gayrımenkul Yatırımları A.Ş.	Turkey	Real Estate Investments
Global Menkul Değerler A.Ş. ("Global Menkul") (13)	Turkey	Brokerage
Global MD Portföy Yönetimi A.Ş. (14)	Turkey	Portfolio Management
İstanbul Portföy Yönetimi A.Ş. (23)	Turkey	Portfolio Management
Global Sigorta Aracılık Hizmetleri A.Ş. ("Global Sigorta")	Turkey	Insurance Agency
Güney Maden İşletmeleri A.Ş. ("Güney")	Turkey	Mining
Tora Yayıncılık A.Ş. ("Tora")	Turkey	Publishing
Sem Yayıncılık A.Ş. ("Sem") (15)	Turkey	Publishing
Maya Turizm Ltd. ("Maya Turizm") (16)	Cyprus	Tourism Investments
Randa Denizcilik San. ve Tic. Ltd. Şti. ("Randa") (17)	Turkey	Marine Vehicle Trade
Adonia Shipping Limited	Malta	Ship Management
Vinte Nova (24)	Cayman Islands	Financial Investments
Global Financial Products Ltd. ("GFP") (25)	Cayman Islands	Financial Investments
Vespa Enterprises (Malta) Ltd. ("Vespa")	Malta	Tourism Investments
Aristaeus Limited	Malta	Financial Investments
GYH Danışmanlık ve Yönetim Hizmetleri A.Ş. (18)	Turkey	Administrative Consultancy
Rainbow Tech Ventures Limited	Malta	Technology Investments
Rainbow Destination Development Services Ltd.	Bahamas	Consultancy
Rainbow Holdings Worldwide Limited	United Kingdom	Technology Investments

(1) On 11 May 2017, the Group has completed the initial public offering ("IPO") of its ordinary shares and is trading on the main market of the London Stock Exchange. Global Ports Holding Plc, the company which shares is started to be trading on the London Stock Exchange is owned by Global Ports Holding B.V (89,16% ownership and 49.038.000 shares) (a wholly subsidiary of the Global Yatırım Holding) and European Bank for Reconstruction and Development ("EBRD") (10,84% ownership and 5.962.000 shares). Together with the additional shares sale option, 10.967.532 shares have been sold by the Group in IPO and continue to own 60,60% of shares. As at 31 December 2022 the Company continue to own 63,55% of shares of Global Ports Holding Plc indirectly (31 December 2021: 62,54%).

(2) These companies are consolidated under Global Liman.

1 ORGANIZATION AND NATURE OF BUSINESS *(continued)*

(a) Subsidiaries *(continued):*

(3) Global Liman acquired 43% of shares Creuers del Port de Barcelona S.A ("Barcelona Port") which has majority shares of Malaga Cruise Port and minority shares of Singapore Cruise Port through Barcelona Port Investments, S.L ("BPI") established in partnership with Royal Caribbean Cruises Ltd. and recognized the transaction as equity accounted investee in the consolidated financial statements as at 31 December 2013. These companies have been consolidated as subsidiaries after the acquisition processes completed as 30 September 2015.

(4) The Group has acquired 55,60% of shares of VCP on 15 November 2015 and has started to include in the scope of consolidation as of 31 December 2015. VCP was set up to develop the Valletta Waterfront, situated on the Grand Harbour, Malta, for the purpose of the operation and management of a cruise liner passenger terminal and an international ferry passenger terminal together with complementary leisure facilities. VCP is also responsible for the handling of international cruise and ferry passengers and was granted a license by the Malta Maritime Authority. The concession will end in 2067.

(5) Global Liman has acquired 51% shares of Ravenna Terminali Passeggeri S.r.l (operating Ravenna Passenger Port), 71% shares of Cagliari Terminali Passeggieri S.r.l (operating Cagliari Passenger Port) and 62% shares of Catania Terminali Passeggieri S.r.l (operating Catania Passenger Port) in 2016, through Port Operation Holding S.r.l, a subsidiary of the Global Liman with 100% shareholding rate. The term of the port operation right of Ravenna Terminali Passeggeri S.r.l. has been ended in 2021.

(6) This company was established in 27 November 2012 and consolidated to Consus Enerji.

(7) Consus Enerji İşletmeciliği ve Hizmetleri A.Ş. was established on 28 August 2014. Subsidiaries of the Group operating in electricity generation, energy generation and cogeneration are consolidated to Consus Enerji as at reporting date.

(8) Mavi Bayrak Doğu Enerji Üretim A.Ş. was established 9 April 2015 to operate in energy generation sector and consolidated to Consus Enerji.

(9) These companies were established for the purpose of the Group's energy investment.

(10) This company has been established on 30 December 2016 through a partial division to coordinate real estate projects under one entity.

(11) This company was established on 20 August 2014 to operate in real estate investment sector.

1 ORGANIZATION AND NATURE OF BUSINESS *(continued)*

(a) Subsidiaries *(continued):*

(12) Zadar International Port Operations ("ZIPO") a subsidiary of the Global Liman with 100% shareholding rate, was established in Zadar (Croatia) for attending to tender for concession of Gazenica cruise port operation rights. ZIPO has signed a 20-year concession agreement ("the Agreement") dated 12 September 2018, with the Port Authority of Zadar for the operating rights of the Gazenica cruise port in Zadar, Croatia. The concession includes cruise ship passenger port and terminal services, an international ferry terminal, Ro-Ro services, vehicles and passenger services. The cruise ports infrastructure includes a maximum draft of 13m and 1.170m of total pier length, accommodating ships of any sizes. It also contains a commercial area of 2.400sqm, with leasable retail and office space.

(13) The Group's effective ownership rate in this company decreased to 76,85% as at 31 December 2011 as a result of the sale of its shares in 2011 through an initial public offering and direct sale and subsequent purchase of some of its publicly traded shares. As at 31 December 2022, the Group's effective ownership rate in this company is 75% (31 December 2021: 75%).

(14) This company is consolidated to Global Menkul Değerler A.Ş.

(15) This company is consolidated to Tora.

(16) This company is a joint venture of Vespa and consolidated to the Group.

(17) This company was divested on 2 February 2022. This company is inactive, and its financial statements are immaterial in the consolidated financial statements, so as at 31 December 2021 it is excluded from the scope of consolidation.

(18) GYH Danışmanlık ve Yönetim Hizmetleri A.Ş., subsidiary of the Group with a 100% shareholding rate (the controlling shareholder of Global Menkul Değerler A.Ş. and İstanbul Portföy Yönetimi A.Ş.) has been restructured as a Holding Company. Its trade name has been amended as GFS Holding A.Ş. and trade registry process has been completed.

(19) GPH Antigua was established in Antigua and Barbuda for signing the concession agreement of St John's cruise terminal port operation rights. GPH Antigua has signed a 25-year concession agreement ("the Agreement"), with the Government of Antigua and Barbuda for the operating rights of the St John's cruise terminal in Antigua. Under the terms of the Agreement, GPH will from 23 October 2019, use its global expertise and operating model to manage all the cruise port operations at St John's cruise terminal over the life of the concession. The concession includes cruise ship passenger port and terminal services, as well as an enhancement investment in the Terminal area, to modernize the terminal. After completion of CAPEX, the terminal will have 2.400sqm, with leasable retail spaces.

1 ORGANIZATION AND NATURE OF BUSINESS *(continued)*

(a) Subsidiaries *(continued):*

(20) NCP was established in Nassau (Bahamas) for signing of Port Operation and Lease Agreement ("POLA") with respect to the Nassau Cruise Port at Prince George wharf. GPH Bahamas, a wholly owned subsidiary of GPH Plc, owns a 49% equity interest in NCP, Bahamian Investment Fund "BIF" (a Company established by Bahamian authorities for arrangement of financing of the project) holds 49% shares, and YES Foundation (a charitable fund dedicated to empowering generations of Bahamians by supporting local youth, education, and sports-related programs) holds remaining 2% shares of NCP. NCP has signed a 25-year agreement ("the Agreement") from the end of construction completion, with the Government of Bahamas ("GoB") for the operating rights of the Prince George wharf in Nassau, Bahamas, starting from 11 November 2019. Under the terms of the Agreement, NCP has an obligation to perform capital investments which include Cruise Terminal for an iconic design respecting and reflecting the richness and uniqueness of the traditional Bahamian culture. The concession includes cruise ship passenger port and terminal services. It will also contain a commercial area, after completion of CAPEX, with leasable retail and office space.

(21) The application for initial public offering ("IPO") of Naturelgaz, subsidiary of the Company, was approved by Capital Markets Board on 18 March 2021. Naturelgaz has successfully completed the IPO process on 31 March 2021. The offering comprised from issuance of new ordinary shares and sale of existing shares. Naturelgaz issued 14.981.406 new shares, increasing the total number of shares issued from 100.018.594 to 115.000.000. In addition, GYH sold 19.518.594 existing shares. After the IPO completed on 31 March 2021, GYH remains the largest shareholder of Naturelgaz with 70% (31 December 2022: 70%). Detailed information related to IPO is presented in Note 24.8.

(22) The initial public offering ("IPO") of Consus Enerji İşletmeciliği ve Hizmetleri A.Ş., 100% subsidiary of the Company, has been successfully completed and it started to be traded in BIST with the base price of TL 4.50 / share, "CONSE.E" code, and continuous trading method as of 20 April 2022.

The offering comprised from issuance of new ordinary shares and sale of existing shares with fixed price and equal distribution sale. Consus Enerji issued 52.500.000 new shares, increasing the total number of shares issued from 333.000.000 to 385.500.000. In addition, GYH sold 63.000.000 shares with nominal value of TL 63.000.000. As a result, 115.500.000 shares with nominal value of 115.500.000 were offered to public. Detailed information related to IPO is presented in Note 24.8.

1 ORGANIZATION AND NATURE OF BUSINESS *(continued)*

(a) Subsidiaries *(continued):*

(23) The application of Actus Portföy Yönetimi A.Ş. (Actus Portföy) to CMB on 29 May 2020 regarding the merger under İstanbul Portföy Yönetimi A.Ş. ("İPY") with its all asset and liability by way of taking over by İPY with the framework of the relevant articles of the Turkish Commercial Code ("TCC") numbered 6102, the Capital Market Board numbered 6362 and the Corporate Tax Law numbered 5520 approved by the CMB's letter dated 24 June 2020 and numbered 12233903-350.15-E.6409. In this direction, as of 25 September 2020, merger transaction were completed with all asset and liability of Actus Portföy by way of taking over by İPY. This merger transaction was approved by the CMB's letter dated 24 June 2020 and numbered 12233903-350.15-E.6409 and the registration process was completed on 25 September 2020 and announced in the Trade Registry Gazette dated 30 September 2020 and numbered 10171. Post-merger, the Company has 26,6% shares of İPY and has an option to acquire an additional 40% shares of the merged entity. As of 30 September 2020, the Group has started to consolidate İPY as an equity accounted investee.

In 2020, according to merger effect occurred while the merger transaction of Actus Portföy through dissolve without liquidation by way of taking over by İPY and valuation report prepared by an independent valuation company authorized by CMB to provide valuation services, the difference between fair value and book value arising during merger transaction with respect to market value of TL 23.014.688 was accounted under other operating income.

The Company has acquired 5.673.600 shares with a total nominal value of TL 5.673.600 which corresponds to 40% of the share capital of İPY, through the exercise of the option on 3 September 2021. The total consideration is 77.352.322 TL and was paid fully in cash on 3 September 2021. As a result of the acquisition of additional shares, the Group's ownership rate in İPY has increased to 66,60% and the Group has started to fully consolidate İPY as of 30 September 2021 (31 December 2022: 66,60%).

(24) This company was divested on 30 June 2022.

(25) This company was divested on 30 December 2022.

(Currency: Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

1 ORGANIZATION AND NATURE OF BUSINESS *(continued)*

(b) Equity Accounted Investees

Investments in associates	Location	Operations
IEG Global Kurumsal Finansman Danışmanlık A.Ş. ("IEG") (1)	Turkey	Corporate Finance Consulting
LCT- Lisbon Cruise Terminals, LDA ("Port of Lisbon") (2)	Portugal	Port Operations
SATS-Creuers Cruise Services Pte. Ltd. ("Port of Singapore") (3)	Singapore	Port Operations
Venezia Investimenti Srl (4)	Italy	Port Operations
La Spezia Cruise Facility S.c.a.r.l (5)	Italy	Port Operations
Goulette Cruise Holding Ltd. (UK) ("Goulette") (6)	United Kingdom	Port Investments
Pelican Peak Investment Inc (7)	Canada	Tourism Investments
1121438 B.C. LTD	Canada	Tourism Investments
Vigo Atlantic Cruise Terminal S.L.	Spain	Port Operations

(1) This company has been established on 17 May 2011 with a 50% - 50% shareholding structure by Global Menkul, a subsidiary of the Group, and IEG (Deutschland) GmbH, as a prominent company in corporate finance sector in Europe.

(2) The Group has entered into the concession agreement of Lisbon Cruise Terminals within the framework of a public-service concession on 18 July 2014 as a part of the consortium comprised of Global Liman, RCCL, Creuers and Group Sousa – Investimentos SGPS, LDA.

Within the scope of the concession, Global Liman completed the transactions of transferring Lisbon Cruise Terminal to LCT-Lisbon Cruise Terminal called LDA physically on 26 August 2014 and Lisbon Cruise Terminal has been consolidated as equity accounted investee as at 30 September 2014.

(3) Barcelona Port Investments, S.L ("BPI") which was established in partnership with Global Liman and Royal Caribbean Cruises Ltd. acquired majority shares of Barcelona Port and Malaga Cruise Port and minority shares of Singapore Cruise Port as at 30 September 2014. After the date of acquisition, Singapore Cruise Port has been started to be consolidated by equity accounting method.

(4) Global Liman, a subsidiary of the Group, has founded Venezia Investimenti Srl, which operates the Port of Venezia ("Venezia Terminal Passegeri S.p.A (VTP)") through a Joint Venture Group with Costa Costa Crociere SpA, MSC Cruises SA and Royal Caribbean Cruises Ltd, each of which will have a 25% stake. As of 19 July 2016, the international consortium, which is a member of Global Ports Operations, has become to own indirectly 44,48% of VTP with Finpax shares previously acquired.

1 ORGANIZATION AND NATURE OF BUSINESS *(continued)*

(b) Equity Accounted Investees *(continued)*

(5) Global Liman has acquired 28,5% minority shares of La Spezia Cruise Facility Srl (operating La Spezia Passenger Port) in 2016, through Port Operation Holding S.r.l, a subsidiary of the Global Liman with 100% shareholding rate.

(6) Goulette Cruise Holding is a joint venture established 50%-50% between the Company and MSC Cruises S.A. ("MSC"), to acquire La Goulette Shipping Cruise, which operates the cruise terminal in La Goulette, Tunisia. The Company made a share capital contribution for its 50% shareholding amounting to EURO 55.000 and issued a loan of USD 6 million in December 2019 to fund the acquisition of La Goulette Shipping Cruise proportionately to its share. The joint venture acquired the shares in La Goulette Shipping Cruise on 26 December 2019.

(7) GP Med, a subsidiary of the Group, has acquired 10,23% shares of Pelican Peak Investments Inc (“Pelican Peak”) in 2020. The main aim of acquisition is to increase its ancillary revenues in the Caribbean region. The main object of the acquisition is to track company’s operations financially and to explore new service areas to be offered to passangers with potential vertical growth. As of the reporting date, Pelican Peak is consolidated under equity accounted investees.

The Company has sold its shares in Axel Corporation Grupo Hotelero SL (“Axel”), corresponding 35% of share capital of Axel, on 2 November 2021. Axel is operating in Spain, was owned by Aristaeus Limited, subsidiary of the Group, and was consolidated as an investment accounted for using equity method. The gain on sale amounting to TL 57.605.449 from the sale of shares has accounted under other operating income in consolidated financial statements (Note 28.2).

All companies have the same fiscal year with the Parent, 1 January – 31 December, except Singapore Cruise Port, NCP and Global Ports Holding Plc which have a fiscal year starting on 1 April, to 31 March next year.

2 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING POLICIES

2.1 Basis of Preparation

(a) Statement of Compliance to Turkish Financial Reporting Standards ("TFRS")

The accompanying consolidated financial statements are prepared based on the Turkish Financial Reporting Standards ("TFRS") that have been put into effect by the Public Oversight Accounting and Auditing Standards Authority ("POA") in accordance with the requirements of Capital Markets Board ("CMB") Communiqué Serial II, No: 14.1 "Basis of Financial Reporting in Capital Markets", which were published in the Official Gazette No:28676 on 13 June 2013. TFRS's contain Turkish Accounting Standards ("TAS"), Turkey Financial Reporting Standards, TAS interpretations, and TFRS interpretations published by POA.

The consolidated financial statements are presented in accordance with the TFRS Taxonomy developed based on the Illustrative Financial Statements and User Guide published by POA in the Official Gazette numbered 30794 on 7 June 2019.

Approval of consolidated financial statements:

The accompanying consolidated financial statements are approved by the Company's Board of Directors on 10 March 2023. The General Assembly of the Company has the right to amend, and relevant regulatory bodies have the right to request the amendment of these consolidated financial statements.

Additional paragraph for convenience translation to English:

The accounting principles described in Note 2 (defined as Turkish Accounting Standards/Turkish Financial Reporting Standards) to the accompanying consolidated financial statements differ from International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") with respect to the application of inflation accounting, classification of some income statement items and also for certain disclosures requirement of the POA.

(b) Preparation of Financial Statements in Hyperinflationary Economies

With the resolution taken on 17 March 2005, the CMB has announced that, effective from 1 January 2005, the application of TAS 29 "Financial Reporting in Hyperinflationary Economies" issued is no longer required for companies operating in Turkey and accordingly effective from 1 January 2005, TAS 29 has not been applied in preparing the Group's consolidated financial statements.

POA made a declaration on the Implementation of Financial Reporting in High Inflation Economies in the scope of TFRS on 20 January 2022, the cumulative change in the general purchasing power of the last three years according to the Consumer Price Index (CPI) is 74,41% and it has been stated that there is no need to make any adjustments within the scope of TAS 29 Financial Reporting in Hyperinflationary Economies in the consolidated financial statements for 2021. In this respect, while preparing the financial statements as of 31 December 2022, no inflation adjustment was made according to TAS 29.

(c) Basis of measurement

The consolidated financial statements are prepared based on historical cost except for financial instruments, investment property and derivatives that are measured at fair value.

The methods used for measuring fair value are disclosed in Note 2.3.

2 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING POLICIES *(continued)*

2.1 Basis of Preparation *(continued)*

(d) Functional and Presentation Currency

Items included in the financial statements of the entities within the Group structure are presented in the functional currencies in their primary economic environments in which those companies operate.

The consolidated financial statements are presented in Turkish Lira ("TL") which is the functional currency of the Company.

US Dollar is significantly used in the operations of the subsidiaries GFP, Vespa, Doğal Enerji, Mavi Bayrak Enerji, Ra Güneş, Mavi Bayrak Doğu, Ege Liman, Bodrum Liman, Global Ports Holding Plc, GPH Antigua, GPH Americas, GPH Bahamas, Prince Rupert Cruise Terminal LTD, Rainbow Destination Development Services, GPH Cruise Port Finance LTD, NCP and has a significant effect on the operations. Therefore, US Dollar has been determined as the functional currency of these companies in line with TAS 21 - The Effects of Changes in Foreign Exchange Rates.

EURO is significantly used in the operations of the subsidiaries; Port of Adria, Adonia Shipping, Straton Maden, Barsolar, BPI, VCP, Global BV, Crotone Cruise Port S.r.l, Port Operation Holding S.r.l., Cagliari Terminali Passeggeri S.r.l., Catania Terminali Passeggeri S.r.l., Taranto Cruise Port S.r.l., Global Ports Canary Islands S.L., Port Operations Services Ltd., Aristaeus, Barcelona, ZIPO, Malaga Port, Balearic Handling S.L.A., Shore Handling S.L.A., Global Ports Tarragona S.L., GPH Kalundborg ApS, Global Ports Services Med and Global Ports Mediterranean. Therefore, EURO has been determined as the functional currency of these companies in line with TAS 21 - The Effects of Changes in Foreign Exchange Rates.

(e) Netting/Offsetting

The Group's financial assets and liabilities are offset, and the net amount is presented in the consolidated balance sheet if and only if there is a legally enforceable right to set off the amounts and there is an intention to settle on a net basis or to realize the asset and settle the liability simultaneously.

2 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING POLICIES *(continued)*

2.1 Basis of Preparation *(continued)*

(f) Basis of Consolidation

As at 31 December 2022 and 2021, the consolidated financial statements include the financial statements of the subsidiaries and associates of Global Yatırım Holding A.Ş..

(i) Business combination

Business combinations are accounted for using the acquisition method as at the acquisition date when control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

The Group measures goodwill at the acquisition date as:

- The fair value of the consideration transferred; plus
- The recognized amount of any non-controlling interests in the acquiree; plus
- If the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree; less
- The net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed

When the excess is negative, a bargain purchase gain is recognized immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognized in profit or loss.

Transactions costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

2 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING POLICIES *(continued)*

2.1 Basis of Preparation *(continued)*

(f) Basis of Consolidation *(continued)*

(ii) Subsidiaries

Subsidiaries are those entities on which the Group has the power to control. The Group controls the companies when it is incurred changeable returns due to relations of any companies or has a right to own these returns and has a power to affect these returns. The financial statements of the subsidiaries are included in the consolidated financial statements from the date on which control is transferred to the Group to the date on which control is transferred out from the Group. The Group has made adjustments on the financial statements of the subsidiaries to be inconsistent with the basis of applied accounting standards if it is necessary.

For each business combination, the Group elects to measure any non-controlling interests in the acquire either:

- At fair value; or
- At their proportionate share of the acquiree's identifiable net assets, which are generally at fair value

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners. Adjustments to non-controlling interests are based on a proportionate amount of the net assets of the subsidiary. No adjustments are made to goodwill and no gain or loss is recognized in profit or loss.

Losses in non-controlling interest of subsidiaries are transferred to non-controlling interest even if the result is negative.

On the loss of control, the Group derecognizes the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus of deficit arising on the loss of control is recognized in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently that retained interest is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

(Currency: Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

2 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING POLICIES *(continued)*

2.1 Basis of Preparation *(continued)*

(f) Basis of Consolidation *(continued)*

(ii) Subsidiaries (continued)

The table below demonstrates the rates of the effective ownership and the voting power held in terms of percentages (%) as of 31 December 2022 and 2021 for all subsidiaries directly or indirectly controlled by the Group:

	Effective ownership rates		Voting power held	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Global Liman İşletmeleri A.Ş.	63,55	62,54	63,55	62,54
Ege Liman İşletmeleri A.Ş.	46,07	45,34	46,07	45,34
Bodrum Yolcu Limanı İşletmeleri A.Ş.	38,13	37,52	38,13	37,52
GPH Malta finance PLC	63,54	-	63,54	-
Port of Adria	40,15	39,51	40,15	39,51
Cruceros Malaga, S.A. ("Malaga Port")	39,40	38,77	39,40	38,77
Global Ports Holding B.V.	100,00	100,00	100,00	100,00
Global Ports Holding Plc	63,55	62,54	63,55	62,54
Global Ports Europe B.V ("Global BV")	63,55	62,54	63,55	62,54
Global Ports Melita Ltd.	63,55	62,54	63,55	62,54
Valetta Cruise Port PLC ("VCP")	35,33	34,77	35,33	34,77
Creuers del Port de Barcelona, S.A. ("Creuers")	39,40	38,77	39,40	38,77
Barcelona Port Investments, S.L ("BPI")	39,40	38,77	39,40	38,77
Port Operation Holding S.r.l	63,55	62,54	63,55	62,54
Ravenna Terminal Passeggeri S.r.l.	-	62,54	-	62,54
Cagliari Cruise Port S.r.l.	45,05	44,34	45,05	44,34
Catania Terminali Passeggeri S.r.l.	40,14	39,50	40,14	39,50
Global Ports Netherlands B.V.	63,55	62,54	63,55	62,54
Zadar International Ports Operations d.o.o.	63,55	62,54	63,55	62,54
Travel Shopping Limited	31,80	31,30	31,80	31,30
Global Depolama A.Ş.	63,54	62,53	63,54	62,53
Consus Enerji İşletmeciliği ve Hizmetleri A.Ş.	68,00	100,00	68,00	100,00
Tres Enerji Hizmetleri Sanayi ve Ticaret A.Ş.	68,00	100,00	68,00	100,00
Mavibayrak Enerji Üretim A.Ş.	68,00	100,00	68,00	100,00
Mavibayrak Doğu Enerji Üretim A.Ş.	68,00	100,00	68,00	100,00
Doğal Enerji Hizmetleri San. Ve Tic. A.Ş.	68,00	100,00	68,00	100,00
Prince Rupert Cruise Terminal LTD	63,55	-	63,55	-
Consus Energy Europe BV	100,00	100,00	100,00	100,00
Global Africa Power Investments	100,00	100,00	100,00	100,00
Glowi Energy Investments Limited	100,00	100,00	100,00	100,00
Glozania Energy Investments Limited	100,00	100,00	100,00	100,00
Barsolar D.O.O.	51,00	51,00	51,00	51,00
Ra Güneş Enerjisi Üretim San. ve Tic. A.Ş.	68,00	100,00	68,00	100,00
Naturelgaz San. ve Tic. A.Ş.	70,00	70,00	70,00	70,00
Straton Maden Yatırımları ve İşletmeciliği A.Ş.	97,69	97,69	97,69	97,69
Tenera Enerji Tic. A.Ş.	68,00	100,00	68,00	100,00
Edusa Atık Bertaraf Geri Kazanım ve Depolama San. ve Tic. A.Ş.	68,00	100,00	68,00	100,00
Dağören Enerji A.Ş.	70,00	70,00	70,00	70,00
Ardus Gayrimenkul Yatırımları A.Ş.	100,00	100,00	100,00	100,00
Global Ticari Emlak Yatırımları A.Ş.	100,00	100,00	100,00	100,00
Pera Gayrimenkul Yatırım Ortaklığı A.Ş.	-	12,36	-	12,36
Rıhtım51 Gayrimenkul Yatırımları A.Ş.	100,00	100,00	100,00	100,00
Global Menkul Değerler A.Ş.	75,00	75,00	75,00	75,00
Global MD Portföy Yönetimi A.Ş.	75,00	75,00	75,00	75,00
İstanbul Portföy Yönetimi A.Ş.	66,60	66,60	66,60	66,60
Global Sigorta Aracılık Hizmetleri A.Ş.	100,00	100,00	100,00	100,00
Güney Maden İşletmeleri A.Ş.	100,00	100,00	100,00	100,00
Tora Yayıncılık A.Ş.	100,00	100,00	100,00	100,00
Sem Yayıncılık A.Ş.	65,00	65,00	65,00	65,00
Maya Turizm Ltd.	50,00	56,18	50,00	56,18
Randa Denizcilik San. ve Tic. Ltd. Şti.	-	62,53	-	62,53
Adonia Shipping Limited	99,93	99,93	99,93	99,93
Global Gemicilik ve Nakliyat Hizmetleri A.Ş.	90,00	90,00	90,00	90,00
Global Ports Mediterranean S.L.	63,55	62,54	63,55	62,54
GPH Antigua Ltd.	63,55	62,54	63,55	62,54
Nassau Cruise Port Ltd.	31,14	30,64	31,14	30,64
GPH Americas Ltd.	63,55	62,54	63,55	62,54
GPH Bahamas Ltd.	63,55	62,54	63,55	62,54
Global Ports Destination Services Ltd (UK)	63,55	62,54	63,55	62,54
Port Finance Investments Limited	63,55	62,54	63,55	62,54
Balearic Handling S.L.A.	32,41	31,90	32,41	31,90
Shore Handling S.L.A.	32,41	31,90	32,41	31,90
Port Management Services S.L.	63,55	62,54	63,55	62,54
Taranto Cruise Port S.r.l	63,55	62,54	63,55	62,54
Global Ports Canary Islands S.L.	50,84	50,03	50,84	50,03
Port Operations Services Ltd.	60,37	59,41	60,37	59,41
GPH Barbados Ltd.	63,55	62,54	63,55	62,54
GPH Cruise Port Finance LTD.	63,55	62,54	63,55	62,54
GPH Kalundborg ApS	63,55	62,54	63,55	62,54
Global Ports Tarragona S.L.	63,54	62,53	63,54	62,53
Vinte Nova	-	99,93	-	99,93
Global Financial Products Ltd.	-	100,00	-	100,00
Vespa Enterprises (Malta) Ltd.	99,93	99,93	99,93	99,93
Aristaeus Limited	100,00	100,00	100,00	100,00
GYH Danışmanlık ve Yönetim Hizmetleri A.Ş.	100,00	100,00	100,00	100,00
Global Ports Services Med	63,55	-	63,55	-
Crotone Cruise Port S.r.l (Crotone Cruise Port, Italy)	63,55	-	63,55	-
Naturelgaz Gaz İletim A.Ş.	100,00	-	100,00	-
Solis Enerji Üretim ve Ticaret A.Ş	68,00	-	68,00	-
Rainbow Destination Development Services Ltd.	100,00	-	100,00	-
Rainbow Tech Ventures Limited	100,00	100,00	100,00	100,00
Rainbow Holdings Worldwide Limited	100,00	100,00	100,00	100,00

2 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING POLICIES *(continued)*

2.1 Basis of Preparation *(continued)*

(f) Basis of Consolidation *(continued)*

(iii) Non-controlling interest

For each business combination, the Group elects to measure any non-controlling interests in the acquire either:

- At fair value; or
- At their proportionate share of the acquiree's identifiable net assets, which are generally at fair value

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners. Adjustments to non-controlling interests are based on a proportionate amount of the net assets of the subsidiary. No adjustments are made to goodwill and no gain or loss is recognized in profit or loss.

(iv) Under common control transactions

Transactions arising from transferring or acquisition shares of entities under the common control are recognized as at the beginning of the period in which the transaction accrued. Comparative periods are restated for that purpose. Acquired assets and liabilities are recognized at book value which is the same as recorded book value in under common control entity's financial statements. Shareholder's equity items of entities under common control are recognized in equity of the Group except for capital and current profit or loss is recognized in equity.

(v) Transactions with non-controlling interest

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

(Currency: Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

2 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING POLICIES *(continued)*

2.1 Basis of Preparation *(continued)*

(f) Basis of Consolidation *(continued)*

(vi) Joint ventures and associates

Associates are those entities, in which the Group has significant influence, but not control, over the financial and operating policies. Joint ventures are those entities over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions. Significant influence is presumed to exist when the Group holds between 20% and 50% of the voting power of another entity. Joint ventures are accounted for using the equity accounting method.

The Group's associates are accounted under equity accounting method in the accompanying consolidated financial statements. Under the equity accounting method, the investment in an associate is initially recognized at cost and the carrying amount is increased or decreased to recognize the investor's share of net assets in the associate.

When the Group's share of losses exceeds its interest in an associate or joint venture, the carrying amount of that interest (including any long-term investments) is reduced to zero and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee. If the associate or joint venture subsequently reports profits, the share of the profits, only after its share of losses not recognized, is recognized in the financial statements.

The table below demonstrates the rates of the effective ownership and the voting power held in terms of percentages (%) as of 31 December 2022 and 2021 for the associates:

	Effective ownership rates		Voting power held	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Lisbon Cruise Terminals ("Lizbon Limanı")	29,36	28,89	29,36	28,89
SATS – Creuers Cruise Services Pte. Ltd. ("Singapur Limanı")	15,76	15,51	15,76	15,51
Venezia Investimenti SRL	15,89	15,64	15,89	15,64
La Spezia Cruise Facility S.c.a.r.l	18,11	17,82	18,11	17,82
IEG Global Kurumsal Finansman Danışmanlık A.Ş. (IEG)	37,50	37,50	37,50	37,50
Goulette Cruise Holding Ltd. (UK) ("Goulette") (Not 1)	31,77	31,27	31,27	31,27
Pelican Peak Investment Inc	6,50	6,40	6,50	6,40
1121438 B.C. LTD	7,88	7,75	7,88	7,75
Vigo Atlantic Cruise Terminal S.L.	16,20	-	16,20	-

2 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING POLICIES *(continued)*

2.1 Basis of Preparation *(continued)*

(f) Basis of Consolidation *(continued)*

(vii) Equity Securities

Equity securities in which the Group owns either directly or indirectly less than 20% of the shares, that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are showed as equity investments at fair value through fair value through other comprehensive income at consolidated financial statements.

As at 31 December 2022, Barsolar D.O.O in which the Group has effective ownership interest of %51, Global Ports Destination Services Ltd., GPH Bahamas Ltd, GPH Americas Ltd, Port Management Services S.L., Port Finance Investments Limited in which the Group has effective ownership interest of 63,55%, Consus Energy BV and Naturelgaz İletim A.Ş with an effective ownership interest of 100% and Glowi Energy Investments Ltd., Rainbow Destination Development Services Ltd, Glozania Energy Investments Ltd., Global Africa Power Investments and Rainbow Holdings Worldwide Limited with an effective ownership interest of 100% which are immaterial to the consolidated financial statements are disclosed as equity investments at fair value through other comprehensive income. Equity investments at fair value through fair value through other comprehensive income are initially measured at fair value plus transaction costs that are directly attributable to its acquisition. These assets are subsequently measured at fair value.

(viii) Consolidation adjustments

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealized gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment. Carrying value of shares owned by the Group and dividends arising from these shares has been eliminated in equity and profit or loss statements.

In consolidation of operating results and financial positions of subsidiaries whose functional currency is other than TL, main consolidation transactions are made such as elimination of related party balances and transactions. But a monetary asset (or liability) of related parties regardless of current or non-current (except for monetary items which are part of net investment of the Group in its subsidiaries whose functional currency is more than TL) cannot be eliminated with related party liability (or related party asset) without presenting results of fluctuation of foreign currencies in consolidated financial statements. Because a monetary item provides obligation of translation of any currency to other currency and makes the Group exposed to gain or losses arising from fluctuation of foreign currencies. Correspondingly, these kinds of foreign exchange differences are recognized in profit or loss of consolidated financial statements of the Group.

(Currency: Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

2 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING POLICIES *(continued)*

2.2 Changes in Accounting Policies

Comparative information and restatement of prior period financial statements

The Group's financial statements are prepared in comparison with the previous period to enable clarification of changes in financial position and performance. The comparable information is reclassified and material differences are explained when required to provide conformity with current year's financial information. In the current period, the Group did not reclassify the previous period's consolidated financial statements.

The New and Amended in Turkish Financial Reporting Standards ("TFRS")

The accounting policies adopted in preparation of the consolidated financial statements as of 31 December 2022 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRS interpretations effective as of 1 January 2022 and thereafter. The effects of these standards and interpretations on the Group's financial position and performance have been disclosed in the related paragraphs.

A) The amendments and interpretations which are effective as of 2022 are as follows

Amendments to TFRS 3	*Reference to the Conceptual Framework*
Amendments to TAS 16	*Property, Plant and Equipment – Proceeds before Intended Use*
Amendments to TAS 37	*Onerous Contracts – Cost of Fulfilling a Contract*
Annual Improvements to TFRS Standards	*Amendments to TFRS 1, TFRS 9 and TAS 41*
2018-2020 Amendments to TFRS 16	*COVID-19 Related Rent Concessions beyond 30 June 2021*

Amendments to TFRS 3 Reference to the Conceptual Framework

The amendments update an outdated reference to the Conceptual Framework in TFRS 3 without significantly changing the requirements in the standard.

The amendments are effective for annual periods beginning on or after 1 January 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier.

Amendments to TAS 16 Property, Plant and Equipment - Proceeds before Intended Use

The amendments prohibit deducting the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the cost of producing those items, in profit or loss.

The amendments are effective for annual periods beginning on or after 1 January 2022. Early application is permitted.

2 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING POLICIES *(continued)*

2.2 Changes in Accounting Policies *(continued)*

Amendments to TAS 37 Onerous Contracts – Cost of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract or an allocation of other costs that relate directly to fulfilling contracts.

This amendment is applicable for annual accounting periods beginning on or after 1 January 2022. Early application is permitted.

Annual Improvements to TFRS Standards 2018-2020 Cycle

Amendment to the First Application of TFRS 1 Turkish Financial Reporting Standards

The amendment permits a subsidiary that applies paragraph D16(a) of TFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to TFRSs.

Amendment to TFRS 9 Financial Instruments

The amendment clarifies which fees an entity includes in assessing whether to derecognize a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

Amendment to TFRS 41 Agriculture

The amendment removes the requirement in paragraph 22 of TAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique. This will ensure consistency with the requirements in TFRS 13.

The amendments to TFRS 1, TFRS 9, and TAS 41 are all effective for annual periods beginning on or after 1 January 2022. Early application is permitted.

(Currency: Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

2 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING POLICIES *(continued)*

2.2 Changes in Accounting Policies *(continued)*

Amendments to TFRS 16 COVID-19 Related Rent Concessions beyond 30 June 2021

Public Oversight Accounting and Auditing Standards Authority ("POA") has published Amendments to TFRS 16 COVID-19 Related Rent Concessions beyond 30 June 2021 that extends, by one year, the June 2020 amendment that provides lessees with an exemption from assessing whether a COVID-19 related rent concession is a lease modification.

On issuance, the practical expedient was limited to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2021. Since lessors continue to grant COVID-19 related rent concessions to lessees and since the effects of the COVID-19 pandemic are ongoing and significant, the POA decided to extend the time period over which the practical expedient is available for use.

The new amendment is effective for lessees for annual reporting periods beginning on or after 1 April 2021. Earlier application is permitted.

The Group assessed that the adoption of these amendments that are effective from 2022 do not have any effect on the Group's consolidated financial statements.

B) Standards that have not yet entered into force and amendments and interpretations to existing previous standards

The Group has not yet adopted the following standards and amendments and interpretations to the existing standards:

TFRS 17	*Insurance Contracts*
Amendments to TAS 1	*Classification of Liabilities as Current or NonCurren*
Amendments to TFRS 4	*Extension of the Temporary Exemption from Applying TFRS 9*
Amendments to TAS 1	*Disclosure of Accounting Policies*
Amendments to TAS 8	*Definition of Accounting Estimates*
Amendments to TAS 12	*Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
Amendments to TFRS 17	*Initial Application of TFRS 17 and TFRS 9 — Comparative Information (Amendment to TFRS 17)*

2 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING POLICIES *(continued)*

2.2 Changes in Accounting Policies *(continued)*

TFRS 17 - Insurance contracts

TFRS 17 requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. TFRS 17 supersedes TFRS 4 Insurance Contracts as of 1 January 2023.

Amendments to TAS 1 Classification of Liabilities as Current or Non-Current

The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.

Amendments to TAS 1 are effective for annual reporting periods beginning on or after 1 January 2023 and earlier application is permitted.

The Group is assessing the potential impact on its consolidated financial statements resulting from the application of the related amendments.

Amendments to TFRS 4 Extension of the Temporary Exemption from Applying TFRS 9

The amendment changes the fixed expiry date for the temporary exemption in TFRS 4 Insurance Contracts from applying TFRS 9, so that entities would be required to apply TFRS 9 for annual periods beginning on or after 1 January 2023 with the deferral of the effective date of TFRS 17.

The Group is assessing the potential impact on its consolidated financial statements resulting from the application of the related amendments.

Amendments to TAS 1 Disclosure of Accounting Policies

The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies.

Amendments to TAS 1 are effective for annual reporting periods beginning on or after 1 January 2023 and earlier application is permitted.

The Group is assessing the potential impact on its consolidated financial statements resulting from the application of the related amendments.

2 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING POLICIES *(continued)*

2.2 Changes in Accounting Policies *(continued)*

Amendments to TAS 8 Definition of Accounting Estimates

With this amendment, the definition of "a change in accounting estimates" has been replaced with the definition of "an accounting estimate", sample and explanatory paragraphs regarding estimates have been added, and the differences between application of an estimate prospectively and correction of errors retrospectively have been clarified.

Amendments to TAS 8 are effective for annual reporting periods beginning on or after 1 January 2023 and earlier application is permitted.

The Group is assessing the potential impact on its consolidated financial statements resulting from the application of the related amendments.

Amendments to TAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments clarify that the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition.

Amendments to TAS 12 are effective for annual reporting periods beginning on or after 1 January 2023 and earlier application is permitted.

The Group is assessing the potential impact on its consolidated financial statements resulting from the application of the related amendments.

Amendments to TFRS 17 Insurance Contracts and Initial Application of TFRS 17 and TFRS 9 — Comparative Information

Amendments have been made in TFRS 17 in order to reduce the implementation costs, to explain the results and to facilitate the initial application.

The amendment permits entities that first apply TFRS 17 and TFRS 9 at the same time to present comparative information about a financial asset as if the classification and measurement requirements of TFRS 9 had been applied to that financial asset before.

Amendments are effective with the first application of TFRS 17.

The possible effects of the standards, amendments and improvements on the consolidated financial position and performance of the Group are being evaluated.

2 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING POLICIES *(continued)*

2.3 Summary of significant accounting policies

(a) Revenues

General model for accounting of revenue

In accordance with TFRS 15, a five-stage approach is followed in recognizing revenue for all contracts with customers.

Step 1: Identify the contract with a customer

A contract with a customer is in the scope of TFRS 15 when the contract is legally enforceable, the collection of the consideration is probable, the rights to goods and services and payment terms can be identified, the contract has commercial substance; and the contract is approved and the parties are committed to their obligations.

If either contracts were negotiated as a single commercial package, or consideration in one contract depends on the other contract or goods or services (or some of the goods or services) are a single performance obligation the Company accounts the contracts as a single contract.

Step 2: Identify the performance obligations in the contract

The Group defines 'performance obligation' as a unit of account for revenue recognition. The Company assesses the goods or services promised in a contract with a customer and identifies as a performance obligation either:

(a) Good or service (or a bundle of goods or services) that is distinct; or

(b) series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

The Group may define a contract or a service separately from other contractual obligations and define it as a different commodity or service if the customer makes use of such goods or services alone or in combination with other resources available for use. A single contract may contain promises to deliver to the customer more than one good or service. At contract inception, an entity evaluates the promised goods or services to determine which goods or services (or bundle of goods or services) are distinct and therefore constitute performance obligations.

2 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING POLICIES *(continued)*

2.3 Summary of significant accounting policies *(continued)*

(a) Revenues *(continued)*

Step 3: Determine the transaction price

When determining the transaction price, the Group assesses how much consideration it expects to be entitled to by fulfilling the contract. In determining the transaction price, an entity considers variables considerations and significant financing components.

Significant financing component

To estimate the transaction price in a contract, the Group adjusts the promised amount of consideration for the time value of money if that contract contains a significant financing component. As a practical expedient, the Group is not required to adjust the transaction price for the effects of a significant financing component if, at contract inception, the entity expects the period between customer payment and the transfer of goods or services to be one year or less. The Group assessed that for contracts with an overall duration greater than one year, the practical expedient applies if the period between performance and payment for that performance is one year or less.

Variable consideration

An entity assesses whether discounts, rebates, refunds, rights of return, credits, price concessions, incentives, performance bonuses, penalties, or similar items may result in variable consideration.

Step 4: Allocate the transaction price to the performance obligations in the contract

If distinct goods or services are delivered under a single arrangement, then the consideration is allocated based on relative stand-alone selling prices of the distinct goods or services (performance obligations). If directly observable stand-alone selling prices are not available, the total consideration in the service contracts is allocated based on their expected cost plus a margin.

Step 5: Recognize revenue when or as the entity satisfies a performance obligation

The Group recognizes revenue over time when one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the entity’s performance as the entity performs

- The Group’s performance creates or enhances an asset that the customer controls as the asset is created or enhanced

- The Group’s performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

2 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING POLICIES *(continued)*

2.3 Summary of significant accounting policies (continued)

(a) Revenues (continued)

For each performance obligation that is satisfied over time, an entity applies a single method of measuring progress toward complete satisfaction of the obligation. The objective is to depict the transfer of control of the goods or services to the customer. To do this, an entity selects an appropriate output or input method. It then applies that method consistently to similar performance obligations and in similar circumstances.

If a performance obligation is not fulfilled in time, then the Company recognizes revenue when the control of goods or services is transferred to the customer.

In cases where the costs to be incurred by the Company to fulfill the contractual obligations exceeds the expected economic benefit, the Company provides a provision in accordance with TAS 37 Provisions, Contingent Liabilities and Contingent Assets.

Contract modifications

The Company recognizes a contract modification as a separate contract if the modification results in a promise to deliver additional goods or services. If the goods or services are distinct, then the entity accounts for the modification as if it were a termination of the existing contract and the creation of a new contract. If the modification to the contract does not add distinct goods or services, then the entity accounts for it on a combined basis with the original contract, as if the additional goods or services were part of the initial contract.

The details of significant accounting policies and revenue recognition methods of the Group's various goods and services are explained as below.

(i) Service and commission revenue

The Group receives commissions for providing services with brokerage services and asset management services, and recognizes in profit or loss by taking into account the completion stage at the end of the reporting period. Other service and commission revenues comprised of interest received from customers, portfolio management commissions and other commissions and consultancy services and recognizes in profit or loss by taking into account the completion stage at the end of the reporting period.

(ii) Portfolio management fees

Fees charged for management of customer portfolios at capital markets are recognized as income at the end of each month.

2 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING POLICIES *(continued)*

2.3 Summary of significant accounting policies (continued)

(a) Revenues *(continued)*

(iii) Gain on trading of securities

Gains / losses on trading of securities are recognized in profit or loss at the date of the related purchase/sale order.

(iv) Natural gas sales

Revenues from the sales of compressed natural gas comprise the revenues from the sales to individual and corporate subscribers. Revenue is recognized when the significant risks and rewards of ownership have been transferred to the subscribers and natural gas has been consumed by the related subscriber. The Group also obtains tube rental revenues in addition to compressed natural gas sales. Tube rental income is recognized in profit or loss on a straight-line basis over the lease term. Discount on sales are recognized as a reduction in gross sales.

(v) Port administration revenues and port rent income

Container revenues

Container cargo revenues relate to services provided for container cargo handling including sea and land services. Revenue is recognized at the point in time services are completed, as the services are usually provided over a very short period of time.

Port service revenues

Port service revenues relate to services provided to ships and motorboats (pilotage, towage, tugboat rents, etc.). Revenue is recognized at the point in time services are completed, as the services are usually provided over a very short period of time. Payments in Turkish Ports are made in advance, in European ports increased up to 45 days.

Cargo revenues

Cargo revenues relate to services provided for general and bulk cargo handling including sea and land services. Revenue is recognized at the point in time services are completed, as the services are usually provided over a very short period of time. Payments in Turkish Ports are mainly made in advance, in other cases payment terms are up to 30 days.

Landing fees

Landing fees relate to services provided to cruise ships including passenger landing, luggage handling, security fees, etc. Revenue is recognized at the point in time services are completed, as the services are usually provided over a very short period of time. Payments in Turkish Ports are made in advance, in European ports increased up to 45 days.

Rental income

Rental income is generated from the leasing of marina and shopping centers. Revenue is recognized over time as the services are provided. Revenue is recognized on a straight-line basis over the term of the lease. Invoices are issued on a monthly basis and are usually payable within 30 days. Guarantees are taken up to 6 months' rent.

2 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING POLICIES *(continued)*

2.3 Summary of significant accounting policies (continued)

(a) Revenues (continued)

(v) Port administration revenues and port rent income (continued)

Income from duty free operations

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

Revenues obtained from port management agreements

Revenue including performance bonuses obtained by the Group in relation to management agreements. These performance bonuses are derived from variable calculations and calculated according to the levels reached in certain criteria such as the number of passengers accepted at the relevant ports or the control of costs compared to the budget. Since the revenue is variable, the Group recognizes the relevant revenue in the period when the performance condition is met.

Construction income is generated on accounting of service concession arrangements per TFRS Interpretation 12. Revenue is recognised over time based on progress towards completion of construction. This revenue is created through IFRS application, no invoices are issued, neither any payments made by any port authority.

(vi) Electricity sales

The Group sells electricity as a result of electricity generation from renewable energy sources and since electricity is not a storable stock sales and costs is realized simultaneously.

(vii) Other service revenues

Rent income is accounted for on accrual basis, interest income is accounted for using effective interest method and dividend income is recognized on the date the Group's right to receive the payment is established.

(viii) Mining revenues

Revenues from mining are measured by fair value after deducting received payment or repayments and discounts of receivable. Mining sales are recognized by fair value of received or possible payment on accrual basis in the situation that delivery of product or service of product, transfer of risk and benefit of product, reliably determination of income of product and transfer of economical use of product to the Group are possible.

(ix) Other revenues

Other service revenues and other sales are transferred to the consolidated statement of profit or loss and comprehensive income on accrual basis.

Revenues from the sale of real estates and the expenses related to the investment properties are recognized in the consolidated statement of profit or loss and other comprehensive income as part of the real estate lease and service income.

2 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING POLICIES *(continued)*

2.3 Summary of significant accounting policies (continued)

(b) Expenses

Expenses are accounted for on accrual basis. Operational lease expenses are recognized in profit or loss on a straight line basis over the lease term.

Interest expenses

Interest expenses are accrued by using the effective interest method or applicable variable interest rate. Interest expenses arise from the difference between the initial cost of an interest bearing financial instrument and the value of the instrument discounted to its present value at the date of the maturity or the premium or discount, discounted to present value. The financial costs that are directly attributable to the acquisition, construction or production of a qualified asset are capitalized.

(c) Inventories

(i) Inventories

Inventories are valued by using the weighted average method. Inventories are stated at the lower of cost and net realizable value. Cost incurred in bringing each product to its present location and conditions are included in the cost of inventory. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(ii) Trading property

Trading properties held by subsidiaries that operate in real estate sector are classified as inventories. Trading property is stated at the lower of cost at balance sheet date and net realizable value. Net realizable value represents the fair value less costs to sell. Borrowing costs directly attributable to the trading properties in progress are included in the cost of the trading property. Expenses are capitalized from the date they have been incurred to the date the asset is available for use. The duration of the completion of these trading properties is over one year and it varies from project to project.

2 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING POLICIES *(continued)*

2.3 Summary of significant accounting policies (continued)

(d) Investment Property

Investment properties are properties held to earn rentals and/or for capital appreciation, including property under construction for such purposes. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value. Gains or losses arising from changes in the fair values of investment properties are included in the profit or loss in the year in which they arise.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from disposal. Any gain or loss arising on derecognition of the property is included in profit or loss in the period in which the property is derecognized.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

2 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING POLICIES *(continued)*

2.3 Summary of significant accounting policies (continued)

(e) Property, Plant and Equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the following:

- The cost of materials and direct labor;
- Any other costs directly attributable to bringing the assets to a working condition for their intended use;
- When the Group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located;
- Capitalized borrowing costs.

Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognized in profit or loss.

Property, plant and equipment of the subsidiaries and joint ventures that operate in Turkey and acquired before 1 January 2005 are stated at restated cost until 31 December 2004 less accumulated depreciation and permanent impairment losses. Property, plant and equipment of such entities acquired after 1 January 2005 are stated at cost, less accumulated depreciation and permanent impairment losses.

Property, plant and equipment of companies, whose functional currencies are not TL, are denominated in the original currencies, stated at cost, less accumulated depreciation and accumulated impairment losses and are translated to TL by using the exchange rate ruling at the reporting date. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

(Currency: Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

2 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING POLICIES *(continued)*

2.3 Summary of significant accounting policies (continued)

(e) Property, Plant and Equipment (continued)

(ii) Subsequent costs

Subsequent expenditure is capitalized only when it is probable that the future economic benefits associated with the expenditure will flow to the Group. Ongoing repairs and maintenance are expensed as incurred.

(iii) Depreciation

Items of property, plant and equipment are depreciated from the date they are available for use or, in respect of self-constructed assets, from the date that the asset is completed and ready for use. Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line basis over their estimated useful lives. Depreciation is generally recognized in profit or loss, unless the amount is included in the carrying amount of another asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated. The depreciation rates used by the Group are as follows:

Buildings	2%-5%
Land improvements	3,38%-4,49%
Machinery and equipment	5%-25%
Motor vehicles	25%
Furniture and fixtures	33,33%
Leasehold improvements	3,33%-33,33%

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

(f) Intangible Assets

(i) Recognition and measurement

Intangible assets comprise port operation rights, royalty and natural gas selling and transmission licenses, contract-based customer relationships, development costs, computer software, other rights and other intangible assets.

Intangible assets related to operations whose functional currency is TL and which were acquired before 1 January 2005 are restated for the effects of inflation in TL units current at 31 December 2004, less accumulated amortization and accumulated impairment losses. Intangible assets acquired after 1 January 2005 are stated at cost less accumulated amortization and permanent impairment losses.

Intangible assets related to operations whose functional currencies are not TL, are denominated in the original currencies, stated at cost, less accumulated amortization and accumulated impairment losses and are translated to TL by using the exchange rate ruling at the reporting date.

In a business combination or acquisition, the acquirer recognizes separately an intangible asset of the acquiree at the acquisition date only if it meets the definition of an intangible asset in TAS 38 Intangible Assets and its fair value can be measured reliably.

2 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING POLICIES *(continued)*

2.3 Summary of significant accounting policies (continued)

(f) Intangible Assets (continued)

(i) Recognition and measurement (continued)

Development activities involve a plan or design for the production of new or substantively improved products and processes. Development expenditure is capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset.

(ii) Service concession arrangements

The Group recognizes an intangible asset arising from a service concession arrangement when it has a right to charge for use of the concession infrastructure. An intangible asset received as consideration for providing construction or upgrade services in a service concession arrangement is measured at fair value on initial recognition with reference to the fair value of the services provided.

Subsequent to initial recognition, the intangible asset is measured at cost, which includes capitalized borrowing costs, less accumulated amortization and accumulated impairment losses. Port operation rights arising from a service concession arrangement are recognized in line with TFRS Interpretation 12 'Service Concession Arrangements' when there is an arrangement whereby a government or other public sector body contracts with a private operator to develop (or upgrade), operate and maintain the grantor's infrastructure assets, and the private operator charges users for a public service, and when specific conditions are met.

The conditions include where the grantor (government or port authorities) controls or regulates what services the Group can provide with the infrastructure, to whom it must provide them to and at what price.

The grantor also has to control any significant residual interest in the infrastructure such as property, plant and equipment, if the infrastructure is existing infrastructure of the grantor or the infrastructure is constructed or purchased by the Group as part of the service concession arrangement.

The estimated useful life of an intangible asset in a service concession arrangement is the period from when the Group is able to charge the public for the use of the infrastructure to the end of the concession period. These assets are amortized based on the lower of their useful lives or concession period. Amortization is recorded in "depreciation and amortization" account under cost of sales.

Concession arrangements at Creuers, Cruceros, NCP, Catania, Tarragona and Canary Islands were assessed as being within the scope of TFRS Interpretation 12.

(Currency: Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

2 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING POLICIES *(continued)*

2.3 Summary of significant accounting policies (continued)

(f) Intangible Assets (continued)

(iii) Amortization

Amortization is recognized in profit or loss on a straight line basis over the estimated useful lives of intangible assets.

The amortization rates applied by the Group are as follows:

Port operation rights (*)	2-25 %
Customer relationship (**)	5 % - 8,33 %
Rights	2,22 %-33,33 %
Software	10 %-33,33 %
Natural gas selling and transmission license (***)	3,33 %
Royalty license (****)	10 %

(*) Port operation rights will expire by 2033 for Ege Liman, by 2067 for Bodrum Liman, by 2038 for ZIPO, by 2043 for Port of Adria, by 2030 for Barcelona Port, by 2067 for Malta Port, by 2038 for Malaga Port, by 2026 for Catania Port, by 2025 for Cagliari Port, by 2044 for Nassau Port and by 2044 for Antigua Port.

(**) The useful life for the customer relations of İPY, which has started to be consolidated using the full consolidation method as of 30 September 2021 and whose purchase accounting has been provisionally accounted, has been determined as 15 years.

(***) The licenses of Naturelgaz include the compressed natural gas (CNG) sales licenses in İzmir, Bursa, Antalya, Konya, Konya-2, Bolu, Osmaniye, Kayseri, Rize, Elazığ, İstanbul, Kırıkkale, Kocaeli, Kırklareli, Ordu, Mersin, Denizli regions as well as the CNG transmission license. The CNG transmission license and the CNG sales licenses in Bursa and Antalya and have been obtained by Naturelgaz in 2005 whereas the CNG sales license in İzmir has been obtained in 2006, Bolu in 2012, in Konya, Osmaniye, Kocaeli in 2013, in Rize and Denizli CNG sales licenses, Ordu CNG licence and Mersin Auto CNG licence in 2015, spot LNG and Konya Auto CNG licenses in 2016, Kırıkkale, Kayseri, Elazığ CNG linceses licenses in 2017 licenses has been obtained. The licenses are valid for 30 years. In addition, Naturelgaz has an import license (spot) and CNG Transmission-Distribution license, which it acquired in 2014.

(****) Royalty license will expire by 2023 for Straton Maden.

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

2 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING POLICIES *(continued)*

2.3 Summary of significant accounting policies (continued)

(g) Goodwill

According to TFRS 3 "Business Combinations", the excess of cost of the total consideration over the fair value of the identifiable assets, liabilities and contingent liabilities acquired in a business combination is recognized as goodwill. Goodwill is not amortized and is tested for impairment annually or more often when the circumstances indicate that the goodwill is impaired.

When the cost of the acquisition is lower than the fair value of the identifiable assets, liabilities and contingent liabilities acquired in a business combination, the difference is recognized as income (gain on a bargain purchase (negative goodwill)).

The initial recognition of the business combination is accounted for provisionally if the fair values of the identifiable assets, liabilities and contingent liabilities acquired in a business combination can only be recognized, or the cost of a business combination is measured, only using provisional amounts. The provisional business combination accounting shall be completed in the 12 months following the date of acquisition and the adjustments shall be recognized retrospectively.

The goodwill acquired in a business combination is not amortized. Alternatively, once a year or the conditions indicate the impairment losses, the Group tests impairment losses more frequently than the usual conditions.

(h) Financial Instruments

i) Recognition and measurement

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

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

2 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING POLICIES *(continued)*

2.3 Summary of significant accounting policies (continued)

(h) Financial Instruments (continued)

ii) Classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at: amortized cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

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

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

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

2 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING POLICIES *(continued)*

2.3 Summary of significant accounting policies (continued)

(h) Financial Instruments (continued)

ii) Classification and subsequent measurement (continued)

Financial assets- Business model assessment

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

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

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest

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

2 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING POLICIES *(continued)*

2.3 Summary of significant accounting policies (continued)

(h) Financial Instruments (continued)

ii) Classification and subsequent measurement (continued)

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest *(continued)*

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

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

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

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

2 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING POLICIES *(continued)*

2.3 Summary of significant accounting policies (continued)

(h) Financial Instruments *(continued)*

ii) Classification and subsequent measurement (continued)

Financial assets – Subsequent measurement and gains and losses

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

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss. However, see (v) Derivative financial instruments and hedge accounting".
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortized cost or FVTPL.

A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss. See "(v) Derivative financial instruments and hedge accounting" for financial liabilities designated as hedging instruments.

2 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING POLICIES *(continued)*

2.3 Summary of significant accounting policies (continued)

(h) Financial Instruments (continued)

iii) Derecognition

Financial assets

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

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

Financial liabilities

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

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

iv) Offsetting

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

2 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING POLICIES *(continued)*

2.3 Summary of significant accounting policies (continued)

(h) Financial Instruments (continued)

v) Derivative financial instruments and hedge accounting

Derivative financial instruments and hedge accounting

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

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

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

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

Cash flow hedges

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

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

2 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING POLICIES *(continued)*

2.3 Summary of significant accounting policies (continued)

(h) Financial Instruments (continued)

v) Derivative financial instruments and hedge accounting *(continued)*

Cash flow hedges *(continued)*

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

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

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

Under the interest rate swap contracts, the Group agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Group to mitigate the risk of changing interest rates on the fair value of issued fixed rate debt held and the cash flow exposures on the issued variable rate debt held.

The fair value of interest rate swaps at the reporting date is determined by discounting the future cash flows using the curves at the reporting date and the credit risk inherent in the contract and is disclosed below. The average interest rate is based on the outstanding balances at the end of the financial year.

As of 31 December 2022, and 2021, all interest rate swap contracts exchanging floating rate interest amounts for fixed rate interest amounts are designated as cash flow hedges to reduce the Group's cash flow exposure resulting from variable interest rates on borrowings. The interest rate swaps and the interest payments on the loan occur simultaneously, and the amount accumulated in equity is reclassified to profit or loss over the period that the floating rate interest payments on debt affect profit or loss.

2 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING POLICIES *(continued)*

2.3 Summary of significant accounting policies *(continued)*

(h) Financial Instruments *(continued)*

v) Derivative financial instruments and hedge accounting *(continued)*

Net investment hedges

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

vi) Impairment of financial assets

a. Non-derivative financial assets

Financial instruments and contract assets

The Group recognizes loss allowances for the expected credit losses of the following items under TFRS 9:

- financial assets measured at amortized cost;
- debt investments measured at FVOCI

The Group measures loss allowances at an amount equal to lifetime expected credit losses ("ECL"), except for the following, which are measured as 12-month expected credit losses:

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

The Group measures loss allowances for trade receivables and contract assets at an amount equal to lifetime expected credit losses.

Loss allowances for trade receivables, other receivables, other assets and contract assets are always measured at an amount equal to lifetime expected credit losses.

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

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 90-120 days past due.

2 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING POLICIES *(continued)*

2.3 Summary of significant accounting policies *(continued)*

(h) Financial Instruments *(continued)*

vi) Impairment of financial assets *(continued)*

a. Non-derivative financial assets *(continued)*

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its obligations arising from lease contracts to the Company in full, without recourse by the Company to actions such as realizing security (if any is held); or the financial asset is more than 90 days past due.

- the borrower is unlikely to pay its obligations arising from natural gas sales and electricity sales to the Group in full, without recourse by the Group to actions such as realizing security (if any is held); or the financial asset is more than 360 days past due.

- the borrower is unlikely to pay its obligations arising from other business activities to the Group in full, without recourse by the Group to actions such as realizing security (if any is held); or the financial asset is more than 150-180 days past due.

The Group considers bank balances to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.

Lifetime expected credit losses are that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are that result from possible default events within the 12 months after the reporting date.

The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risks.

Measurement of expected credit losses:

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls.

Expected credit losses are discounted at the effective interest rate of the financial asset.

For trade receivables, other receivables, other assets and contract assets the Company applies the simplified approach to providing for expected credit losses (TFRS 9 requires the use of the lifetime expected loss provision for all trade receivables). The Group performed the calculation of expected credit losses rates separately for receivables arising from different business lines. The expected credit losses were calculated based on actual credit loss experience over the past years.

Exposures within each group were segmented based on common credit risk characteristics such as delinquency status.

2 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING POLICIES *(continued)*

2.3 Summary of significant accounting policies (continued)

(h) Financial Instruments *(continued)*

vi) Impairment of financial assets *(continued)*

a. Non-derivative financial assets *(continued)*

Actual credit loss experience was adjusted to reflect differences between economic conditions during the period over which the historical data was collected, current conditions and the Group’s view of economic conditions over the expected lives of the receivables. Future collection performance of receivables is estimated by considering general economic conditions to incorporate forward looking information to the expected credit loss calculations.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is ‘credit-impaired’ when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial re-organization; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

2 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING POLICIES *(continued)*

2.3 Summary of significant accounting policies (continued)

(h) Financial Instruments (continued)

vi) Impairment of financial assets *(continued)*

a. Non-derivative financial assets *(continued)*

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

For individual customers, the Group has a policy of written off the gross carrying amount when the financial assets is between 180 – 360 days past due based on historical experiences of recoveries of similar assets. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off.

However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

2 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING POLICIES *(continued)*

2.3 Summary of significant accounting policies *(continued)*

(h) Financial Instruments *(continued)*

vi) Impairment of financial assets *(continued)*

b) Non-financial assets - Impairment

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than investment property, inventories, contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For goodwill, intangible assets with an indefinite useful life and intangible assets which are not yet available for use, the recoverable amount is estimated at the same time each year. The recoverable amount of the asset or cash-generating unit is the higher of its net selling price and its value in use. Value in use is assessed by discounting future cash flows to present value using a pre-tax discount rate that reflects the specific risk in the asset and the time value of money. For impairment testing, assets are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. An impairment loss may only be reversed if there has been a change in the estimates used to determine the asset's recoverable amount. The impairment loss may be reversed only after the depreciation and amortization are netted up to the extent that it does not exceed the determined carrying value of the asset if there is no impairment.

2 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING POLICIES *(continued)*

2.3 Summary of significant accounting policies *(continued)*

(ı) Share capital

Ordinary Shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity, net of any tax effects.

Repurchase and reissue of share capital (treasury shares)

When share capital recognized as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognized as a deduction from equity. Repurchased shares are classified as "treasury shares owned by the Company" if owned by the Company and classified as "treasury shares owned by the subsidiaries" if owned by subsidiaries and are presented in equity. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is presented in share premium.

(i) Employee Benefits

In accordance with the existing labor law in Turkey, the entities operating in Turkey are required to make lump-sum payments to employees who have completed one year of service and whose employment is terminated without cause, or due to retirement, military service or death. With respect to Group's employees in Turkey, retirement pay liability is calculated by using lower of employee's monthly salary and retirement pay ceiling. It is detailed in Note 22 as at 31 December 2022 and 2021. The Group recognizes retirement pay liability as the present value of the estimated total reserve of the future probable obligation of the Group. The key actuarial assumptions used in the calculation of the retirement pay liability are detailed in Note 22.

(j) TFRS 2 – Share-based payment arrangements

On 1 January 2020, 1 January 2021 and 1 April 2022 the Group established share option program that entitles key management personnel to receive shares in the Global Ports Holding Plc based on the performance of Global Ports Holding Plc during the vesting period.

Under this program, holders of vested option are entitled to receive shares of Global Ports Holding Plc at the grant date. Currently, this program is limited to key management personnel and other senior employees.

The option will be settled by physical delivery of shares.

On 1 January 2020, 1 January 2021 and 1 April 2022 the Group granted 206.000, 228.000 and 228.000 Restricted Stock Units ("RSUs") to employees that entitle them to a share issued after three years of service. The RSUs will be granted at the end of three-year vesting period and issued after one year holding period. Shares issued under the long-term incentive plan are subject to a dilution limit of up to 3% over 10 years, which will be monitored by the Committee. Upon vesting of an RSU, Employees must pay the par value in respect of each share that vests. Employees are also responsible to declare and pay the tax related to gains from RSUs to the authorities. The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

(Currency: Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

2 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING POLICIES *(continued)*

2.3 Summary of significant accounting policies (continued)

(k) Foreign Currency

(i) Foreign currency transactions

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

Companies, whose functional currencies are not TL, prepare their financial statements according to their functional currency and these financial statements are translated to TL for consolidation purpose in accordance with TAS 21.

Foreign currency differences arising on operations with foreign currency are recognized in profit or loss as foreign currency exchange gains and losses.

According to TAS 21, balance sheet items presented in the financial statements of domestic and foreign subsidiaries and joint ventures whose functional currency is different from TL, are translated into TL at the balance sheet (USD/TL and EURO/TL) exchange rates whereas income, expenses and cash flows are translated at the average exchange rate or ruling rate of the transaction date. Profit or loss from translation difference of these operations is recognized as "Currency Translation Differences" under the equity.

As at 31 December 2022 and 31 December 2021, foreign currency buying exchange rates of the Central Bank of Republic of Turkey ("CBRT") comprised the following:

	31 December 2022	31 December 2021
USD / TL	18,6983	12,9775
EURO / TL	19,9349	14,6823

The average foreign currency buying exchange rates of the CBRT in 2022 and 2021 comprised the following:

	2022	2021
USD / TL	16,5638	8,8854
EURO / TL	17,3818	10,4687

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to TL at exchange rates at the reporting date. The income and expenses of foreign operations are translated to TL at exchange rates at the dates of the transactions.

Foreign currency differences are recognized in other comprehensive income, under the currency translation differences ("CTD"). When a foreign operation is disposed of, in part or in full, the relevant amount in the CTD is transferred to profit or loss as part of the profit or loss on disposal.

2 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING POLICIES *(continued)*

2.3 Summary of significant accounting policies *(continued)*

(l) Discontinued Operations, Assets Held For Sale and Liabilities Directly Associated with Assets Held For Sale

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier.

When an operation is classified as a discontinued operation, the net assets of the discontinued operations are measured at fair value less cost of sale of the operation. The profit/ (loss) before tax and the profit/ (loss) after the tax of the discontinued operation are presented in the notes of the consolidated financial statements and a profit/ (loss) analysis including the income and expenses is performed. Besides, the net cash flows related to operational, investing and financing activities of the discontinued operations are presented in the related note.

In compliance with TFRS 11 "Joint Arrangements" and TFRS 5 "Assets Classified as Held for Sale and Discontinuing Operations", the interests in jointly controlled entities are accounted for in accordance with TFRS 5. When an interest in a jointly controlled entity previously classified as held for sale no longer meets the criteria to be classified, it is accounted for using proportionate consolidation or the equity method as from the date of its classification as held for sale. Financial statements for the periods since classification as held for sale are amended accordingly. The operations of the joint venture whose operations have been previously classified as discontinued are classified as continued.

A group of assets is classified as asset held for sale if their carrying amount is planned to be recovered principally through a sale transaction rather than through continuing use. The liabilities directly associated with these assets are classified similarly. Such group of assets is accounted for at the lower of its carrying amount (being the net amount of the assets and liabilities directly associated with them) and fair value less costs to sell.

If the Group has classified an asset (or disposal group) as held for sale, but the criteria of such classification are no longer met, the Group ceases to classify the asset (or disposal group) as held for sale. The Group measures a non-current asset that ceases to be classified as held for sale (or ceases to be included in a disposal group classified as held for sale) at the lower of:

(a) Its carrying amount before the asset (or disposal group) was classified as held for sale, adjusted for any depreciation, amortization or revaluations that would have been recognized had the asset (or disposal group) not been classified as held for sale.

(b) Its recoverable amount at the date of the subsequent decision not to sell.

The Group does not reclassify or re-present amounts presented for non-current assets or for the assets and liabilities of disposal groups classified as held for sale in the balance sheet for prior periods to reflect the classification in the balance sheet for the latest period presented.

2 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING POLICIES *(continued)*

2.3 Summary of significant accounting policies *(continued)*

(m) Earnings/ (Loss) Per Share

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

In Turkey, companies can increase their share capital by making a pro-rata distribution of shares ("bonus shares") to existing shareholders from retained earnings and inflation adjustments on equity items. Such kind of bonus shares are taken into consideration in the computation of earnings per share as issued share certificates. For the purpose of earnings per share computations, the weighted average number of shares outstanding during the period has been adjusted in respect of bonus shares issues without a corresponding change in resources, by giving them retroactive effect for the period in which they were issued and each earlier period.

(n) Events after the Reporting Period

Events after the reporting period include all events up to the date when the financial statements are authorized for issue, even if those events occur after the public announcement of profit or of other selected information.

The Group adjusts the amounts recognized in its consolidated financial statements to reflect adjusting events after the reporting period. Non adjusting events are disclosed in the notes to the consolidated financial statements if material.

(o) Provisions, Contingent Assets and Liabilities

A provision is recognized in the accompanying consolidated financial statements if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Contingent liabilities are assessed continually to determine whether an outflow of resources embodying economic benefits has become probable. Unless the possibility of any outflow in settlement is remote, contingent liabilities are disclosed in the notes to the financial statements. Where an economic inflow of economic benefits is probable, contingent assets are disclosed in the notes to the financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the financial statements of the period in which the change occurs.

2 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING POLICIES *(continued)*

2.3 Summary of significant accounting policies *(continued)*

(p) Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in TFRS 16.

This policy is applied to contracts entered into, on or after 1 January 2019.

(i) As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone price.

Group has elected not to separate non-lease components and account for the lease and associated non-lease components as a single lease component.

The Group has applied TFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated. In addition to the current period, the Group disclosed its accounting policies within the scope of TAS 17 (for the comparative period presented) in order to understand the comparative information and changes in important accounting policies.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

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

2 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING POLICIES *(continued)*

2.3 Summary of significant accounting policies *(continued)*

(p) Leases *(continued)*

(i) As a lessee *(continued)*

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

– fixed payments, including in-substance fixed payments;
– variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
– amounts expected to be payable under a residual value guarantee; and

The exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right- of-use asset has been reduced to zero.

The Group has recognized right-of-use assests separetely which are not classified as investment property in its consolidated financial statement. Right-of-use asssets which are defined as investment propery presented in the "investment property". The Group presented lease liabilities in the "financial borrowings".

Short-term leases and low-value leases

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and leases that are less than 12 months. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

2 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING POLICIES *(continued)*

2.3 Summary of significant accounting policies *(continued)*

(p) Leases *(continued)*

(ii) As a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating leasee.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub- lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short- term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Group applies TFRS 15 to allocate the consideration in the contract.

The Group applies the derecognition and impairment requirements in TFRS 9 to the net investment in the lease. The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other revenue'.

Generally, the accounting policies applicable to the Group as a lessor in the comparative period were not different from TFRS 16 except for the classification of the sub-lease entered into during current reporting period that resulted in a finance lease classification.

2 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING POLICIES *(continued)*

2.3 Summary of significant accounting policies *(continued)*

(r) Segment Reporting

An operating segment is a component of the Group that engages in business activities through which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Group's management to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

The operating segments of the Group are finance, natural gas/mining/energy generation, port operations, real estate and other segments, and they are disclosed in Note 5.

(s) Government Subsidies and Incentives

All subsidies and incentives, including non-monetary incentives stated at fair market values, are included in the consolidated financial statements when there is reasonable certainty that the Group will qualify for and receive such subsidies and incentives. Government subsidies and incentives utilized by the Group are presented in Note 36.

(t) Related Parties

Parties are considered related to the Company if:

(a) Directly, or indirectly through one or more intermediaries, the party:

- (i) controls, is controlled by, or is under common control with the Company (this includes Parent, subsidiaries and fellow subsidiaries);
- (ii) has an interest in the Company that gives it significant influence over the Company; or
- (iii) has joint control over the Company;

(b) The party is an associate of the Company

(c) The party is a joint venture in which the Company is a venturer;

(d) The party is member of the key management personnel of the Company as its parent;

(e) The party is a close member of the family of any individual referred to in (a) or (d);

2 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING POLICIES *(continued)*

2.3 Summary of significant accounting policies *(continued)*

(t) Related Parties *(continued)*

(f) The party is an entity that is controlled or significantly influenced by, or for which significant voting power in such entity resides with directly or indirectly, any individual referred to in (d) or (e)

(g) The party is a post-employment benefit plan for the benefit of employees of the Company, or of any entity that is a related party of the Company.

A related party transaction is a transfer of resources, services or obligation between related parties, regardless of whether a price is charged.

A number of transactions are entered into with related parties in the normal course of business.

(u) Taxes

Income tax expense comprises current and deferred tax. Current tax charge is recognized in profit or loss except for the effects of the items reflected under equity. Current tax except taxes recognized during business combination and taxes recognized under other comprehensive income are recognized in profit or loss.

Current tax liability is calculated on taxable profit for the current year based on tax laws and tax rates that have been effective for the reporting date including adjustment related to previous years' tax liabilities.

Deferred tax is recognized over temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the differences arising from the initial recognition of goodwill, differences of an asset or liability in a transaction that is not a business combination, at the time of the transaction, which affects neither the accounting profit nor taxable profit and for differences associated with the investments in subsidiaries, associates and interest in joint ventures, to the extent that they probably will not reverse in the foreseeable future.

The Group recognizes deferred tax assets and liabilities based upon temporary differences arising between its financial statements as reported for TFRS purposes as mentioned in Note 2.1 and 2.2 and its statutory tax financial statements. These differences usually result in the recognition of revenue and expenses in different reporting periods.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable, entity or on different tax entities but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

2 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING POLICIES *(continued)*

2.3 Summary of significant accounting policies *(continued)*

(v) Receivables From Reverse Repurchase Agreements

The funds given in return for the financial assets subject to reverse repurchase are accounted for as receivables from reverse repurchase agreements under the cash and cash equivalents. For the difference between the purchase and re-sale prices determined in accordance with the related reverse repurchase agreements, which is attributable to the period, an income rediscount is calculated with the internal rate of return method and is accounted for by adding to the cost of the receivables from reverse repurchase agreements.

(y) Statement of Cash Flows

Cash flows for the period are classified as cash flows from operations, investing activities and financing activities. Cash flows from operations are the cash flows generated from the principal activities of the Group. The Group presents the cash flows from operating activities by using the indirect method such as adjusting the accruals for cash inflows and outflows from gross profit/loss, other non-cash transactions, prior and future transactions or deferrals.

Cash flows from investing activities represent the cash flows used in/provided from investing activities (purchase of property, plant and equipment and intangible assets and financial investments).

Cash flows from financing activities represent the funds used in and repayment of the funds during the period.

Cash and cash equivalents are current investments with high liquidity that comprise cash balances and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value.

(z) Dividends

Dividend receivables are recorded as income in the period of declaration. Dividend payments are recognized in consolidated financial statements when a distribution of profit is decided by General Assembly.

(aa) Finance income and finance expense

Finance income comprises interest income on funds invested, foreign currency gains on financial assets and liabilities (except for trade receivables and payables) and gains on derivative instruments that are recognised in profit or loss. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on borrowings, foreign currency losses on financial assets and liabilities (except for trade receivables and payables) and losses on derivatives that are recognised in profit or loss. Foreign currency gains and losses are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

Borrowing costs that are not directly attributable to the acquisition, construction, or production of a qualifying asset are recognised in profit or loss using the effective interest method. Borrowing costs directly related to the fixed assets under construction are included in the cost of the related asset.

2 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING POLICIES *(continued)*

2.4 Summary of Significant Accounting Judgements, Estimates and Assumptions

The preparation of the consolidated financial statements in accordance with TFRS requires management to make judgments, estimates and assumptions that affect both the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

The accounting judgements, estimates and assumptions used in preparing the consolidated financial statements, are consistent with the accounting judgements, estimates and assumptions used in preparing the consolidated financial statements as of 31 December 2021.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements is included in the following notes:

- Note 5 Segment reporting
- Note 15 Investment properties
- Note 17 Right of use assets

In preparation of the consolidated financial statements, the significant estimates and judgments used by the Group are included in the following notes:

- Note 2.3 (e,f) Useful lives of property, plant and equipment and intangible assets and concession intangible assets
- Note 3 Business Combinations: Assets and liabilities whose fair value is measured at their provisional value
- Note 10 Impairment losses on trade receivables
- Note 12 Impairment losses on receivables from finance sector operations
- Note 15 Fair value of investment properties
- Note 18 Impairment of goodwill
- Note 20 Provisions, contingent assets and liabilities
- Note 22 Assumptions for provision of employment termination benefit
- Note 32 Tax assets and liabilities

Changes and Errors in Accounting Estimates

Changes in accounting estimates are applied in the current period if the change is related with only one period. They are applied in the current period and prospectively if they are related to current and to the future periods. Significant accounting errors are applied retrospectively and prior period financial statements are restated.

The accounting judgements, estimates and assumptions used in preparing the accompanying consolidated financial statements, are consistent with the accounting judgements, estimates and assumptions used in preparing the consolidated financial statements as at 31 December 2021.

3 BUSINESS COMBINATIONS

The details of acquisitions, which are accounted at the consolidated financial statements for the year ended as at 31 December 2022 and 2021 are presented below.

The detailed information about acquisitions and sales of non-controlling interests for the year ended as at 31 December 2022 and 2021 are disclosed in Note 24.6.

Business combinations

With the Group's Board of Directors decision dated on 21 December 2021, Sümerpark Gıda İşletmeciliği A.Ş., wholly owned subsidiary of the Group, have merged with Ardus Gayrimenkul Yatırımları A.Ş. The merger transaction has been registered on 4 January 2022 on the Trade Registry and the merger process has been completed.

Since the subsidiares were wholly owned by the Company, the accounting of the merger regarding the shares had no effect on the comparative consolidated financial statements. Detailed information about the accounting policy applied for merger transactions is disclosed in Note 24.8.

Acquisition of Subsidiary

İstanbul Portföy Yönetimi A.Ş.

The application of Actus Portföy Yönetimi A.Ş. (Actus Portföy) to CMB on 29 May 2020 regarding the merger under İstanbul Portföy Yönetimi A.Ş. ("İPY") with its all asset and liability by way of taking over by İPY with the framework of the relevant articles of the Turkish Commercial Code ("TCC") numbered 6102, the Capital Market Board numbered 6362 and the Corporate Tax Law numbered 5520 approved by the CMB's letter dated 24 June 2020 and numbered 12233903-350.15-E.6409. In this direction, as of 25 September 2020, merger transaction were completed with all asset and liability of Actus Portföy by way of taking over by İPY. This merger transaction was approved by the CMB's letter dated 24 June 2020 and numbered 12233903-350.15-E.6409 and the registration process was completed on 25 September 2020 and announced in the Trade Registry Gazette dated 30 September 2020 and numbered 10171. Post-merger, the Company has 26,6% shares of İPY and has an option to acquire an additional 40% shares of the merged entity.

In 2020, according to merger effect occurred while the merger transaction of Actus Portföy through dissolve without liquidation by way of taking over by İPY and valuation report prepared by an independent valuation company authorized by CMB to provide valuation services, the difference between fair value and book value arising during merger transaction with respect to market value of TL 23.014.688 was accounted under other operating income in 2020.

(Currency: Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

3 BUSINESS COMBINATIONS *(continued)*

Acquisition of Subsidiary *(continued)*

İstanbul Portföy Yönetimi A.Ş*. (continued)*

The Company has acquired 5.673.600 shares with a total nominal value of TL 5.673.600 which corresponds to 40% of the share capital of İPY, through the exercise of the option on 3 September 2021. The total consideration is 77.352.322 TL and was paid fully in cash on 3 September 2021. As a result of the acquisition of additional shares, the Group's ownership rate in İPY has increased to 66,60% and the Group has started to fully consolidate İPY as of 30 September 2021.

As of the acquisition date, the net asset value of İPY in its financial statements is TL 21.467.399. The Group has accounted TL 270.994.797 which is the difference between the net assets acquired and the fair value of the net identifiable assets owned before the acquisition and the consideration paid, under other operating income in its financial statements (Note 28.2).

Consideration paid	77.352.322
Non-controlling interests are based on their proportionate share of the recognized amounts of net identifiable assets. (%33,4)	7.170.111
Fair value of total net identifiable assets (%100)	(383.154.352)
Value of net identifiable assets previously held by the Group (%26,6)	27.637.121
Fair value difference related to previously held shares	**(74.281.936)**
Bargain purchase gain (negative goodwill)	**(196.712.861)**

The Group remeasured its 26,6% ownership, which held before, at its fair value at the merger date, and the resulting gain of TL 74.281.936 was accounted under other operating income (Note 28.2).

Consideration paid	77.352.322
Cash associated with purchased assets	(170.780)
Net cash out flow	**77.181.542**

(Currency: Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

3 BUSINESS COMBINATIONS *(continued)*

Acquisition of Subsidiary *(continued)*

İstanbul Portföy Yönetimi A.Ş. *(continued)*

	Book value before purchase	Fair value adjustments	Purchased value
Cash and cash equivalents	170.780	--	170.780
Trade and other receivables	7.664.936	--	7.664.936
Financial investments	14.533.430	--	14.533.430
Prepaid expenses	538.929	--	538.929
Other assets	866.596	--	866.596
Tangible assets	1.325.178	--	1.325.178
Intangible assets	70.454	452.108.692	452.179.146
Right of use assets	1.831.125	--	1.831.125
Deferred tax assets	139.045	(139.045)	--
Financial liabilities	(412.644)	--	(412.644)
Finance lease obligations	(1.386.363)	--	(1.386.363)
Trade and other payables	(1.389.988)	--	(1.389.988)
Provision for employee benefits	(930.448)	--	(930.448)
Deferred tax liabilities	--	(90.282.693)	(90.282.693)
Other liabilities	(1.553.631)	--	(1.553.631)
Net assets	**21.467.399**	**361.686.954**	**383.154.353**

There are inputs (managed funds, securities and customer relationships) and an organized workforce among the identifiable assets and liabilities acquired on the date of purchase of İPY. The Group has determined that inputs and processes obtained provide significant contribution to its ability to generate income together. The group concluded that the purchased set is a business.

Based on this acquisition, the Group has accounted İPY as a subsidiary within the scope of acquisition accounting in accordance with TFRS 3, "Business Combinations". However, as permitted in TFRS 3, the Group has accounted acquisition transaction provisionally in its financial statements, as the allocation of the purchase price has not yet been completed in the initial recognition of the business combination at the end of the reporting period in which the combination takes place.

İPY contributed to the Group's results with TL 86.984.974 revenue and TL 12.528.247 profit for the parent in the three-month period until 31 December 2021. If the purchase had been made on 1 January 2021, the Group management estimated that there would be an additional income effect of TL 123.761.460 on the finance sector income and an additional profit effect of TL 13.947.965 TL on the consolidated profit or loss of the parent company. In determining these amounts, the Group management assumed that the provisional fair value adjustments as of the acquisition date would have been the same if the acquisition had occurred on 1 January 2021.

(Currency: Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

4 INVESTMENTS IN OTHER ENTITIES

Details of the Group's subsidiaries where the non-controlling interests are significant and summary financial information before consolidation adjustments are as follows:

	Non-controlling interests	*Profit/(loss) attributable to non-controlling interests*	*Accumulated non-controlling interests*	*Dividends paid to non-controlling interests*
Global Ports Holding Plc				
31 December 2022	36,45%	114.370.983	1.437.819.704	-
31 December 2021	37,46%	(298.535.078)	1.038.319.370	(210.857.686)
Naturelgaz Sanayi ve Ticaret A.Ş.				
31 December 2022	30,00%	232.258.516	319.776.107	(10.733.364)
31 December 2021	30,00%	6.332.195	98.250.955	(9.750.000)

Consolidated financial information of Global Ports Holding Plc, before consolidation adjustments and eliminations is as follows:

Global Ports Holding Plc **Consolidated Statement of Financial Position**	**31 December 2022**	**31 December 2021**
Current assets	1.801.737.804	2.015.082.503
Non-current assets	13.648.005.934	8.538.531.404
Total assets	**15.449.743.738**	**10.553.613.907**
Current liabilities	2.485.678.952	1.510.205.897
Non-current liabilities	12.238.379.358	8.274.338.168
Total liabilities	**14.724.058.310**	**9.784.544.065**
Equity	**725.685.428**	**769.069.842**
Total equity and liabilities	**15.449.743.738**	**10.553.613.907**

Global Ports Holding Plc **Consolidated Statement of Profit or Loss**	**31 December 2022**	**31 December 2021**
Revenue	3.281.874.246	1.076.791.372
Operating profit/(loss)	490.533.342	(425.768.468)
Net loss	(376.698.754)	(488.253.911)

(Currency: Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

4 INVESTMENTS IN OTHER ENTITIES *(continued)*

Financial information of Naturelgaz Sanayi ve Ticaret A.Ş., before consolidation adjustments and eliminations is as follows:

Naturelgaz Sanayi ve Ticaret A.Ş. Statement of Financial Position	31 December 2022	31 December 2021
Current assets	1.043.629.943	266.945.908
Non-current assets	557.962.276	268.178.586
Total assets	**1.601.592.219**	**535.124.494**
Current liabilities	493.918.499	188.719.600
Non-current liabilities	41.753.364	18.901.710
Total liabilities	**535.671.863**	**207.621.310**
Equity	**1.065.920.356**	**327.503.184**
Total equity and liabilities	**1.601.592.219**	**535.124.494**

Naturelgaz Sanayi ve Ticaret A.Ş. Statement of Profit or Loss	31 December 2022	31 December 2021
Revenue	3.758.143.981	696.363.820
Operating profit/(loss)	809.698.954	50.612.721
Net profit/(loss)	774.195.052	21.107.318

5 SEGMENT REPORTING

Operating segments considered in performance evaluation of the Group Management are determined by considering the Group's risks and resources and internal reporting structure. The Group's operating segments are port operations, energy generation, natural gas, mining, brokerage and asset management segment, real estate and others. Brokerage and asset management segment includes the finance operations, natural gas (CNG) segment includes compressed natural gas distribution, energy generation segment includes electricity generation facilities and mining segment includes mining operations, port operations segment includes domestic and abroad commercial and cruise port operations and investments, and real estate segment includes operations in respect of investment property and trading property operations.

Especially in the winter months (December, January, February), the operations of the subsidiaries of the Group operating in the port operation sector under the port operations segment decline in comparison with the other months of the year. The busiest period in the cruise port operations is the third quarter of the year. This seasonality of operations has an impact on the performance of the aforementioned segments.

Information regarding all the segments is stated below. Earnings before interest, tax, depreciation, and amortization ("EBITDA") are reviewed in the assessment of the financial performance of the operating segments. The Group management does not present non-recurring income / expenses incurred by these companies in their EBITDA which are not arising from core operations in order to follow the operational and cash-based results of the Group companies (Adjusted EBITDA). These income and expenses include project expenses related to the acquisition/sale of subsidiary and the public offering of subsidiaries, valuation gains/ impairment losses and other non-cash income and expenses. Information related to the operating segments of the Group is presented later in this note.

(Currency: Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

5 SEGMENT REPORTING *(continued)*

	Port Operations		Energy Generation		Natural Gas		Mining		Real Estate		Brokerage & Asset Management		Other (**)		Total	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021	31 December 2022	31 December 2021	31 December 2022	31 December 2021	31 December 2022	31 December 2021	31 December 2022	31 December 2021	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Segment assets	15.382.208.629	10.820.909.853	1.887.556.118	1.249.783.757	1.600.275.585	533.374.072	306.927.715	330.007.571	2.309.849.935	949.421.500	1.108.171.788	524.380.304	1.106.788.764	669.434.085	**23.701.778.534**	**15.077.311.142**
Segment liabilities	14.530.338.660	9.754.106.525	1.041.608.942	806.259.343	535.086.733	207.003.847	184.735.359	172.659.248	674.524.400	346.424.228	856.138.474	434.298.103	1.163.385.835	882.613.964	**18.985.818.403**	**12.603.365.258**

The Year Ended (1 January-31 December)

	Port Operations (*)		Energy Generation		Natural Gas		Mining		Real Estate		Brokerage & Asset Management		Other (**)		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
External revenues	3.281.874.246	1.076.791.372	553.166.452	368.607.091	3.742.526.044	692.043.189	331.021.460	182.643.565	71.420.282	32.714.701	734.031.483	227.486.634	4.814.966	4.461.004	**8.718.854.933**	**2.584.747.556**
EBITDA	1.053.487.354	20.232.305	183.876.374	148.228.973	891.639.335	98.945.979	106.137.074	64.264.197	33.933.349	13.446.602	310.812.514	87.917.223	(58.940.690)	(8.171.294)	**2.520.945.310**	**424.863.985**
Depreciation and amortisation expense (-)	(456.140.071)	(255.037.770)	(60.238.611)	(29.620.681)	(68.293.442)	(41.495.866)	(97.335.006)	(54.488.202)	(183.643)	(413.298)	(37.536.884)	(3.483.218)	(16.515.018)	(9.869.136)	**(736.242.675)**	**(394.408.171)**
Finance income	51.428.862	56.982.214	76.282.631	88.737.305	9.465.656	11.362.601	30.035.493	1.123.730	1.395.787	1.717.397	8.945.384	5.623.070	37.284.952	34.596.805	**214.838.765**	**200.143.122**
Finance costs	(603.909.010)	(179.005.641)	(115.266.516)	(159.585.316)	(29.445.491)	(39.194.492)	(15.994.087)	(27.921.048)	(156.935.402)	(139.998.563)	(39.303.515)	(26.313.201)	(195.373.126)	(187.083.672)	**(1.156.227.147)**	**(759.101.933)**

(*) For the year ended 31 December 2022 and 2021, port operations' revenues include TFRS Interpretation 12 effect amounting to TL 1.543.322.351 TL and TL 791.053.265 respectively.
(**) Includes Global Yatırım Holding A.Ş.'s standalone operations.

(Currency: Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

5 SEGMENT REPORTING *(continued)*

	1 January-31 December 2022	1 January-31 December 2021
Revenues		
Segment revenues	8.924.529.010	2.615.721.466
Elimination of inter-segment revenues	(205.674.077)	(30.973.910)
Consolidated revenues	**8.718.854.933**	**2.584.747.556**

	1 January-31 December 2022	1 January-31 December 2021
Consolidated EBITDA	2.520.945.310	424.863.985
Finance income (Note 30)	202.063.012	172.605.386
Finance cost (Note 31)	(1.143.451.394)	(733.222.514)
Non-operating income/(expenses) (*)	1.122.659.599	326.094.995
Depreciation and amortisation expenses (Note 27)	(736.242.675)	(394.408.171)
Consolidated profit/(loss) before income tax	**1.965.973.852**	**(204.066.319)**

	1 January-31 December 2022	1 January-31 December 2021
Segment finance income	214.838.765	200.143.122
Elimination of inter-segment finance income	(12.775.753)	(27.537.736)
Total finance income (Note 30)	**202.063.012**	**172.605.386**

	1 January-31 December 2022	1 January-31 December 2021
Segment finance cost	(1.156.227.147)	(759.101.933)
Elimination of inter-segment finance cost	12.775.753	25.879.419
Total finance cost (Note 31)	**(1.143.451.394)**	**(733.222.514)**

(*) Includes project expenses related to the new acquisitions and public offering of the group companies, impairment loss and revaluation gain, and non-cash other income and expenses.

(Currency: Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

6 RELATED PARTY DISCLOSURES

Related party	Nature of relations
Mehmet Kutman	Shareholder and key management personnel
Erol Göker	Shareholder and key management personnel
IEG	Equity accounted investee
Global MD Portföy Yatırım Fonları	Funds of a subsidiary
Turkcom Turizm Enerji İnşaat Gıda Yatırımlar A.Ş. (Turkcom)	Company owned by shareholder
Turquoise Advisory Limited ("TAL")	Company owned by key management personnel of the subsidiary

Due to related parties

As at 31 December 2022 and 31 December 2021, other current payables to related parties comprised the following:

Other current payables to related parties	31 December 2022	31 December 2021
Mehmet Kutman	20.529.841	908.432
Other	12.118.646	2.821.262
Total	**32.648.487**	**3.729.694**

Due from related parties

As at 31 December 2022 and 31 December 2021, current receivables from operations in finance sector-due from related parties comprised the following:

Current receivables from operations in finance sector - due from related parties	31 December 2022	31 December 2021
Turkcom	8.450.963	8.587.899
IEG Kurumsal Finansal Danışmanlık A.Ş.	1.697.961	1.586.452
Mehmet Kutman	14.492.289	-
Other	3.410.483	424.905
Total	**28.051.696**	**10.599.256**

As at 31 December 2022 and 31 December 2021, other current receivables from related parties comprised the following:

Other current receivables from related parties	31 December 2022	31 December 2021
Mehmet Kutman (1)	-	1.389.252
Other	17.803.902	14.404.508
Total	**17.803.902**	**15.793.760**

(1) These amounts are related with the personnel and job advances and they are not secured. Interest is charged on advances which are not job advances (Interest rate: 31 December 2022: 25%, 31 December 2021: 18% and 16,75%).

(Currency: Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

6 RELATED PARTY DISCLOSURES *(continued)*

As at 31 December 2022, the receivable amounting to TL 169.007.539 (31 December 2021: TL 105.186.938) from Goulette, which is accounted by using the equity method, has been recognized as non-current receivable from related parties. The interest rate applied on this receivable is 4% with a maturity date on 2025.

Transactions with key management personnel

The Company's key management personnel consist of the Chairman, members of the Board of Directors and general managers. The compensation of key management personnel includes wages, premiums, and health insurance. As of 31 December 2022, and 2021, the details of compensation of key management personnel comprised the following:

	31 December 2022	31 December 2021
Salaries	52.076.182	27.333.077
Bonuses	97.044.354	5.188.783
Attendance fee	5.997.646	2.772.355
Other	1.147.655	1.122.300
	156.265.837	**36.416.515**

One of the main reasons for the increase in benefits provided to key management personnel compared to previous year is the change in the subsidiaries that were consolidated with the full consolidation method throughout the year in 2021 and 2022.

The Group's interest income resulting the loan provided to key management for the period 1 January-31 December 2021 amounts to TL 53.241 (1 January-31 December 2022: none).

Regarding to the loans used by the Group, there is a personal surety amounting to TL 569.635.615 (31 December 2021: TL 419.695.154) and USD 20.150.162 (31 December 2021: USD 24.540.756), and there is pledge on personal property amounting to TL 401.816.450 (31 December 2021: TL 32.500.000) given by Mehmet Kutman with respect to these loans.

For the year ended 31 December 2022 and 2021, significant transactions with related parties comprised the following:

	1 January-31 December 2022			1 January-31 December 2021		
	Interest Received	Other Income	Other Expense	Interest Received	Other Income	Other Expense
Turkcom (*)	-	3.077.334	2.082.701	-	2.596.230	1.271.441
Mehmet Kutman (*)	1.654.846	21.311	-	3.386.101	2.241.327	-
Erol Göker	-	1.300	-	249.330	10.676	-
IEG Global Kurumsal Finansal Danışmanlık A.Ş.	-	106.200	-	183.198	22.217	-
Ayşegül Bensel	-	-	-	4.812.951	-	-
Global MD Funds	-	1.463.395	-	-	877.122	-
Other	13.995	-	-	-	-	1.480.992
Total	**1.668.841**	**4.669.540**	**2.082.701**	**8.631.580**	**5.747.572**	**2.752.433**

(*) Includes margin lending and advance interest.

(Currency: Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

7 CASH AND CASH EQUIVALENTS

As at 31 December 2022 and 31 December 2021, cash and cash equivalents comprised the following:

	31 December 2022	31 December 2021
Cash on hand	2.844.616	1.031.660
Cash at banks	1.732.262.295	1.500.620.904
-Demand deposits	*949.089.917*	*936.030.013*
-Time deposits	*783.172.378*	*564.590.891*
Other	113.627.880	34.273.893
Cash and cash equivalents	**1.848.734.791**	**1.535.926.457**
Blocked deposits (*)	(347.303.067)	(303.227.634)
Cash and cash equivalents for cash flow purposes	**1.501.431.724**	**1.232.698.823**

(*) As at 31 December 2022, cash at banks amounting to TL 288.624.555 (31 December 2021: TL 205.118.940) is blocked by relevant banks due to bank borrowings and letters of guarantee. As at 31 December 2021, TL 8.824.098 deposited at the BIST Settlement and Custody Bank ("Takasbank") is blocked by CMB (31 December 2022: None). As at 31 December 2022 TL 58.678.512 (31 December 2021: TL 89.284.596) of other cash equivalents are blocked at banks until their maturities.

Financial risk with respect to cash and cash equivalents are detailed in Note 34.

As at 31 December 2022 and 31 December 2021, maturities of time deposits comprised the following:

	31 December 2022	31 December 2021
Up to 1 month	510.176.207	430.620.211
1-3 months	272.996.171	96.970.680
6-12 months	-	37.000.000
	783.172.378	**564.590.891**

As at 31 December 2022 and 31 December 2021, the range of time deposit interest rates included in cash and cash equivalents is as follows:

	31 December 2022	31 December 2021
Interest rate range for time deposit - TL	13,25 % - 21,50 %	13,00 % - 24,00 %
Interest rate for time deposit - USD	0,25 % - 0,50 %	0,25 % - 1,00 %

(Currency: Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

8 FINANCIAL INVESTMENTS

As at 31 December 2022 and 31 December 2021, the details of financial investments of the Group comprised the following:

	31 December 2022		
	Current	Non-current	Total
Financial assets at fair value through other comprehensive income	-	5.686.347	5.686.347
Financial assets at fair value through profit/loss	378.503.584	-	378.503.584
Other financial assets	1.049.328	-	1.049.328
	379.552.912	**5.686.347**	**385.239.259**

	31 December 2021		
	Current	Non-current	Total
Financial assets at fair value through other comprehensive income	-	4.379.573	4.379.573
Financial assets at fair value through profit/loss	175.576.422	-	175.576.422
Other financial assets	719.987	-	719.987
	176.296.409	**4.379.573**	**180.675.982**

Financial assets at fair value through profit/loss

As at 31 December 2022 and 31 December 2021, the details of financial investments at fair value through profit/loss of the Group comprised the following:

	31 December 2022	31 December 2021
Debt Securities		
Debt securities (governmental bonds)	7.406.835	288.793
Investment funds participations	13.664.986	6.200.206
	21.071.821	**6.488.999**
Equity Investments		
Financial investments quoted to stock exchange	129.548.268	49.536.409
Equity instruments unquoted to an active market	227.883.495	119.551.014
	357.431.763	**169.087.423**
Total	**378.503.584**	**175.576.422**

(Currency: Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

8 FINANCIAL INVESTMENTS *(continued)*

Financial investments held by the Group and traded in an active market are stated with their fair values over market transaction prices as of the reporting date. Gains or losses resulting from fair value changes are included in other comprehensive income in the period in which they occur.

As at 31 December 2022 the equity shares amounting to TL 9.402 are pledged for an ongoing lawsuit case (31 December 2021: TL 9.402).

As at 31 December 2022 and 31 December 2021, the letters of guarantee given to BIST, Settlement and Custody Bank, Derivative Market ("VIOP") and the CMB are explained in Note 21.

Fair value through other comprehensive income

As of 31 December 2022 and 31 December 2021, financial investments measured at fair value through other comprehensive income are as follows:

Equity Investments
Equity instruments unquoted to an active market

	31 December 2022		31 December 2021	
	Share ratio (%)	Book value	Share ratio (%)	Book value
Borsa İstanbul A.Ş.	0,08	3.034.508	0,08	3.034.508
Bakü Borsası	4,76	137.594	4,76	137.594
Bilira Teknoloji A.Ş.	1,00	733.539	1,00	733.267
Other	-	1.780.706	-	474.204
Total		**5.686.347**		**4.379.573**

The cost of the shares that are not traded in the organized markets is used to measure the fair value because the management does not have sufficient recent information about the measurement of the fair value.

Global Yatırım Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2022

(Currency: Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

9 BORROWINGS

As at 31 December 2022 and 31 December 2021, borrowings comprised the following:

Current borrowings	**31 December 2022**	**31 December 2021**
Current bank loans	1.548.207.269	1.040.798.141
-TL loans	*260.387.045*	*381.968.995*
-Foreign currency loans	*1.287.820.224*	*658.829.146*
Debt securities issued	275.888.631	253.269.845
- TL debt securities	*275.888.631*	*253.269.845*
Other financial liabilities (*)	43.191.982	18.585.612
Total	**1.867.287.882**	**1.312.653.598**

Current portion of non-current borrowings	**31 December 2022**	**31 December 2021**
Current portion of non-current bank loans	924.520.836	633.725.250
-TL loans	*1.052.008*	*4.833.476*
-Foreign currency loans	*923.468.828*	*628.891.774*
Debt securities issued	306.075.770	256.346.846
-Foreign currency debt securities	*306.075.770*	*256.346.846*
Finance lease obligations	108.561.587	73.332.421
Total borrowings	**1.339.158.193**	**963.404.517**
Lease liabilities (TFRS 16)	55.619.881	46.625.417
Total	**1.394.778.074**	**1.010.029.934**

Non-current borrowings	**31 December 2022**	**31 December 2021**
Non-current bank loans	5.516.859.781	3.615.269.440
-TL loans	*15.658*	*817.652*
-Foreign currency loans	*5.516.844.123*	*3.614.451.788*
Debt securities issued	4.180.771.313	2.895.916.330
-Foreign currency debt securities	*4.180.771.313*	*2.895.916.330*
Finance lease obligations	86.499.002	72.925.871
Other financial liabilities (*)	906.843.858	589.746.120
Total borrowings	**10.690.973.954**	**7.173.857.761**
Lease liabilities (TFRS 16)	1.138.945.279	824.582.833
Total non-current borrowings	**11.829.919.233**	**7.998.440.594**
Total current and non-current borrowings	**13.897.420.029**	**9.449.915.876**
Total	**15.091.985.189**	**10.321.124.126**

(*) As at 31 December 2022, TL 22.767.293 of current other financial liabilities (31 December 2021: TL 4.852.962) and TL 820.554.084 of non-current other financial liabilities (31 December 2021: TL 589.746.120) are related to concession agreement liabilities of NCP.

(Currency: Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

9 BORROWINGS *(continued)*

Maturity profile of non-current bank loans and debt securities issued comprised the following:

Years	31 December 2022	31 December 2021
Repayments in 2nd year	1.080.697.411	692.333.155
Repayments in 3rd year	1.391.729.447	689.919.766
Repayments in 4th year	3.584.467.871	743.729.489
Repayments after 5th year	3.640.736.365	4.385.203.360
Total	**9.697.631.094**	**6.511.185.770**

Maturity profile of finance lease obligations and lease liabilities comprised the following:

	31 December 2022			31 December 2021		
	Future minimum lease payments	Interest	Present value of minimum lease payment	Future minimum lease payments	Interest	Present value of minimum lease payment
Less than one year	175.562.226	(11.380.758)	164.181.468	142.147.292	(22.189.454)	119.957.838
Between one and five years	1.853.777.309	(628.333.028)	1.225.444.281	1.449.335.511	(551.826.807)	897.508.704
Total	**2.029.339.535**	**(639.713.786)**	**1.389.625.749**	**1.591.482.803**	**(574.016.261)**	**1.017.466.542**

The movement of financial borrowings as of 31 December 2022 and 2021 is as follows:

	2022	2021
Opening balance as at 1 January	**10.321.124.126**	**6.135.737.511**
Additions	4.487.651.898	5.870.568.432
Repayments	(4.135.875.575)	(5.184.854.709)
Changes in other financial liabilities	79.590.261	(8.981.279)
Additions (TFRS 16)	40.618.523	43.603.112
Repayments related to lease liabilities	(94.916.176)	(43.270.268)
Changes in foreign currency exchange rates	450.146.526	679.073.049
Changes in interest accruals	139.800.360	(24.186.690)
Currency translation difference	3.803.845.246	2.853.434.968
Closing balance as at 31 December	**15.091.985.189**	**10.321.124.126**

(Currency: Amounts expressed in Turkish Lira (“TL”) unless otherwise stated)

9 BORROWINGS *(continued)*

					31 December 2022		
Loan Type	Company Name	Currency	Maturity	Interest Type	Nominal Interest Rate %	Principal (TL)	Carrying Value (TL)
Bond issued (ii)	Holding	TL	2023	Fixed	29,00 %	105.000.000	110.923.151
Secured loan	Holding	TL	2023	Fixed	19,68 %	403.875	407.163
Secured loan	Holding	TL	2024	Fixed	29,64 %	125.410	125.712
Secured loan (iii)	Holding	EUR	2023	Fixed	8,40 %	566.151.160	569.635.615
Secured loan	Holding	TL	2023	Fixed	45,15 %	1.787.867	1.787.867
Secured loan	Holding	TL	2023	Fixed	19,92 %	106.724	107.783
Secured loan	Holding	TL	2023	Fixed	11,20 %	59.288	59.328
Secured loan	Holding	TL	2023	Fixed	20,16 %	212.445	212.521
Secured loan (iii)	Holding	USD	2026	Fixed	8,40 - 15,10 %	339.489.451	354.152.975
Secured loan (xiii)	Antigua	USD	2027	Floating	Libor + 5,75 - 6,75 %	635.944.665	638.681.423
Bond issued (xii)	Nassau	USD	2040	Fixed	5,29 - 8,00 %	4.569.864.520	4.486.847.083
Secured loan (ix)	VCP	EUR	2037	Fixed	2,80 %	166.441.304	172.742.926
Secured loan	Global Liman	TL	2023	Fixed	47,35 %	16.000.000	20.715.360
Secured loan	Global Liman	USD	2023	Fixed	5,00 - 6,50 %	430.060.900	430.286.154
Secured loan	Global Liman	USD	2023	Fixed	15,15 %	41.136.260	41.202.153
Secured loan (iv)	GPH Cruise Port Finance Ltd.	USD	2026	Floating	Libor + 5,25 % + PIK rate 2,00 %	4.003.887.154	3.933.231.632
Secured loan (x)	Port of Adria	EUR	2025	Floating	Euribor + 4,25 %	328.925.850	332.211.832
Secured loan	Port of Adria	EUR	2025	Floating	Euribor + 3,15 %	7.833.445	7.833.445
Secured loan	Bodrum Liman	TL	2023	Fixed	30,00 %	2.500.000	2.960.062
Secured loan	GP Med	EUR	2028	Fixed	0,89 - 1,55 %	3.629.324	3.629.324
Secured loan	Ege Liman	USD	2023	Fixed	9,25 %	77.130.488	80.905.605
Secured loan	Straton Maden	TL	2023	Fixed	12,00 - 13,00 %	100.500.000	100.500.000
Secured loan	Straton Maden	TL	2023	Fixed	20,50 - 28,00 %	152.429	155.173
Secured loan (viii)	BPI	EUR	2024	Floating	Euribor + 4,00 %	101.327.996	100.734.957
Secured loan (viii)	Malaga Cruise Port	EUR	2025	Floating	Euribor + 2,00 %	45.670.057	45.650.206
Secured loan	Tenera Enerji	TL	2023	Fixed	21,00 %	6.400.000	6.415.518
Secured loan	Ra Güneş	USD	2029	Floating	Libor + 8,50 %	121.796.327	128.076.616
Secured loan	Mavi Bayrak Enerji	USD	2027	Floating	Libor + 5,95 - 15,00 %	181.809.292	186.211.888
Secured loan	Mavi Bayrak Enerji	TL	2023	Fixed	15,75 %	5.000.000	5.126.903
Secured loan	Mavi Bayrak Doğu	USD	2027	Floating	Libor + 7,00 - 15,00 %	238.917.636	240.754.206
Secured loan	Doğal Enerji	USD	2024	Floating	Libor + 6,50 %	33.944.606	35.020.340
Secured loan	Tres Enerji	TL	2023	Fixed	16,50 - 18,45 %	42.000.000	43.302.041
Secured loan	Tres Enerji	TL	2023	Fixed	20,30 %	2.800.000	2.851.390
Secured loan	Port Operation Holding	EUR	2032	Fixed	1,52 %	6.934.512	7.153.186
Secured loan	Tarragona	EUR	2025	Fixed	5,37 %	78.742.855	78.265.255
Bond issued	Global Menkul	TL	2023	Fixed	25,00 - 26,00 %	160.653.459	164.965.480
Secured loan	Global Menkul	TL	2023	Revolving	-	55.000.000	55.000.000
Secured loan	Edusa Atık Bertaraf	TL	2023	Fixed	18,45 %	21.000.000	21.727.890
Secured loan (xi)	Global Ticari Emlak	USD	2025	Floating	Libor + 7,00 %	342.442.826	341.753.437
						12.841.782.125	**12.752.323.600**
Finance Lease Obligations							
Leasing	Ege Liman	USD	2025	Fixed	6,25 %	36.607.898	36.607.898
Leasing	Edusa Atık Bertaraf	TL	2024	Fixed	19,70 - 29,65 %	2.322.082	2.322.082
Leasing	Edusa Atık Bertaraf	TL	2024	Fixed	27,50 %	268.091	268.091
Leasing	Edusa Atık Bertaraf	USD	2025	Fixed	5,90 %	8.789.680	8.789.680
Leasing	Edusa Atık Bertaraf	EUR	2024	Fixed	4,40 - 7,11 %	6.692.151	6.692.151
Leasing	Straton Maden	EUR	2024	Fixed	4,25 - 7,00 %	14.803.996	14.803.996
Leasing	Straton Maden	TL	2024	Fixed	27,50 - 28,30 %	573.054	573.054
Leasing (vii)	Tres Enerji	TL	2023	Fixed	24,00 %	1.515.161	1.515.161
Leasing (vii)	Tres Enerji	EUR	2023	Fixed	7,00 %	7.102.445	7.102.445
Leasing (vii)	Tres Enerji	EUR	2024	Fixed	5,15 %	23.779.891	23.779.891
Leasing (vii)	Tres Enerji	EUR	2024	Fixed	5,13 - 10,22 %	40.866.545	40.866.545
Leasing (vii)	Tres Enerji	TL	2024	Floating	Libor + 8,15 %	16.062.140	16.062.140
Leasing (vii)	Tres Enerji	TL	2025	Floating	31,00 %	433.185	433.185
Leasing	Consus Enerji	TL	2024	Fixed	35,00 %	1.334.293	1.334.293
Leasing	Naturelgaz	USD	2026	Fixed	8,87 %	25.637.856	25.637.856
Leasing	Mavi Bayrak Doğu	TL	2023	Fixed	10,50 %	456.564	456.564
Leasing	Mavi Bayrak Doğu	USD	2024	Fixed	7,50 %	896.900	896.900
Leasing	Bodrum Liman	TL	2024	Fixed	8,75 %	6.918.657	6.918.657
						195.060.589	**195.060.589**
						13.036.842.714	**12.947.384.189**

(Currency: Amounts expressed in Turkish Lira (“TL”) unless otherwise stated)

9 BORROWINGS *(continued)*

						31 December 2021	
Loan Type	Company Name	Currency	Maturity	Interest Type	Nominal Interest Rate %	Principal (TL)	Carrying Value (TL)
Debt securities issued (i)	Holding	USD	2022	Fixed	8,00%	43.915.860	43.915.860
Bond issued (ii)	Holding	TL	2022	Fixed	24,00%	136.207.500	144.447.175
Secured loan	Holding	TL	2023	Fixed	19,68%	764.966	771.216
Secured loan	Holding	TL	2022	Fixed	18,00%	79.105.000	79.409.554
Secured loan (iii)	Holding	EUR	2022	Fixed	5,50 - 7,55%	256.940.250	258.530.757
Secured loan (iii)	Holding	TL	2022	Fixed	28,00%	125.000.000	127.960.417
Secured loan	Holding	TL	2023	Fixed	19,92%	241.173	243.568
Secured loan	Holding	TL	2023	Fixed	11,20%	190.184	190.309
Secured loan	Holding	TL	2023	Fixed	20,16%	574.912	575.491
Secured loan	Holding	USD	2022	Fixed	2,60%	81.655.767	81.754.842
Secured loan (xiv)	Antigua	USD	2026	Floating	Libor + 5,75 - 6,75%	441.372.367	433.296.588
Bond issued (xiii)	Nassau	USD	2040	Fixed	5,29 - 8,00%	3.171.701.000	3.108.347.316
Secured loan (x)	VCP	EUR	2036	Fixed	2,80%	122.707.345	122.707.345
Secured loan	Global Liman	TL	2022	Fixed	21,50%	16.000.000	19.313.107
Secured loan	Global Liman	USD	2022	Fixed	3,50%	129.775.000	130.267.861
Secured loan (iv)	GPH Cruise Port Finance Ltd.	USD	2026	Floating	Libor+5,25% + PIK rate 2,00%	2.507.579.851	2.456.780.934
Secured loan (xi)	Port of Adria	EUR	2025	Floating	Euribor + 4,25%	271.622.550	273.551.814
Secured loan	Port of Adria	EUR	2022	Floating	Euribor + 3,15 - 3,30%	16.888.449	16.933.039
Secured loan	Bodrum Liman	TL	2022	Fixed	22,00%	2.500.000	2.944.149
Secured loan	GP Med	EUR	2028	Fixed	0,89 - 2,27%	3.196.273	3.196.273
Secured loan	Ege Liman	USD	2022	Fixed	5,00%	51.910.000	53.452.080
Secured loan (v)	Naturelgaz	TL	2022	Floating	TR Libor + 2,50%	3.085.264	3.245.926
Secured loan (v)	Naturelgaz	USD	2022	Floating	USD Libor + 5,25%	45.307.710	46.379.949
Secured loan	Straton Maden	TL	2024	Fixed	27,50 - 29,50%	16.726.249	16.748.582
Secured loan (vi)	Straton Maden	EUR	2022	Floating	Euribor + 0,60 - 3,00%	73.411.500	73.411.500
Secured loan	Straton Maden	EUR	2022	Fixed	2,00 - 6,50%	8.075.265	8.075.265
Secured loan (viii)	BPI	EUR	2024	Floating	Euribor + 4,00%	149.010.736	147.560.879
Secured loan (viii)	Malaga Cruise Port	EUR	2025	Floating	Euribor + 1,75%	48.028.064	47.858.785
Secured loan	Tres Enerji	TL	2022	Revolving	-	23.855.000	23.902.622
Secured loan	Consus Enerji	TL	2022	Fixed	19,25%	1.000.000	1.055.529
Secured loan	Tenera Enerji	TL	2022	Revolving	-	58.140.000	58.220.942
Secured loan	Ra Güneş	USD	2029	Floating	Libor + 8,50%	97.537.363	100.555.372
Secured loan	Edusa Atık Bertaraf	TL	2023	Fixed	9,50 - 19,25%	3.021.381	3.021.381
Secured loan	Mavi Bayrak Enerji	USD	2025	Floating	Libor + 5,95%	99.926.387	99.961.882
Secured loan	Mavi Bayrak Enerji	USD	2022	Revolving	-	38.672.950	39.866.872
Secured loan	Doğal Enerji	USD	2024	Floating	Libor + 6,50%	35.338.731	35.992.223
Secured loan	Mavi Bayrak Doğu	USD	2026	Floating	Libor + 5,95 - 7,00%	142.755.129	142.862.345
Secured loan	Mavi Bayrak Doğu	USD	2026	Revolving	-	38.932.500	40.583.829
Secured loan	Port Operation Holding	EUR	2029	Fixed	1,52 - 5,36%	5.916.394	6.106.832
Secured loan	Global Menkul	TL	2022	Fixed	20,28%	17.330	17.330
Bond issued	Global Menkul	TL	2022	Fixed	17,00 - 21,00%	107.675.054	108.822.670
Secured loan	Global Menkul	TL	2022	Revolving	-	50.000.000	50.000.000
Secured loan (xii)	Global Ticari Emlak	USD	2025	Floating	Libor + 7,00%	283.092.684	282.485.442
						8.789.374.138	8.695.325.852
Finance Lease Obligations							
Leasing	Straton Maden	EUR	2024	Fixed	4,93 - 7,00%	6.644.917	6.644.917
Leasing	Straton Maden	TL	2024	Fixed	27,50-29,50%	407.039	407.039
Leasing (vii)	Tres Enerji	TL	2023	Fixed	24,00%	6.778.325	6.778.325
Leasing (vii)	Tres Enerji	EUR	2024	Fixed	5,15%	31.831.898	31.831.898
Leasing (vii)	Tres Enerji	EUR	2022	Fixed	5,13 - 10,22%	13.115.719	13.115.719
Leasing (vii)	Tres Enerji	EUR	2023	Fixed	7,00%	12.592.953	12.592.953
Leasing (vii)	Tres Enerji	TL	2024	Floating	Libor+ 8,15%	16.084.582	16.084.582
Leasing	Mavi Bayrak Doğu	EUR	2022	Fixed	7,50%	227.423	227.423
Leasing	Mavi Bayrak Doğu	TL	2023	Fixed	10,50%	868.785	868.785
Leasing	Mavi Bayrak Doğu	USD	2024	Fixed	7,50%	974.978	974.978
Leasing	Port Operation Holding	EUR	2022	Fixed	1,96%	321.974	321.974
Leasing	Bodrum Liman	TL	2024	Fixed	8,75%	10.237.277	10.237.277
Leasing	Ege Liman	USD	2025	Fixed	6,25%	34.332.923	34.332.923
Leasing	Edusa Atık Bertaraf	TL	2022	Fixed	19,70%	29.901	29.901
Leasing	Edusa Atık Bertaraf	TL	2024	Fixed	27,50%	373.958	373.958
Leasing	Edusa Atık Bertaraf	USD	2025	Fixed	5,90%	8.259.082	8.259.082
Leasing	Edusa Atık Bertaraf	EUR	2024	Fixed	4,40%	3.176.558	3.176.558
						146.258.292	146.258.292
						8.935.632.430	8.841.584.144

9 BORROWINGS *(continued)*

Detailed information related to the significant borrowings of the Group is as follows:

(i) The Company has borrowed amounting to USD 100.000.000 non-current loan with a 5 year maturity and an interest rate of 9,25% "loan participation notes" issued on 1 August 2007. The principal amount would be paid on maturity and interest would be paid in January and July each year. On the day the loan was issued, a special purpose entity of the Group invested USD 25.000.000 in the notes, which were issued by Deutsche Bank Luxembourg SA. With subsequent repurchases on various dates, the amount of notes owned by the Group reached a nominal value of USD 26.860.300 as at 31 December 2010. The Group presented these notes acquired as a result of these transactions by netting off its investments in the notes and Group's loan participation notes in accordance with TAS 32 "Financial Instruments: Presentation".

As at 28 December 2011, the Group exchanged the portion of the aforementioned notes amounting to USD 39.333.000 with the new notes issued by the Company having a nominal value of USD 40.119.000, with a maturity date of 30 June 2017 and an interest rate of 11% p.a. Interest will be paid in January and June each year. Thus, as at 31 December 2011, the nominal value of the aforementioned loan participation notes is USD 60.667.000. As of 31 July 2012, the loan participation notes have been closed by repayment of all interest and principal amounts.

The General Assembly of the Bonds Owned by the Bondholders of the CMB on 15 June 2017; it has been decided to extend the market by 30 June 2022, by setting various improvements in favor of the Company, including the reduction of the bond interest to 8%. In addition, a total amount of USD 11.986.000 is paid to the debt holders who demanded the deposit of their treasury deposits and the remaining net debt amount is USD 3.244.000.

As at 31 December 2021, the portion amounting to USD 10.220.000 of the new notes issued by the Company with a total amount of USD 13.604.000 are the notes held by the Company and its subsidiaries. As of 6 February 2018 the portion of the shares held by the Group amounting to USD 13.944.600 has been amortized using the "right of sale option". The Group presented these notes acquired as a result of these transactions by netting off its investments in the notes and Group's notes issued in accordance with TAS 32 "Financial Instruments". As of 30 June 2022, related bond was paid on maturity (31 December 2021: USD 3.384.000).

(ii) The Company has issued bonds to qualified investors amounting to TL 136.207.500 with 154 days maturity and an interest rate of 24% on 1 October 2021. Related bond was paid on 4 March 2022.

The Company has issued bonds to qualified investors amounting to TL 83.375.100 with 100 days maturity and an interest rate of 29% on 27 May 2022. Related bond was paid on 7 September 2022.

The Company has issued bonds to qualified investors amounting to TL 55.000.000 with 78 days maturity and an interest rate of 35% on 4 August 2022. Related bond was paid on 21 October 2022.

The Company has issued bonds to qualified investors amounting to TL 105.000.000 with 120 days maturity and an interest rate of 29% on 21 October 2022. Related bond was paid on 20 January 2023.

9 BORROWINGS *(continued)*

(iii) As of 31 December 2022, the Company has total of EURO 28.400.000 bank loan, with an interest rate range of 5,70% - 7,60%. The maturity of these loans is 2023 (31 December 2021: EURO 17.500.000).

On 2 March 2022, the Company has borrowed a total of USD 20.000.000, with an interest rate of 8,50% and maturity on 2 March 2026. The remaining principal amount of this loan as of 31 December 2022, is USD 15.756.167.

On 27 December 2022, the Company has borrowed a total of USD 2.400.000 with an interest rate of 15,10% and maturity on 27 September 2023.

On 2 December 2021, the Company has borrowed a total of TL 125.000.000 with an interest rate of 28%. The related loan was paid on 31 May 2022 before its maturity.

On 24 December 2021, the Company has borrowed a total of TL 79.105.000 with an interest rate of 18% and maturity on 6 January 2022. The related loan was paid on maturity.

(iv) Global Ports Holding Plc, subsidiary of the Group, signed a five-year loan agreement up to USD 261,3 million with Sixth Street.

The loan agreement provides for two-term loan facilities, an initial five-year term facility of USD 186,3 million and an additional five-year growth facility of up to USD 75 million. USD 186,3 million portion of loan, together with existing cash resources, were used to redeem the outstanding amount Eurobond in full. As part of the financing arrangement with Sixth Street and following a General Meeting on 9 June 2021, the Company issued warrants to Sixth Street. In case of using the growth loan up to USD 75 million, it is also approved to issue additional warrants in proportion to the loan amount used. While the interest rate of the 250 million USD Eurobond was 8,125%, the cash interest rate was realized at much lower levels as "LIBOR+5,25%+in-kind payment rate (PIK rate)" as per the new loan agreement. Under this loan agreement, there is a pledge on the shares of the subsidiaries of the Group operating in the port business amounting to GBP 2.001 and TL 74.307.399. The remaining principal amount of the loan as at 31 December 2022 is USD 214.131.079 (31 December 2021: USD 193.225.186).

(v) As of 31 December 2021, Naturelgaz's borrowings amounts to TL 3.085.264 and USD 3.491.251, with a maturity date of 2022, with an interest rate of TR Libor+2,50% and USD Libor+5,25% respectively with interest payable every six months which were taken to finance investing activities. Related loan was paid on maturity.

(vi) Straton Maden entered into a loan agreement with interest rates of Euribor + 0,75% and Euribor + 3% to finance investing activities. The related loan was paid on its maturity. (31 December 2021: EURO 5.000.000).

(vii) Finance lease agreements signed by Tres Enerji to finance investments.

(viii) Barcelona Port Investments (BPI) has entered into a syndication loan amounting to EURO 60.249.642 with a maturity date on 2024, an interest rate of Euribor + 4%. The remaining principal amounts of the loans as at 31 December 2022 are EURO 5.082.945 (31 December 2021: EURO 10.149.005). There is a pledge on BPI shares amounting to EURO 19.640.360 (TL 391.528.613) (31 December 2021: EURO 19.640.360) and Creuers shares amounting to EURO 1.863.138 (TL 37.141.470) (31 December 2021: EURO 1.863.138) related to this loan.

On 12 January 2010, Malaga Port has borrowed a loan from Unicaja amounted EURO 9.000.000 with an interest rate of Euribor + 2,00% for a new terminal construction. The loan is a nonrecourse loan which has a 15 year maturity and 18 months non-refundable right effective from the term of the agreement related with Euribor conditions. Malaga Port has guaranteed repayment of principal and interest amounts of the loan by mortgaging its concession right. The remaining principal amount of the loan as at 31 December 2022 is EURO 2.290.960 (31 December 2021: EURO 3.271.154).

9 BORROWINGS *(continued)*

(ix) Valletta Cruise Port's bank loans and overdraft facilities bear interest at Euribor + 2,80% per annum and are secured by a mortgage over tangible assets amounting to EURO 18.752.084 (TL 373.820.919 TL) (31 December 2021: EURO 19.180.778).

(x) Port of Adria has borrowed a loan on 18 May 2018 with a maturity date on 2025, an interest rate of Euribor + 4,25% to finance investing activities. The remaining principal amounts of the loans as at 31 December 2022 are EURO 16.500.000 (31 December 2021: EURO 18.500.000). Under this loan agreement, there are pledges amounting to EURO 9.804.887 over property, plant and equipment. As at 31 December 2022, there are pledges amounting EURO 44.240.417 (TL 881.928.289) over the shares owned by the Group related to loans of Port of Adria.

(xi) Global Ticari Emlak entered into a loan amounting to USD 34.640.000 to finance construction of Van AVM. The interest is paid every six-month (April and October). The remaining principal amount of the loan as at 31 December 2022 is USD 18.314.116 (31 December 2021: USD 21.814.116).

(xii) Nassau Cruise Port has issued a bond amounting to USD 134.400.000 with a 20 years maturity and 10 years grace period to rehabilitation a port investment with a semi-annual coupon of 8,0% starting in June 2021. The bond will mature in 2040 and the principle will be repaid in ten equal annual instalments starting from June 2031. Besides, NCP has issued bonds amounting to USD 40.000.000 with a maturity at 2040 and 5 years grace period with 5,29% interest rate, USD 15.000.000 with a maturity at 2031, payable on maturity, with 5,42% interest rate and USD 55.000.000 with a maturity 2029, payable on maturity, with 7,5% interest rate. The bond is non-recourse to GPH or any other Group entity other than NCP.

(xiii) On 26 September 2019, GPH Antigua entered into a syndicated loan with 8 years maturity and 2 years grace period. Repayment will be made quarterly starting from 31 December 2021, at a principal rate of 2,0835%. Remaining amount (58,33%) will be paid at 31 December 2026. The interest rate of this loan will be Libor + 5,75 – 6,75% prior to new pier completion date and Libor + 5,25 – 6,25% after completion of new pier construction. The syndicated loan is subject to a number of financial ratios and restrictions, breach of which could lead to early repayment being requested. The agreement includes terms about certain limitations on dividends payments, new investments, and change in the control of the companies, change of the business, new loans and disposal of assets.

A summary of other guarantees with respect to the loans are presented in Note 21.

The details of the foreign currency risk with respect to financial liabilities are presented in Note 34.

(Currency: Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

10 TRADE RECEIVABLES AND PAYABLES

Current trade receivables

As at 31 December 2022 and 31 December 2021, current trade receivables other than related parties comprised the following:

	31 December 2022	31 December 2021
Receivables from customers	1.345.434.961	461.550.472
Doubtful receivables	87.854.261	74.955.027
Allowance for doubtful receivables	(87.854.261)	(74.955.027)
Other	14.197.001	8.962.849
Total	**1.359.631.962**	**470.513.321**

The movement of the allowance for doubtful trade receivables for the year ended 31 December 2022 and 2021 comprised the following:

	2022	2021
Balance at the beginning of the period (1 January)	(74.955.027)	(32.025.524)
Allowance for the period	(12.074.262)	(41.456.349)
Cancellation of allowances and collections	3.683.683	6.381.267
Disposal to the scope of consolidation	3.162.841	-
Currency translation differences	(7.671.496)	(7.854.421)
Balance at the end of the period (31 December)	**(87.854.261)**	**(74.955.027)**

The expenses related to the allowance for doubtful receivables are presented under impairment losses (gains) and reversal of impairment losses determined in accordance with TFRS 9.

The average maturity of trade receivables arising from port operations is between 60 and 120 days, the average maturity of trade receivables arising from energy generation activities is between 30 and 180 days, the average maturity of trade receivables arising from natural gas sales activities is between 10 and 33 days, the average maturity of trade receivables arising from mining operations is between 30 and 180 days, the average maturity of trade receivables arising from real estate activities is between 30 and 90 days.

The details of the liquidity and currency risk of the Group's current trade receivables are disclosed in Note 34.

Current trade payables

As at 31 December 2022 and 31 December 2021, current trade payables other than related parties comprised the following:

Current trade payables	31 December 2022	31 December 2021
Payables to suppliers	849.241.543	364.515.363
Total	**849.241.543**	**364.515.363**

The details of the liquidity and currency risk of the Group's current trade payables are disclosed in Note 34.

(Currency: Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

11 OTHER RECEIVABLES AND PAYABLES

Other current receivables

As at 31 December 2022 and 2021, current other receivables other than related parties comprised the following:

	31 December 2022	31 December 2021
Deposits and advances given	106.856.910	67.468.062
Receivables from subsidiaries' and joint ventures' other shareholders (*)	7.381.103	326.541.796
Tax returns	43.221.101	16.290.506
Other	42.650.141	16.530.570
Total	**200.109.255**	**426.830.934**

(*) As of 31 December 2021, TL 324.437.500 of the amount is related to NCP's receivables from other shareholders regarding the capital increase and has been collected in cash in 2022.

Other current payables

As at 31 December 2022 and 2021, current other payables other than related parties comprised the following:

	31 December 2022	31 December 2021
Due to subsidiaries' and joint ventures' other shareholders	30.249.524	32.401.575
Taxes payable and others	165.321.785	57.430.492
Deposits and advances received	16.243.890	11.016.172
Other	30.844.512	7.651.736
Total	**242.659.711**	**108.499.975**

Other non-current payables

As at 31 December 2022 and 2021, non-current other payables other than related parties comprised the following:

	31 December 2022	31 December 2021
Non-current liabilities relating to the concession agreement (*)	78.084.437	63.226.653
Consideration payable	4.903.721	4.903.721
Deposits and advances received	3.355.417	20.296
Tax amnesty liabilities	3.497.101	10.753.580
Other	16.568.881	9.158.932
Total	**106.409.557**	**88.063.182**

(*) Consists of the payments to concessionaire regarding to the new Pier construction in terms of concession agreement of Antigua.

(Currency: Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

12 RECEIVABLES FROM AND PAYABLES TO OPERATIONS IN FINANCE SECTOR

Current receivables

As at 31 December 2022 and 31 December 2021, current receivables from operations in finance sector other than related parties comprised the following:

	31 December 2022	31 December 2021
Receivables from customers	240.795.324	129.800.995
Receivables from money market	266.703.000	162.078.000
Deposits and guarantee given	24.214.708	38.902.921
Doubtful receivables	6.310.603	8.434.231
Allowance for doubtful receivables	(6.310.603)	(8.434.231)
Other trade receivables	146.478	628.367
Total	**531.859.510**	**331.410.283**

Current trade payables

As at 31 December 2022 and 31 December 2021, current trade payables due to operations in finance sector other than related parties comprised the following:

	31 December 2022	31 December 2021
Payables to money market	267.520.738	162.966.792
Payables to customers	63.451.731	28.331.325
Payables to suppliers	6.439.634	6.189.866
Other	5.544	3.216
Total	**337.417.647**	**197.491.199**

(Currency: Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

13 INVENTORIES

As at 31 December 2022 and 31 December 2021, inventories comprised the following:

	31 December 2022	31 December 2021
Properties held for sale (*)	15.683.366	26.526.973
Raw materials (**)	169.826.764	74.764.874
Trading goods	53.421.900	14.222.125
Provision for impairment on inventories	(1.786.358)	(1.331.765)
Other	43.462.793	25.967.937
Total	**280.608.465**	**140.150.144**

Movements of properties held for sale for the year ended 31 December 2022 and 2021 are as follows:

	2022	2021
Balance at the beginning of the period (1 January)	26.526.973	27.395.816
Disposals (***)	(1.768.234)	(868.843)
Dispsosal to the scope of consolidation (****)	(9.075.373)	-
Balance at the end of the period (31 December)	**15.683.366**	**26.526.973**

(*) The Group's land classified as inventory transferred from investment property consist of the land plots on which residential flats started to be built in 2011 in the scope of the residential project in Denizli. The land is located in Denizli, Plot 6224, and Parcel numbered 1. In addition, the offices of the Sky City Office Project and the apartments in the Sümerpark Houses 3rd Block are included in the properties held for sale.

(**) A significant portion of the raw materials comprised of inventories held by the Group's subsidiaries which operates in energy generation, natural gas sales, and mining.

(***) As at 31 December 2022 disposals amounting to TL 1.768.234 include cost of sales related to Sky City Office.

(****) Consists of the inventories of Pera GYO, which is out of the scope of consolidation for the period ended 31 December 2022.

As at 31 December 2022 and 31 December 2021, the mortgage or pledge on the inventory of the Group is explained in Note 21.

(Currency: Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

14 PREPAID EXPENSES

Prepaid expenses-current

As at 31 December 2022 and 31 December 2021, current prepaid expenses comprised the following:

	31 December 2022	31 December 2021
Prepaid expenses (*)	96.785.881	374.855.239
Advances given (**)	238.462.560	79.631.976
Other	2.781.159	482.055
Total	**338.029.600**	**454.969.270**

Prepaid expenses-non current

As at 31 December 2022 and 31 December 2021, non-current prepaid expenses comprised the following:

	31 December 2022	31 December 2021
Advances given (**)	112.449.018	62.355.324
Prepaid expenses (*)	6.204.676	2.862.804
Total	**118.653.694**	**65.218.128**

(*) As at 31 December 2022 and 31 December 2021, the major part of prepaid expenses comprises of prepaid expenses for energy, mining and port operation activities of the Group.

(**) As at 31 December 2022 and 31 December 2021, the major part of current and non-currents advances given comprises of advances given for developing projects of the Group for energy, mining and port operation investments.

(Currency: Amounts expressed in Turkish Lira (“TL”) unless otherwise stated)

15 INVESTMENT PROPERTY

As at 31 December 2022 and 31 December 2021, investment properties comprised the following:

Investment Properties	1 January 2022	Additions (*)	Valuation gain/(loss) (Note 29.1)	Disposal (**)	31 December 2022
Non-operating investment properties					
- Hospital land in Denizli	26.650.000	-	82.520.000	-	109.170.000
- Land in Bodrum	3.455.000	-	8.935.000	-	12.390.000
- Land in Bilecik	445.000	-	435.000	-	880.000
- Land in Bodrum	1.545.000	-	2.490.000	-	4.035.000
Operating investment properties					
- Sümerpark Shopping Mall ("Sümerpark AVM") (**)	128.481.000	-	-	(128.481.000)	-
- Van Shopping Mall ("Van AVM")	605.675.000	-	885.560.000	-	1.491.235.000
- Karakoy Building (*)	-	375.050.389	-	-	375.050.389
- School building in Denizli	36.705.000	-	96.870.000	-	133.575.000
Total	**802.956.000**	**375.050.389**	**1.076.810.000**	**(128.481.000)**	**2.126.335.389**

Investment Properties	1 January 2021	Additions	Valuation gain/(loss) (Note 29.1)	Disposal	31 December 2021
Non-operating investment properties					
- Hospital land in Denizli	16.280.000	-	10.370.000	-	26.650.000
- Land in Bodrum	1.525.000	-	1.930.000	-	3.455.000
- Land in Bilecik	-	80.000	365.000	-	445.000
- Land in Bodrum	-	782.751	762.249	-	1.545.000
Operating investment properties					
- Sümerpark Shopping Mall ("Sümerpark AVM")	107.514.000	-	20.967.000	-	128.481.000
- Van Shopping Mall ("Van AVM")	403.670.000	-	202.005.000	-	605.675.000
- School building in Denizli	25.185.000	-	11.520.000	-	36.705.000
Total	**554.174.000**	**862.751**	**247.919.249**	**-**	**802.956.000**

(*) As of 1 January 2022, the Group has reclassified the building in Karaköy to investment property, which was previously accounted as building under tangible assets. According to the valuation report as of 1 January 2022, the difference between fair value amounting 212.275.000 and carrying value of the property, including tax effect, amounting to TL 154.855.304 has been accounted in increases in revaluation of tangible assets under equity. According to the recent valuation report as of 31 March 2022, the fair value of the property upon completion of the project is amounting to TL 506.185.000. The net value amounting of TL 355.535.000, which was calculated by deducting the estimated cost of TL 150.650.000 to be incurred for the completion of the project, has been accounted in investment properties in the financial statements. The difference between the fair value as of 31 March 2022 and 1 January 2022 amounting to TL 143.260.000 has accounted as valuation gain under income from investing activities in profit or loss. As of 31 December 2022, the fair value of the property including TL 19.515.389 cost amount incurred in last 9 months is TL 375.050.389.

(**) Pera GYO is excluded from the scope of consolidation as of 30 September 2022.

(Currency: Amounts expressed in Turkish Lira (“TL”) unless otherwise stated)

15 INVESTMENT PROPERTY *(continued)*

Van Shopping Mall (“Van AVM”)

	2022		2021	
	Valuation Report Date	**Fair Value**	**Valuation Report Date**	**Fair Value**
Van AVM	27 February 2023	1.491.235.000	19 January 2022	605.675.000
		1.491.235.000		**605.675.000**

Investment properties consist of Van AVM which has completed construction process on 2015 and has been officially opened on 15 December 2016. Van AVM is the property of Global Ticari Emlak, one of the Group companies.

As at 31 December 2022, there is an insurance amounting to TL 171.670.655 on Van AVM (31 December 2021: TL 86.788.471).

As at 31 December 2022 and 2021, Van AVM is first degree pledged as collateral in favor of a bank amounting to USD 50.000.000. In addition, there is a pledge on shares, that owned by the Group, of Global Ticari Emlak amounting to nominal value of TL 45.600.000.

In accordance with the valuation report prepared by an independent real estate appraisal company, which has the authorization license of CMB, dated 27 February 2023, the fair value of the Van AVM has been determined as TL 1.491.235.000 by using the income approach method at 31 December 2022. The income approach method determines the present value of the real estate by capitalizing the future benefits and the net income it brings. In accordance with the expertise reports dated 19 January 2022, the fair value of Van AVM has been determined as TL 605.675.000 as at 31 December 2021.

The conciliation protocol was signed between the Group and Municipality with respect to withdrawing lawsuits and operating the project based on the decisions of Van City Council and related conciliation commission on 5 July 2014. According to the conciliation protocol, ownership of the property belongs to the Group and the project is started to actualize based on the fulfillment of the certain conditions specified in the protocol (Note 23).

The main assumptions contained in the valuation reports related to the income capitalization method of investment properties are as follows:

Main assumptions used in income capitalization method:

	2022	2021
Discount rate (%)	14,0 - 17,0	26,0 - 17,0
Occupancy rate (%)	88,5 – 100,0	85 – 96,5
Capitalization rate (%)	7,7	8,7
Rent increase rate (%)	20,0	15,0

(Currency: Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

15 INVESTMENT PROPERTY *(continued)*

Van Shopping Mall ("Van AVM") (continued)

Sensitivity analysis of the investment property is as follows:

		Changes in fair value	
		2022	**2021**
Discount rate			
	1% increase	(100.635.000)	(38.650.000)
	1% decrease	109.790.000	42.085.000
Rent increase rate			
	1% increase	92.785.000	36.910.000
	1% decrease	(87.295.000)	(34.690.000)
Occupancy rate			
	1% increase	300.000	5.260.000
	1% decrease	(305.000)	(5.265.000)

As at 31 December 2022, the fair value of investment properties is in the scope of level 3 based on the methods used for valuation. (31 December 2021: level 3)

School and Land

	2022		**2021**	
	Valuation Report Date	**Fair Value**	**Valuation Report Date**	**Fair Value**
Denizli Land (Hospital)	27 February 2023	109.170.000	21 January 2022	26.650.000
School building in Denizli	27 February 2023	133.575.000	21 January 2022	36.705.000
		242.745.000		**63.355.000**

These land plots of the Group in Denizli include the plots on which the investments made on them and are located in Denizli Sümer Mahallesi. The land plot, located in Denizli, Plot # 6224 Parcel # 1 is allocated to a residential flat project. This plot has been transferred to inventory in 2011 as the construction of the residential units' project started in 2011. The land plots, located in Denizli, Plot #6227 Parcel 1 and Plot #6225 Parcel 1 will include the hospital and hotel projects.

As at 31 December 2022, the fair values of these land plots have been determined by market approach method according to the valuation reports dated 27 February 2023 prepared by an independent real estate appraisal company, which has the authorization license of CMB.

The Group has made a lease agreement with Final Okulları to operate a school building on the land plot of the Group located in Denizli #6225 Parcel 1 with respect to Sümerpark Multicomponent Project which functions as a shopping mall, flats, a hospital, a hotel and a school and carried out by one of the subsidiary of the Group, in Denizli. According to the agreement, Final Okulları has a right to operate on the land plot mentioned above as a school for fifteen years. The school has started operations in 2014-2015 education period, consist of 11.450 square meter long closed area with seventy-four classrooms, gym, swimming pool, dining hall, library, conference, and meeting rooms.

As at 31 December 2022, the fair value of investment properties is in the scope of level 2 based on the methods used for valuation (31 December 2021: level 2).

(Currency: Amounts expressed in Turkish Lira (“TL”) unless otherwise stated)

16 PROPERTY, PLANT AND EQUIPMENT

Movements of property, plant and equipment for the year ended 31 December 2022 is as follows:

	Land	Land improvements	Buildings	Machinery, plant and equipment	Motor vehicles	Furniture and fixtures	Leasehold improvements	Other fixed assets	Construction in progress	Total
1 January 2022										
Cost	46.717.644	182.390.626	409.699.200	1.535.225.934	360.968.484	354.345.998	1.349.623.826	2.728.392	106.043.859	**4.347.743.963**
Accumulated depreciation	-	(38.928.852)	(87.411.909)	(407.352.882)	(282.834.872)	(181.454.035)	(474.456.034)	(1.895.057)	-	**(1.474.333.641)**
Carrying value	**46.717.644**	**143.461.774**	**322.287.291**	**1.127.873.052**	**78.133.612**	**172.891.963**	**875.167.792**	**833.335**	**106.043.859**	**2.873.410.322**
Additions	1.557.106	992.497	956.901	106.603.395	93.024.535	51.649.914	21.472.866	411.085	179.712.344	**456.380.643**
Current period depreciation	-	(7.889.028)	(14.148.604)	(94.782.756)	(47.710.003)	(27.275.064)	(57.183.188)	(524.120)	-	**(249.512.763)**
Disposals	(435.246)	-	-	(5.233.850)	(5.428.898)	411.854	-	-	(17.053)	**(10.703.193)**
Transfers	4.400.000	-	(15.577.573)	52.572.811	-	34.248.330	1.921.444	-	(92.662.065)	**(15.097.053)**
Foreign currency translation differences	17.363.873	49.040.513	111.967.964	410.390.742	24.733.907	32.105.355	343.805.173	229.203	12.657.522	**1.002.294.252**
Carrying value at the end of the period	**69.603.377**	**185.605.756**	**405.485.979**	**1.597.423.394**	**142.753.153**	**264.032.352**	**1.185.184.087**	**949.503**	**205.734.607**	**4.056.772.208**
31 December 2022										
Cost	69.603.377	247.299.617	534.215.200	2.215.002.619	579.877.844	522.248.812	1.914.249.479	4.134.927	205.734.607	**6.292.366.482**
Accumulated depreciation	-	(61.693.861)	(128.729.221)	(617.579.225)	(437.124.691)	(258.216.460)	(729.065.392)	(3.185.424)	-	**(2.235.594.274)**
Carrying value	**69.603.377**	**185.605.756**	**405.485.979**	**1.597.423.394**	**142.753.153**	**264.032.352**	**1.185.184.087**	**949.503**	**205.734.607**	**4.056.772.208**

As at 31 December 2022, the insurance amount on property, plant and equipment is TL 12.163.338.804 (31 December 2021: TL 9.025.019.312).

(Currency: Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

16 PROPERTY, PLANT AND EQUIPMENT *(continued)*

Movements of property, plant and equipment for the year ended 31 December 2021 is as follows:

	Land	Land improvements	Buildings	Machinery, plant and equipment	Motor vehicles	Furniture and fixtures	Leasehold improvements	Other fixed assets	Construction in progress	**Total**
1 January 2021										
Cost	41.721.259	112.768.426	205.417.883	1.008.479.050	218.829.927	251.435.621	608.176.001	1.517.072	234.622.990	**2.682.968.229**
Accumulated depreciation	-	(19.893.449)	(45.494.702)	(250.186.282)	(154.738.473)	(114.489.918)	(255.282.912)	(824.713)	-	**(840.910.449)**
Carrying value	**41.721.259**	**92.874.977**	**159.923.181**	**758.292.768**	**64.091.454**	**136.945.703**	**352.893.089**	**692.359**	**234.622.990**	**1.842.057.780**
Additions	1.039.965	904.405	1.593.098	36.116.474	17.622.479	17.085.107	12.142.703	216.859	84.437.677	**171.158.767**
Current period depreciation	-	(4.877.144)	(8.873.202)	(52.420.631)	(25.833.277)	(16.742.067)	(30.934.317)	(387.060)	-	**(140.067.698)**
Disposals	(12.454.421)	-	-	(36.402.992)	(612.986)	(95.735)	-	-	(6.931.054)	**(56.497.188)**
Transfers	-	-	-	32.533.785	(4.529.572)	78.610	218.495.051	-	(246.577.874)	**-**
Foreign currency translation differences	16.410.841	54.559.536	169.644.214	389.696.680	27.395.514	34.562.063	322.361.338	311.177	40.492.120	**1.055.433.483**
Additions to the scope of consolidation (i)	-	-	-	56.968	-	1.058.282	209.928	-	-	**1.325.178**
Carrying value at the end of the period	**46.717.644**	**143.461.774**	**322.287.291**	**1.127.873.052**	**78.133.612**	**172.891.963**	**875.167.792**	**833.335**	**106.043.859**	**2.873.410.322**
31 December 2021										
Cost	46.717.644	182.390.626	409.699.200	1.535.225.934	360.968.484	354.345.998	1.349.623.826	2.728.392	106.043.859	**4.347.743.963**
Accumulated depreciation	-	(38.928.852)	(87.411.909)	(407.352.882)	(282.834.872)	(181.454.035)	(474.456.034)	(1.895.057)	-	**(1.474.333.641)**
Carrying value	**46.717.644**	**143.461.774**	**322.287.291**	**1.127.873.052**	**78.133.612**	**172.891.963**	**875.167.792**	**833.335**	**106.043.859**	**2.873.410.322**

(i) Includes the property, plant and equipment related to the acquisition of İstanbul Portföy Yönetimi A.Ş. (Note 3).

Information on mortgages and pledges on property, plant and equipment is presented in Note 21.

(Currency: Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

16 PROPERTY, PLANT AND EQUIPMENT *(continued)*

According to the Transfer of Operational Rights Agreements ("TOORA") of Ege Liman, Port of Adria, Barcelona Port, VCP, subsidiaries of the Group and the Build-Operate-Transfer ("BOT") tender agreement of Bodrum Liman, at the end of the agreement periods, fixed assets with their capital improvements will be returned as running, clean, free of any liability and free of charge.

Pledges on the property, plant and equipment related to loans are presented in Note 21.

Other mortgage and pledges related to property plant and equipment are presented in Note 21.

As at 31 December 2022 and 2021, the carrying values of the leased assets in property, plant and equipment are as follows:

	31 December 2022	31 December 2021
Motor vehicles	56.772.349	38.550.908
Machinery, plant and equipment	176.463.281	135.429.663
Land improvements	3.999.543	3.999.543
	237.235.173	**177.980.114**

(Currency: Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

17 RIGHT OF USE ASSETS

Movements of righ of use assets for the year ended 31 December 2022 and 2021 are as follows:

	Lease rights related to port concession agreements	Other (*)	Total
Carrying value as at 1 January 2022	**1.088.533.964**	**69.129.543**	**1.157.663.507**
Additions	-	40.618.523	40.618.523
Disposals	-	(30.795.931)	(30.795.931)
Transfers	-	(4.400.000)	(4.400.000)
Current period depreciation	(52.367.776)	(40.702.082)	(93.069.858)
Remeasurement effect for the period	-	48.166.963	48.166.963
Currency translation differences	397.818.909	53.135.212	450.954.121
Carrying value as at 31 December 2022	**1.433.985.097**	**135.152.228**	**1.569.137.325**

As at 31 December 2022, the carrying amount of TL 1.433.985.097 comprised the right of use assets related to port concession agreements.

(*) As at 31 December 2022, the carrying amount of TL 135.152.228 are classified as right of use asset of office, vehicle, facility etc.

As a lessee, the Group pays rent and right-of-use assets that represent the right to use the underlying asset. It has included lease payables representing the lease payments it is obliged to in its consolidated financial statements.

	Lease rights related to port concession agreements	Other (*)	Total
Carrying value as at 1 January 2021	**660.665.755**	**42.746.475**	**703.412.230**
Additions	11.761.113	31.841.999	43.603.112
Disposals	-	(4.851.791)	(4.851.791)
Additions to the scope of consolidation	-	1.831.125	1.831.125
Current period depreciation	(30.762.545)	(18.338.247)	(49.100.792)
Remeasurement effect for the period	-	2.899.694	2.899.694
Currency translation differences	446.869.641	13.000.288	459.869.929
Carrying value as at 31 December 2021	**1.088.533.964**	**69.129.543**	**1.157.663.507**

As at 31 December 2021, the carrying amount of TL 1.088.533.964 comprised the right of use assets related to port concession agreements.

(*) As at 31 December 2021, the carrying amount of TL 69.129.543 are classified as right of use asset of office, vehicle, facility etc.

As a lessee, the Group pays rent and right-of-use assets that represent the right to use the underlying asset. It has included lease payables representing the lease payments it is obliged to in its consolidated financial statements.

(Currency: Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

18 INTANGIBLE ASSETS AND GOODWILL

a) Other intangible assets:

Movements of other intangible assets for the year ended 31 December 2022 is as follows:

	Rights	Software	Port operation rights	Customer relationships	Royalty rights	Naturel gas licenses	Other intangible assets	Total
1 January 2022								
Cost	41.587.042	12.244.734	6.688.689.649	524.038.158	537.972.636	78.637.017	55.282.476	**7.938.451.712**
Accumulated amortization	(18.769.409)	(10.820.429)	(1.524.776.046)	(54.729.432)	(466.690.563)	(25.659.214)	(25.672.143)	**(2.127.117.236)**
Carrying value	**22.817.633**	**1.424.305**	**5.163.913.603**	**469.308.726**	**71.282.073**	**52.977.803**	**29.610.333**	**5.811.334.476**
Additions	3.980.093	684.554	1.829.307.101	-	-	-	29.820.045	**1.863.791.793**
Current period amortization	(3.604.411)	(2.236.750)	(273.083.530)	(32.654.985)	(62.835.294)	(3.106.080)	(16.139.004)	**(393.660.054)**
Transfers	470.500	-	-	-	-	-	-	**470.500**
Diposals	-	-	-	-	-	-	(9.560)	**(9.560)**
Foreign currency translation differences	9.081.849	220.521	2.304.434.527	5.328.426	13.873.507	-	6.619.626	**2.339.558.456**
Carrying value at the end of the period	**32.745.664**	**92.630**	**9.024.571.701**	**441.982.167**	**22.320.286**	**49.871.723**	**49.901.440**	**9.621.485.611**
31 December 2022								
Cost	57.493.827	16.104.695	11.433.023.880	553.475.162	730.432.604	78.637.019	103.991.977	12.973.159.164
Accumulated amortization	(24.748.163)	(16.012.065)	(2.408.452.179)	(111.492.995)	(708.112.318)	(28.765.296)	(54.090.537)	(3.351.673.553)
Carrying value	**32.745.664**	**92.630**	**9.024.571.701**	**441.982.167**	**22.320.286**	**49.871.723**	**49.901.440**	**9.621.485.611**

(i) Consists of port operating rights related to Global Ports Canary Islands S.L..

(Currency: Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

18 INTANGIBLE ASSETS AND GOODWILL *(continued)*

a) Other intangible assets *(continued)*:

Movements of other intangible assets for the year ended 31 December 2021 is as follows:

	Rights	Software	Port operation rights	Customer relationships	Royalty rights	Naturel gas licenses	Other intangible assets	Total
1 January 2021								
Cost	29.362.161	8.916.075	2.896.513.241	33.713.846	308.752.216	78.589.517	35.053.964	**3.390.901.020**
Accumulated amortization	(17.017.172)	(6.142.063)	(473.950.474)	(21.342.642)	(231.499.196)	(22.633.341)	(12.049.022)	**(784.633.910)**
Carrying value	**12.344.989**	**2.774.012**	**2.422.562.767**	**12.371.204**	**77.253.020**	**55.956.176**	**23.004.942**	**2.606.267.110**
Additions	3.958.486	481.471	920.161.981	-	147.398	47.500	487.608	**925.284.444**
Current period amortization	(2.912.719)	(1.607.815)	(153.059.463)	(1.497.328)	(38.956.211)	(3.025.873)	(4.180.272)	**(205.239.681)**
Diposals	(48.373)	(37.528)	-	-	-	-	-	**(85.901)**
Foreign currency translation differences	9.404.796	(185.835)	2.006.233.581	6.326.158	32.837.866	-	10.298.055	**2.064.914.621**
Additions to the scope of consolidation (i)	70.454	-	-	452.108.692	-	-	-	**452.179.146**
Impairment (ii)	-	-	(31.985.263)	-	-	-	-	**(31.985.263)**
Carrying value at the end of the period	**22.817.633**	**1.424.305**	**5.163.913.603**	**469.308.726**	**71.282.073**	**52.977.803**	**29.610.333**	**5.811.334.476**
31 December 2021								
Cost	41.587.042	12.244.734	6.688.689.649	524.038.158	537.972.636	78.637.017	55.282.476	7.938.451.712
Accumulated amortization	(18.769.409)	(10.820.429)	(1.524.776.046)	(54.729.432)	(466.690.563)	(25.659.214)	(25.672.143)	(2.127.117.236)
Carrying value	**22.817.633**	**1.424.305**	**5.163.913.603**	**469.308.726**	**71.282.073**	**52.977.803**	**29.610.333**	**5.811.334.476**

(i) Includes intangible assets related to the acquisition of İstanbul Portföy Yönetimi A.Ş. (Note 3).

(ii) Consists of impairment of port operating rights related to Port of Adria.

(Currency: Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

18 INTANGIBLE ASSETS AND GOODWILL *(continued)*

The details of port operation rights as at 31 December 2022 and 31 December 2021 are as follows:

	31 December 2022		31 December 2021	
TL	Net book value	Remaining amortization period	Net book value	Remaining amortization period
Creuers del Port de Barcelona	1.266.381.406	90 months	1.060.405.842	102 months
Cruceros Malaga	165.322.291	116 months	129.640.703	128 months
Valletta Cruise Port	1.021.667.446	527 months	769.604.747	539 months
Port of Adria	243.255.766	252 months	188.222.039	264 months
Ege Port	163.362.380	123 months	124.191.846	135 months
Nassau Cruise Port	5.973.636.109	296 months	2.818.142.773	308 months
Cagliari Cruise Port	22.394.711	48 months	20.617.471	60 months
Catania Cruise Port	25.933.374	60 months	22.298.285	72 months
Bodrum Cruise Port	43.398.193	543 months	30.789.897	555 months
Tarragona Cruise Port	10.845.303	135 months	-	-
Canary Islands Cruise Port	88.374.722	474 months	-	-
Total	**9.024.571.701**		**5.163.913.603**	

Port operating rights of Nassau have been created by discounted cash outflows of fixed payments related to the future concession fees payable to the government and future payments to local organization (in substance payments to obtain the rights) in accordance with the concession agreement. The discount rate used is a risk-adjusted rate that matches the duration of concession term and currency of the cash flows. As these payments are contractually agreed simultaneously with the port operating rights with an interest rate of 2,39% and 2047 maturity, an equivalent long-term financial liability of USD 43.883.887 (TL 820.554.084), short term financial liability of USD 1.217.613 (TL 22.767.293) has been created.

All port operating rights have arisen as a result of TFRS 3 Business combinations, except BPI, Port Operation Holding S.r.l and Nassau Cruise Port, which arose as a result of applying TFRS Interpretation 12. Each port represents a separate CGU as per TAS 36.

(Currency: Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

18 INTANGIBLE ASSETS AND GOODWILL *(continued)*

a) Goodwill:

	2022	2021
Carrying value as at 1 January	**193.832.424**	**117.825.709**
Currency translation differences	77.136.635	76.006.715
Dispsosal from the scope of consolidation	(3.522.181)	-
Carrying value as at 31 December	**267.446.878**	**193.832.424**

During the years ended 31 December 2022 and 2021, the distribution of goodwill is as follows:

Distribution by segments	**31 December 2022**	**31 December 2021**
Port Operations	252.119.274	174.982.639
Finance	12.137.491	12.137.491
Real Estate	3.190.113	6.712.294
Total	**267.446.878**	**193.832.424**

Port operations

As at 31 December 2022, the Group has carried USD 13.483.540 (TL 252.119.274) goodwill related to the acquisition of Ege Liman in its consolidated financial statements (31 December 2021: TL 174.982.639).

The recoverable amount of this CGU was based on its value in use, determined by discounting the estimated future cash flows to be generated from the continuing use of the CGU.

The key assumptions are the expected increase in the number of calls and passengers of the port and the discount rate used. Cash flows used to calculate value-in-use are prepared in USD. A post-tax discount rate of 12,87% was used for discounting future cash flows to the reporting date.

The number of passengers has been calculated taking into account the reservations made in 2023. It is assumed that there will be 2,5% per annum until the end of the concession.

The growth in number of passengers was assumed at average per annum until 2024, followed by 5% per annum until 2027 and then there will be no change in the number of passengers until the end of concession.

11 years of cash flows were included in the discounted cash flow instead of 5 years plus terminal values as the life of the rights are determined in the concession agreement.

The cash flow model is constructed on a post-tax basis and the discount rate used is post-tax. An equivalent pre-tax discount rate would be 17,56%.

As at 31 December 2022 the estimated recoverable amount of the CGU exceeded its carrying amount by approximately USD 59,6 million (2021: USD 18,5 million). Management has not identified any reasonably possible change in the number of passengers, or the discount rate could cause the carrying amount to exceed the recoverable amount.

18 INTANGIBLE ASSETS AND GOODWILL *(continued)*

Finance operations

The Group tested impairment of assets of Global Menkul in order to test the goodwill as at 31 December 2022 and 2021 recognized in the consolidated financial statements. The Group compared the amount of goodwill with the value in use of cash generating unit and has concluded that there is no impairment. These calculations are based on the cash flows derived from the financial budget for five years approved by the management. Cash flows used to calculate value in use are prepared in TL. 27% discounted rate (2021: 27%) is used for discounting future cash flows.

Real estate operations

The Group tested the impairment of the goodwill related to the acquisition of Maya amounting to TL 6.712.294 as at 31 December 2022 and 31 December 2021. In such work, the Group compared the amount of goodwill carried in the consolidated financial statements, with Maya's fair value and has concluded that there is no impairment. Maya leased land in Tatlısu Magosa, from the Government of Northern Cyprus in order to build hotels, villas and apartments for the Holiday Village project on the leased land. As at the reporting date, the construction has not been started on the leased land, because the expropriation studies have not been completed. As at 31 December 2022 and 2021, the fair value of this leased land is obtained from the appraisal reports prepared by an independent real estate appraisal company. The real estate appraisal company, which is authorized by CMB, uses market approach by reference to market prices of similar properties in the market to determine the fair value and concluded that the fair value of the property is TL 60.016.000 (31 December 2021: TL 16.864.000) which is above the total investment of the Group in Maya recognized in the consolidated financial statements. The goodwill amount of TL 3.522.181 related to acquisition of Maya belongs to Pera GYO. Since Pera GYO has been excluded from scope of the consolidation, the related goodwill amount has been excluded from scope of the consolidation.

(Currency: Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

19 EQUITY ACCOUNTED INVESTEES

As at 31 December 2022 and 31 December 2021, the details of financial information related to equity accounted investees are as follows:

	Effective voting power	Effective ownership held	Carrying value 31 December 2022	Carrying value 31 December 2021
Assets				
Port of Singapore	40,00%	15,76%	104.615.839	42.035.028
Port of Lisbon	50,00%	29,36%	163.529.967	103.590.866
Venezia Investimenti Srl	25,00%	15,89%	28.044.998	30.274.692
Pelican Peak Investment Inc.	10,23%	6,50%	7.764.212	5.930.837
Total Assets			**303.955.016**	**181.831.423**
Liabilities				
IEG	50,00%	37,50%	(870.685)	(845.470)
Total Liabilities			**(870.685)**	**(845.470)**
			303.084.331	**180.985.953**

The financial information that represents summary financial information of 100% of the of the Group's investments accounted for using the equity method as at 31 December 2022 and 31 December 2021 are as follows:

31 December 2022	Current Assets	Non Current Assets	Total Assets	Current Liabilities	Non-current Liabilities	Total Liabilities	Income	Expenses	Net Profit/Loss for the period
IEG	771.603	8.876	780.479	(2.521.849)	-	(2.521.849)	81.275	(133.384)	(52.109)
Port of Lisbon	110.591.271	476.870.278	587.461.549	(49.977.352)	(210.424.263)	(260.401.615)	127.040.100	(98.860.760)	28.179.340
Port of Singapore	293.192.952	182.604.642	475.797.594	(103.687.043)	(110.570.955)	(214.257.998)	376.097.023	(280.965.120)	95.131.903
Venezia Investimenti Srl	56.554.594	240.045.879	296.600.473	(1.847.297)	(182.573.184)	(184.420.481)	-	(1.902.532)	(1.902.532)
Pelican Peak Investment Inc.	-	90.414.971	90.414.971	(5.940.635)	(8.577.831)	(14.518.466)	-	(2.457.917)	(2.457.917)

31 December 2021	Current Assets	Non Current Assets	Total Assets	Current Liabilities	Non-current Liabilities	Total Liabilities	Income	Expense	Net Profit/Loss for the period
IEG	710.613	7.195	717.808	(2.408.749)	-	(2.408.749)	62.767	(204.002)	(141.235)
Port of Lisbon	45.528.241	362.286.345	407.814.586	(22.721.564)	(177.911.303)	(200.632.867)	26.246.538	(36.938.881)	(10.692.343)
Port of Singapore	103.260.406	133.230.939	236.491.345	(58.140.214)	(73.263.562)	(131.403.776)	226.714.607	(267.079.287)	(40.364.680)
Venezia Investimenti	43.988.288	213.191.937	257.180.225	(1.614.051)	(134.467.405)	(136.081.456)	-	(1.875.091)	(1.875.091)
Pelican Peak Investment Inc.	-	66.891.460	66.891.460	(4.463.554)	(4.452.960)	(8.916.514)	-	2.656.624	2.656.624

For the year ended at 31 December 2022 and 2021, the movement of the Group's investments accounted for using the equity method is as follows:

	2022	2021
Balance at the beginning of the period (1 January)	**180.985.953**	**242.876.355**
Shares in profit / (loss) of associates and joint ventures	51.389.299	(27.044.908)
Impairment	-	(58.478.616)
Associate recognized as subsidiary	-	(28.763.518)
Dividend payments	-	(13.312.679)
Disposal from the scope of consolidation (Note 1.b)	-	(5.145.009)
Currency translation difference	70.709.079	70.854.328
Balance at the end of the period (31 December)	**303.084.331**	**180.985.953**

(Currency: Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

20 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

20.1 Other provisions

As at 31 December 2022 and 31 December 2021, the details of other provisions are as follows:

Other Current Provisions

	31 December 2022	31 December 2021
Provision for lawsuits	13.148.661	22.091.172
Provisions for the purchase of Nassau (***)	234.476.138	84.321.501
Other current provisions	9.502.179	7.890.519
	257.126.978	**114.303.192**

Other Non-current Provisions

	31 December 2022	31 December 2021
Provisions for the purchase of Port of Barcelona (*)	172.799.280	114.856.336
Provisions for the purchase of Port Operation Holding (**)	7.943.505	7.823.242
Provisions for the purchase of Nassau (***)	33.878	77.280.203
	180.776.663	**199.959.781**

(*) 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. Therefore, replacement provisions have been recognized based on Management's best estimate of the potential capital expenditure required to be incurred in order to replace the port equipment assets in order to meet this requirement.

(**) On 13 June 2011, Catania Port Authority and Catania Passenger Terminal S.r.l. ("CCT"), reached an agreement on the concession rights of the Catania Passenger Terminal, which will expire on 12 June 2026. CCT is obliged to pay a concession fee to the Port Authority of EURO 152.974 per year until the concession is over. The expenses related to this concession agreement are recorded on a linear basis over the duration of the concession period and accrued in the relevant years.

On 14 January 2013, Cagliari Cruise Port ("CCP") and Cagliari Port Authority signed a contract in connection with the concession right of the Cagliari Cruise Terminal operating expiry on 13 January 2029. CCP is obliged to pay a concession fee to the Port Authority of EURO 48.403 per year until the concession is over. The expenses related to this concession agreement are recorded on a linear basis over the duration of the concession period and accrued in the relevant years.

(***) As part of agreement between NCP and Government of Bahamas entered in 2019, ancillary contributions will be made to local community to increase the wealth of people of Bahamas. These payments will be made as grant and partly as interest free loan. Therefore, a provision is provided for ancillary contributions based on the company management's best estimate of these payments. As at 31 December 2022, these provisions have been recognized as current and non-current.

20 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES *(continued)*

20.2 Legal issues

There are lawsuits pending that have been filed against or by the Group. These lawsuits primarily include the labor and debt cases. The management of the Group assesses the possible results and financial effects of these lawsuits at the end of each period and as a result of these assessments, the required provisions are recognized for those possible earnings and liabilities. The amount of provision that has been accounted for is stated in Note 20.1. The information related with the significant lawsuits that the Group is directly or indirectly a party is as follows:

(i) The former owner of the shares of a subsidiary of the Group filed a lawsuit against the Group for the restitution of the shares. On 2 March 2010, the court decided on return of shares on a free of charge basis to the former owners. Although the decision was overruled, the first instance court ruled against the Group again, and the judgment became final on 3 March 2016. The shares that are subject matter of the case were transferred to a foreign company during court hearings and examinations in 2015. On the other hand, the Group has filed counter claims in order to collect the expenditure made for the purposes of the project against the 4 partners on 21 April 2016. Three of the court claims have been ruled in favor of the Group by the courts of first instance, and the other one is still pending before the court of first instance. One of the first instance court decisions, which was in favor of the Group, was affirmed by the Court of Cassation (partial affirmation, partial overruling). The other two were reversed by the upper regional courts, due to procedural reasons, and were sent back to the first instance courts, upon which the first instance courts ruled against the Group. Both of these decisions were first brought before the regional courts, upon the regional courts' ruling against the Group, the cases were brought before the Court of Cassation. Group lawyers succeeded in their application to take and impose an interim injunction on company shares of one of the debtors.

(ii) GYH and Global Liman were part of a consortium which participated in the tender process relating to the privatization of İzmir Port. The joint venture in which the Group also attended placed as the highest bid for the tender regarding the privatization of the operating rights of TCDD İzmir Ports via transferring method conducted by the Privatization Administration on 3 July 2007. The High Council of Privatization Administration approved the tender. Liman-İş and Kamu İşletmeciliğini Geliştirme Merkezi Vakfı separately filed lawsuits for the cancellation of the tender. These lawsuits were rejected by the Council of State. Plaintiffs appealed the verdicts. 1st Department of Council of State has approved the Privatization of Operating Rights without waiting for the approval of the 13th Department of Council of State. High Council of Privatization has invited the Joint Venture to sign the Agreement with a declaration dated 23 September 2009.

The Group, on behalf of the joint venture partnership participating in the tender, requested an extension from the PA to complete the privatization by 15 April 2010. The PA granted a 45-day extension on 10 November 2009, permitting the joint venture to complete the privatization by 24 December 2009. Pursuant to the terms of the tender, on 7 January 2010 the PA cancelled the tender and called the USD 15.000.000 bid bond provided by GYH and its joint venture partners during the bid process. On 8 January 2010, the Group deposited USD 6.900.000 in escrow, its portion of the bid bond, and on 12 January 2010 the PA received the bid bond in full from all joint venture partners. Following forfeiture of the bid bond, the Group and its joint venture partners fulfilled all of their obligations to the PA in connection with the tender.

20 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES *(continued)*

20.2 Legal issues *(continued)*

The Group initiated a pilot debt recovery procedure of USD 10.000 against the PA with the Ankara Enforcement Authority (which then is to be followed by the actual procedure) claiming the repayment of the Bid Bond with a total amount of USD 12.750.000 which was liquidated on unjustifiable grounds. However, the proceeding was suspended upon defendant's objection. The cancellation of the defendant's claim and a penalty amounting to 40% of the total amount were requested from Ankara Commercial Court on the ground that defendant's claim was unjustifiable. The expert, in the report, has the opinion that Group's request was rightful. The defendant, Privatization Administration, made an objection to the Report. Although the latter expert report has also represented in favor of the Group, the Group has requested for correction of the expert report due to insufficient examination. The Court dismissed the lawsuit. The Group have appealed the Court decision. The Court of Appeal rejected the appeal and the rectification request thus the verdict became final. Since all the judicial remedies have been exhausted Group lawyers lodged an individual application to the Constitutional Court, this appeal has been rejected by the Constitutional Court through its decision dated 21 September 2021. The Group made an application to the European Court of Human Rights.

Group lawyers initiated a debt recovery procedure for TL 10.128.300, which is TL equivalent of USD 6.890.000 which amounts to USD 6.900.000 Group's portion of the bid bond minus USD 10.000 as described above, against the PA and sent a payment order to the PA on 8 January 2020. The PA has objected to this payment order thus the execution proceeding is suspended. The Group will file a lawsuit against this objection in order to have it cancelled. The PA, besides the objection to the payment order, also filed a separate lawsuit before the Enforcement Court in order to have the execution proceeding cancelled. The Enforcement Court cancelled the execution proceeding. The Group also appealed this decision as objections to the payment orders shall be made to the Execution Offices, not to the Enforcement Courts, thus the Enforcement Court should have denied this application. This appeal before the Regional Court has been ruled in favour of the Group through the Regional Court's decision dated 20 October 2021. The PA appealed this ruling.

(iii) On 14 March 2008 the joint venture ("JV") consisting of Energaz (newly titled as Enerya Gaz Dağıtım A.Ş. ("Enerya")) and GYH placed the highest bid USD 1.610.000.000 for the tender relating to the privatization of the shares of "Başkent Doğalgaz Dağıtım A.Ş." owned by the Municipality of Ankara via the block sale method. STFA Yatırım Holding A.Ş. and ABN Amro Infrastructure Capital Management Ltd. (newly named "Eiser Infrastructure Limited") also became members of the JV. Along with other reasons, as the information in relation to Başkent Doğalgaz Dağıtım A.Ş. within the tender specifications was misleading the shares of Başkent Doğalgaz Dağıtım A.Ş. were not transferred to the JV. As the procedure was continuing, the Municipality applied to the guarantor bank to enable the liquidation of the USD 50.000.000 Letter of Guarantee, procured by the Consortium, submitted to the Municipality as a requirement under specifications by GYH, the 51,66 % participant of the JV.

The Group filed a lawsuit before the Ankara Administrative Court against the Municipality, requesting cancellation of the Municipality Council's resolution dated 22 January 2009, numbered 86/325 regarding the forfeiture of the letter of guarantee given by JV according to Article 10/c of the tender specification. The Group also requested an injunction on 15 January 2010. Ankara Administrative Court decided incompetence and the case has been taken over by the Thirteenth Chamber of Council of State. The Thirteenth Chamber of Council of State rejected the request for a stay for execution. The Group appealed and the Administrative Division of the High Council of the State overturned the rejection on 8 July 2010. At this point, 13th Chamber of Council of State completed the parts which were missed before. Afterwards, 13th Chamber of Council of State dismissed the case and the judgement of dismissal received on 4 August 2014. The decision has been appealed in due of time by the Group lawyers on 2 September 2014. The Chamber of Council of State approved the decision, and it was notified on 28 July 2016. Request of rectification has been submitted by the Group lawyers but this request of rectification has been rejected and thereby became final.

20 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES *(continued)*

20.2 Legal issues *(continued)*

On 2 July 2009, a decision of the Turkish High Council of Privatization Administration was published in the Official Gazette. Accordingly, the Privatization Administration shall be in charge in order to conduct and finalize the privatization process of the Başkentgaz shares as at the date of the decision as the Municipality could not close the tender in the two years period according to the Law No.4046. Thus, the Turkish Privatization Administration finalized the privatization process of the Başkentgaz shares by means of making several tenders in 2014.

In the meantime Boru Hatları ile Petrol Taşıma A.Ş. ("BOTAŞ") initiated an execution process in accordance with the Article 79 of the Collection of the Public Receivables Act No. 6183 against the Municipality. As a precautionary measure, the Group applied to Beyoğlu Commercial Court to prevent the liquidation of the Letter of Guarantee amounting to USD 50.000.000. The court issued a precautionary measure for 15% of the collateral of the Letter of Guarantee which prevented the liquidation. The Municipality raised an objection against the measure, which was rejected by the Court.

Continuing with their precautionary measure, a lawsuit was filed by the Group against the Ankara Metropolitan Municipality and BOTAŞ before the First Chamber of the Beyoğlu Commercial Court claiming to dissolve the discrepancy for the payment of the bid amount and the restitution of the Letter of Guarantee. The court decided that it is not a competent court to conduct the case and that Ankara courts were the most appropriate forum for the litigation. The guarantor bank that provided the Letter of Guarantee requested an intervention in the lawsuit, which was then approved by the Court. The court additionally allowed the plaintiff to file a separate lawsuit against the PA and enabled this separate lawsuit to be combined with the pending lawsuit. Upon this order, the Consortium filed another lawsuit against the PA, as it became the competent authority to conduct the privatization process. The court decided to combine this lawsuit with the pending lawsuit which is behind Ankara 3rd Chamber Commercial Court.

The file has been sent to a three person expert commission for detailed examination on 17 January 2012. Commission declared in their report that the outcome of the Administrative Court case may be a prejudicial question however the Court, has not taken the objections to the Commission report into account and, rejected the case and cancelled the preliminary injunction on the Bid Bond on 26 February 2013. The Bid Bond amounting to USD 50.000.000 has been paid by the Group. The decision has been appealed. As a result of the appeal, the Court of Cassation acknowledged all objections and reversed the decision in favor of the Group. The defendant Municipality requested for the revision of decision and such revision request has been rejected by the Court of Cassation. The file has been sent to Ankara 4th Chamber Commercial Court with the file number 2016/37 and been approved the remittitur and ruled an interim decision to wait the decision of the Chamber of Council of State. Following that the Group lawyers submitted a revocation petition in relation to that there is no reasoning to wait for the decision of the Chamber of Council of State, such request of Group lawyers was rejected. The court decided in the hearing dated 27 June 2018 to refer the court file to expert examination. The expert report was in favor of the Group. The court has decided to obtain an expert report from a new experts commission in line with the parties' objections. The new expert panel has also concluded in favour of the Group. The parties have submitted their statements and objections in respect of the new expert report. In the hearing dated 25 November 2020 the court rejected the case on the grounds that it is not a competent court to conduct the case that administrative courts were the most appropriate forum for the litigation. The decision has been appealed by Group lawyers. Lawyers of the Municipality also appealed the decision following the receipt of Group lawyers' petition of appeal. The reasoned decision of Court of Cassation 11^{th} Civil Chamber is awaited after the hearing held on 14 February 2023.

20 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES *(continued)*

20.2 Legal issues *(continued)*

Briefly as at 31 December 2012, the Group allocated provision amounting to USD 50.000.000 (TL 89.130.000) under "provisions" in its consolidated financial statements. The reimbursement of the provisions is accounted for under "other receivables" as "reimbursement of provisions" amounting to USD 24.170.000 (TL 43.085.422) and a net amount of provision and reimbursement of the provision amounting to USD 25.830.000 (TL 46.044.558) is accounted for as provision expense under "finance costs" in the consolidated financial statements. As of 31 December 2013, since the liability have been paid, the receivables amounting to TL 51.586.031 (31 December 2014: TL 38.656.063) accounted as "reimbursement of payments" in the other receivables. As at 31 December 2014, the Group has come to agreement with the other partners of the Consortium, Enerya and STFA, and the related amount has been collected. The difference between the receivable arising from the recourse and the agreed amount has been written off and expensed under finance costs in the amount of TL 9.379.317. As of 31 December 2016, USD 16.670.000 is accounted for under "other receivables" as "reimbursement of provisions". However, the legal process with regards to the other member of the Consortium is still ongoing and yet the Group management considers that collection of the receivables from the other members of the Consortium shall have a positive impact on the process. Although preparations to start legal proceedings abroad with regards to such receivable, in order to speed up the collectability of such receivable which is already in a high chance upon winning the case, based on the precautionary principle, the Group has allocated provision amounting to TL 62.877.573 for the provision to be indemnified which are accounted under the other receivables as "reimbursement of provisions" in the consolidated financial statements as of 31 December 2017.

(iv) The Company filed a lawsuit of USD 15.000 against ABN Amro Infrastructure Capital Management Ltd. before Beyoğlu Commercial Court claiming that the defendant, with regards to the related articles of the JV Agreement signed between the Parties after the Tender of the Privatization of Başkent Doğalgaz Dağıtım A.Ş. arranging to share jointly all the financial, accounting, legal, tax, commercial and insurance expenses, has not paid its share of USD 236.918, reserving the right to claim the whole amount. The expert report and the additional report have been received and the parties have raised objections to such reports. In the hearing held on 3 March 2014, it has been decided to be pended the filing until the decision of the file numbered 2010/920 E before 13th Council of State. Since the lawsuit with the file numbered 2010/920 E before 13th Council of State which is regarding the forfeiture of the letter of guarantee has been decided to be pended, interrelation with and the differences from the lawsuit have been indicated in the most recent petition. In the said petition, it has been stated that the decision taken by the Administrative Court has no defect evaluation for the Company; and only has a defect evaluation for the JV, and therefore it has been defended that the interrelation of the parties are different and lawsuit must be approved without making it a pending issue. During the hearing held on 24 February 2016, the Court has removed the pending decision and rejected the lawsuit. The decision of the first instance court is appealed by the Group on 27 May 2016. The Court of Appeal has accepted the appeal and overruled the Court decision on 26 November 2018. The Court will re-examine the court file in accordance with the Court of Appeal decision. At the hearing held on 10 October 2019, the court ruled to abide by the overturning decision of the Court of Appeal and to wait for the result of the 2010/308 E. file (new file number as 2016/37 E.) of Ankara 4th Commercial Court and adjourned the hearing to 13 February 2020. At the hearing held on 24 February 2022, the Court decided to await the full case file to be received from the Ankara 4th Commercial Court, in line with the previous preliminary rulings. The next hearing will be held on 30 March 2023.

20 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES *(continued)*

20.2 Legal issues *(continued)*

(v) Dağören, one of GYH's subsidiaries made an application to the General Directorate of State Hydraulic Works (the "Administration") to obtain a generation licence for the Dağören Hydroelectric Power Plant ("HEPP").

According to correspondence sent by the Administration dated 18 July 2008, the Administration accepted the application and the generation licence had to be granted by the Energy Market Regulatory Authority ("EMRA"). Subsequently, Dağören completed its licence application to EMRA and EMRA approved the application for a 46 year generation licence on 27 November 2008. Consequently, the Right of Water Usage Agreement was signed and sent to Dağören by the Administration.

On the grounds that the Bilateral Cooperation Agreement ("Agreement") between Turkey and USA is abrogated, which includes the development of Hakkari Dam and Hydroelectric Power Plant ("HEPP") Project located on the upper level of Dağören Regulator and HEPP Project, the Administration refrained from signing the water utilization rights agreement and subsequently notified Dağören, that Dağören Regulator and HEPP Project is also cancelled.

Dağören lawyers filed a lawsuit in the Sixteenth Administrative Court of Ankara to cancel the administrative decision given by the Administration on grounds that EMRA is the only body entitled to give or cancel any production licence; that the Administration has no authorization to cancel a project which is already approved by EMRA; that the Administration has no right to refrain from signing the water utilization rights agreement of any project that is approved by EMRA and the cancellation of Hakkari Dam and HEPP Project is not automatically a reason for the cancellation of the Dağören Regulator and HEPP Project.

The Court decided against Dağören as a matter of public interest and not considering any contradiction against the law. Dağören appealed the verdict to the Council of State declaring that the process conducted by the Administration cannot be lawful as a matter of public interest where it contradicts the express provisions of the law. The Council of State approved the decision of the Court of the First Instance. The Group Lawyers applied for a request of rectification which has been rejected by the Council of State, and thereby the decision of the Court of First Instance became firm. As a result of exhaustion of legal remedies, the Group Lawyers have made an individual application to Constitutional Court on 11 February 2019. On 20 April 2020 the Constitutional Court partially accepted our claims regarding the breach of our constitutional rights, ordered to be paid TL 16.000 and decided the court decision to be served to the relevant courts and governmental authorities.

The Group also filed a full remedy action against the Administration for the recovery of damages incurred in respect of HEPP Project before 23th Administrative Court of Ankara on 12 March 2019. Court rejected the file through its ruling dated 23 November 2021. This ruling has been appealed by the Group. The Regional Administrative Court has dismissed the first instance court's decision. The decision of the Regional Administrative Court has been appealed by the Administration. The Group Lawyers have also appealed the Regional Administrative Court's decision with regards to Group's claims which have not been adjudged by the Regional Administrative Court.

As at 31 December 2017, based on the precautionary principle and according to the current existing situation, the Group has accounted for an impairment provision amounting to TL 50.968.072 for the HEPP license and for the other tangible assets accounted in the consolidated financial statements.

20 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES *(continued)*

20.2 Legal issues *(continued)*

(vi) Raiffeisen Centrobank AG ("Raiffeisen") filed a lawsuit before the 14th Commercial Court of First Instance in request for recognition and approval of the decision numbered 600337-2013 dated 14 October 2014 made by Swiss Chambers' Arbitration Institution and the reimbursement of litigation cost, lawyer expense and other compensable expenses by the Group. The Group lawyers submitted a petition and claimed that the conflict causing arbitration process was out of the scope of the conditions of the agreement signed by the parties, so the arbitrator was unauthorized and also Group lawyers asserted other reasons to the Court. Afterwards, Raiffeisen submitted a counter petition against Group's declarations and the Group lawyers submitted rebuttal petition dated 6 July 2015 together with the legal opinion prepared by Prof. Dr. Cemal Şanlı. In the hearing held on 10 March 2016, the expert report was submitted to the Court and the parties have raised objections and statements to the report. However, in the hearing held on 2 February 2017, the Court accepted the case and decided to the recognition and approval of the decision numbered 600337-2013 dated 14 October 2014 made by Swiss Chambers' Arbitration Institution. The Group lawyers appealed the decision before the Provincial High Court. The Provincial High Court ruled on rescission of the court decision due to short payment of the court claim fee by the claimant. The file has returned to the first instance court and on the hearing dated 29 November 2018, the Court ordered the claimant to remit the remaining court claim fee amount until the next hearing. Raiffeisen remitted the remaining court fee. At the hearing held on 5 December 2019, the court accepted the court claim and ruled to approve the arbitration award. The reasoned decision has been served to the parties and the Group lawyers appealed this decision before the Regional Court. The Group has accounted provision amounting to TL 4.147.795 for this lawsuit in its consolidated financial statements in 2014.

(vii) In Global Menkul Değerler A.Ş., one of the subsidiaries of the Group, a group of clients failed to fulfill their margin requirements and went into default as a result of margin trading in a stock in May 2021. As a result of the negotiations with these clients, most of the default amount was collected, and for the remaining balance, precautionary attachment decisions were taken against the relevant clients and execution proceedings were commenced. A provision of TL 7.230.624 has been accounted as of 31 December 2021 for the part that is anticipated to be difficult to collect. As a result of the settlement reached with two of the clients, the agreed part has been collected. As of 31 December 2022, the amount of provision made in the consolidated financial statements is TL 5.107.191.

(viii) An employee in the Accounting Department of Global Menkul Değerler A.Ş., fraudulently prepared fake money transfer instructions and sent them via fax to the banks and transferred money from Company's accounts to third party accounts without Company's knowledge and approval. The total amount transferred is TL 31.710.677. A criminal complaint was filed by the Group's lawyers in December 2021 and he is arrested by the relevant court. A criminal lawsuit is filed against the former employee in the competent court by the Prosecution Office and his trial is still pending. The accused is released from jail by the court. A separate investigation conducted by the Prosecutor's Office regarding this incident is also pending.

20 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES *(continued)*

20.2 Legal issues *(continued)*

(ix) The Port of Adria-Bar (Montenegro) is a party to the disputes arising from the collective labour agreement executed with the union by Luka Bar AD (former employer/company), which was applicable to Luka Bar AD employees transferred to Port of Adria-Bar. The collective labour agreement has expired in 2010, before the Port was acquired by the Group under the name of Port of Adria-Bar. However, a number of lawsuits have been brought in connection to this collective labour agreement seeking (i) unpaid wages for periods before the handover of the Port to the Group, and (ii) alleged underpaid wages as of the start of 2014. On March 2017, the Supreme Court of Montenegro adopted a Standpoint in which it is ruled that collective labour agreement cannot be applied on rights, duties and responsibilities for employees of Port of Adria-Bar after 30 September 2010. Although the Standpoint has established a precedent that has applied to the claims for the period after 30 September 2010; there are various cases pending for claims related to the period of 1 October 2009 – 30 September 2010. In respect of the foregoing period of one year, the Port of Adria-Bar has applied to the Constitutional Court to question the alignment of the collective labour agreement with the Constitution, Labor Law, and general collective agreement. The Port of Adria-Bar is notified that the application for initiating the procedure for reviewing the legality of the Collective Agreement has been rejected due to a procedural reason, without evaluating the arguments submitted. In evaluating the merits of the existing cases, local courts have ruled out in contradiction of the previous judgments which has allowed Port of Adria- Bar to appeal before the Supreme Court of Montenegro and request re-evaluation of the applicability of the dispute clauses of the collective labour agreement until 30 September 2010. As of 31 December 2022, the Group has allocated a provision expense of EURO 411.399 for this lawsuit in its consolidated financial statements.

(x) On 29 April 2019, the Competition Authority initiated an investigation against Ortadoğu Liman due to an alleged excessive pricing of certain services in breach of Article 6 of the Competition Law. As a result of such investigation Ortadoğu Liman was imposed an administrative fine of TL 12.145.321 over its Turkish Lira turnover of 2019. The reasoned decision of the Competition Authority has been received on 20 August 2021 and the sum of TL 9.108.991 administrative fine has been paid within 30 days from date of receipt. On 18 October 2021, Ortadoğu Liman has filed an administrative lawsuit for the cancellation of this decision and the associated administrative fine and challenged this ungrounded decision of the Competition Authority before the competent administrative court. The group’s lawyers believe that, based on precedents, such lawsuit has the potential to revert the decision. The court process may take up to an additional 12 to 18 months.

(xi) Ortadoğu Liman has been sued by the ship owner due to damages suffered by a commercial ship. Following the local court’s decision accepting the claims of the ship owner, Ortadoğu Liman has filed an appeal against such decision. The Group management considers that the case shall be concluded in favour of the company. As of 31 December 2022, the Group did not allocate a provision expense for this lawsuit in its consolidated financial statements.

20 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES *(continued)*

20.3 Contingent liabilities

Details of the Group's guarantees, pledges, and mortgages ("GPM's") are presented in Note 21. Moreover, the Group has the following contingent liabilities:

Ege Liman

The details of the Transfer of Operational Rights Agreement ("TOORA") dated 2 July 2003, executed by and between Ege Liman and Privatization Authority ("PA") together with Turkish Maritime Organization ("TDI") is stated below:

Ege Liman will be performing services such as sheltering, installing, charging, discharging, shifting, terminal services, pilotage, towing, moorings, water quenching, waste reception, operating, maintaining and repairing of cruise terminals, in Kuşadası Cruise Port for an operational period of 30 years. Ege Liman is liable for the maintenance of Kuşadası Cruise Port together with the port equipment in good repair and in operating condition throughout its operating right period. After the expiry of the contractual period, the real estate and the integral parts of it shall be surrendered to the TDI, while the movable properties stay with Ege Liman.

Bodrum Liman

The details of the Built Operate Transfer Contract dated 23 June 2004, executed by and between Bodrum Liman and the State Railways, Ports and Airports Construction Company ("DLH") are stated below:

Bodrum Liman had to construct the Bodrum Cruise Port in a period of 1 year and 4 months following the delivery of the land and thereafter, will operate the Bodrum Cruise Port for 12 years. The final acceptance of the construction was performed on 4 December 2007, and thus the operation period has commenced. Bodrum Liman is liable for the maintenance of the port together with the port equipment in good repair and in operating condition throughout its operating right period. The facilities, equipment, installations and the systems together with the tools and other equipment belonging thereto shall be surrendered to the DLH after the expiry of the contractual period.

Bodrum Liman also executed an extension on prior Concession Agreement with the General Directorate of National Property on 15 November 2018 ("Bodrum Port Concession Agreement"). The BOT Agreement is attached to the Bodrum Port Concession Agreement and Bodrum Liman is entitled to use the Bodrum Cruise Port under these agreements for an extended period of 49 years starting from 31 December 2019.

Port of Adria

The details of the TOORA dated 15 November 2013, executed by and between Global Liman and Ministry of Transportation and Maritime and Port Administration of Montenegro ("PAM") are stated below:

The contract with respect to acquisition of 62,09 % shares of general freight and cargo terminal of Port of Adria located in Montenegro has been signed on 15 November 2013 after a subsidiary of Group, Global Liman, offered the tender comprised the repair and maintenance of the Port, financing, construction and operating the Port for 30 years and initiated by Ministry of Transportation and Maritime and Port Administration of Montenegro at best, approvals and procedures related to sales transaction was completed on 30 December 2013 which is the Group obtained management and control of the company.

20 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES *(continued)*

20.3 Contingent liabilities *(continued)*

Barcelona Cruise Port

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

Creuers del Port de Barcelona, S.A. ("Creuers") will be performing the management and exploitation of the port service related to the traffic of tourist cruises on the Port of Barcelona, as well as the development of commercial complementary activities corresponding to a sea station, in World Trade Center Wharf in Barcelona for an operational period of 27 years. However, the Port concession period can be extended automatically for three years provided that (i) Creuers has complied with all the obligations set forth in the Port Concession; and (ii) Creuers remains rendering port services on tourist cruises until the expiry of the extended term. Therefore, the concession period is considered as 30 years. Creuers is liable for the maintenance of World Trade Center Wharf terminals North and South together with the port equipment in good repair and in operating condition throughout its operating right period. After the expiry of the contractual period, the real estate and the integral parts of it shall be surrendered to the Barcelona Port Authority.

The details of the TOORA Contract dated 26 July 2003, executed by and between Creuers and the Barcelona Port authority are stated below:

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

Malaga Cruise Port

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

Cruceros Málaga, S.A. obtained an administrative concession to adapt the Terminal Levante of the Malaga Port and its exploitation, for a 30-year period. However, the Port concession period can be extended automatically for 5 years provided that Creuers has complied with all the obligations set forth in the Port Concession. Therefore, the concession period is considered as 35 years. Cruceros will perform passenger services, terminal usage and luggage services. Cruceros is liable for the maintenance of Terminal Levante together with the port equipment in good repair and in operating condition throughout its operating right period. After the expiry of the contractual period, the real estate and the integral parts of it shall be surrendered to the Malaga Port Authority.

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

Cruceros Málaga, S.A. obtained an administrative concession to adapt the of Terminal El Palmeral of the Malaga Port and its exploitation, for a 30-year period. However, the Port concession period can be extended automatically for 5 years provided that Creuers has complied with all the obligations set forth in the Port Concession. Therefore, the concession period is considered as 35 years. Cruceros will perform passenger services, terminal usage and luggage services. Cruceros is liable for the maintenance of Terminal El Palmeral together with the port equipment in good repair and in operating condition throughout its operating right period. After the expiry of the contractual period, the real estate and the integral parts of it shall be surrendered to the Malaga Port Authority.

20 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES *(continued)*

20.3 Contingent liabilities *(continued)*

Valletta Cruise Port

On 22 November 2001, VCP signed a deed with the Government of Malta by virtue of which the Government granted a 65-year concession over the buildings and lands situated in Floriana, which has an area of 46.197square meters ("sqm"). VCP will perform operation and management of a cruise liner passenger terminal and an international ferry passenger terminal together with complementary leisure facilities.

A ground rent is payable by Valletta Cruise Port to the Government of Malta. At the end of each 12 months period, VCP is required pay to the Government of Malta (a) 15% of all revenue deriving from the letting of any buildings or facilities on the concession site for that 12 month period, and (b) 10% of revenue deriving from passenger and cruise liner operations, subject to the deduction of direct costs and services from the revenue upon which 10% fee is payable.

Catania Cruise Terminal

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

A fixed rent is payable by CCT to the Port Authority in the sum of EURO 140.000 for each year during the concession period.

Cagliari Cruise Terminal

On 14 January 2013, Cagliari Cruise Port S.r.l ("CCP") signed a deed with the Cagliari Port Authority by virtue of which the Port Authority granted a 15-year concession over the passenger terminal area situated within Cagliari Port. CCT will perform operation and management of a cruise passenger terminal in the area.

A fixed rent is payable by CCP to the Port Authority in the sum of EURO 46.027 for each year during the concession period.

Nassau Cruise Port

On 9 October 2019, Nassau Cruise Port Ltd ("NCP") signed a deed with the Government of Bahamas by virtue of which the Government granted a 25-year concession over the passenger terminal area situated within Nassau Cruise Port. NCP will perform operation and management of the cruise passenger terminal in the area.

NCP will invest an amount of USD 250 million in expanding the capacity of the port. Investment amount also includes ancillary contributions made to local community to increase the wealth of people of Bahamas. These payments will be made as grant and partly as interest free loan.

The construction phase is expected to start in 2020 and is anticipated to be completed within 24 months; once construction has been completed total revenues are expected to be in the range of USD 35-40 million per annum.

A variable fee payment based on the number of passengers will be made to the Port Authority starting from the operations commencement date. Starting from the construction commencement date and until the end of the concession, a minimum fixed fee will be payable to the Port Authority amounting to USD 2 million per annum subject to US CPI adjustment.

20 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES *(continued)*

20.3 Contingent liabilities *(continued)*

Antigua Cruise Port

On 24 October 2019, Antigua Cruise Port Ltd ("ACP") signed a deed with the Government of Antigua&Barbuda by virtue of which the government granted a 25-year concession over the passenger terminal area situated within Antigua Cruise Port. ACP will perform operation and management of a cruise passenger terminal in the area.

Total initial investment in the first 12 months of operation was USD 50 m, including repayment of the existing bond of USD 21 million, completion of new pier construction and dredging work, and investment into the retail facilities. The Company's cash equity contribution is set at 27,5%, with the balance provided through non-recourse project finance.

A variable fee payment based on the number of passengers will be made to the Port Authority with a minimum fee guarantee. From the 21st year of the concession, ACP will pay a share of its annual revenue annually to the Port Authority.

Taranto Cruise Port

On 29 April 2021, Taranto Cruise Terminal SRL ("TCP") signed a contract with the Taranto Port Authority to be granted a concession right for 20 years on the passenger terminal area located in Taranto city center. TCP will operate and manage a cruise passenger terminal in the region. A variable fee based on the number of passengers with a minimum fee guarantee will be paid to the port authority.

Kalundborg

On 4 March 2022, Kalundborg ApS ("Kalundborg") signed a 20-year (with an option to extend for an additional 10 years) concession agreement with the Kalundborg Port Authority in Denmark to manage the cruise operations of Kalundborg Port. Kalundborg will operate and manage the passenger terminal in the region. Under the concession terms, EURO 6 million investment will be made for modular terminal facilities and pay a variable fee based on the tonnage of visiting ships, with a minimum fee guarantee, to the Port Authority.

Tarragona

On 1 April 2022, Tarragona Cruise Port ("TrCP") signed a 12-year (with an option to extend for an additional 6 years) concession agreement with the Tarragona Port Authority in Spain to manage the cruise operations of Tarragona Port. TrCP will operate and manage the passenger terminal in the region. Under the concession terms, TrCP will invest approximately EURO 7 million in a new terminal building.

Canary Islands

On 9 August 2022, Global Ports Canary Islands S.L. ("GPCI"), a joint venture in which Global Ports Holding PLC holds an 80% share, signed a concession agreement with the Port Authority of the Canary Islands for the cruise ports of Las Palmas de Gran Canaria, Arrecife (Lanzarote) and Puerto del Rosario (Fuerteventura) in Spain/Canary Islands.

20 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES *(continued)*

20.3 Contingent liabilities *(continued)*

Canary Islands (continued)

The concession period for Las Palmas, the largest of the three cruise ports, is 40 years, while the concession periods for the other two ports are 20 years each. The Company took over the operations of these three cruise ports in the fourth quarter of 2022. GPCI will invest approximately 40 million euros in new terminal building in Las Palmas, Marmoles pier in Arrecife, and modular terminal facilities in Puerto del Rosario in Fuerteventura.

Crotone

On 4 March 2022, Crotone Cruise Port ("CrCP") signed a 4-year (renewable) concession agreement with the Southern Tyrrhenian and Ionian Port Authority in Italy to manage the cruise operations of the Crotone Port. CrCP will operate and manage the passenger terminal in the region. Under the concession terms, CrCP will invest in systems, equipment, and technology to improve the port's operational performance and enhance environmental protection and security.

Prince Rupert

On 11 November 2022, Prince Rupert Cruise Port (PRCP), British Columbia, signed a 10-year (with an option to extend for an additional 10 years) concession agreement with the Prince Rupert Port Authority to manage the cruise operations of Prince Rupert Cruise Port in Canada. PRCP will manage and operate the passenger terminal in the region and will make variable payments based on the number of passengers, in addition to guaranteeing a minimum fee to the port authority.

Receivables Subject to Fraud

An employee in the Accounting Department of Global Menkul Değerler A.Ş., fraudulently prepared fake money transfer instructions and sent them via fax to the banks and transferred money from Company's accounts to third party accounts without Company's knowledge and approval. The total amount transferred is TL 31.710.677. A criminal complaint was filed by the Group's lawyers in December 2021 and he is arrested by the relevant court. A criminal lawsuit is filed against the former employee in the competent court by the Prosecution Office and his trial is still pending. The accused is released from jail by the court. A separate investigation conducted by the Prosecutor's Office regarding this incident is also pending.

The Group follows the legal process to collect the related amounts.

(Currency: Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

20 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES *(continued)*

20.4 Operating leases

Group as lessee

The Group entered into various operating lease agreements. As at 31 December 2022 and 2021, operating lease rentals are payable as follows:

	2022	2021
Less than one year	2.017.952	4.560.138
Between one and five years	5.028.540	2.552.095
More than five years	2.925.597	1.845.489
Total	**9.972.089**	**8.957.722**

For the year ended 31 December 2022, payments recognized as rent expense are TL 11.682.142 (2021: TL 5.469.057).

Group as lessor

As at 31 December 2022 and 2021, the future lease receivables under operating leases are as follows:

	2022	2021
Less than one year	79.270.261	57.851.199
Between one and five years	88.251.389	50.506.938
More than five years	-	8.198.031
Total	**167.521.650**	**116.556.168**

The Group's main operating lease agreements as lessor are the rent agreements of Ege Liman, Bodrum Liman, VCP, Barcelona Port, Malaga Cruise Port, ZIPO and Antigua.

During the year ended 31 December 2022, TL 160.614.748 (2021: TL 39.571.036) have been recognized as rent income in the consolidated financial statements.

(Currency: Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

21 COMMITMENTS

As at 31 December 2022 and 31 December 2021 guarantees, pledges and mortgages (GPMs) given by the Group are presented below:

31 December 2022

		Original Amount		
	TL Equivalent	**TL**	**USD**	**EUR**
A Total amount of GPMs given in the name of its own legal personality	2.164.322.056	888.488.456	-	64.000.000
B Total amount of GPMs given in the name of the consolidated subsidiaries and joint	12.630.185.078	1.800.685.039	351.982.292	213.095.102
C Total amount of GPMs given to be able to conduct ordinary business transactions to secure payables of third parties	-	-	-	-
D Other GPMs given	-	-	-	-
- Total amount of GPMs given in the name of the main shareholder	-	-	-	-
- Total amount of GPMs given in the name of other group companies except for B	-	-	-	-
- Total amount of GPMs given in the name of third parties except for C	-	-	-	-
Total	**14.794.507.134**	**2.689.173.495**	**351.982.292**	**277.095.102**

31 December 2021

		Original Amount		
	TL Equivalent	**TL**	**USD**	**EUR**
A Total amount of GPMs given in the name of its own legal personality	531.906.185	179.301.185	10.200.000	15.000.000
B Total amount of GPMs given in the name of the consolidated subsidiaries and joint	11.654.560.855	2.516.221.221	451.122.417	223.663.763
C Total amount of GPMs given to be able to conduct ordinary business transactions to secure payables of third parties	-	-	-	-
D Other GPMs given	-	-	-	-
- Total amount of GPMs given in the name of the main shareholder	-	-	-	-
- Total amount of GPMs given in the name of other group companies except for B	-	-	-	-
- Total amount of GPMs given in the name of third parties except for C	-	-	-	-
Total	**12.186.467.040**	**2.695.522.406**	**461.322.417**	**238.663.763**

As at 31 December 2022 the ratio of other GPMs given to the Group's equity is 0% (31 December 2021: 0%).

(Currency: Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

21 COMMITMENTS *(continued)*

The details of the GPMs (contingent liabilities) given by the Group are presented below:

	31 December 2022	31 December 2021
Given to Energy Market Regulatory Authority (1)	2.168.760	2.937.880
Given for tenders	115.184.966	33.179.567
Given to Borsa Istanbul	12.500	12.500
Given to banks	120.077.396	79.396.958
Given to Takasbank	92.025.000	34.025.000
Given to Privatization Administration	2.096.123	1.504.119
Given to supply for natural gas	234.502.781	39.167.809
Given to courts, ministries, Tax Administration	207.887.858	5.950.995
Given to Capital Markets Board	69.576	69.576
Other	230.871.875	166.760.535
Total letters of guarantee	**1.004.896.835**	**363.004.939**
Mortgages and pledges on inventory, property plant and equipment and investment property (2)	10.290.594.059	8.420.828.790
Pledges on equity securities (3)	1.646.711.252	2.108.719.484
Sureties given (4)	1.852.304.988	1.293.913.827
Total contingent liabilities	**14.794.507.134**	**12.186.467.040**

(1) The amounts include the letters of guarantee given by the Group for its subsidiaries operating in energy sector to EMRA.

(2) Mortgages and pledges on inventory, property, plant and equipment and investment property:

As at 31 December 2022, there is a mortgage amounting to TL 720.000.000 and EURO 53.000.000 (TL 1.056.549.700) over one of the buildings of the Group (which is classified as property, plant and equipment) with respect to the loans obtained (31 December 2021: TL 120.000.000 and EURO 15.000.000).

As at 31 December 2022, there is mortgage on the land of the Group located in Denizli, as collateral of the Group's bank loans amounting to TL 165.000.000 and EURO 11.000.000 (TL 219.283.900) (31 December 2021: TL 13.500.000). Additionally, as at 31 December 2022, there is a mortgage on the land of the Group located in Van, related with the loans utilized by Global Ticari Emlak amounting to USD 50.000.000 (TL 934.915.000) (31 December 2021: USD 50.000.000 (TL 648.875.000)).

As at 31 December 2022, there is a mortgage over the property, plant and equipment of the Group's subsidiaries which are operating in energy generation sector amounting to USD 207.850.000 (TL 3.886.441.655), EURO 90.000.000 (TL 1.794.141.000) and TL 676.000.000 with respect to the loans utilized by those subsidiaries.

As at 31 December 2021, there is mortgage over the property, plant and equipment of the Group's subsidiaries which are operating in energy generation sector amounting to USD 207.850.000 (TL 2.697.373.375), EURO 90.535.000 (TL 1.329.262.031) and TL 676.000.000 with respect to the loans utilized by those subsidiaries.

As at 31 December 2021, there is a mortgage over the property, plant and equipment of the Group's subsidiaries which are operating in natural gas sector amounting to USD 111.721.000 (TL 1.449.859.278), EURO 70.000 (TL 1.027.761) and TL 630.000.000.

As of 31 December 2022, the mortgage over the property, plant and equipment of the Group's subsidiaries which are operating in natural gas sector have been released and discharged.

21 COMMITMENTS *(continued)*

As at 31 December 2022, there is a mortgage over the property, plant and equipment of Barcelona Port, VCP and Port of Adria amounting to EURO 13.493.042 (TL 268.982.443), EURO 18.752.084 (TL 373.820.919) and EURO 9.804.887 (TL 195.459.442) respectively due to the loans utilized by those companies.

As at 31 December 2021, there is a mortgage over the property, plant and equipment of Barcelona Port, VCP and Port of Adria amounting to EURO 13.493.042 (TL 198.108.891), EURO 19.180.778 (TL 281.617.937) and EURO 10.554.887 (TL 154.970.017) respectively due to the loans utilized by those companies.

(3) Pledges on equity securities:

As at 31 December 2022, the Group gave equity shares with a nominal value of TL 9.402 as collateral. There are pledges on shares of the subsidiaries which operating in port operations amounting to TL 1.416.101.850, on shares of the subsidiaries which operating in natural gas, mining, energy generation amounting to TL 185.000.000 and on shares of the subsidiaries which operating in real estate development amounting to TL 45.600.000 with respect to the loans obtained by the Group.

As at 31 December 2021, the Group gave marketable securities with a nominal value of USD 10.200.000 (TL 132.370.500) and equity shares amounting to TL 9.402 as collateral with respect to ongoing legal proceedings. The pledge on the securities with a nominal value of USD 10.200.000 regarding the ongoing lawsuits has been lifted as of 2 February 2022. There are pledges on shares of the subsidiaries which operating in port operations amounting to TL 1.745.656.218, on shares of the subsidiaries which operating in natural gas, mining, energy generation amounting to TL 185.000.000 and on shares of the subsidiaries which operating in real estate development amounting to TL 45.600.000 with respect to the loans obtained by the Group.

As at 31 December 2022, there is not a blockage of financial investments with a carrying value (31 December 2021: TL 83.364) in Takasbank.

(4) Securities given:

As at 31 December 2022, the Group provided surety amounting to EURO 5.038.107, USD 81.365.673 and TL 230.471.066, a total of amounting to TL 1.852.304.988 (31 December 2021: EURO 9.407.222, USD 77.939.048 and TL 144.340.176, a total of amounting to TL 1.293.913.827) with respect to loans and lease agreements of subsidiaries of the Group.

(Currency: Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

22 EMPLOYEE BENEFITS

Payables related to employee benefits

As at 31 December 2022 and 31 December 2021, payables related to employee benefits comprised the following:

	31 December 2022	31 December 2021
Payables to personnel	139.268.802	74.280.878
Social security premiums payable	19.948.876	18.485.227
Other	1.798.843	1.552.537
Total	**161.016.521**	**94.318.642**

Provisions for employee benefits

As at 31 December 2022 and 31 December 2021, current and non-current provisions for employee benefits comprised the following:

Current provisions

	31 December 2022	31 December 2021
Provision for notice pay and vacations	19.849.103	11.497.216
Other	22.500.000	41.054
	42.349.103	**11.538.270**

Non-current provisions

Non-current provisions consist of provision for employment termination indemnities. The details of the non-current provisions are as follows:

	31 December 2022	31 December 2021
Provision for employment termination indemnity	42.363.993	17.892.837
	42.363.993	**17.892.837**

The assumptions used to recognize provision for employment termination indemnity are explained below:

Under the Turkish Labor Law, the Group is required to pay employment termination benefits to each employee who has qualified for such benefits as the employment ended. The amount payable consists of one month's salary limited to a maximum of TL 19.983 for each period of service as of 31 December 2022 (31 December 2021: TL 8.285).

Provisions for employment termination indemnity are not subject to any statutory funding.

For the year ended 31 December 2022 and 2021, the movement of the provision for employment termination indemnity as follows:

	2022	2021
Opening balance (1 January)	17.892.837	13.915.592
Interest for the period	3.110.552	1.539.317
Service costs	14.242.336	1.879.889
Payments within the period	(1.389.616)	(1.972.906)
Additions to the scope of consolidation	-	899.552
Currency translation differences	385.215	1.125.638
Disposals from the scope of consolidation	(437.126)	-
Actuarial gain/losses	8.559.795	505.755
Closing balance (31 December)	**42.363.993**	**17.892.837**

(Currency: Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

23 OTHER ASSETS AND LIABILITIES

a) Other current assets

As at 31 December 2022 and 31 December 2021, other current assets comprised the following:

	31 December 2022	31 December 2021
Deferred value added tax (*)	51.273.633	25.802.681
Job and salary advances given to personnel	42.180.809	15.614.143
Income accruals	22.187.994	16.672.352
Other	2.750.434	4.136.671
Total	**118.392.870**	**62.225.847**

(*) The Group has classified deferred VAT assets as current or non-current assets on basis of future realizable projections.

b) Other non current assets

As at 31 December 2022 and 31 December 2021, other non-current assets comprised the following:

	31 December 2022	31 December 2021
Deferred value added tax (*)	-	2.294.348
Job and salary advances given to personnel (**)	28.599.290	25.080.166
Total	**28.599.290**	**27.374.514**

(*) The Group has classified deferred VAT assets as current or non-current assets on basis of future realizable projections.

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

c) Other current liabilities

As at 31 December 2022 and 31 December 2021, other current liabilities comprised the following:

	31 December 2022	31 December 2021
Liabilities related with real estate	3.668.000	3.668.000
Expense accruals (*)	195.931.053	193.280.582
Other	17.315.971	2.099.305
Total	**216.915.024**	**199.047.887**

(*) A significant part of the expense accruals consists of the accrual amount accounted for the construction investments of the Nassau Cruise Port.

(Currency: Amounts expressed in Turkish Lira (“TL”) unless otherwise stated)

24 CAPITAL, RESERVES AND OTHER EQUITY ITEMS

24.1 Share capital / Capital adjustments due to cross ownership/ Treasury shares

Share capital:

As at 31 December 2022 the Company’s statutory nominal value of paid-in share capital consists of 65.000.000.000 registered shares with a par value of TL 0,01 each. Number of shares is presented in lots in the consolidated financial statements and the accompanying notes (1 lot = 100 shares).

The prospectus of the Company regarding increasing the issued share capital of the Company by 324.111.590,07 TL, from 325.888.409,93 to 650.000.000, which is the upper limit of its registered Capital and will be paid in cash has been approved by CMB on 29 July 2021. 324.111.590.07 new shares were offered to the existing shareholders, between 4th – 18th August 2021. While the remaining 1.268.029,30 shares were offered to the public on the Stock Exchange at the price to be set on Borsa Istanbul, which is not lower than the price for the exercise of pre-emptive rights of TL 1,50 per share, for 2 business days starting from 23rd August 2021 and and all shares have been sold. Total fund amounting to 487.180.209,05 was realised of which TL 484.265.422,30 from existing shareholders pre-emptive rights and TL 2.914.786,75 from sale of shares in BİST. Accordingly, the capital increse process has been completed.

The issued capital of the Company is TL 650.000.000 and the authorized capital ceiling is TL 9.000.000.000 (31 December 2021: TL 650.000.000). The authorized capital ceiling permit given by the Capital Markets Board is valid for the years 2022-2026 (5 years). The shareholder structure of the Company is as follows:

	31 December 2022		31 December 2021	
	Proportion of share %	**Value of share**	**Proportion of share %**	**Value of share**
Mehmet Kutman (*)	33,68%	218.904.742	29,75%	193.361.601
Erol Göker	0,15%	974.747	0,15%	974.747
Publicly traded other shares (**)	66,17%	430.120.511	70,10%	455.663.652
Total	**100%**	**650.000.000**	**100%**	**650.000.000**
Adjustment related to inflation		34.659.630		34.659.630
Inflation adjusted capital		**684.659.630**		**684.659.630**

(*) Disclosed together with the shares of Turkcom Turizm Enerji İnşaat Gıda Yatırımlar A.Ş. which is owned by Mehmet Kutman.

24 CAPITAL, RESERVES AND OTHER EQUITY ITEMS *(continued)*

24.1 Share capital / Capital adjustments due to cross ownership/ Treasury shares *(continued)*

The shares of the Company include privileged shares. The privileges of the (A), (D) and (E) group shares are explained below:

Two of the members of the Board of Directors are chosen among the candidates nominated by the owners of the group (A) shares. One of the members of the Board of Directors is chosen among the candidates nominated by the owners of the group (D) shares and one of them is chosen among the candidates nominated by the owners of the group (E) shares. Each member of the board is chosen by the decision of the majority of the shareholders of the privileged share group that nominated the candidate. All the shareholders have the right to nominate any candidate but, in order to select such candidates for the General Assembly; the nominations should be approved by the group (A) shares before the selection. All the shareholders have the right to nominate for two candidates for the Board. In case that group (D) and group (E) shares donot nominate any candidate, any shareholder can nominate a candidate.

Capital adjustments due to cross ownership / Treasury shares

The Company and some of the subsidiaries of the Group repurchased shares of the Company from the capital markets in prior periods. These repurchased shares are called as treasury shares. The shares can be sold back to the market. Profit or loss that arises as the result of the sale of the shares is accounted for under retained earnings in the consolidated financial statements. The shares are accounted for at cost under treasury shares owned by the Company and capital adjustments due to cross-ownership. Amounts related to these transactions are presented under “Increase/(decrease) due to treasury share transaction” in the consolidated statement of changes in equity. As at 31 December 2022, the Company and the subsidiaries of the Group has no share of Global Yatırım Holding A.Ş (31 December 2021: none).

In accordance with Article 520 of the Turkish Commercial Code no 6102, reserve provision is made for the treasury shares owned by the Group as the amount allocated to meet the acquisition value. As at 31 December 2022, there is no provision for the shares owned by the Group (31 December 2021: none).

24 CAPITAL, RESERVES AND OTHER EQUITY ITEMS *(continued)*

24.2 Share premium/discounts

Share premium represents the inflow of cash arising from the sales of shares on market value. The premium amount is included in equity and cannot be distributed. It can only be used for the future capital increases.

24.3 Accumulated other comprehensive income/expense not to be reclassified to profit or loss

This item comprises, income/expenses defined as a component of other comprehensive income and reported for the period in which they arise and in no case transferred directly in equity through profit or loss such as following:

a) Gain/Loss on Revaluation and Remeasurement

- *Actuarial loss on employee benefits*

Based on the transitional provisions of the TAS 19 standard, starting from 1 January 2012 actuarial gains and losses in accordance with the announcement on the financial statements and footnote formats stated in the Communiqué Serial: II, 14.1 published in the Official Gazette No. 28676 dated 13 June 2013 followed under these accounts.

b) Other Gain/Loss

Special funds

The application filed by Pera, a subsidiary of the Group operating in the real estate segment, to the CMB in relation to permission for a share capital decrease by TL 35.900.000 and simultaneous share capital increase (in cash) by TL 29.000.000, was approved by the CMB on 24 January 2011 in the decision numbered 86-928. The amendment to Article 8 of the Association of Pera was approved by the Extraordinary General Assembly Meeting on 15 February 2011, and the share capital of Pera was decreased to TL 60.100.000. The pre-emptive rights of the existing shareholders were used between 1 March and 15 March 2011 and after that the remaining shares were offered to investors between 1 April and 15 April 2011. Finally, the portion of the new shares, for which the pre-emptive rights were not used, has been purchased by Global Yatırım Holding A.Ş. and the capita l increase to TL 89.100.000 was completed. The process was approved by the CMB on 3 May 2011. As a result of the capital increase, a total of TL 29.000.000 has been accounted for as "Special Reserve" by Pera, of this has been reflected in the consolidated financial statements of the Group. As of 31 December 2021 TL 3.584.428 has been classified as "Special Reserve" in the consolidated financial statements. As of 30 September 2022, since Pera GYO was excluded from scope of the consolidation, there is no special fund in the consolidated financial statements.

24 CAPITAL, RESERVES AND OTHER EQUITY ITEMS *(continued)*

24.4 Other comprehensive income/expense to be reclassified to profit or loss

This item comprises, income/expenses defined as a component of other comprehensive income and reported for the period in which they arise and subsequently transferred directly in equity through profit or loss such as following:

a) Currency translation differences

Currency translation differences comprise the foreign exchange differences arising from the translation of the financial statements of subsidiaries and joint ventures from their functional currencies to the presentation currency (TL) recognized in the equity.

b) Gain or loss on hedging

Gain or loss on net investment hedge

A subsidiary of the Group, Global Liman's foreign exchange differences arising from foreign currency loans into currency of the related subsidiary's functional currency other than TL which are part of net investments made to its subsidiaries have been considered as hedging instruments and effective portion of them has been recognized in other comprehensive income in the consolidated financial statements. The accounting method mentioned above has been applied since 1 October 2013 and the Group has recognized loss amounting to TL 28.828.097 in other comprehensive income and equity in its consolidated financial statements for the year ended 31 December 2021 (31 December 2022: none). The Group's foreign currency loan for hedging net investment risk in foreign operations was paid before its maturity on 29 July 2021 and net investment hedge accounting was terminated as of this date. Net loss of USD 5.187.775 after tax was recognized as a result of hedging of the Group's net investment in foreign operation included in the hedge fund for the year ended 31 December 2021 (31 December 2022: none).

The exchange rate differences that forms part of the Group's net investment in its subsidiaries Mavi Bayrak Enerji, Mavi Bayrak Doğu, Doğal Enerji and RA Güneş, operating in the energy generation segment whose functional currency is other than TL, and that arises from the payable of these subsidiaries to Consus Enerji, the shareholder of these subsidiaries, which has different functional currency from mentioned subsidiaries, are considered as a part of the net investment and the effective portion of this gain or loss is recognized in other comprehensive income in the consolidated financial statements. In relation to the mentioned accounting, the cumulative loss of TL 20.437.835, which is the share of the Group in the period ended 31 December 2022, has been accounted for as other comprehensive income or expense, which will be reclassified to profit or loss in equity in the consolidated financial statements (31 December 2021 : TL 71.443.138 loss).

Gain or loss on cash flow hedge

In order to maintain its position against the change in interest rates, the Group entered into an interest rate swap transaction. The effective portion of the cash flow hedge accounting recognized in other comprehensive income is TL 785.923 loss (31 December 2021: TL 1.625.603 loss).

Within the cash flow hedge transactions, the amount classified from equity to profit or loss, in other words effective portion of changes in the fair value row for the current period is TL 956.546 (31 December 2021: TL 1.094.704) accounted under finance expense in profit or loss.

24 CAPITAL, RESERVES AND OTHER EQUITY ITEMS *(continued)*

24.5 Restricted reserves

As at 31 December 2022, the Group's restricted reserves are total of TL 11.498.088 (31 December 2021: TL 3.743.204).
As disclosed in Note 24.1, in accordance with Article 520 of the Turkish Commercial Code no 6102, reserve provision is made for the treasury shares owned by the Group as the amount allocated to meet the acquisition value. As at 31 December 2022, there is no provision for the shares owned by the Group (31 December 2021: none).

24.6 Retained earnings / accumulated losses and non-controlling interests

The retained earnings/accumulated losses excluding the net income/loss for the period, and the general reserves which have retained earnings/accumulated losses nature are included in retained earnings/accumulated loss account.

For the year ended 31 December 2021 the Group entered into sale and purchase transactions of shares in Pera, operating in real estate, which shares are publicly traded at BIST. As a result of the sale and purchase of Pera shares by the Group, the effective shareholding rate of the Group in Pera increased to 12,36% (31 December 2022: none).

Consus Enerji İşletmeciliği ve Hizmetleri A.Ş., subsidiary of the Group, has acquired 3,12% minority share in its subsidiary, Tres Enerji Hizmetleri Sanayi ve Ticaret A.Ş., for TL 3 million on 4 November 2021.

The result of these transactions is recognized under equity and is shown as change in ownership interests in subsidiaries without change in control in Consolidated Statement of Changes in Shareholders' Equity.

24.7 Dividend Distribution

Publicly held companies distribute dividends according to "Dividend Distribution Announcement" numbered II-19.1 and issued by CMB at 1 February 2014. Dividends of companies are distributed based on dividend distribution policy and related regulations approved by General Assembly There is not any minimum rate for distribution in the announcement mentioned above. Companies distribute dividends according to their prime contracts or dividend distribution policy. In addition, it is possible to pay dividends in equal or different instalments and distribute dividend advance in cash for profit in financial statements.

The Group recognized net profit amounting to TL 180.236.236 for the period 1 January-31 December 2022 (1 January-31 December 2021: TL 144.042.511 net profit) in its stand-alone statutory financial statements prepared in accordance with Tax regulation and TCC.

24 CAPITAL, RESERVES AND OTHER EQUITY ITEMS *(continued)*

24.8 Transactions with owners of the Company, recognized directly in equity

The application for initial public offering (“IPO”) of Naturelgaz, subsidiary of the Company, was approved by Capital Markets Board on 18 March 2021. Naturelgaz has successfully completed the IPO process on 31 March 2021. The offering comprised from issuance of new ordinary shares and sale of existing shares. Naturelgaz issued 14.981.406 new shares, increasing the total number of shares issued from 100.018.594 to 115.000.000. In addition, GYH sold 19.518.594 existing shares. After the IPO completed on 31 March 2021, GYH remains the largest shareholder of Naturelgaz with 70% (31 December 2022: 70%).

Since the Group has not lost its control in Naturelgaz, the transaction is a transaction that does not result in loss of control in the subsidiaries and is therefore recorded in equity rather than income statement. Accounting for this transaction is made in accordance with TAS 27 ”Consolidated and Separate Financial Statements“, paragraphs 30 and 31. According to these paragraphs; changes in the ownership rate of a parent company in the event of a without loss of control despite the change in the ownership of the subsidiary is accounted as equity transactions. In such cases, the carrying values of the non-minority shares or the controlling power and non-controlling interests are adjusted to reflect the changes in their relative shares in the subsidiary. The difference between the amount in which the non-controlling interests are adjusted and the fair value of the consideration paid or received is directly accounted in equity and owned by the owners of the parent company.

Accounting of the Group’s public offer transaction of Naturelgaz has been made in accordance with TAS 27 “Consolidated and Separate Financial Statements” paragraps 30 and 31. According to these paragraps; if a parent does not lose control despite a change in ownership in its subsidiary, the changes are accounted as equity transaction. The sale of shares through the public offering method had an increasing effect on the equity of the parent company by TL 223.913.693 and on the non-controlling shares by TL 63.269.537.

With the Group's Board of Directors decision dated 21 December 2021, Sümerpark Gıda İşletmeciliği A.Ş., wholly owned subsidiary of the Group, have merged with Ardus Gayrimenkul Yatırımları A.Ş. and divested. The merger transaction has been registered on 30 December 2021 on the Trade Registry and the merger process has been completed.

Global Biyokütle Enerji Üretim A.Ş., wholly owned subsidiary of the Group, has merged with Consus Enerji İşletmeciliği A.Ş. and divested. The merger transaction was completed with registering by İstanbul Trade Registry on 30 June 2021.

The merger transaction has been recognized on a basis of “Business Combination under Common Control Principle” application issued by POA. According to the principle; i) business combinations under common control have to be recognized by pooling of interest method ii) goodwill should not be included to financial statements and iii) when performing pooling of interest method, financial statements should be adjusted and presented comparatively from the reporting period in which common control accrued as if business combination has accrued at the beginning of reporting period of common control. Since the subsidiares were wholly owned by the Company, the accounting of the fmerger regarding the shares had no effect on the comparative consolidated financial statements.

24 CAPITAL, RESERVES AND OTHER EQUITY ITEMS *(continued)*

24.8 Transactions with owners of the Company, recognized directly in equity *(continued)*

Pursuant to the Board of Directors Decision of Pera dated 1 December 2020 and numbered 298, the subsidiary of the Group, Pera's issued capital, which was TL 89.100.000 within the registered capital ceiling of TL 250.000.000, was increased to TL 142.560.000 by increasing TL 53.460.000, all in cash. The prospectus was received positively within the scope of the Capital Markets Board's decision dated 7 January 2021 and numbered 2/11. The nominal value of TL 53.196.591 of the priority rights, which has the right to purchase new shares, was used between 18 January 2021 and 1 February 2021 in accordance with the principles specified in the Prospectus and shares with a nominal value of TL 263.408 remaining after the use of new share purchase rights were offered for sale in Borsa İstanbul A.Ş (BİAŞ) Primary Market for 2 business days on 3 and 4 February 2021 and the sale of all related shares was completed as of 3 February 2021. A total of TL 53.860.411 gross fund inflows were realized from the capital increase, TL 53.196.602 (TL 3.300.261 of which is deducted from Ardus Gayrimenkul Yatırımları A.Ş.'s due cash basis receivables from Pera) from the use of new share purchase rights and TL 663.809 from the sale of the shares remaining from the use of new share purchase rights in the Borsa İstanbul A.Ş. Primary Market.

In the latest general assembly of Pera GYO, there is no member of the Board of Directors representing the Group in the newly elected Board of Directors and with the additional sale of shares resulted in lose of control, Pera GYO was excodeded from scope of the consolidation and started to be consolidated as current financial investments in the consolidated financial statements as of 30 September 2022. As of 30 September 2022, the percentage of the Group's shares in Pera GYO's capital is 10.54%. As of the report date, all of the Group's shares in Pera GYO have been sold.

The IPO of Consus Enerji comprised from issuance of new ordinary shares and sale of existing shares with fixed price and equal distribution sale. Consus Enerji issued 52.500.000 new shares, increasing the total number of shares issued from 333.000.000 to 385.500.000. In addition, GYH sold 63.000.000 shares with nominal value of TL 63.000.000 and the IPO was completed on 15 April 2022 and Consus Enerji started to be traded in BIST with continuous trading method on 20 April 2022. After the IPO, GYH remains the largest shareholder of Consus Enerji with 70% (31 December 2022: 67,99%).

Since the Group has not lost its control in Consus Enerji, the transaction is a transaction that does not result in loss of control in the subsidiaries and is therefore recorded in equity rather than income statement. Accounting for this transaction is made in accordance with TAS 27" Consolidated and Separate Financial Statements ", paragraphs 30 and 31. According to these paragraphs; changes in the ownership rate of a parent company in the event of a without loss of control despite the change in the ownership of the subsidiary is accounted as equity transactions. In such cases, the carrying values of the non-minority shares or the controlling power and non-controlling interests are adjusted to reflect the changes in their relative shares in the subsidiary. The difference between the amount in which the non-controlling interests are adjusted and the fair value of the consideration paid or received is directly accounted in equity and owned by the owners of the parent company.

Accounting of the Group's public offer transaction of Consus Enerji has been made in accordance with TAS 27 "Consolidated and Separate Financial Statements" paragraps 30 and 31. According to these paragraps; if a parent does not lose control despite a change in ownership in its subsidiary, the changes are accounted as equity transaction. The sale of shares through the public offering method had an increasing effect on the equity of the parent company by TL 257.613.891 and on the non-controlling shares by TL 163.282.615.

(Currency: Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

25 REVENUE AND COST OF SALES

For the year ended 31 December 2022 and 2021, the Group's gross profit on the basis of operations comprised the following:

Revenue	**1 January-31 December 2022**	**1 January-31 December 2021**
Natural gas revenue	3.742.526.044	692.043.189
Port operating revenue	3.281.874.246	1.076.791.372
Mining revenue	331.021.460	182.643.565
Real estate rent and service revenue	71.420.282	32.714.701
Energy generation and sales revenue	553.166.452	368.607.091
Other	4.814.966	4.461.004
Total	**7.984.823.450**	**2.357.260.922**
Cost of sales		
Cost of natural gas sales and services	(2.761.910.144)	(560.825.118)
Cost of port operations	(2.392.756.786)	(1.152.032.357)
Cost of mining operations	(231.972.464)	(127.603.901)
Cost of energy generation and sales	(400.515.778)	(233.061.868)
Cost of real estate service	(11.551.595)	(5.342.945)
Other	(19.104.748)	(21.351.924)
Total	**(5.817.811.515)**	**(2.100.218.113)**
Gross Profit from Non-finance Operations	**2.167.011.935**	**257.042.809**

Revenues from Finance Operations	**1 January-31 December 2022**	**1 January-31 December 2021**
Agency commissions	107.579.674	66.280.198
Interest received from customers	81.602.247	51.590.017
Portfolio management fees	516.867.792	90.192.138
Gain on sale of marketable securities, net	7.870.542	284.017
Other revenue	20.111.228	19.140.264
Total	**734.031.483**	**227.486.634**
Cost of Revenues from Finance operations (-)		
Commission charges	(4.492.469)	(3.684.028)
Interest charges from loans delivered to customers	(6.428.573)	(2.995.518)
Total	**(10.921.042)**	**(6.679.546)**
Gross Profit from Finance Operations	**723.110.441**	**220.807.088**
GROSS PROFIT	**2.890.122.376**	**477.849.897**

(Currency: Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

26 GENERAL ADMINISTRATIVE EXPENSES AND MARKETING EXPENSES

26.1 Marketing expenses

For the year ended 31 December 2022 and 2021, marketing expenses comprised the following:

	1 January-31 December 2022	1 January-31 December 2021
Personnel expenses	64.042.964	24.527.140
Depreciation and amortization expenses (Note 16-18)	23.350.268	15.656.426
Export expenses of mining operations	67.470.123	36.258.561
Advertising and promotion expenses	11.259.250	3.855.889
Taxes and duties	23.462.842	6.288.421
Commission expenses of derivative exchange market	4.312.101	2.762.254
Representation expenses	14.323.660	6.888.749
Stock market participation share	12.816.521	6.231.500
Money market settlement and custody expenses	3.554.809	2.732.286
Vehicle expenses	2.563.321	1.034.928
Repair and maintenance expenses	6.546.507	2.934.450
Building management expenses	4.427.205	2.142.675
Commission expenes	14.444.702	5.275.298
Rent expenses	509.575	367.640
Travel expenses	5.506.618	1.669.122
Communication expenses	573.248	358.337
Insurance expenses	1.285.192	955.615
IT expenses	99.047	173.034
Consultancy expenses	1.789.044	588.836
Other	8.393.345	5.902.553
	270.730.342	**126.603.714**

26.2 General administrative expenses

For the year ended 31 December 2022 and 2021, general administrative expenses comprised the following:

	1 January-31 December 2022	1 January-31 December 2021
Personnel expenses	583.410.148	218.196.499
Consultancy expenses	99.477.566	48.561.805
Travelling expenses	16.655.043	6.378.535
Taxes and duties other than on income	20.404.159	14.923.580
Depreciation and amortization expenses (Note 16-17-18)	86.112.981	32.398.952
IT expenses	25.522.469	18.202.411
Communication expenses	4.954.481	2.895.122
Building management expenses	11.073.839	5.288.435
Vehicle expenses	10.798.376	5.565.754
Representation expenses	5.142.315	4.278.944
Repair and maintenance expenses	4.742.200	2.460.284
Other expenses	54.391.783	19.012.116
	922.685.360	**378.162.437**

(Currency: Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

27 EXPENSES BY NATURE

For the year ended 31 December 2022 and 2021, the breakdown of personnel, depreciation and amortization expenses comprised the following:

Personnel expenses	**1 January-31 December 2022**	**1 January-31 December 2021**
Cost of sales	233.683.556	120.348.457
Marketing expenses	64.042.964	24.527.140
General administrative expenses	583.410.148	218.196.499
	881.136.668	**363.072.096**

Depreciation and amortization expenses	**1 January-31 December 2022**	**1 January-31 December 2021**
Cost of sales	626.779.426	346.352.793
Marketing expenses	23.350.268	15.656.426
General administrative expenses	86.112.981	32.398.952
	736.242.675	**394.408.171**

Fees for Services Received from Independent Auditor/Independent Audit Firms

Information regarding the fees for the services received from the independent audit firms, in accordance with the letter of POA dated 19 August 2021 that was prepared considering the Board Decision published in the Official Gazette on 30 March 2021, is as follows:

	1 January-31 December 2022 (*)	**1 January-31 December 2021**
Independent audit fee	16.108.996	12.005.265
Tax consulting fee	2.070.601	162.750
Other	1.941.981	2.158.364
Total	**20.121.578**	**14.326.379**

(*) The fees above have been determined through including the independent audit and other related services fees of all subsidiaries and joint ventures, and the foreign currency fees of foreign subsidiaries and affiliates have been converted into TL using the annual average rates of the relevant years.

(Currency: Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

28 OTHER OPERATING INCOME / EXPENSES

28.1 Other operating expenses

For the year ended 31 December 2022 and 2021, other operating expenses comprised the following:

	1 January- 31 December 2022	1 January- 31 December 2021
Donations	3.031.894	2.243.671
Project expenses (*)	120.542.696	95.759.600
Provision expense of fraud (**)	-	31.670.826
Provision expenses	3.064.638	74.943.380
Impairment loss	10.910.906	31.985.263
Concession fee expense	4.307.210	2.916.475
Tax amnesty expenses	7.630.582	15.136.744
Inventory loss	-	6.868.567
Other miscalleneous expenses	57.659.450	54.836.559
Total	**207.147.376**	**316.361.085**

(*) The major part of project expenses comprises of uncapitalized project expenses for port investments of the Group.

(**) In the year 2021, the Group has detected that some bank deposits of the Group and its customers waiting for investment held in the Group bank accounts have been transferred to third-party bank accounts through fake bank order documents by an employee of the Group. The Group made announcements regarding this fraud on 3 December 2021 and 14 January 2022 via Public Disclosure Platform (KAP) and deposited the related bank amounts transferred to third-party bank accounts through fake bank order documents by an employee of the Group between 1 December 2021 and 6 December 2021. For the year ended 31 December 2021, the Group raised a provision for the relevant amounts in the accompanying consolidated financial statements and recognized in current year under other expenses.

(Currency: Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

28 OTHER OPERATING INCOME / EXPENSES *(continued)*

28.2 Other operating income

For the year ended 31 December 2022 and 2021, other operating income comprised the following:

	1 January-31 December 2022	1 January-31 December 2021
Gain on bargain purchase (Note 3)	-	196.712.861
Fair value differences of previously held shares (Note 3)	-	74.281.936
Foreign currency exchange gain on trade operations, net	19.857.590	12.070.533
Reversal gain/(loss) of provisions	4.498.657	4.788.955
Gain on sale of associate (Note 1.b.5)	-	57.605.449
Gain on sale of subsidiary (*)	3.056.561	73.815.988
Other miscalleneous income	39.529.378	29.877.435
Total	**66.942.186**	**449.153.157**

(*) In the latest general assembly of Pera GYO, there is no member of the Board of Directors representing the Group in the newly elected Board of Directors and with the additional sale of shares resulted in lose of control, Pera GYO was excluded from scope of the consolidation and started to be consolidated as current financial investments in the consolidated financial statements as of 30 September 2022. The Group has accounted gain on sale of subsidiary amounting to TL 3.056.561 in consolidated financial statements related to sale of Pera GYO shares.

Within the context of share purchase and sale agreement of Ortadoğu Antalya Liman İşletmeleri A.Ş. ("Port Akdeniz") signed between Global Ports Holding Plc, indirect subsidiary of the Group, and QTerminals W.L.L. ("QTerminals"), Qatar-based commercial port operator, on 21 October 2020, sale of Port Akdeniz to QTerminals with a company value of TL 1.033.158.000 (USD 140 million) was completed on 25 January 2021 after approval of QTerminal's application by Competition Authority and fulfillment of all prerequisties related with sale transaction and necessary regulatory approvals.

As a result of the adjustments made according to the net debt position and debt equivalent items of Port Akdeniz, the sale value was realised as TL 849.837.111. QTerminals paid TL 764.853.400 of the total amount in cash and the remaining TL 84.983.711 (subject to change CBRT's USD buying rate on the payment date) will be paid in the last quarter of 2021. With the related payment will be made by QTerminals in the last quarter of 2021, GPH Plc will pay expenses related to sale transaction after collecting full amount of sale. The values given above regarding to sale transaction have been calculated over 7,3797, which is CBRT's USD buying rate on 25 January 2021.

As a result of this sale transaction, the Group has accounted a total of TL 73.815.988 gain on sale of subsidiary in its financial statements. TL 95.971.857 of this gain consists of deducting the sales price and the total value of the assets subject to sale. The amount of TL 22.155.869 consists of foreign currency translation differences accounted for under "Accumulated other comprehensive income and expenses to be reclassified in profit or loss" under the equity of the subsidiary subject to the sale deducted from this amount and reclassification of hedging losses to profit/(loss) due to the sale transaction.

(Currency: Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

29 INCOME AND EXPENSE FROM INVESTING ACTIVITIES

29.1 Income from investing activities

For the years ended 31 December 2022 and 2021, income from investing activities comprised the following:

	1 January- 31 December 2022	1 January- 31 December 2021
Investment property valuation gain (Note 15)	1.220.070.000	247.919.249
Gain on sale of financial assets	10.452.128	687.073
Gain on sale of fixed assets	18.197.941	6.647.878
Financial assets valuation gain	64.839.734	90.782.396
Total	**1.313.559.803**	**346.036.596**

29.2 Expense from investing activities

For the years ended 31 December 2022 and 2021, expense from investing activities comprised the following:

	1 January- 31 December 2022	1 January- 31 December 2021
Other	2.014.090	52.559
Total	**2.014.090**	**52.559**

(Currency: Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

30 FINANCE INCOME

For the year ended 31 December 2022 and 2021, finance income of the Group comprised the following:

	1 January- 31 December 2022	1 January- 31 December 2021
Foreign currency gain	113.362.338	91.445.298
Interest income	81.074.994	35.600.380
Fair value difference on derivative financial instruments	6.150.482	2.154.719
Other (*)	1.475.198	43.404.989
Total	**202.063.012**	**172.605.386**

(*) TL 40.298.804 of the amount consists of the interest income related to the early redemption of Global Liman's Eurobond.

31 FINANCE COSTS

For the year ended 31 December 2022 and 2021, finance costs of the Group comprised the following:

Recognized in profit or loss	1 January- 31 December 2022	1 January- 31 December 2021
Foreign currency loss	242.041.200	333.145.098
Interest expense on borrowings	707.904.280	312.148.286
Letter of guarantee commissions	8.724.087	4.432.232
Comission expenses	77.847.776	24.106.548
Interest expense on lease liabilities (IFRS 16)	58.347.934	34.290.084
Other	48.586.117	25.100.266
Total	**1.143.451.394**	**733.222.514**

32 TAX ASSETS AND LIABILITIES

Corporate tax

The Group is subject to corporate tax valid in Turkey. Companies file their tax return until the evening the 25th of the fourth month following the close of the financial year to which they relate and pay in one installment until the end of the relevant month.

Turkish tax legislation does not permit a parent company and its subsidiaries to file a consolidated tax return. Therefore, provisions for taxes, as reflected in these consolidated financial statements, have been calculated on a separate-entity basis. The publication of the Law No. 7394 in the Official Gazette dated 15.04.2022, for banks, consumer finance companies, factoring and financial leasing companies, electronic payment and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies, the corporate tax rate has been permanently increased to 25%, and the tax rate applied to the cumulative earnings of 2022 is considered as 25%.

In Turkey, after 1 January 2021 the corporate tax rate has been applied %20 to the legal tax base which was calculated by adding the non deductable expenses and by deducting the exemptions in the tax laws in accordance with the tax laws. With the publication of Law No. 7316 on Certain Amendments to the Law on the Collection of Public Receivables and Certain Laws in the Official Gazette on April 22, 2021, the corporate tax rate applicable to income for the years 2021 and 2022 was modified as; 25% for the income derived in 2021, 23% for the income derived in 2022 and these rates will apply for the period starting within the relevant year for the taxpayers, subject to a special accounting period. This change is valid for the taxation of corporate earnings for the periods starting from 1 January 2021, starting with the declarations that must be submitted as of 1 July 2021. Since the tax rate change came into effect as of 22 April 2021, the tax rate was used as 23% in the calculations of the corpoarate tax in the consolidated financial statements dated 31 December 2022 (31 Aralık 2021: 25%).

According to the amendment, deferred tax assets and liabilities included in the consolidated financial statements as at 31 December 2022 are calculated at the rates of 23% and 20%, respectively for the portions of temporary differences that will have tax effects in 2022 and the following periods.

As of 31 December 2022, the tax rates (%) used in the calculation of deferred tax, taking into account the tax legislation in effect in each country, are as follows:

The corporate tax rate in Spain for the 2022 year is determined at 25% (2021: 25%). The corporate tax rates in Netherlands, Italy, Malta and Montenegro are 25%, 28%, 35% and 11,7%, respectively (2021: 25%, 28%, 35% and 9%, respectively).

Losses can be carried forward for offsetting against future taxable income for the next 5 years while it is for up to 18 years in Spain.

Port operations in the Bahamas, Antigua and Barbuda are exempt from corporate tax.

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

Financial loss which is showed in declaration form according to Turkish Tax Regulation in condition not to pass for 5 years can be deducted on corporate income for period. The tax authorities can inspect tax returns and the related accounting records for a retrospective maximum period of five years and tax accounts can be revised.

15% withholding tax rate applies to dividends distributed by resident corporations resident real persons except for, those who are not liable to income and corporation tax, non-resident real persons, non-resident corporations.

32 TAX ASSETS AND LIABILITIES *(continued)*

Corporate tax (continued)

Dividend distribution by resident corporations to resident corporations is not subject to a withholding tax. In addition, if the profit is not distributed or added to the capital, the income tax is not calculated.

Dividend income from participation in shares of capital of another fully fledged taxpayer corporation (except for dividends from investment funds participation certificates and investment partnerships shares) are exempt from corporate tax. Moreover, 75% of the earnings arising from the sale of the associate shares, the founding shares of real estates (immovables), redeemed shares and priority rights, which the institutions have for at least two years in their assets is exempted from corporate tax as of 31 December 2017. However, with the amendment made with Law No. 7061, this rate has been reduced from 75% to 50% in terms of immovables and is used as 50% in tax returns to be prepared as of 2018.

The relevant gain is required to be held in a fund account in liabilities for at least five years to gain the right to use the exemption. The amount of the sale should be collected until the end of the second calendar year following the year of sale.

There is not any application which consists of agreement between companies and tax authority about payables taxes in Turkey. Companies file their tax returns by the end of the fourth month following the closing of the accounting year to which they relate. The tax authorities may check can check Company records for 5 years and if there is a mistake, amount of taxes payables can be changed.

Transfer pricing

In Turkey, the transfer pricing provisions have been stated under the Article 13 of Corporate Tax Law with the heading of "disguised profit distribution via transfer pricing". The General Communiqué on disguised profit distribution via Transfer Pricing, dated 18 November 2007 sets details about implementation.

If a taxpayer enters into transactions regarding sale or purchase of goods and services with related parties, where the prices are not set in accordance with arm's length principle, then related profits are considered to be distributed in a disguised manner through transfer pricing. Such disguised profit distributions through transfer pricing are not accepted as tax deductible for corporate income tax purposes.

Tax exemption of real estate investment trusts

The real estate investment trusts are exempt from corporate tax in accordance with the Corporate Tax Law numbered 5520, 5th Article and the subparagraph (1) d. According to the 15th Article of this law, even when the earnings of the real estate investment trusts are not distributed, they are subject to the withholding tax of 15 %. However, in the scope of the authorization provided by the law to the Council of Ministers, the withholding tax rate to be applied was determined to be zero with the decision of the Council of Ministers numbered 2003/6577.

Tax exemption on maritime operations:

The Turkish International Ship Registry Law, authorized on 16 December 1999, is designed to accelerate the development of the Turkish maritime sector and increase its contribution to the Turkish economy. The law supports the procurement and operation of ships registered on the Turkish International Ship Registry, and yachts registered to the inventory of tourism companies. Income generated through the vessels covered by the law is not subject to income tax and expenses related to these operations are considered as disallowable expenses.

32 TAX ASSETS AND LIABILITIES *(continued)*

Income withholding tax:

5th Article of Tax Law, numbered 6009 and dated 23 July 2010, and temporary 69th and 61th Articles of tax law, numbered 193 were changed and declared in Official Gazette on 1 August 2010. Accordingly, to be applied onto the 2010 calendar year income, investment incentives that will be subject to the deducted amount shall not exceed 25% of income for the year of interest, while determining the tax base.

There is a withholding tax liability on dividend distributions and the withholding liability is accrued in the period when the dividend payment is occured. The payments of dividend are subject to the 15% withholding tax until 22 December 2021, except for limited taxpayer companies that generate income through a workplace or their permanent representative in Turkey, and those made to companies residing in Turkey. Additionally, in accordance with the Presidential Decision No. 4936, which was published in the Official Gazette dated 22 December 2021 and numbered 31697, arrangements were made in the provisions of the Income Tax Law No. 193 and the Corporate Tax Law No. 5520 on dividend distribution, the withholding tax rate of 15% has been decreased to 10%.

The withholding tax rates in the Double Taxation Prevention Agreements are also taken into account in the application of the withholding tax rates regarding profit distributions to non-resident companies and real persons. Adding profit to capital cannot be count as distribution of dividend and applied for withholding tax.

According to the Corporate Tax Law, 75% of the capital gains arising from the sale of tangible (50% for real estates) assets and investments in equity shares owned for at least two years are exempted from corporate tax on the condition that such gains are reflected in the equity with the intention to be utilized in a share capital increase within five years from the date of the sale and the sale amount is collected within two years following the year in which the sale is realized.

(Currency: Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

32 TAX ASSETS AND LIABILITIES

Current tax income assets

As at 31 December 2022 and 31 December 2021, current tax income assets of the Group comprised the following:

	31 December 2022	31 December 2021
Prepaid taxes and funds	28.125.393	14.604.548
Other	2.439.056	856.243
Total	**30.564.449**	**15.460.791**

Tax expenses:

For the year ended 31 December 2022 and 2021, tax income/(expense) comprised the following:

	1 January-31 December 2022	1 January-31 December 2021
Current tax income / (expense)	(230.174.687)	(28.342.574)
Deferred tax benefit / (expense)	(150.051.320)	(153.522.224)
Total	**(380.226.007)**	**(181.864.798)**

As at 31 December 2022 and 2021, current tax liability for the period comprised the following:

	2022	2021
Current tax charge	(230.174.687)	(28.342.574)
Taxes paid during period	150.304.541	19.434.873
Total	**(79.870.146)**	**(8.907.701)**
Changes in prepaid taxes	13.520.845	2.741.072
Income tax payable	**(66.349.301)**	**(6.166.629)**

As of 31 December 2022, the tax payable amounting to TL 94.474.694 (31 December 2021: TL 20.771.177) and the prepaid tax amounting to TL 28.125.393 (31 December 2021: TL 14.604.548) have not been offset since they are subject to different tax legislation.

The tax reconciliation for the years ended 31 December 2022 and 2021 is as follows:

	%	2022	%	2021
Profit / (loss) before income tax		1.965.973.852		(204.066.319)
Corporate tax using domestic rate	23,00	(452.173.986)	25,00	51.016.580
Disallowable expenses	1,58	(31.025.044)	(121,84)	(248.639.649)
Effect of unrecognized tax profit / (loss)	(4,65)	91.343.447	(2,64)	(5.397.374)
Effect of tax exemption on maritime operations	0,65	(12.795.138)	(1,01)	(2.059.938)
Effect of change in tax rates	(2,00)	39.232.793	(2,13)	(4.344.302)
Other	0,75	(14.808.079)	13,51	27.559.885
		(380.226.007)		**(181.864.798)**

(Currency: Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

32 TAX ASSETS AND LIABILITIES *(continued)*

Deferred tax:

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

In Turkey the tax legislation does not permit a parent company, its subsidiaries and associates to file a consolidated tax return. Therefore, deferred tax positions of companies with deferred tax assets and companies with deferred tax liabilities are not netted and are disclosed separately.

The tax rate used in the calculation of deferred tax assets and liabilities is 23% over the temporary differences expected to reverse in 2019, 2020 and 2021, and 20% over the temporary differences expected to reverse after 2023.

As at 31 December 2022 and 31 December 2021, the deferred tax assets and liabilities reflected to the consolidated financial statements are as follows:

	31 December 2022	31 December 2021
Deferred tax assets	273.235.299	196.278.076
Deferred tax liabilities	(1.296.368.076)	(820.327.468)
Total	**(1.023.132.777)**	**(624.049.392)**

For the year ending 31 December 2022 and 31 December 2021, the movement of deferred tax assets and liabilities is as follows:

	31 December 2022	31 December 2021
Balance at the beginning of the year	(624.049.392)	(143.420.655)
Deferred tax benefit / expense	(150.051.320)	(153.522.224)
Foreign currency translation differences	(250.701.225)	(191.678.437)
Tax effect from business combinations	-	(135.529.227)
Recognized in equity	1.669.160	101.151
	(1.023.132.777)	**(624.049.392)**

(Currency: Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

32 TAX ASSETS AND LIABILITIES *(continued)*

Deferred tax assets and deferred tax liabilities as at 31 December 2022 and 31 December 2021 are attributable to the items presented in the table below:

	2022		2021	
	Temporary differences	Deferred tax assets / (liabilities)	Temporary differences	Deferred tax assets / (liabilities)
Accumulated tax losses	866.011.277	190.522.481	885.033.745	177.006.749
Receivables	50.258.227	11.056.810	52.424.795	10.484.959
Valuation differences of marketable securities	(20.399.895)	(4.487.977)	(9.651.895)	(1.930.379)
Provisions	7.657.341	1.684.615	5.796.270	1.159.254
Provision for employement termination indemnity	42.363.991	9.320.078	19.682.120	3.936.424
Valuation of derivative instruments	11.245.741	2.474.063	14.618.060	2.923.612
Property, plant and equipment, intangible assets and concession intangible assets and right of use of assets	(3.987.415.959)	(877.231.511)	(3.625.822.455)	(725.164.491)
Loans and prepaid commissions of the loans	40.495.409	8.908.990	28.072.730	5.614.546
Valuation of investment property	(1.361.221.632)	(299.468.759)	(405.737.785)	(81.147.557)
Expense accruals	221.058.050	48.632.771	292.778.360	58.555.672
Other	(520.656.082)	(114.544.338)	(377.440.905)	(75.488.181)
		(1.023.132.777)		**(624.049.392)**

As at 31 December 2022 and 31 December 2021, the breakdown of the accumulated tax losses carried forward in terms of their final years of utilization is as follows:

Expiry years of the tax losses carried forward	31 December 2022		31 December 2021	
	Recognized	Unrecognized	Recognized	Unrecognized
2022	-	-	13.856.884	4.654.223
2023	4.498.616	4.034.416	45.453.918	2.758.169
2024	35.842.250	7.139.035	29.101.792	6.204.909
2025	31.822.701	7.455.476	26.791.692	6.565.020
2026	66.770.725	15.220.892	61.802.463	62.519.206
2027	51.588.189	58.800.043	-	-
	190.522.481	**92.649.862**	**177.006.749**	**82.701.527**

Unrecognized deferred tax assets and liabilities

At the reporting date, the Group has statutory tax losses available for offsetting against future profits which are shown above. Such losses carried forward expire until 2027. Deferred tax assets have not been recognized in respect of some portion of these items because it is not probable that future taxable profit will be available against which the Group can utilize the benefits there from.

(Currency: Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

33 EARNINGS/ (LOSS) PER SHARE

For the years ended 31 December 2022 and 2021, basic and diluted earnings per share are calculated by dividing the net profit attributable to owners of the Company by weighted average number of shares outstanding.

	1 January- 31 December 2022	1 January- 31 December 2021
Net profit / (loss) for the period	1.172.021.334	(111.147.055)
Net profit/(loss) from continuing operations for the period	1.172.021.334	(111.147.055)
Weighted average number of shares	650.000.000	328.318.938
Weighted average number of ordinary shares	650.000.000	328.318.938
Weighted average number of shares	650.000.000	328.318.938
Gain / (loss) per share with par value of TL 1 (TL full)	1,8031	(0,3385)
Gain / (loss) per share of continuing operations with par value of TL 1 (TL full)	1,8031	(0,3385)

34 NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

Financial risk management

The Group has exposure to the various risks from its use of financial instruments. These are credit risk, liquidity risk and market risk.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

The responsibility of setting up and following up of risk management processes belongs to management of the Group.

The risk management policies of the Group were set up according to ascertaining and measuring the risk faced, determining adequate risk limits and monitoring the fluctuations. Risk management policies and systems are reviewed to cover the operations of the Group and changes in market conditions.

34.1 Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and financial investments.

Management has a credit risk policy in place to monitor the exposure to credit risk on an ongoing basis. The Group has the ability to receive collaterals for its financial assets. Furthermore, the Group obtains letters of guarantee or similar collaterals from third parties for specific agreements and projects, if necessary.

Regarding the credibility of the counterparty, letters of guarantee or advance payments are received as collaterals of trade receivables from port operations. Credit risk resulting from brokerage activities of the Group are managed by the related companies' risk committees through the regulations on credit sales of securities promulgated by the CMB. Within the context of credit risk policies described in this paragraph, the Group does not have significant credit risk from port operations, natural gas sales and financial operations which constitute major part of the Group's operations.

The Group enters into transactions with accredited parties or the parties that an agreement is signed in financial markets. The transactions in the treasury operations are performed by conditional exchanges through custody cash accounts.

As at 31 December 2022 and 2021, there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset, including derivatives, in the consolidated balance sheet.

(Currency: Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

34 NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS *(continued)*

34.1 Credit risk *(continued)*

Carrying amounts of financial assets present maximum exposure to credit risk. As at 31 December 2022 and 2021 maximum credit risk exposure is as follows:

31 December 2022	Trade receivables (*)	Receivables from related parties	Receivables from finance sector operations (*)	Other receivables (*)	Cash at banks	Current financial investments	Advances given	Total
Maximum credit risk exposure at the reporting date	1.359.631.962	214.863.137	531.859.510	225.900.898	1.732.262.295	358.481.091	393.092.387	**4.816.091.280**
Portion of maximum risk covered by guarantee	153.444.197	-	-	-	-	-	-	**153.444.197**
A. Net book value of financial assets neither past due nor impaired	1.184.731.150	214.863.137	531.859.510	225.900.898	1.732.262.295	358.481.091	393.092.387	**4.641.190.468**
B. Net book value of financial assets past due but not impaired whose terms have been renegotiated	174.900.812	-	-	-	-	-	-	**174.900.812**
Portion of maximum risk covered by guarantee	9.611.340	-	-	-	-	-	-	**9.611.340**
C. Net book value of assets past due and impaired	-	-	-	-	-	-	-	-
-Past due (gross book value)	87.854.261	-	6.310.603	-	-	-	-	**94.164.864**
-Impairment (-)	(87.854.261)	-	(6.310.603)	-	-	-	-	**(94.164.864)**
-Portion of the net book value covered by guarantee	-	-	-	-	-	-	-	-
-Not past due (gross book value)	-	-	-	-	-	-	-	-
-Impairment (-)	-	-	-	-	-	-	-	-
-Portion of the net book value covered by guarantee	143.832.857	-	-	-	-	-	-	**143.832.857**
D. Off-balance sheet items exposed to credit risk	-	-	-	-	-	-	-	-

(*) The amounts from related parties are excluded. The receivables from related parties in the table are collectively presented under the title of "Receivables from related parties".

(Currency: Amounts expressed in Turkish Lira (“TL”) unless otherwise stated)

34 NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS *(continued)*

34.1 Credit risk *(continued)*

31 December 2021	Trade receivables (*)	Receivables from related parties	Receivables from finance sector operations (*)	Other receivables (*)	Cash at banks	Current financial investments	Advances given	Total
Maximum credit risk exposure at the reporting date	470.513.321	131.579.954	331.410.283	444.500.223	1.500.620.904	169.807.410	157.601.443	**3.206.033.538**
Portion of maximum risk covered by guarantee	38.484.884	-	-	-	-	-	-	**38.484.884**
A. Net book value of financial assets neither past due nor impaired	387.831.753	131.579.954	331.410.283	444.500.223	1.500.620.904	169.807.410	157.601.443	**3.123.351.970**
B. Net book value of financial assets past due but not impaired whose terms have been renegotiated	82.681.557	-	-	-	-	-	-	**82.681.557**
Portion of maximum risk covered by guarantee	7.577.589	-	-	-	-	-	-	**7.577.589**
C. Net book value of assets past due and impaired	-	-	-	-	-	-	-	-
-Past due (gross book value)	74.955.027	-	8.434.231	-	-	-	-	**83.389.258**
-Impairment (-)	(74.955.027)	-	(8.434.231)	-	-	-	-	**(83.389.258)**
-Portion of the net book value covered by guarantee	-	-	-	-	-	-	-	-
-Not past due (gross book value)	-	-	-	-	-	-	-	-
-Impairment (-)	-	-	-	-	-	-	-	-
-Portion of the net book value covered by guarantee	30.907.295	-	-	-	-	-	-	**30.907.295**
D. Off-balance sheet items exposed to credit risk	-	-	-	-	-	-	-	-

(*) The amounts from related parties are excluded. The receivables from related parties in the table are collectively presented under the title of "Receivables from related parties”.

(Currency: Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

34 NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS *(continued)*

34.1 Credit risk *(continued)*

The maturity analysis of the assets overdue but not impaired is as follows:

	31 December 2022 Trade Receivables	31 December 2021 Trade Receivables
1 to 30 days overdue	86.825.265	26.345.979
1 to 3 months overdue	61.726.983	31.057.983
3 to 12 months overdue	24.695.756	20.339.298
1 to 5 years overdue	1.652.808	4.938.297
Total	**174.900.812**	**82.681.557**
Portion of assets secured by guarantee etc.	9.611.340	7.577.589

34.2 Liquidity risk

Liquidity risk arises in the general funding of the Group's activities and in the management of positions. It includes both the risk of being unable to fund assets at appropriate maturities and rates and risk of being unable to liquidate an asset at a reasonable price and in an appropriate time frame.

The Group continuously assesses liquidity risk by identifying and monitoring changes in funding required in meeting business goals and targets set in terms of the overall Group strategy.

The current and future loan needs of the Group are supplied by continuous accessibility of a sufficient number of high-quality creditors for each segment of the Group.

(Currency: Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

34 NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS *(continued)*

34.2 Liquidity risk *(continued)*

As at 31 December 2022 and 2021 liquidity risk exposure is as follows:

31 December 2022

Contractual Maturities	Carrying Value	Total cash outflows due to contracts	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years
Non-Derivative Financial Liabilities						
Bank loans and other financial borrowings	7.989.587.886	10.310.003.713	1.246.377.797	1.268.485.781	7.679.179.249	115.960.886
Debt securities issued	4.762.735.714	8.727.769.670	332.557.124	332.941.930	1.182.435.784	6.879.834.832
Liabilities due to operations in finance sector	337.417.647	337.417.647	-	337.417.647	-	-
Finance lease obligations	1.389.625.749	2.029.339.535	57.530.710	118.031.516	1.853.777.309	-
Trade payables	849.241.543	833.217.806	393.909.717	439.308.089	-	-
Other payables	381.717.755	381.717.755	361.338.921	16.881.733	3.497.101	-
Derivative Financial Liabilities						
Interest rate swap	12.370.315	17.073.631	-	3.284.352	13.789.279	-

(Currency: Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

34 NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS *(continued)*

34.2 Liquidity risk *(continued)*

31 December 2021

Contractual Maturities	Carrying Value	Total cash outflows due to contracts	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years
Non-Derivative Financial Liabilities						
Bank loans and other financial borrowings	5.289.792.831	6.646.912.392	606.501.670	1.217.787.079	4.763.583.645	59.039.998
Debt securities issued	3.405.533.021	6.360.488.404	258.822.670	274.993.225	810.078.676	5.016.593.833
Liabilities due to operations in finance sector	197.491.199	197.491.199	-	197.491.199	-	-
Finance lease obligations	1.017.466.542	1.591.482.803	48.520.989	93.626.303	1.449.335.511	-
Trade payables	364.515.363	366.865.229	103.198.804	263.666.425	-	-
Other payables	200.292.851	200.292.851	180.108.806	9.430.465	10.753.580	-
Derivative Financial Liabilities						
Interest rate swap	18.327.935	17.073.631	-	3.284.352	13.789.279	-

34 NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS *(continued)*

34.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group’s income or the value of its financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Market risk for all subsidiaries is monitored and managed by the Company’s centralized Treasury and Fund Management Department. Treasury and Fund Management Department uses forward transactions and option contracts to minimize possible losses from money market fluctuations.

i) Foreign currency risk

The Group is exposed to currency risk through transactions (such as borrowings) in foreign currencies, especially in USD and EURO. As the currency in which the Group presents its consolidated financial statements is TL, the consolidated financial statements are affected by movements in the exchange rates against TL. For the subsidiaries, whose functional currency is USD, main foreign currency is TL.

Regarding the port operations, the Group has limited exposure to currency risk since port tariff currency, which is the base of functional currency, and material transactions such as revenues and loans are denominated by the same currency.

The Group uses interest swaps and options in order to limit exposure to currency risk mainly arising from financial liabilities.

The Group's foreign currency loan for hedging net investment risk in foreign operations was paid before its maturity on 29 July 2021 and net investment hedge accounting was terminated as of this date. Net loss of USD 5.187.775 after tax has been recognized as a result of hedging of the Group's net investment in foreign operation included in the hedge fund for the year ended 31 December 2021 (31 December 2022: none).

(Currency: Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

34 NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS *(continued)*

34.3 Market risk *(continued)*

i) Foreign currency risk (continued)

As at 31 December 2022 and 31 December 2021, foreign currency risk exposures of the Group comprised the following:

31 December 2022					
	TL Equivalent	**USD**	**EURO**	**GBP**	**TL**
1.Trade Receivables	61.476.278	1.776.779	52.703	-	27.202.902
2.a Monetary Financial Assets	416.389.209	7.624.015	6.462.982	131.065	142.046.642
2.b Non-monetary Financial assets	-	-	-	-	-
3. Other	-	-	-	-	-
4. Current assets (1+2+3)	**477.865.487**	**9.400.794**	**6.515.685**	**131.065**	**169.249.544**
5.Trade receivables	-	-	-	-	-
6.a. Monetary Financial Assets	4.645.657	900	97.527	-	2.684.638
6.b. Non-monetary Financial Assets	-	-	-	-	-
7. Other	-	-	-	-	-
8. Non-current assets (5+6+7)	**4.645.657**	**900**	**97.527**	**-**	**2.684.638**
9. Total Assets (4+8)	**482.511.144**	**9.401.694**	**6.613.212**	**131.065**	**171.934.182**
10. Trade Payables	78.947.356	783.508	776.364	17.000	48.438.033
11. Financial Liabilities	1.276.585.293	38.189.695	27.912.053	-	6.078.934
12.a. Other Monetary Liabilities	11.807.562	110.642	115	-	9.736.452
12.b. Other Non-monetary Liabilities	-	-	-	-	-
13. Current liabilities (10+11+12)	**1.367.340.211**	**39.083.845**	**28.688.532**	**17.000**	**64.253.419**
14. Trade Payables	-	-	-	-	-
15. Financial Liabilities	543.269.806	26.069.148	1.958.648	-	16.775.604
16.a. Other Monetary Liabilities	11.857.340	-	-	-	11.857.340
16.b. Other Non-monetary Liabilities	-	-	-	-	-
17. Non-current Liabilities (14+15+16)	**555.127.146**	**26.069.148**	**1.958.648**	**-**	**28.632.944**
18. Total Liabilities (13+17)	**1.922.467.357**	**65.152.993**	**30.647.180**	**17.000**	**92.886.363**
19.Off-balance Sheet Foreign Currency Derivative Instruments Net Position (19a-19b)	**-**	**-**	**-**	**-**	**-**
19a. Foreign currency derivative assets	-	-	-	-	-
19b. Foreign currency derivative liabilities	-	-	-	-	-
20. Net Foreign Currency Asset/Liability Position (9-18+19)	**(1.439.956.213)**	**(55.751.299)**	**(24.033.968)**	**114.065**	**79.047.819**
21. Net Foreign Currency Position of monetary items (TFRS 7.B23) (=1+2a+5+6a-10-11-12a-14-15-16a)	**(1.439.956.213)**	**(55.751.299)**	**(24.033.968)**	**114.065**	**79.047.819**
22. Fair Value of Derivative Instruments Held for Hedging	**-**	**-**	**-**	**-**	**-**
23. Derivative Assets Held for Hedging	**-**	**-**	**-**	**-**	**-**
24. Derivative Liabilities Held for Hedging	**-**	**-**	**-**	**-**	**-**
Export	**-**	**-**	**-**	**-**	**-**
Import	**-**	**-**	**-**	**-**	**-**

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

(Currency: Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

34 NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS *(continued)*

34.3 Market risk *(continued)*

i) Foreign currency risk (continued)

31 December 2021	TL Equivalent	USD	EURO	GBP	TL
1.Trade Receivables	41.104.918	1.409.438	18.631	-	22.540.390
2.a Monetary Financial Assets	722.625.599	17.845.592	25.582.945	15.756	115.142.966
2.b Non-monetary Financial assets	-	-	-	-	-
3. Other	-	-	-	-	-
4. Current assets (1+2+3)	**763.730.517**	**19.255.030**	**25.601.576**	**15.756**	**137.683.356**
5.Trade receivables	-	-	-	-	-
6.a. Monetary Financial Assets	5.103.391	2.269	262.224	-	1.223.894
6.b. Non-monetary Financial Assets	-	-	-	-	-
7. Other	-	-	-	-	-
8. Non-current assets (5+6+7)	**5.103.391**	**2.269**	**262.224**	**-**	**1.223.894**
9. Total Assets (4+8)	**768.833.908**	**19.257.299**	**25.863.800**	**15.756**	**138.907.250**
10. Trade Payables	51.199.882	999.821	351.365	41.907	32.334.456
11. Financial Liabilities	824.775.982	39.515.120	20.644.369	-	8.861.693
12.a. Other Monetary Liabilities	38.585.943	1.773.497	32.712	5.762	14.989.534
12.b. Other Non-monetary Liabilities	-	-	-	-	-
13. Current liabilities (10+11+12)	**914.561.807**	**42.288.438**	**21.028.446**	**47.669**	**56.185.683**
14. Trade Payables	-	-	-	-	-
15. Financial Liabilities	313.066.360	20.366.249	1.929.649	-	20.431.678
16.a. Other Monetary Liabilities	4.940.475	-	-	-	4.940.475
16.b. Other Non-monetary Liabilities	-	-	-	-	-
17. Non-current Liabilities (14+15+16)	**318.006.835**	**20.366.249**	**1.929.649**	**-**	**25.372.153**
18. Total Liabilities (13+17)	**1.232.568.642**	**62.654.687**	**22.958.095**	**47.669**	**81.557.836**
19.Off-balance Sheet Foreign Currency Derivative Instruments Net Position (19a-19b)	-	-	-	-	-
19a. Foreign Currency Derivative Assets	-	-	-	-	-
19b. Foreign Currency Derivative Liabilities	-	-	-	-	-
20. Net Foreign Currency Asset/Liability Position (9-18+19)	**(463.734.734)**	**(43.397.388)**	**2.905.705**	**(31.913)**	**57.349.414**
21. Net Foreign Currency Position of monetary items (TFRS 7.B23) (=1+2a+5+6a-10-11-12a-14-15-16a)	**(463.734.734)**	**(43.397.388)**	**2.905.705**	**(31.913)**	**57.349.414**
22. Fair Value of Derivative Instruments Held for Hedging	-	-	-	-	-
23. Derivative Assets Held for Hedging	-	-	-	-	-
24. Derivative Liabilities Held for Hedging	-	-	-	-	-
Export	-	-	-	-	-
Import	-	-	-	-	-

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

(Currency: Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

34 NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS *(continued)*

34.3 Market risk *(continued)*

i) Foreign currency risk (continued)

Sensitivity Analysis – Foreign currency risk

A 10 percent strengthening or depreciation of the Turkish Lira against the following currencies as at 31 December 2022 and 31 December 2021 would have changed equity or profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

31 December 2022	PROFIT/LOSS		EQUITY (*)	
	Strengthening of foreign currency	Depreciation of foreign currency	Strengthening of foreign currency	Depreciation of foreign curreny
	A 10 percent change in USD against Turkish Lira:			
1-Net USD asset/liability	(104.245.451)	104.245.451	-	-
2- Hedged portion against USD risk (-)	-	-	-	-
3- Net effect of USD (1+2)	**(104.245.451)**	**104.245.451**	-	-
	A 10 percent change in Euro against Turkish Lira:			
4- Net Euro asset/liability	(47.911.475)	47.911.475	-	-
5- Hedged portion against Euro risk (-)	-	-	-	-
6- Net effect of Euro (4+5)	**(47.911.475)**	**47.911.475**	-	-
	A 10 percent change in other currencies against Turkish Lira:			
7- Net other currencies asset/liability	256.523	(256.523)	-	-
8- Hedged portion against other currencies risk (-)	-	-	-	-
9- Net effect of other currencies (7+8)	**256.523**	**(256.523)**	-	-
TOTAL (3+6+9)	**(151.900.403)**	**151.900.403**	-	-

(*) Profit and loss excluded

(Currency: Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

34 NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS *(continued)*

34.3 Market risk *(continued)*

i) Foreign currency risk (continued)

Sensitivity Analysis – Foreign currency risk

31 December 2021	PROFIT/LOSS		EQUITY (*)	
	Strengthening of foreign currency	Depreciation of foreign currency	Strengthening of foreign currency	Depreciation of foreign curreny
	A 10 percent change in USD against Turkish Lira:			
1-Net USD asset/liability	(56.318.960)	56.318.960	-	-
2- Hedged portion against USD risk (-)	-	-	-	-
3- Net effect of USD (1+2)	**(56.318.960)**	**56.318.960**	-	-
	A 10 percent change in Euro against Turkish Lira:			
4- Net Euro asset/liability	4.266.243	(4.266.243)	-	-
5- Hedged portion against Euro risk (-)	-	-	-	-
6- Net effect of Euro (4+5)	**4.266.243**	**(4.266.243)**	-	-
	A 10 percent change in other currencies against Turkish Lira:			
7- Net other currencies asset/liability	(55.698)	55.698	-	-
8- Hedged portion against other currencies risk (-)	-	-	-	-
9- Net effect of other currencies (7+8)	**(55.698)**	**55.698**	-	-
TOTAL (3+6+9)	**(52.108.415)**	**52.108.415**	-	-

(*) Profit and loss excluded.

(Currency: Amounts expressed in Turkish Lira (“TL”) unless otherwise stated)

34 NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS *(continued)*

34.3 Market risk *(continued)*

ii) Interest rate risk

The Group’s operations are subject to the risk of interest rate fluctuations to the extent that interest-earning assets and interest-bearing liabilities mature or reprice at different times or in different amounts. This risk is managed through balancing the assets and liabilities exposed to interest rate risk and restricted use of derivative instruments.

Interest Position Table			
		31 December 2022	**31 December 2021**
Financial Instruments with fixed interest		**(5.563.970.468)**	**(3.570.217.395)**
Financial Assets	Financial assets held for trading	357.431.763	169.087.423
	Due from related parties	28.051.696	10.599.256
	Receivables from money markets	229.471.533	124.316.595
	Bank deposits	783.172.378	564.590.891
Financial Liabilities	Loans and borrowings	(6.885.728.882)	(4.326.164.716)
	Liabilities due to operations in finance sector	(817.738)	(888.792)
	Interest rate swap effect	(75.551.218)	(111.758.052)
Financial Instruments with variable interest		**5.931.104.089**	**(4.191.087.111)**
Financial Assets	Loans granted to the key management	-	-
Financial Liabilities	Loans and borrowings	(6.006.655.307)	(4.302.845.163)
	Interest rate swap effect (*)	75.551.218	111.758.052

(*) The Group hedged 75% of one of the subsidiary’s variable interest rate loan to a fixed interest rate payment of 0,97% and that interest rate swap requires using Euribor until the maturity of the loan (31 December 2023).

Sensitivity analysis – interest rate risk

As at 31 December 2022, had the interest rates been higher by 100 base points and all other variables remain constant, profit before tax would have been lower by TL 127.523.236 (31 December 2021: profit before tax lower by TL 86.953.259), the net profit attributable to the owners of the Company would have been lower by TL 98.192.892 (31 December 2021: lower by TL 65.214.944) and total equity attributable to equity holders of the Company would have been lower by TL 54.385.243 (31 December 2021: lower by TL 37.005.480). Had the interest rates been lower by 100 base points, the effect would be the same but in reverse position.

Capital risk management

The Group’s objectives when managing capital are to provide the sustainability of the Group’s operations in order to bring returns and benefits to the shareholders and to reduce the cost of the capital for maintaining an optimal capital structure.

The Group monitors the capital management by using debt / capital ratio. This ratio is calculated by dividing the net debt to total capital. Net debt is calculated by deducting cash and cash equivalents from total liabilities (the sum of financial liabilities). Total capital is the sum of net debt and equity. The Group's net debt ratio calculated with this method is 74% as of 31 December 2022 (2021: 77%).

(Currency: Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

35 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation, and is best evidenced by a quoted market price.

The estimated fair values of financial instruments have been determined using available market information by the Group, and where it exists, using appropriate valuation methodologies. However, judgment is necessarily required to interpret market data to determine the estimated fair value. While the management of the Group has used available market information in estimating the fair values, the market information may not be fully reflective of the value that could be realized in the current circumstances.

Fair values of cash and cash equivalents and other monetary assets are assumed to approximate their carrying amounts. The carrying amounts of trade and other receivables less the related provisions for impairment are assumed to approximate their fair values. Since the majority of the long-term loans have floating rate or has borrowed close to the balance sheet date, the carrying amounts of floating rate foreign currency liabilities, which are translated to Turkish Lira using the period-end rates, are assumed to reflect their fair values except the Eurobond issued in USD.

Carrying amounts and fair values of financial assets and liabilities are listed below:

		31 December 2022		31 December 2021	
Financial Assets	**Notes**	**Carrying Value**	**Fair value**	**Carrying Value**	**Fair value**
Cash and Cash Equivalents	7	1.848.734.791	1.848.734.791	1.535.926.457	1.535.926.457
Financial Investments	8	385.239.259	385.239.259	180.675.982	180.675.982
Trade Receivables	10	1.359.631.962	1.359.631.962	470.513.321	470.513.321
Receivables from Operations in Finance Sector	12, 6	559.911.206	559.911.206	342.009.539	342.009.539
Other Receivables	11, 6	412.712.339	412.712.339	565.480.921	565.480.921
Other Current and Non-current assets	23	146.992.160	146.992.160	89.600.361	89.600.361
Total		**4.713.221.717**	**4.713.221.717**	**3.184.206.581**	**3.184.206.581**
Financial Liabilities					
Borrowings	9	15.091.985.189	14.976.635.376	10.321.124.126	10.241.065.929
Trade Payables	10	849.241.543	849.241.543	364.515.363	364.515.363
Liabilities due to Operations in Finance Sector	12, 6	337.417.647	337.417.647	197.491.199	197.491.199
Other Payables	11, 6	381.717.755	381.717.755	200.292.851	200.292.851
Other Liabilities	23	213.239.536	213.239.536	197.333.912	197.333.912
Total		**16.873.601.670**	**16.758.251.857**	**11.280.757.451**	**11.200.699.254**

(Currency: Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

35 FAIR VALUE OF FINANCIAL INSTRUMENTS *(continued)*

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

Level 1: 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 assets or liabilities that are not based on observable market data (unobservable inputs).

31 December 2022	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets mandatorily at fair value through profit or loss	378.503.584	-	-	378.503.584
Financial assets at fair value through other comprehensive income-equity instruments	-	-	5.686.347	5.686.347
Derivative financial liabilities	-	10.037.432	-	10.037.432
	378.503.584	**10.037.432**	**5.686.347**	**394.227.363**

31 December 2021	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets mandatorily at fair value through profit or loss	175.576.422	-	-	175.576.422
Financial assets at fair value through other comprehensive income-equity instruments	-	-	4.379.573	4.379.573
Derivative financial liabilities	-	18.327.935	-	18.327.935
	175.576.422	**18.327.935**	**4.379.573**	**198.283.930**

36 GOVERNMENT GRANTS

As explained in detail in Note 32, the Group benefits from investment allowance and miscellaneous tax exemptions.

37 EVENTS AFTER THE REPORTING PERIOD

i) In accordance with the Offical Gazette dated 8 February 2023 and numbered 32098, state of emergency was declared for three months in the provinces of Adana, Adıyaman, Diyarbakır, Gaziantep, Hatay, Kahramanmaraş, Kilis, Malatya, Osmaniye and Şanlıurfa due to the negative effect of eartquakes centered in Kahramanmaraş that affected these provinces.

The aforementioned earthquakes did not have any impact on the consolidated financial statements of the Group as of 31 December 2022. Due to the uncertainties of the economic effects and and the measures taken in response to the earthquakes, the financial effects on the Group's operations cannot be reasonably estimated for the period after the reporting date. All developments closely monitoring in order to assess the ongoing situation.ii) The Company has issued bonds to qualified investors amounting to TL 200.000.000 with 120 days maturity and an interest rate of 32% on 20 January 2023.

iii) As a result of two capital increases, GYH Danışmanlık ve Yönetim Hizmetleri A.Ş.'s issued capital, subsidiary of the Group and the controlling shareholder of Global Menkul Değerler A.Ş. and İstanbul Portföy Yönetimi A.Ş., has been increased from TL 25.000.000 to TL 235.000.000. The Company has fully participated in the capital increases and has paid the capital increase amount.

iv) GYH Danışmanlık ve Yönetim Hizmetleri A.Ş., subsidiary of the Group with a 100% shareholding rate (the controlling shareholder of Global Menkul Değerler A.Ş. and İstanbul Portföy Yönetimi A.Ş.) has been restructured as a Holding Company. Its trade name has been amended as GFS Holding A.Ş. and trade registry process has been completed on 7 February 2023.

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