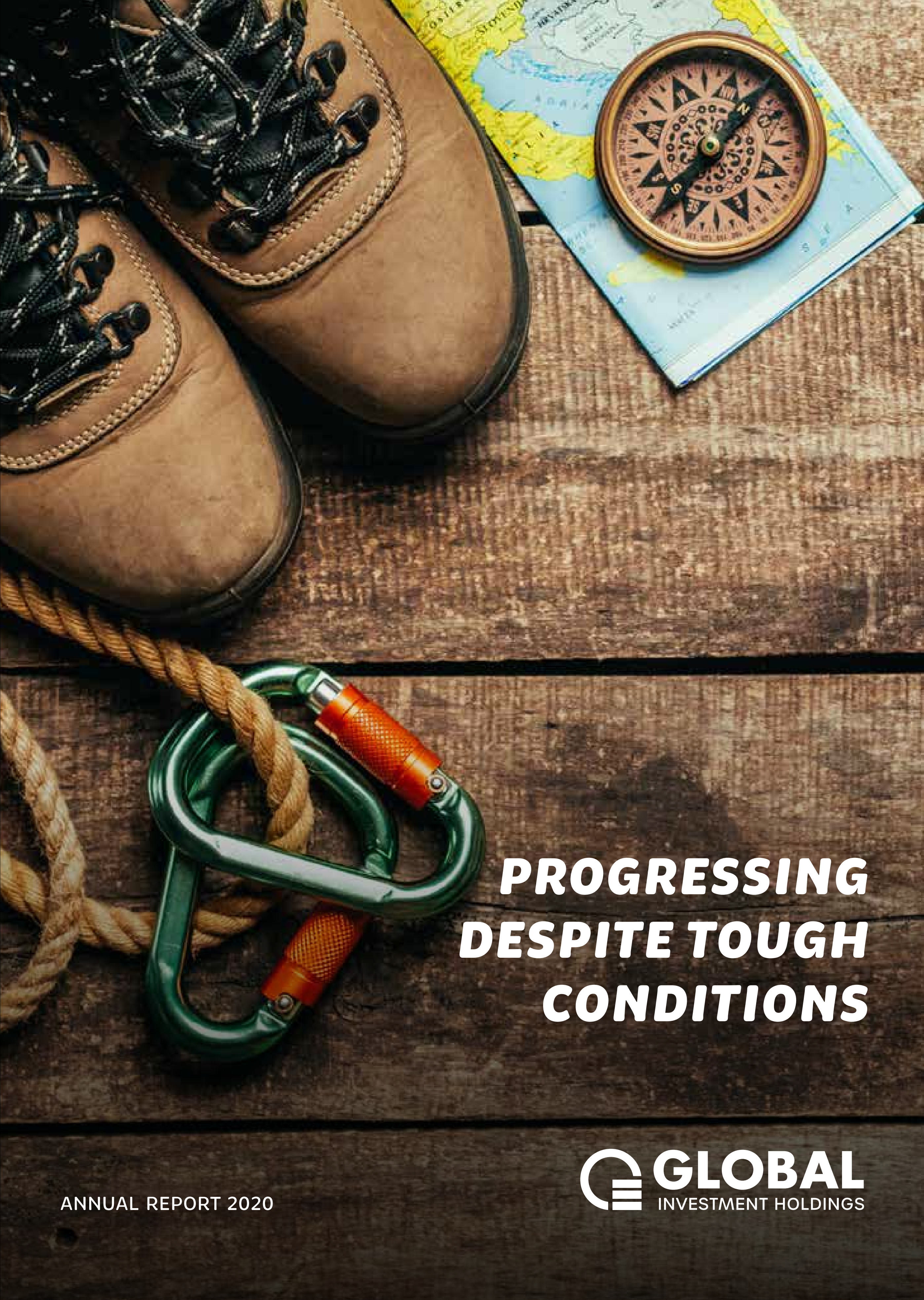
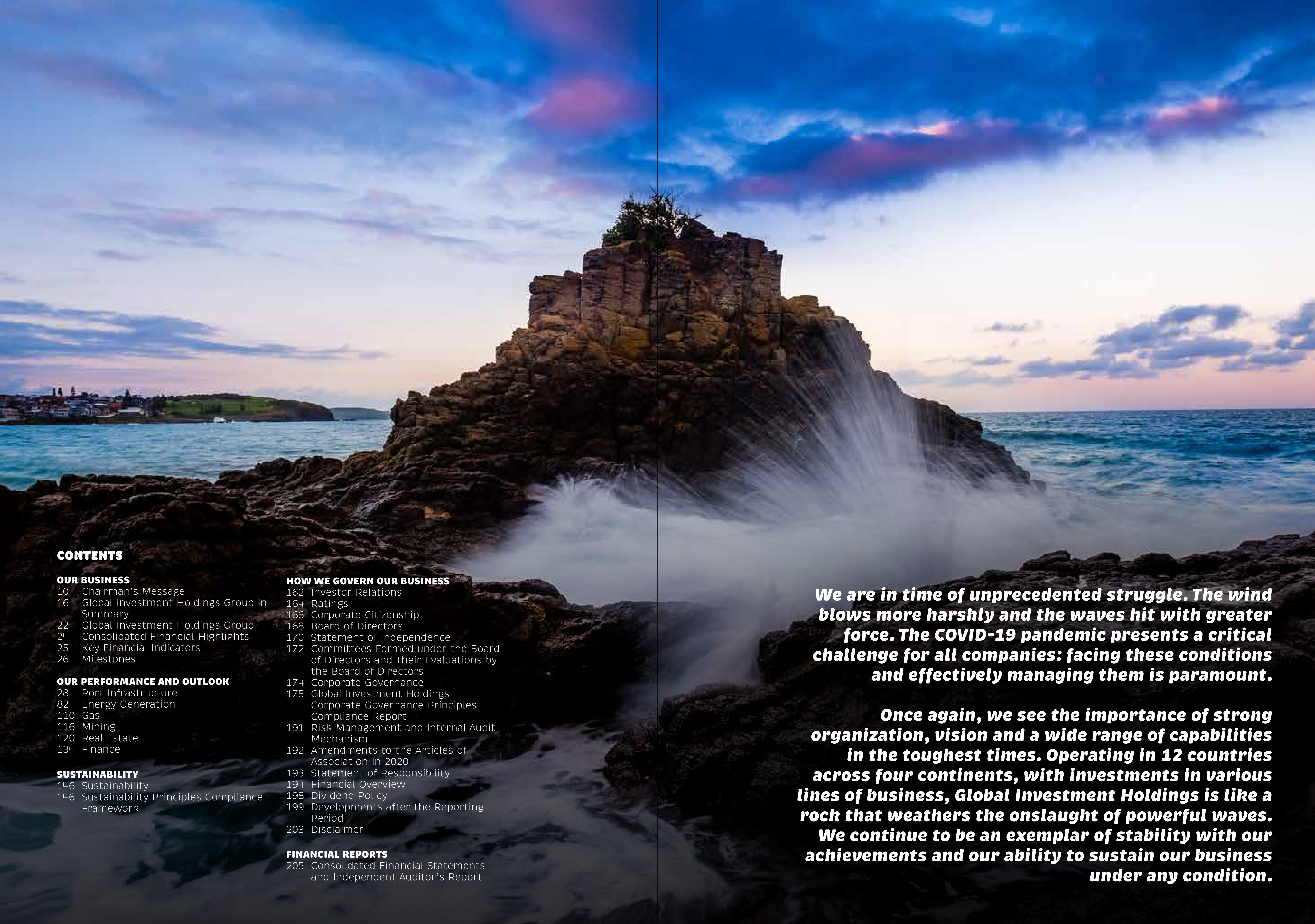


PROGRESSING DESPITE TOUGH CONDITIONS

ANNUAL REPORT 2020

GLOBAL INVESTMENT HOLDINGS



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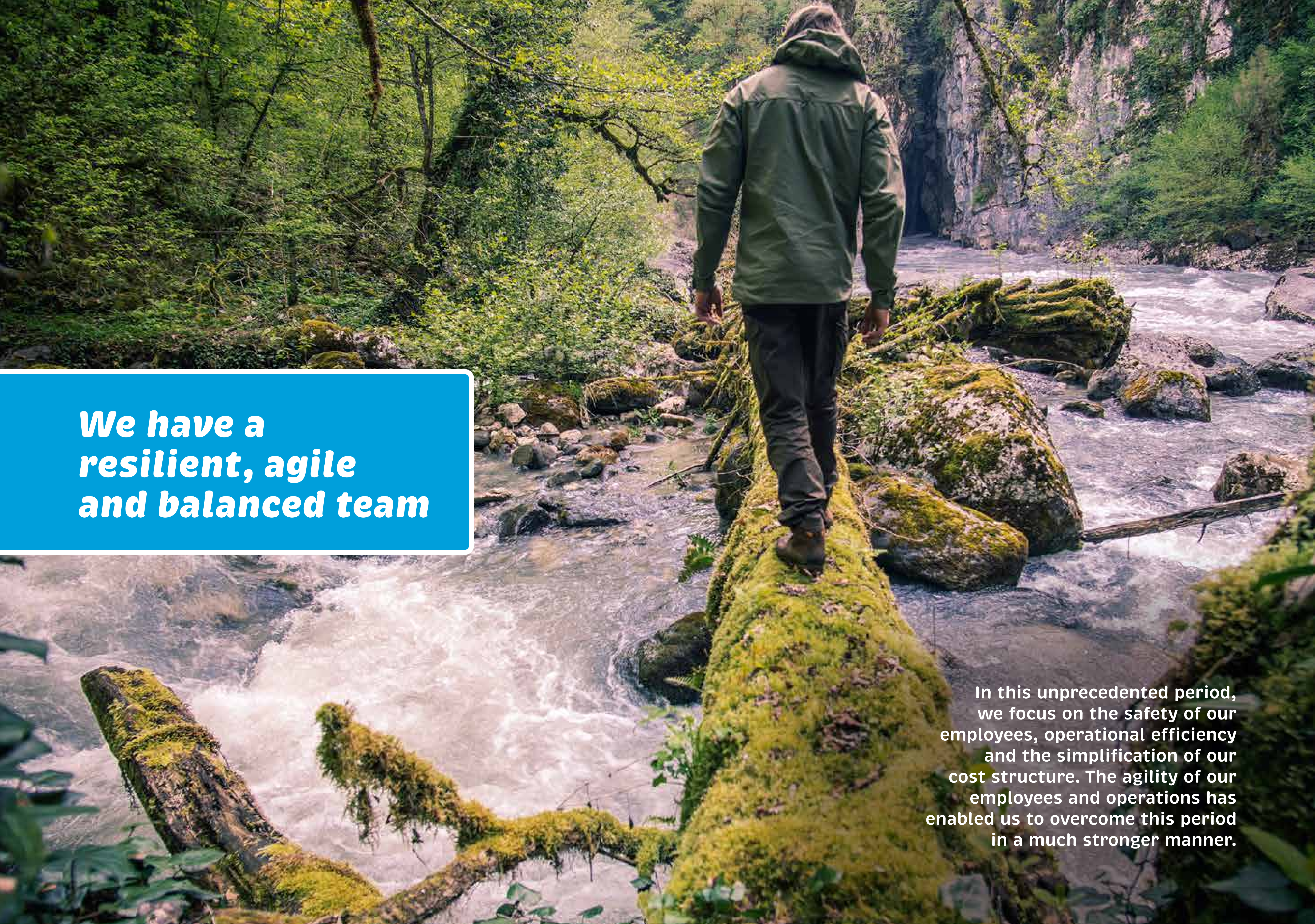
We are in time of unprecedented struggle. The wind blows more harshly and the waves hit with greater force. The COVID-19 pandemic presents a critical challenge for all companies: facing these conditions and effectively managing them is paramount.

Once again, we see the importance of strong organization, vision and a wide range of capabilities in the toughest times. Operating in 12 countries across four continents, with investments in various lines of business, Global Investment Holdings is like a rock that weathers the onslaught of powerful waves. We continue to be an exemplar of stability with our achievements and our ability to sustain our business under any condition.

We have options in tough conditions

While the port infrastructure business line - the locomotive for our Group - was impacted adversely by the COVID-19 pandemic, our timely moves to diversify the business helped us withstand these challenging times. We quickly adapted to these demanding conditions and continued to create value through our integrated business model in energy generation, non-piped natural gas sales and distribution, mining, real estate development, brokerage and asset management.

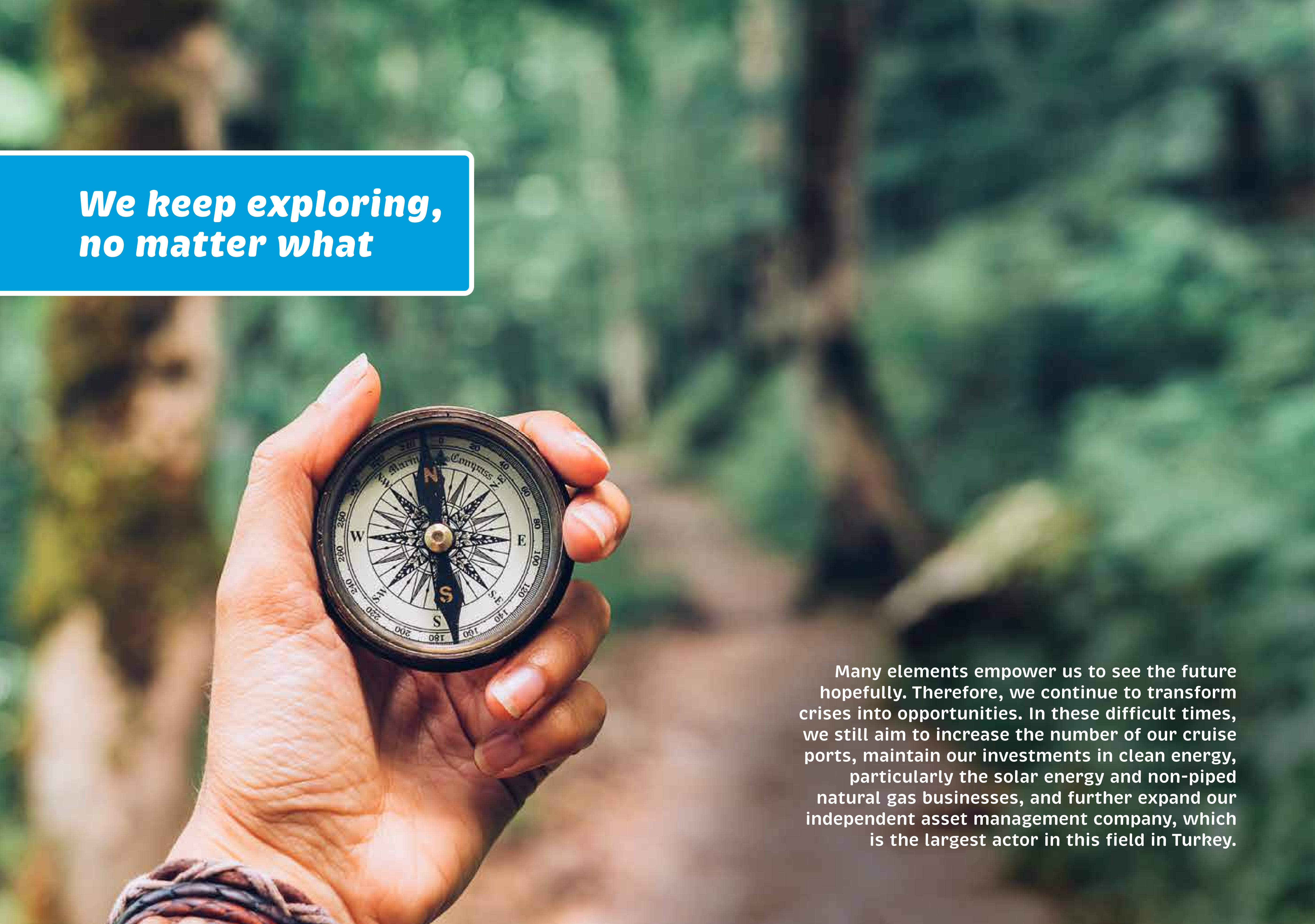


We have a resilient, agile and balanced team

In this unprecedented period, we focus on the safety of our employees, operational efficiency and the simplification of our cost structure. The agility of our employees and operations has enabled us to overcome this period in a much stronger manner.

We are highly aware of what we need to do, under any circumstances

As a part of crisis management, we have implemented a series of effective measures, expanding them over all business lines. We identified the following key focus areas: risk mitigation, positive free cash flow generation, operational profitability, and efficiency. Leveraging our expertise and experience, we continue to conduct business in the most optimal way, while undertaking innovative and pioneering works.



We keep exploring, no matter what

Many elements empower us to see the future hopefully. Therefore, we continue to transform crises into opportunities. In these difficult times, we still aim to increase the number of our cruise ports, maintain our investments in clean energy, particularly the solar energy and non-piped natural gas businesses, and further expand our independent asset management company, which is the largest actor in this field in Turkey.

Chairman's Message

Dear friends,

2020 was a year unlike any other we have lived through, and one we had never really expected to encounter outside the script of Matt Damon's "Contagion," and we wondered how it is that Hollywood always seems to be a few years ahead of what comes next; Snowpiercer? While infectious diseases remain a part of global life and we have always recognized the possibility that they may impact our lives, our expectations were generally of a localized serious outbreak, or maybe a bad global flu season. The novel coronavirus was not localized, and nor was it merely bad flu.

Let me begin by thanking healthcare workers throughout the world, but specifically, those working in countries in which we operate. We have had friends and family of Global colleagues catch the virus, and indeed some cases of colleagues themselves falling ill. But thanks in large part to the efforts of doctors and nurses, we have had no casualties.

Covid's impact has been varied. It started with a surge in China, which was contained with extraordinary methods. It then hit most of the developed world very hard, because of its greater global integration, but also because its demographic structure is older than the rest. Japan was an exception, though even that country did not fully escape the effects. The developing world by and large seems to have escaped huge fatalities, but case numbers were massive. From March onwards, no one other than those on certain isolated islands was free from the possibility of infection.

As I write this, 148 million people have been identified as having suffered Covid-19, of whom not fewer than 3.1 million have died. In many countries, at differing periods, Covid-19 became one of the leading causes of death.

TOTAL ASSETS
TL 9.4 BILLION

DURING THE REPORTING YEAR, OUR STRATEGIC FOCUS REMAINED ON OUR CORE BUSINESSES: PORT INFRASTRUCTURE, CLEAN ENERGY, AND FINANCE, AND HOW BEST TO INSULATE OURSELVES FROM THE IMPACT OF COVID-19.

Countries reacted differently to the epidemic. A very few, like China, imposed draconian measures. Others initially seemed to hope this was no worse than a bad influenza year. All eventually took measures that limited movement and interaction to a degree no one would have believed possible just twelve months ago, and outside of a relatively few, excessively publicized instances, billions more or less complied.

The economic impact was uneven; despite fiscal and monetary easing never seen before, the developed world seems to have suffered the most. Preliminary figures show the United States' economy contracting by 3.5%; the European Union by 6.4%, Japan by 4.8%, and the United Kingdom by 9.9%. By contrast, China's economy grew 2.3% and Turkey's 1.8%. However, all of these numbers were attained only by spreading the cost of containing the economic damage years into the future. The bill will eventually have to be paid, and in Turkey's case repayment in part was swift, through a rapid depreciation in the value of its currency.

Just as with the 2008 financial meltdown in the US and the UK which led to the Great Recession, which saw most developed countries take years to recover their prior output levels, the Great Reversion to the Norm continued apace; upper-middle-income countries again expanded their share of global output at the expense of the rich.

Even if the Covid-19 Crisis were to suddenly dissipate in the coming weeks, the economic impact will be felt for years. This will no doubt have an impact on domestic and international politics, just as the Great Recession did. The accelerated global rebalancing of economic and political power will be unwelcoming to those who benefit from the status quo, and

GLOBAL INVESTMENT HOLDINGS COMPANIES DID NOT PLOUGH THROUGH 2020 OBLIVIOUS TO THE DAMAGE BEING INFLICTED ON THE WORLD, BUT WITH OBVIOUS EXCEPTIONS GENERALLY WEATHERED IT BETTER THAN SOME MIGHT HAVE FEARED.

no doubt we shall see more populist politics devoid of logic or truth. In short, the world is likely to become a less stable place over the next decade as its foundations shift further.

Nowhere else is felt more than in the challenge to globalization. While the disruptions to supply chains that occurred at various points over the past year may have provided the most headlines, the stark truth of the matter is revealed in the surge in vaccine nationalism and hoarding. For decades we had been told that it did not matter that the world's leading pharmaceutical companies were based in the developed world. This was just a matter of optimizing efficiencies, after all, and no one would ever play politics with life-saving products. Yet not only are vaccines developed in the West subject to export licenses, which are grudgingly given (and in minute quantities), but the President of the EU Commission has even had the temerity to suggest that a blanket export ban could be imposed if her group of countries was dissatisfied with companies' production levels.

No one has an issue with countries whose populations are elderly hoarding the initial bulk of vaccines, but the bald refusal to share intellectual property so that others could produce the vaccines themselves has left a bitter taste in the mouth. This may yet change, but so far we have seen the developed countries of North America and Europe retaining almost all production capability for their use, while China and Russia have been far more helpful. This will have political and human right and civil rights consequences in the future. Which, in my point of view, is a shame.

Building upon what I have discussed above, I believe that there are a bright side and a dark side to the pandemic and that there are of course lessons to be learned from it.

EQUITY
TL 1.5 BILLION

WE EXPECT A GRADUAL, STEP-BY-STEP RETURN TO NORMALITY IN THE CRUISE BUSINESS.

The gap between the developed world and the underdeveloped parts of the world, such as Africa, remains a major issue even when human health is concerned. One would expect that when life and death and society itself may be at stake, vaccine developers would have made the formula available to everyone to develop and distribute it for free to the parts of the world least able to fend for themselves. This would be the dark side of what we have witnessed so far.

On the other hand, we have seen what technology is capable of and how it changed almost every aspect of the daily life we know. For example, we moved our Group HQ from a 53,000 square foot HQ to one-third the size. Almost every meeting we used to have face to face now takes place on Zoom, which has had a positive effect on our travel costs and expenses, and I do not think that business travel will ever be the same again. Hence, I have my doubts about the commercial real estate business as more people embrace the new way of doing daily business. We are also likely to see global warming and the pandemic at the forefront in the coming 10 to 20 years, and this might result in social upheaval in the oil-producing countries as environmental concerns of the majority will most probably prevail over the financial well-being of a few. This in turn would cause a change in governance methods in some countries and push them towards adopting pluralistic democracy, comprehensive governance and freedom of speech rights.

Moving on to Turkey specifically, the government's over-stimulation of the economy through both fiscal and monetary measures (amplified through the banking system) in the second quarter of the year resulted in a wild gyration in output. After declining by 10.3% YoY in the second quarter, GDP rose 6.2% in the third and 5.9% in the final quarter. This came at the cost of sharply declining reserves (as our main trading partner, the EU, suffered greatly) and volatility and weakness in the lira. Looking forward to 2021, we expect a swift rebound in global economic activity from late Q2 onwards - provided the coronavirus does not further mutate. This will be substantial across most countries, and Turkey too should see a rise in growth, to perhaps 4%. And since we expect the new, more prudent economic measures to continue, we do not expect significant volatility in the currency.

Global Investment Holdings companies did not plough through 2020 oblivious to the damage being inflicted on the world, but with obvious exceptions generally weathered it better than some might have feared.

Our first discussions about the emerging situation in Wuhan took place in the last week of January and the first week of February 2020, with the first company-wide measures announced soon afterwards, and though these were initially in the form of travel restrictions, they were very quickly and substantially ramped up. We also quickly moved to reduce costs, and in some cases, extreme measures were taken. I would like to thank all colleagues for their understanding, patience and support.

In 2020, Global Investment Holdings reported TL 1,330 million consolidated net revenues (excluding IFRIC 12 impact of TL 299 million), compared to TL 1,441 million last year, representing a decrease of 8%. Consolidated Operating EBITDA dropped substantially to TL 328 million from TL 563 million in 2019. The Covid-19 outbreak put material pressure on results. If this pandemic had not occurred, total consolidated net revenues could have registered a 39% increase YoY to around TL 2,004 million, while consolidated operating EBITDA had been forecast to jump nearly 50% to over TL 844 million.

NET REVENUE
TL 1.3 BILLION

A MAJOR DEVELOPMENT ON THE PORTS SIDE DURING 2020 WAS THE DIVESTMENT OF OUR CONCESSION IN THE CARGO PORT OF ANTALYA.

During the reporting year, our strategic focus remained on our core businesses: port infrastructure, clean energy, and finance, and how best to insulate ourselves from the impact of Covid-19.

On the ports side, we entered the year full of expectations of further growth to consolidate our position as the world's largest independent cruise port operator, especially with the addition of the ports of Antigua, and Nassau in the Bahamas. We had plans for further acquisitions elsewhere and indeed pursued these almost to the brink of catching Covid-19 before we decided that Zoom was a good alternative.

However, for the full year, our ports business saw a contraction of 41% in revenue and 71% in adjusted EBITDA on the back of a 76% reduction in passenger numbers. This should come as no surprise, especially if you remember the unfortunate fate of some cruise ships early in the pandemic.

A major development on the ports side during 2020 was the divestment of our concession in the cargo port of Antalya. While this had been a core asset, there were barely eight years left in the concession period, and we saw little likelihood of being able to extend it. Agreed in October, this was finalized in January, with the sale being made to QTerminals of Qatar.

It is difficult to make a forecast for how matters will develop in terms of demand, but we expect a gradual, step-by-step return to normality in the cruise business. However, we do not forecast this as even starting before the end of Q2 2021, and we do not foresee a return to normal operations before Q3 2022. And while even this suggests a much stronger performance than 2020, it is contingent on vaccination timetables and mutations, over which we (and governments) have had little control.

The other business line which was seriously negatively impacted by Covid-19 was our real estate business. Ardus, which derives much of its revenues from operating shopping malls, was impacted first by the government's measures designed to reduce high-density gatherings and second by a general reluctance on the part of the populace. Footfall declined by over half, revenues by 30% and EBITDA by near half. A swifter return to normality is envisaged than for our ports business, but again, this is likely from the second half of the year.

Fortunately for the Group, our remaining business lines are defensive, and thus not visibly impacted by the pandemic

During the year, we saw further improvements in our electricity generation business which performed slightly above expectations. Like-for-like revenues rose 63%, and a further 13% was contributed by the first full year's operations at our solar power generation unit. With all plants fully under operation, overall EBITDA has also improved substantially to TL 96 million in 2020, registering more than a 5-fold increase YoY (TL 18 million in 2019).

Naturelgaz, our non-piped natural gas (CNG: Compressed Natural Gas/ LNG: Liquefied Natural Gas) distributor, was also largely not impacted by the coronavirus epidemic, though temporary production stoppages at some of its customers did cause occasional deviations from expectations. I am very pleased with the completion of exceptionally successful IPO of Naturelgaz. The IPO, priced at 8.50 TL per share, has received overwhelming investor demand, with 75.3 times domestic individual investor oversubscription, 28.8 times domestic institutional investor oversubscription, and 3.5 times international institutional investor oversubscription with a total demand exceeding USD 1.8 billion. Norges Bank Investment Management, out of Norway, acquired 8.3% of the total shares offered in the IPO. Naturelgaz has been admitted to trading on Borsa İstanbul Stars Market under the ticker "NTGAZ" as of 1st April 2021.

OPERATING EBITDA TL 328 MILLION

I AM VERY PLEASED WITH THE COMPLETION OF EXCEPTIONALLY SUCCESSFUL IPO OF NATURELGAZ.

In 2020, our financial services subsidiaries shone.

Turkey has great potential in asset management and Actus, our asset management firm, is one of the main protagonists. Its leading position has been cemented with the recently finalized merger with Istanbul Asset Management. While the contribution of asset management to our EBITDA line is limited, this is a sector that will continue to see super-normal growth for many years. We also plan to increase our holding and becoming the majority stakeholder in Istanbul Asset Management in 2021.

Even more successful was the performance of Global Menkul Değerler, our brokerage house. Partly helped by market conditions and heavy volumes, and partly by strict cost controls and a surge in activity, this was a stand-out year for the company. My thanks to its management for their superlative performance.

The two companies' combined revenues rose to 89% and EBITDA rose by 12-fold, the latter largely due to the success of the brokerage division. In 2021, we expect strong growth at the top line, although the rise in EBITDA should be much more modest.

Straton Maden, one of Turkey's leading players in industrial minerals with c.1 million-ton feldspar annual production capacity, performed as well as could be expected in a year where it saw Covid-related purchase interruptions. Sales declined 8% and EBITDA 17%. We expect to more than reverse these changes in 2021.

As you can see, even in times of unexpected volatility and a great challenge, there is much to be positive about Global Investment Holdings. We continue to execute an exceptional performance across the Group - and continue to dream big for the future.

2020 was Global's 30th anniversary. From humble beginnings in a rented flat in an apartment building in Şişli, with paid-in capital equivalent to less than USD 5,000, we have evolved and transformed ourselves into a quite different company, operating in 12 countries across four continents.

WE CONTINUE TO EXECUTE AN EXCEPTIONAL PERFORMANCE ACROSS THE GROUP – AND CONTINUE TO DREAM BIG FOR THE FUTURE.

We thank our shareholders, business partners and colleagues for their faith, professionalism and support and pray that 2021 will be a much better year for all of us.

Mehmet Kutman
Chairman

Global Investment Holdings Group in Summary

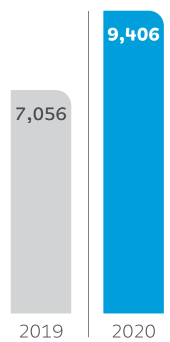
GIH AT A GLANCE
Global Investment Holdings (GIH) is a diversified conglomerate with investments in a number of businesses - port infrastructure, energy generation, non-piped natural gas sales and distribution, mining, real estate development, brokerage and asset management. GIH focuses on maximizing shareholder value by diversifying investments in its operational areas and executing agile investment strategies. The Group, which was founded as a brokerage firm in 1990, has been operating as a holding, and multi-faceted group of companies since 2005 and has transformed 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 15 years, GIH has grown its total assets by 39% and total equity 11-fold, transforming from a brokerage firm into a diversified conglomerate. As of end-2020, GIH reported total assets of TL 9.4 billion and total equity of TL 1.5 billion.

Global Investment Holdings is registered with the Capital Markets Board of Turkey (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 October 1, 2004). Currently, 99.99% of the 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, Pera REIT, real estate subsidiary, Global Securities, a brokerage subsidiary and Naturelgaz, non-piped natural gas subsidiary have been listed on Borsa Istanbul and are being traded under the tickers of PEGYO, GLBMD and NTGAZ, respectively.

GLOBAL INVESTMENT HOLDINGS (GIH) IS A DIVERSIFIED CONGLOMERATE WITH INVESTMENTS IN PORT INFRASTRUCTURE, ENERGY GENERATION, NON-PIPED NATURAL GAS SALES AND DISTRIBUTION, MINING, REAL ESTATE DEVELOPMENT, BROKERAGE AND ASSET MANAGEMENT.

TOTAL ASSETS
(TL MILLION)
33% GROWTH



At this time, Global Investment Holdings Group operates in six key business areas:

- **Port Infrastructure:** Operation of cruise ports and commercial seaports;
- **Energy Generation:** Renewable and clean energy generation along with energy efficiency;
- **Natural Gas:** Non-piped natural gas sales and distribution;
- **Mining:** Extraction of feldspar in the most efficient and environmentally responsible manner while producing higher 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, CLEAN ENERGY & ASSET MANAGEMENT
Going forward, the Group's new strategy is to develop regional and global enterprises only in select core businesses: port infrastructure, clean energy 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 inorganic acquisitions in high-value regions of the Americas, Europe, the Caribbean and the Asia Pacific regions, consolidate the market further, while pursuing horizontal growth in port/passenger related businesses;
- **Clean Energy:** Develop green energy projects with attractive long-term feed-in tariffs and innovative energy efficiency solutions;
- **Asset Management:** To become a leader in asset management with strategic partner Centricus.

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, and to provide sustainable returns to its shareholders by putting sustainability at the centre of all of its operations. The core of GIH's sustainability approach is to maintain and develop its corporate reputation and the trust of its all stakeholders, which are GIH's most valuable asset. The Group also 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 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

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

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 & class asset (consolidating the cruise port industry globally)
- Attach value to portfolio companies
- Create regional/international entities with a strategic focus on infrastructure, clean energy and asset management
- Opportunistic approach to new business areas

GLOBAL INVESTMENT HOLDINGS' SHAREHOLDING STRUCTURE

As of December 31, 2020, GIH's issued capital amounted to TL 325,888,409.93 with an authorized capital ceiling of TL 650,000,000. The authorized capital ceiling permit given by the Capital Markets Board is valid for the years 2018 - 2022 (five years). Global Investment Holdings' shareholder structure is as follows:

AS OF DECEMBER 31, 2020, GIH'S ISSUED CAPITAL AMOUNTED TO TL 325,888,409.93 WITH AN AUTHORIZED CAPITAL CEILING OF TL 650,000,000.

Share Buyback Program Continued in 2020

Pursuant to the Board of Directors' resolutions dated March 1, 2018, and September 9, 2019, and also in line with the press releases of the Capital Markets Board dated 21,07,2016 and 25,07,2016, in order to minimize the effects of the extraordinary events in the markets, to provide a healthy environment for creating share price in the markets and to protect the rights of our shareholders, Global Investment Holdings' Board of Directors resolved to conduct a share buyback program.

During 01.03.2018 - 31.12. 2020 Global Investment Holdings bought back 56,018,577 GLYHO shares (17.2% of the share capital) in total consideration of TL 214,490,547. The highest and average transaction prices per share were TL 5.23 and TL 3.83, respectively. On the other hand, 55,823,500 shares bought back according to a Board of Director's decision dated March 1, 2018 and September 9, 2019 and were sold to foreign institutional investors at different times. As a result of the related transactions, the Company owns 195,077 treasury shares in nominal, which correspond to 0.06% of the company' share capital.

Strong and Committed Shareholder Structure

	December 31, 2020	
	Shares (TL)	**(%)**
Centricus Holdings Malta Limited	101,826,967	31.25
Turkcom Turizm Enerji İnşaat Gıda Yatırımlar A.Ş.*	78,996,525	24.24
Treasury Shares**	195,077	0.06
Publicly Traded Other Shares	78,996,525	44.45
TOTAL	**325,888,409.93**	**100.0**

** Fully owned by Mehmet Kutman, who is founding shareholder, Chairman and Chief Executive Officer of Global Investment Holdings.*
*** Treasury shares repurchased by the Company based on share buyback programs*

Global Investment Holdings Group

Port Infrastructure

The world's largest independent cruise port operator with 18 ports, including one commercial port, in 12 different countries across 4 continents

Normally c.14 million passengers annually with an established presence in the Caribbean, Mediterranean, and Asia-Pacific

Listed on the London Stock Exchange

Caribbean
Nassau Cruise Port
Antigua Cruise Port

West Mediterranean
Lisbon Cruise Port
Barcelona Cruise Port
Cagliari Cruise Port
Catania Cruise Port
Valletta Cruise Port
Málaga Cruise Port

Adriatic
Port of Adria, Bar'
Ravenna Cruise Port
Venice Cruise Port
Zadar Cruise Port

East Mediterranean
Ege Port Kuşadası
Bodrum Cruise Port
La Goulette Cruise Port

Asia
Singapore Cruise Port
Ha Long Cruise Port

'Mainly commercial port with some minor cruise activities
GPH completed the sale of Port Akdeniz for an EV of TL 1,033,158,000 (USD 140 million) as of Jan 2021.

Energy Generation

Co/tri-generation with 54.1 MW installed capacity

Biomass power plants with an installed capacity of 29.2 MW at three separate facilities

2 solar power plants with 16.8 MWp installed capacity - 10.8 MWp already in operation and 6 MWp scheduled to become operational in 2022

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

Bar/Montenegro
6.0 MWp solar power plant (under development)

Cogeneration/Trigeneration
54.1 MW capacity at eight different points in Turkey

Natural Gas

Non-piped Natural Gas (CNG & LNG) Sales and Distribution
Turkey's 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

Controls c.25% market share in Turkey's total non-piped natural gas market

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

- **CNG:** 13 bulk CNG plants, 9 Auto CNG stations, 67 industrial-scale compressors, 341 CNG road tankers and 56,650 CNG cylinders
- **LNG:** 6 LNG road tankers, 44 LNG storage tanks, 94 ambient air heated vaporizers

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

- **Bulk CNG Plants:** İzmir, Bursa, Adapazarı, Antalya, Konya, Kayseri, Kırıkkale, Osmaniye, Rize, Elazığ, Kırklareli, Ordu, Denizli
- **Auto CNG Stations:** Istanbul/Alibeyköy, Bolu, Kocaeli/Çayırova, Kocaeli/Şekerpınar, Bursa, Eskişehir, Konya, Aksaray, Mersin

Mining

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

Total feldspar sales
366,511 tons

Export volume
347,570 tons

Real Estate

Developing and operating real estate projects

Consolidated total gross leasable area
84,797 m^2

Retail sector gross leasable area
63,502 m^2

Other sectors gross leasable area
21,295 m^2

- **Sümerpark Shopping Centre:** Denizli's 3rd largest shopping centre with 35,836 m^2 GLA
- **Van Shopping Centre:** Van's first shopping centre with 26,047 m^2 GLA
- **Denizli SkyCity Office Project:** Denizli's first and the largest modern office project with a construction area of 33,055 m^2
- **Sümerpark Residences:** The first modern mass-housing project in Denizli with 8 blocks over 105,000 m^2 construction area
- **Vakıf Han No. VI:** 1,619 m^2 ROT type office re-development
- **Salıpazarı Global Building:** 2nd degree listed building with 5,230 m^2 area
- **Denizli Hospital Land:** 10,745 m^2
- **Denizli Final Schools:** 11,565 m^2 GLA
- **Cyprus Aqua Dolce Hotel Project:** 260,177 m^2 land with 48,756 m^2 hotel and residential project area
- **Bilecik Industrial Zone Land:** 29,500 m^2
- **Bodrum Land:** 3,000 m^2

Finance

Asset Management
The largest asset management company which has domestic capital and without a bank/brokerage house/insurance company as a parent, offering service to domestic, international, corporate and individual investors with its innovative product portfolio

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

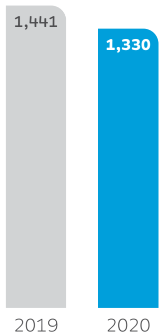
Istanbul Asset Management
Assets Under Management
TL 6.4 billion

Global MD Portfolio Management
Assets Under Management
TL 216 million

Global Securities
Trading volume of TL 225 billion

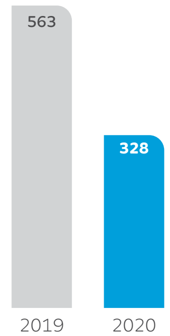
Consolidated Financial Highlights

NET REVENUE[1]
(TL MILLION)

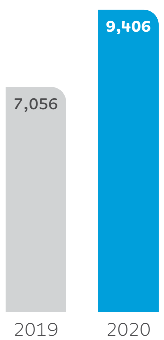


GLOBAL INVESTMENT HOLDINGS REPORTED TL 1.3 BILLION CONSOLIDATED NET REVENUES IN SPITE OF TOUGH CONDITIONS DURING 2020.

OPERATING EBITDA
(TL MILLION)



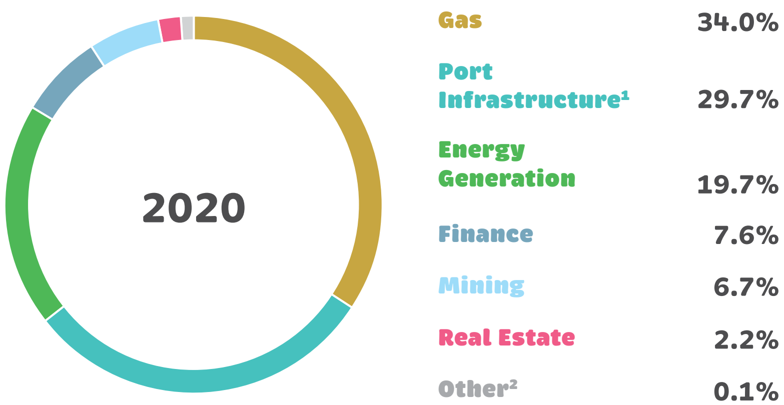
TOTAL ASSETS
(TL MILLION)



EQUITY
(TL MILLION)

[1]Excludes the impact of IFRIC 12 on Nassau Cruise Port amounting to TL 298.8 million for FY 2020

GROSS TURNOVER
(TL MILLION)



[1]Revenues figures exclude the impact of IFRIC 12 on Nassau Cruise Port amounting to TL 298.8 million for FY 2020
[2]Includes Global Investment Holdings' solo operations

Key Financial Indicators

Consolidated Balance Sheet (TL million)	2019	2020
Current Assets	1,350	2,889
Non-Current Assets	5,706	6,517
Total Assets	7,056	9,406
Short term liabilities	1,579	4,526
Long term liabilities	3,959	3,331
Total Shareholders' Equity	1,518	1,549
Total Liabilities and Shareholders' Equity	7,056	9,406

Consolidated Income Statement (TL million)	2019	2020
Net Revenues[1]	1,441	1,330
Gross Profit	437	206
Operating EBITDA	563	328
Profit/(Loss) Before Tax	(134)	(723)
Net Profit/(Loss) for the Period	(131)	(299)

[1]Excludes the impact of IFRIC 12 on Nassau Cruise Port amounting to TL 298.8 million for FY 2020

IN 2020, GLOBAL INVESTMENT HOLDINGS HAS ENHANCED ITS TOTAL ASSET SIZE TO TL 9.4 BILLION WITH AN INCREASE OF 33%.

Milestones

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

IN 2020, GLOBAL INVESTMENT HOLDINGS WELCOMED ITS 30TH ANNIVERSARY OF GROUP FOUNDATION.

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 Terminals (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 Turkey
- 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
- Awarded management contract for Havana Cruise Port
- Signed a concession agreement for Zadar Gazenica 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/Turkey)

2019
- Started operating Prince George Wharf Cruise Port, Nassau, the Bahamas for a 25-year term
- Commenced cruise port operations in Antigua for a 30-year term
- Reached merger agreement with İstanbul 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/Turkey
- Signed a 15-year management service agreement for Ha Long Cruise Port, Vietnam

GIH FINALIZED THE MERGER OF ACTUS ASSET MANAGEMENT AND ISTANBUL ASSET MANAGEMENT, CREATING THE LARGEST DOMESTIC AND INDEPENDENT ASSET MANAGEMENT COMPANY IN TURKEY.

2020
- 30th anniversary of Group foundation
- Concluded acquisition of the operator of La Goulette, Tunisia
- Concluded acquisition of remaining shares in Malaga Cruise Port concession (GPH stake 62%)
- Acquired Socar Turkey 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 Turkey

Port Infrastructure

WELCOMING MILLIONS OF PASSENGERS THROUGH 18 PORTS IN 12 COUNTRIES ACROSS 4 CONTINENTS...

Global Ports Holding at a Glance

WHO WE ARE
Global Ports Holding Plc (GPH) is the world's largest independent cruise port operator with a prominent presence in the Caribbean, Mediterranean and Asia-Pacific regions, including extensive commercial port operations in Montenegro. 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 18 ports in 12 countries across 4 continents and continues to grow steadily. GPH provides services normally for c.14 million passengers reaching a market share of 24% in the Mediterranean annually. The group also offers commercial port operations which specialize in container, bulk 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.

WHAT WE DO

Our Cruise Port Business
GPH's cruise business model is focused on generating both organic and inorganic growth. Our organic growth strategy focuses on increasing passenger volumes over the medium-term and utilising our portfolio of services to grow our revenue yield per PAX. Our inorganic strategy is to expand our network through investment into strategically chosen ports and enabling them to reach their full potential by harnessing our global best practice and experience to generate strong returns.

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

1. Core port services: revenue mainly derived from handling cruise ships and their passengers and crew through terminal and marine services.

18 PORTS IN 12 COUNTRIES

A TRULY GLOBAL NETWORK

GPH SERVES THE NEEDS OF THE WORLD'S CRUISE LINES, FERRIES AND MEGA YACHTS THROUGH INTERESTS IN A STRATEGICALLY LOCATED NETWORK OF CRUISE PORTS.

These revenues are primarily generated through per passenger charges for a range of core services at each port.

Examples of core port services:
- Landing fees
- Security fees
- Luggage handling fees

2. Ancillary services: revenue from a portfolio of additional services offered at each port

We break our ancillary services down into three key areas:
- vessel & port services;
- destination & shore side services; and
- area & terminal management.

This focuses the type of service more closely to where we provide them at our ports.

All three of these key areas offer a portfolio of services, with each differing according to the terms of each port agreement and the physical layout of the port.

The focus is on providing the most efficient, flexible and value-adding services at each port.

We provide our services direct to cruise lines, passengers, cruise ships and crew, as well as working with destination stakeholders such as retailers, office tenants and third-party service providers. In certain ports, we also serve ferries and super- and mega yachts.

Key Inputs & Drivers

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

Typically, Cruise lines tend to set itineraries 12-18 months in advance, providing good short-term visibility on our business's most important driver. Albeit, the outlook in 2021 is more uncertain as the industry recovers from Covid-19 travel restrictions.

While in the medium to long term, the outlook for passenger volumes continued to be supported by the rising number and capacities of cruise ships coming to the market over the next decade.

Ancillary services
While terminal and marine services generate our core cruise revenue, growing ancillary services is also central to our business model, improving ports' profitability through vessel & port services, area & terminal management services and destination and shore side services.

OUR CRUISE PORTS ARE IN SOME OF THE MOST ENTICING, MUST-SEE DESTINATIONS IN THE WORLD.

Costs
Cost control is a vital component of our model and success.

Our ports contend with monthly, weekly and daily changes in resourcing needs. Therefore, our cost base is structured to be inherently flexible. 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 in some of the most enticing, must-see destinations in the world. The allure of these destinations cannot be replicated just anywhere. While within the destinations, the waterfronts surrounding our ports are nearly always already largely developed and carefully protected, making it unlikely that new competing ports would be permitted, creating a significant competitive advantage.

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

Creating value and delivering for our customers and stakeholders
Our global operating procedures bring best practice to a port, learned and honed from our experiences worldwide, in a way a singular port would find hard to achieve.

We bring together local stakeholders with our local teams to create a compelling identity for the port and visitors' wider destination experience. While our marketing team actively promotes each port and destination in our network to the cruise lines. By addressing every stakeholder's needs - passengers, cruise lines, ports, regulators and destinations - we believe we create a virtuous circle with benefits for all.

Our USPs

Operational excellence
We excel at operating our Commercial ports. We ensure we understand all our stakeholders and develop solutions and services that meet their ever-changing needs.

Modern infrastructure
We are significant investors in our physical infrastructure, with state of the art plant, equipment and optimisation technology. This includes our proprietary GPH security code and rigorous health and safety procedures.

Continual refinement of services
We are continually refining and introducing value-added services to improve the solutions we can offer our customers.

OUR GLOBAL OPERATING PROCEDURES BRING BEST PRACTICE TO A PORT, LEARNED AND HONED FROM OUR EXPERIENCES WORLDWIDE, IN A WAY A SINGULAR PORT WOULD FIND HARD TO ACHIEVE.

Cargo diversification and growth
We work in tandem with current and potential new stakeholders on new cargo solutions that can hopefully increase our cargo volumes and diversify the types of cargo we handle.

Our Commercial Business
Our Commercial business generates the majority of its revenue from handling goods for export and import through our two dedicated commercial ports*. Our ports are focused on introducing new services and revenue streams to drive revenue and EBITDA growth while at the same time seeking new cargo volumes to diversify their business mix further.

WHAT WE DO
Commercial cargo generally falls into one of three distinct categories:

1. **Containers:** shipping industry standardised intermodal containers used for storing and moving materials and products. They are loaded and sealed intact onto container ships–for example, marble, aluminium, cigarettes, fertiliser and furniture.
2. **Bulk cargo:** commodities that are transported unpackaged in large quantities. These cargos can either be dry bulk (e.g. coal or cement) or liquid bulk (e.g. hazardous liquids).
3. **General bulk:** this cargo tends to require special handling at the port and is typically transported in bags, boxes or crates.

We offer a range of other complimentary services at our commercial, including stuffing and un-stuffing containers, warehouse services and cargo weighing.

**Port Akdeniz, our largest commercial port, was sold in February 2021.*

Key inputs & drivers

Key inputs
The key input to our commercial operation is the volume of goods that we handle, which are primarily driven by global trade volumes and the health of both the global economy and the local economies around our ports. Trade barriers and tariffs can have a negative impact on volumes.

Costs
Cost control is a vital component of our model and success. Staff utilisation is a key focus. We manage each ports' day-to-day staffing through the use of third parties and contractors utilised to ensure. We also focus on controlling and minimising other costs such as energy usage.

Competitive advantage
The locations of our ports provide a significant competitive advantage.
- The cost of transporting goods by road to and from alternative ports can be prohibitive. The nearest competing ports to Port Akdeniz are over 300km away.
- Port Akdeniz is located close to a significant number of marble deposits, a major export commodity.
- Port of Adria has strong rail links to land-locked neighbour Serbia, and in particular to the industrial area around Belgrade. It also significant storage capacity, which allows it to act as a distribution centre for the region.

WE ARE SIGNIFICANT INVESTORS IN OUR PHYSICAL INFRASTRUCTURE, WITH STATE OF THE ART PLANT, EQUIPMENT AND OPTIMISATION TECHNOLOGY.

Our USPs

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Global Ports Holding at a Glance

OWNERSHIP
The table below shows the percentage ownership that GPH holds in our ports.

ITALY		SPAIN	TURKEY	MONTENEGRO
11.1%* VENICE CRUISE PORT	**62.2%** CATANIA CRUISE PORT	**62.2%** BARCELONA CRUISE PORT	**72.5%** EGE PORT, KUŞADASI	**63.8%** PORT OF ADRIA, BAR
70.9% CAGLIARI CRUISE PORT	**100.0%** RAVENNA CRUISE PORT	**62.0%** MÁLAGA CRUISE PORT	**60.0%** BODRUM CRUISE PORT	**63.8%** BAR CRUISE PORT

PORTUGAL	MALTA	SINGAPORE	CROATIA	VIETNAM
46.2%* LISBON CRUISE PORT	**55.6%** VALLETTA CRUISE PORT	**24.8%*** SINGAPORE CRUISE PORT, SATS CREURS	**100%** ZADAR CRUISE PORT	MANAGEMENT AGREEMENT HA LONG CRUISE PORT

TUNUSIA	BAHAMAS	ANTIGUA & BARBUDA
50.0%* LA GOULETTE CRUISE PORT	**49.0%** NASSAU CRUISE PORT BAR CRUISE PORT	**100%** ANTIGUA CRUISE PORT

Cruise Port
Commercial Port

In 2018, Global Ports Holding Plc signed a management agreement for La Habana Cruise Port in Havana, Cuba, in which the Group has not invested any funds. In connection with these activities, the Group took a number of steps to mitigate risk and to ensure that its activities involving Cuba were fully compliant with applicable U.S. laws and regulations. Although the Group took such steps and has since suspended its management activities in respect of the port with effect from June 4 2019, there can be no guarantee that such steps are effective in all circumstances. If GPH violates Sanctions or other applicable laws, such violations could have a material impact on GPH's business and reputation.

Equity accounted investee

2020: HIGHLIGHTS
2020 was the most challenging year in the history of the company. A year that had promised to see record revenue, EBITDA and passenger numbers became a battle for survival as global travel restrictions reduced passenger numbers to almost zero. Despite the challenging conditions, we added two additional cruise ports to the network, Valencia, Spain and Taranto, Italy. Our aspirations to become a pure-play cruise operator took a meaningful step forward, with the sale of Port Akdeniz in February 2021.

Group highlights
- FY revenue of USD 56.3* million down 52.2% vs 2019
- Adjusted EBITDA of USD 18.4 million down -76.2% vs 2019
- Given the unprecedented level of disruption caused by Covid-19, the board suspended dividends in 2020
- Underlying loss for the period USD 23.5 million

Cruise highlights
- Signed an agreement to manage Valencia Cruise Port, Spain, for 35 years, with an option to extend for 15 years.
- Awarded a 20-year concession to manage the services for cruise passengers in the Port of Taranto, Italy
- We invested USD 72.9 million into our new Caribbean ports in the period, demonstrating our long term commitment to these destinations and the ports in our network.
- Completing the new pier in Antigua, which is capable of handling the largest ships in the world, on budget and on time
- Consolidated and managed portfolio passenger volumes of 1.3m, were down 75.5%, reflecting the impact of global travel restrictions

DESPITE THE CHALLENGING CONDITIONS, WE ADDED TWO ADDITIONAL CRUISE PORTS TO THE NETWORK, VALENCIA, SPAIN AND TARANTO, ITALY.

Commercial highlights
- The performance of our Commercial ports declined during the year, with Commercial EBITDA falling 35.9% vs 2019
- Underlying trading slowed as a result of Covid-19 related travel restrictions and lockdowns. The one-off 2019 oil services contract also impacted the drop in Commercial EBITDA
- Container volumes were down 10.8, and general and bulk cargo volumes rose by 90.4% vs 2019
- Commercial EBITDA margin fell to 61.4%
- GPH entered into a conditional sale and purchase agreement to sell Port Akdeniz in Q4 2020. The port was subsequently successfully disposed of in Q1 2021.
- In January 2021, following a period of exclusive negotiations, Port Akdeniz was sold to QTerminals, for TL 1,033,158,000 (USD 140 million)

Current trading and outlook
- The near-term outlook for the cruise industry remains uncertain. However, we look forward to welcoming the return of cruise passengers across our portfolio in 2021
- Looking past 2021, demand for cruising remains strong, and we expect cruise volumes to steadily recover to pre-pandemic levels over the next couple of years
- We look forward to welcoming cruise passengers to the newly invested cruise facilities at Antigua Cruise Port
- New cruise port operations expected to start in Valencia and Taranto
- We remain confident of further delivery of our inorganic growth story in the year ahead

** Ex IFRIC 12*

A TRULY GLOBAL NETWORK
As the world's leading cruise port operator, Global Ports Holding has an established presence in the Mediterranean, the Caribbean and Asia-Pacific regions, as well as a commercial port operation in Montenegro.

The onset of the Covid-19 pandemic and the industry's ensuing crisis meant that work to grow the number of ports in our network slowed during the year. However, towards the end of the year, we signed agreements to manage Valencia Cruise Port, Spain and Taranto Cruise Port, Italy. Significantly, our investment plans in the Caribbean continued despite the crisis. Our investment into Antigua completed in Q4 2020, and this port is now capable of handling the world's largest cruise ships. In Nassau, our transformational investment continues in line with our original expectations.

- **Unrivalled size and reach:** GPH owns and operates the largest independent cruise port network in the world. Our presence and track record in the Mediterranean represent a barrier to entry for aspiring competitors.
- **Long-term revenues:** The concessions we operate have, on average, 17 years' cash generation ahead of them.
- **Year-on-year organic expansion:** While Covid-19 has had a material adverse impact on the cruise industry, the industry is expected to recover before then continuing on its long term growth trajectory, vessels are getting larger, and demand for new and comprehensive port services continues to rise.

GLOBAL PORTS HOLDING HAS AN ESTABLISHED PRESENCE IN THE MEDITERRANEAN, THE CARIBBEAN AND ASIA-PACIFIC REGIONS, AS WELL AS A COMMERCIAL PORT OPERATION IN MONTENEGRO.

- **Scope for ancillary revenues:** Our network has significant opportunities to grow ancillary services.
- **Opportunities for retail and passenger services:** The opportunities continue to grow 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:** With the exception of 2020, GPH has low or negative working capital, and our low maintenance Capex model has consistently delivered 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.

A Portfolio Mapped for Success

CARIBBEAN
Nassau
Antigua

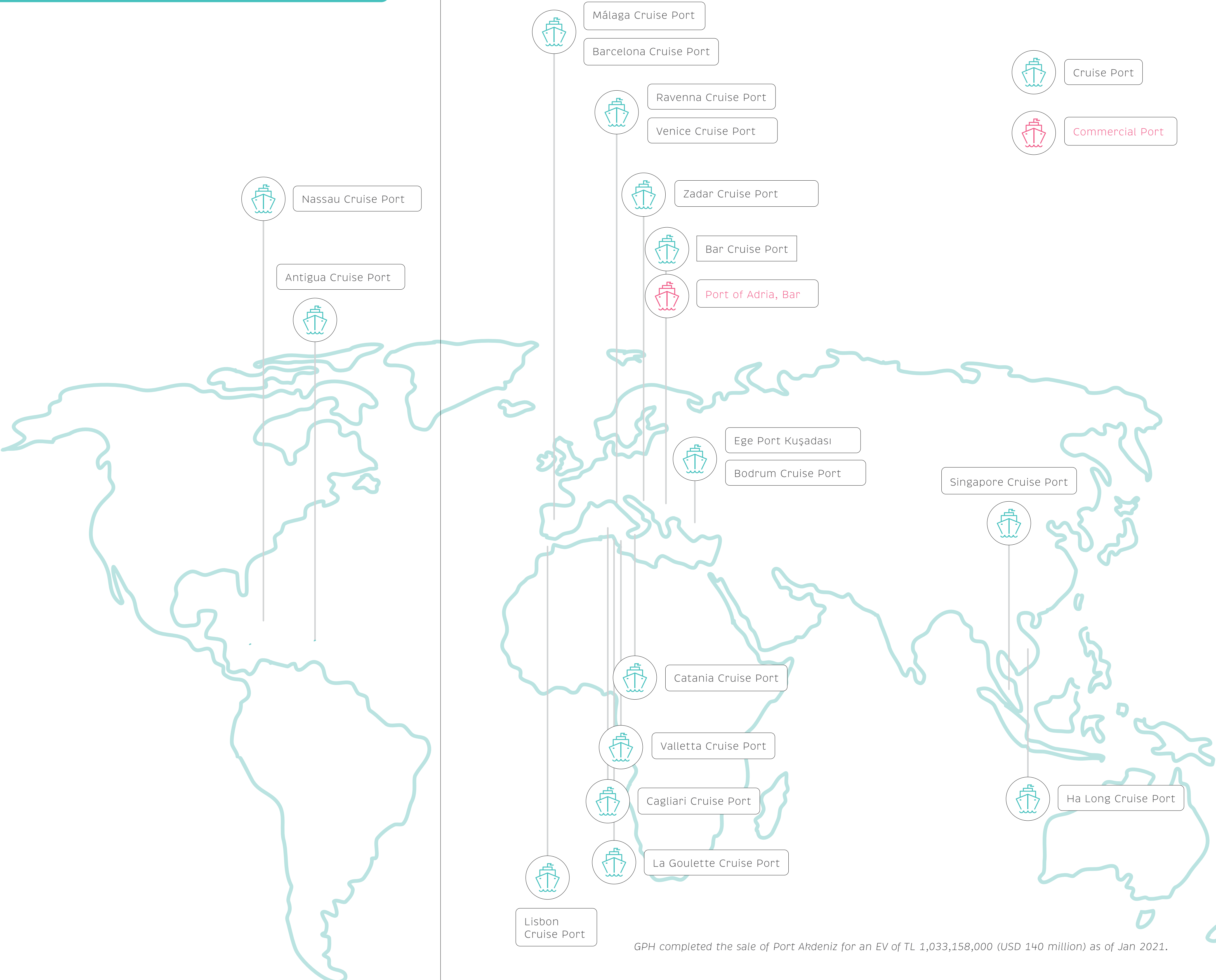
WESTERN MEDITERRANEAN
Lisbon
Málaga
Barcelona
Valletta
Catania
Cagliari
Tunisia

ADRIATIC
Bar, Montenegro
Ravenna
Venice
Zadar

EASTERN MEDITERRANEAN
Kuşadası
Bodrum

ASIA
Singapore
Vietnam

A GLOBALLY DIVERSIFIED PORT NETWORK, WITH OPERATIONAL AND MANAGEMENT SYNERGIES



GPH completed the sale of Port Akdeniz for an EV of TL 1,033,158,000 (USD 140 million) as of Jan 2021.

CRUISE INDUSTRY REPORT

Covid-19
2020 will be the year that the global cruise industry will never forget. A year that was forecast to see a record 32m cruise passengers quickly became a year of very different records. While many cruise ports are accustomed to managing seasonal peaks and troughs and can go weeks or months without handling a cruise ship, the Covid-19 pandemic meant that for the first time in the cruise industry's history, the entire global industry was shutdown.

As early as January 2020, the Cruise Line International Association (CLIA) announced public health policy changes related to cruising in response to the emerging crisis that was beginning to unfold in Asia.

And then, as the emerging crisis grew into a global pandemic, many cruise lines began voluntarily suspending cruise activity before Government's and health authorities put in place travel restrictions. However, what at the time was expected to be no more than a short term hiatus quickly became a global shutdown.

With the global cruise fleet laid up for the first time in its history, the industry's focus quickly became cost control, cash burn management, liquidity and survival.

WITH THE GLOBAL CRUISE FLEET LAID UP FOR THE FIRST TIME IN ITS HISTORY, THE INDUSTRY'S FOCUS QUICKLY BECAME COST CONTROL, CASH BURN MANAGEMENT, LIQUIDITY AND SURVIVAL.

Cruise lines
The cruise industry's global shutdown had a materially adverse impact on the cruise line industry's financial strength. In response to the crisis, as well as significantly reducing operating costs, the cruise lines accelerated the scrapping of ships that were towards the end of their useful economic life and, in some cases, sold some of their fleets.

Unfortunately, some smaller cruise lines went out of business, while the larger cruise lines, with access to capital markets, issued billions of new debt and equity to ensure they could maintain enough liquidity to allow them to navigate their way through the crisis.

Recently released figures from the three largest cruise lines show that they currently all have enough liquidity to see them through a 'no cruise' revenue environment for the whole of 2021[1]. The strength of this liquidity position means that the three largest cruise lines that hosted 74% of total worldwide cruise passengers in 2019 are expected to emerge from this crisis.

[1]Norwegian Cruise Line Holdings Reports Fourth Quarter and Full Year 2020 Financial Results and Provides Business Update | Norwegian Cruise Line Holdings Ltd. (nclhltdinvestor.com) "As of December 31, 2020, the Company's total debt position was USD 11.8 billion and the Company's cash and cash equivalents was USD 3.3 billion" "or the first quarter of 2021, the Company expects the average cash burn rate to temporarily remain elevated at approximately USD 190 million per month, or approximately USD 170 million per month" Royal Caribbean CFO to Bolster Liquidity, Could Pay Down Debt After Share Sale - WSJ "The cruise operator, which ended 2020 with about USD 4.4 billion in cash, expects to burn through between USD 250 million and USD 290 million a month during the hiatus, Mr. Liberty said. Carnival Corporation & plc Provides Preliminary Financial Information For The Fourth Quarter | Carnival Corporation & plc "Carnival Corporation & plc Chief Financial Officer David Bernstein noted, "We ended the year with USD 9.5 billion in cash and have the liquidity in place to sustain ourselves throughout 2021, even in a zero-revenue environment."

Muted return to cruising in 2020
Throughout much of 2020, cruise lines, port operators, health authorities and all stakeholders worked together to create and then implement enhanced Covid-19 compliant health and safety procedures for the industry.

The new measures introduced included passenger and crew testing before embarkation, physical distancing protocols on board and revised and enhanced ventilation strategies. The successful implementation of these health and safety procedures allowed a tentative return to cruising in some parts of the world in the second half of the year.[2,3]

In the Mediterranean, cruise activity resumed in the third quarter. And while passenger volumes were relatively low, the sailings largely passed without incident. However, the second wave of Covid-19 meant that Mediterranean sailings were temporarily halted for a few weeks in the fourth quarter.

In Asia, cruise activity resumed in the fourth quarter when NYK's Asuka II and Mitsui's Nippon Maru set sail from Japan on short domestic cruises, while in November Genting Hong Kong's World Dream cruise ship seat sail from Singapore[4].

In North America, Transport Canada extended a cruise ship ban into 2022. This will have a significant impact on both Canadian and Alaskan ports. Although, many stakeholders are hopeful that a solution can be found to allow the Alaskan cruise market to see at least some cruise activity in 2021[5].

CRUISE LINES, PORT OPERATORS, HEALTH AUTHORITIES AND ALL STAKEHOLDERS WORKED TOGETHER TO CREATE AND THEN IMPLEMENT ENHANCED COVID-19 COMPLIANT HEALTH AND SAFETY PROCEDURES.

In the critical US market, the US Centres for Disease and Control and Prevention (CDC) put in place a 'no sail order' in March 2020. This was eventually replaced by a Framework for Conditional Sailing Order[6] in October 2020. However, this resulted in the no sail order effectively remaining in place throughout the remainder of the year.

Return to cruising in 2021
By the end of the first quarter of 2021, only a small number of cruise lines were operational, sailing limited itineraries in a small number of geographic regions, including Asia and Europe.

Only a few cruise ships are operational in the Mediterranean region in the first quarter of 2021. However, many cruise lines currently plan to meaningfully restart operations in the second or third quarter.

In Asia, Royal Caribbean recently announced that the ship, Quantum of the Seas will now sail from Singapore through to until Oct 2021, a significant increase on the originally announce March 2021. There are currently a number of cruise lines planning to start sailing in Asia in the third and fourth quarter, including Princess Cruises Diamond Princess sailing on itineraries in Japan and South Korea and Celebrity Cruises sailing itineraries that include Japan, Singapore, Thailand and Vietnam.[7,8,9]

[2]Limited cruise resumption slightly softens USD 1.2 billion Q3 loss for Royal Caribbean - (cruisearabiaonline.com)
[3]Valletta Cruise Port welcomes MSC Grandiosa - Late Cruise News
[4]Asian Cruises Resume from Japan and Singapore (maritime-executive.com)
[5]Canada Cruise Ship Ban Update: ASTA, Gov. Officials Push for a Solution (travelmarketreport.com)
[6]Framework for Conditional Sailing Order issued last Friday.
[7]Royal Caribbean Extends Singapore Season, Adding New Cruises On Quantum Of The Seas (prnewswire.com)
[8]Cruise Search Results - Princess Cruises
[9]Asia Cruises 2021: Best 2021 Asia Cruises | Celebrity Cruises

In the Caribbean, there has recently been a meaningful movement towards a return to cruising. With Celebrity Cruises, Crystal Cruises and Royal Caribbean scheduled to restart operations in the Caribbean at the start of the third quarter.

In North America, the industry continues to wait for clarity from the CDC on the timetable for a return to cruising in and from the United States. As the world's largest source market for cruise, the restart of operations here could well mark a watershed moment for the industry.

The planned ramp-up in sailings in the Mediterranean and Asia alone will come as a welcome return towards normality for the industry. However, all stakeholders remain understandably cautious. Plans to restart cruising have been postponed numerous times in the last 12 months and the likely speed and success of vaccine roll-out programs will play a key role in authorities lifting travel restrictions.

While 2021 is expected to be a significantly better year for the industry than 2020, there remains uncertainty over the timing and speed of the ramp-up in cruise operations in all geographic regions. However, despite this uncertainty, longer-term the outlook for the global cruise industry remains fundamentally optimistic, supported by continued strong passenger demand and a robust cruise ship order book.

Demand

The ultimate determinant of the long term future of cruising is passenger demand. All of the major cruise lines have reported that they have experienced strong demand from passengers for cruises in 2021 and beyond.

Booking patterns have been and continue to be influenced by news flow around Covid infection levels and the success of vaccination programs however, the trend in underlying demand is clearly evident. The strength of the demand is such that several booking records have recently been broken across the industry. Crystal Cruises reported that their recently launched seven-day itinerary from Nassau experienced its biggest-ever opening day in the company's history. Selling 25% of the combined availability for the planned 16 voyages in just 24 hours.

THE GLOBAL CRUISE INDUSTRY IS EXPECTED TO RETURN TO AND THEN EXCEED PREVIOUS HIGHS IN TERMS OF THE NUMBER OF SHIPS AND PASSENGER VOLUMES.

While significant near term uncertainty remains in terms of both the planned ramp-up in operations in 2021 and the removal of barriers to cruising in certain parts of the world, most notably in the United States, it is clear that passenger demand is ready to match the return of berth capacity in 2021 and beyond.

Order book strength

Looking beyond the uncertain near term outlook, the global cruise industry is expected to return to and then exceed previous highs in terms of the number of ships and passenger volumes. The continuation of long-established trends drives the confidence of the industry; long lead times on bookings, demographics and an industry dynamism that means there has been a near-constant reinvention of "the cruise," with new ships, brands, concepts, food, design and a transformation in on-board entertainment are all expected to continue to attract new passengers. With product and brand segmentation playing a critical part in this process, a cruise holiday is no longer a homogenous product.

The cruise ship order book's continued strength underpins the industry's confidence of a return to the long-term industry growth trajectory. A year ago, the global cruise ship fleet had 423 ships. Today this stand at 412 ships. Beneath the headline numbers, there has been some turnover of the ships in the fleet, with cruise lines accelerating the scrapping of older, less efficient and generally smaller ships during the crisis.

However, many of these have been replaced by the planned introduction of new ships to the market in 2020. While the overall effect has been the shrinking of the cruise fleet, the pulling forward of scrappage plans could mean fewer ships leave the fleet over the next few years than was previously planned.

Most importantly, despite the crisis, the industry has not significantly changed its ship ordering schedule. Current plans for deliveries in 2021 are essentially unchanged from a year ago, while further into the future, plans also remain essentially unchanged. The only change to today's order book from a year ago for the period between 2025-2027 is the addition to 2025 of a ship that was initially scheduled for delivery in 2023.

A future to remember

The last 12 months has been a very challenging period for the cruise industry. The next 12 months will bring a different set of challenges as the industry seeks to restart operations around the world. However, the underlying strength of the cruise industry's growth characteristics appear undiminished, and despite a previously unthinkable year, the long-term future of the industry looks strong.

Cruise Line	Ship Name	Lower Berths	Scheduled Delivery as at Q1 2020	Scheduled Delivery as at Q1 2021
AIDA Cruises	AIDAcosma	5,200	2021	2021
Carnival Cruise Line	Mardi Gras	5,200	2021	2020
Costa Cruises	Costa Toscana	5,000	2021	2021
Holland America Line	Rotterdam	2,650	2021	2021
Hurtigruten	Unnamed	530	2021	2020
MSC Cruises	MSC Virtuosa	4,900	2021	2021
MSC Cruises	MSC Seashore	4,560	2021	2021
Princess	Discovery Princess	3,660	2021	2021
Ritz-Carlton	Evrima	298	2021	2021
Ritz-Carlton	Unnamed	298	2021	2022
Royal Caribbean	Odyssey of the Seas	4,180	2021	2021
Scenic	Scenic Eclipse II	228	2021	2022
Silversea Cruises	Silver Dawn	596	2021	2021
Viking	Viking Venus	930	2021	2021
Viking Expeditions	Viking Octantis	378	2021	2021
Virgin Voyages	Valiant Lady	2,800	2021	2021

Source: Cruise Industry News Orderbook

Cruise Line	Ship Name	Lower Berths	Scheduled Delivery as at Q1 2020	Scheduled Delivery as at Q1 2021
Disney	Unnamed	2,500	2023	2025
MSC Cruises	World class 3	5,264	2025	2025
MSC Cruises	Luxury 3	1,000	2025	2025
Norwegian Cruise Line	Project Leonardo 4	3,300	2025	2025
Oceania Cruises	Allura class 2	1,200	2025	2025
Princess Cruises	Unnamed	4,300	2025	2025
Royal Caribbean	Icon class 3	5,000	2025	2025
Viking	Unnamed	930	2025	2025
Viking	Unnamed	930	2025	2025
Norwegian Cruise Line	Project Leonardo 5	3,300	2026	2026
MSC Cruises	Luxury 4	1,000	2026	2026
TUI Cruises	Unnamed	4,500	2026	2026
Viking	Unnamed	930	2026	2026
Viking	Unnamed	930	2026	2026
Norwegian Cruise Line	Project Leonardo 6	3,300	2027	2027
MSC Cruises	World class 4	5,264	2027	2027
Viking	Unnamed	930	2027	2027

Source: Cruise Industry News Orderbook

Antigua

GPH began operations at Antigua Cruise Port in Q4 2019, and while Covid-19 constrained cruise operations in the period, our planned investment into the port continued as scheduled. Thanks to our construction team, port employees and other partners, the USD 30 million investment to complete the fifth pier and open this wonderful destination to the largest cruise ships in the world was completed on time and on budget in Q4 2020. Our next focus area is the USD 2 million uplift of the Heritage Quay Shopping Mall and the USD 25 million commercial development at Pointe.

Capable of handling 1 million cruise passengers per year, the new pier and the entire redevelopment will generate significant economic and other benefits for the tourism sector and the entire country and with the increased berth space now available, we are experiencing an increase in booking enquiries from cruise lines. We were targeting the conversion of Antigua Cruise Port into a home port by 2023, however, we have been successful in attracting a number of cruise lines to start homeporting operations in 2021.

Antigua & Barbuda/ Antigua

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

Quays/Berths
Total Number of Berths: 5
Total Berthing Line Length: Approx. 1904m incl. dolphins
Quay Depth: 9 - 11 m

Bus Capacity:
52 buses (capacity of 28 seats)
105 busses (capacity 14 seats)
45 vans (capacity 8 seats)

Anchorage Available: Yes
Ship Tender Allowed: Yes
Tugs Available: Yes, on request
Tidal Movement/ Range: 0.7 m- negligible

Antigua Cruise Port
GPH Acquisition Date: 2019
End of Concession*: 2049

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

100% GPH OWNERSHIP

WE CONTINUE TO TARGET THE CONVERSION OF ANTIGUA CRUISE PORT INTO A HOME PORT BY 2023.

Bar

As a result of Covid-19, we put on hold our plans to invest in a small cruise terminal and retail area at Bar Cruise Port.

We are looking forward to welcoming back cruise passengers in the year ahead and will reassess our plans to invest in the facilities next year.

Montenegro Adria/ Bar

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

Distances/ Transportation
City Centre: 1 km
Airport: Podgorica 68 km/Tivat 56.9 km

General Information
Region: Adriatic
Terminal: No
Bus Capacity: 80
Turnaround Port: Yes

Bar Cruise Port GPH Acquisition Date: 2013
End of Concession: 2043

WE PUT ON HOLD OUR PLANS TO INVEST IN A SMALL CRUISE TERMINAL AND RETAIL AREA AT BAR CRUISE PORT.

63.8%
GPH OWNERSHIP

Barcelona

We worked with other stakeholders on proposals to install a photovoltaic roof on two of the Terminals at Barcelona Cruise Port during the period. The preliminary study has indicated that such an investment would generate around 80% of the terminals' current annual electricity needs. We currently hope to progress these plans during the year ahead.

In response to high levels of demand, we successfully worked with stakeholders on cruise ship movement simulations to increase passenger capacity through an extension to the berthing limitations at our World Trade Centre South Terminal. As a result, we are now working on investment plans to refurbish this terminal to provide a range of new services to cater to passengers' needs.

WE ARE WORKING ON INVESTMENT PLANS TO REFURBISH BARCELONA TERMINAL TO PROVIDE A RANGE OF NEW SERVICES TO CATER TO PASSENGERS' NEEDS.

BARCELONA CRUISE PORT CREUERS TERMINALS

Spain/Barcelona

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 Berths: 6
Total Berthing Lines Length: 2,350 m
Quays Depth: Up to 8 m (Barcelona), up to 12 m (Adossat Pier)

Distances/ Transportation
City Centre: 2.5 km
Airport: 12 km

General Information
Region: Western Mediterranean
Terminal: 5
Bus Capacity: 78
Turnaround Port: Yes

Barcelona Cruise Port GPH Acquisition Date: 2013-2014
End of Concession*: 2026 (WTC wharf), 2030 (Adossat wharf)

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

62.0%
GPH OWNERSHIP

Bodrum

During the pandemic, Bodrum Cruise Port received higher than normal calls from super & mega yachts due to travel restrictions limiting the yachts ability to travel. We also took the opportunity to renovate the terminal, enlarging the arrival customs zone to create a better arrival and duty-free shopping experience for cruise passengers.

We also invested in the port's solar energy capability, which could generate enough electricity to cover the port's total annual electricity needs.

BODRUM CRUISE PORT

Turkey/Bodrum

Maximum Ship Dimensions for Berthing
Length: 350 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: 36 km

General Information
Region: Eastern Mediterranean
Terminal: 1
Bus Capacity: 75
Turnaround Port: Yes

Bodrum Cruise Port GPH Acquisition Date: 2007
End of Concession: 2067

DURING THE PANDEMIC, BODRUM CRUISE PORT RECEIVED HIGHER THAN NORMAL CALLS FROM SUPER & MEGA YACHTS DUE TO TRAVEL RESTRICTIONS.

60.0%
GPH OWNERSHIP

Cagliari

We took the opportunity during the Covid-19 shutdown to reorganise the Molo Rinascita terminal, installing new check-in points both inside and outside the and creating areas dedicated to the screening of passengers. We have also introduced a new range of electric and sustainable services for cruise passengers, including electric scooters' rental.

In the year ahead, we look forward to welcoming cruise line representatives for a familiarisation trip to introduce them to the wonders of Southern Sardinia and the many different experiences that are open to cruise passengers all year round.

CAGLIARI CRUISE PORT

Italy/Cagliari

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

Quays/Berths
Total Berth: 2
Total Berthing Lines Length: 1,250 m
Quays depth: 8 m - 11 m

Distances/ Transportation
City Centre: 500 m
Airport: 7 km

General Information
Region: Western Mediterranean
Terminal: 1
Bus Capacity: 40
Turnaround Port: Yes

Cagliari Cruise Port GPH Acquisition Date: 2016
End of Concession*: 2027

** Application for 10-year extension currently under review by the Port Authority.*

WE TOOK THE OPPORTUNITY DURING THE COVID-19 SHUTDOWN TO REORGANISE THE MOLO RINASCITA TERMINAL.

70.9%
GPH OWNERSHIP

Catania

In the year ahead, we are planning a renovation of the commercial area at the port, which will allow us to expand the range of services and local goods that we can provide to cruise passengers within the terminal.

We are also planning to invest in an outdoor exhibition area, with a relaxation area for passengers to create a unique Sicilian experience at the port.

CATANIA
CRUISE PORT

Italy/Catania

Maximum Ship Dimensions for Berthing
Length: No Limit
Width: No limit
Draught: 8 m -10 m

Quays/Berths
Total Berth: 3
Total Berthing Lines Length: 1,600 m
Quays Depth: 10 m -13 m

Distances/ Transportation
City Centre: 500 m
Airport: 5.3 km

General Information
Region: Western **Mediterranean**
Terminal: 1
Bus Capacity: 30
Turnaround Port: Yes

Catania Cruise Port GPH Acquisition Date: 2016
End of Concession*: 2026

**Potential extension being discussed with Port Authority*

WE ARE PLANNING A RENOVATION OF THE COMMERCIAL AREA AT CAGLIARI CRUISE PORT.

62.2%
GPH OWNERSHIP

Ege Port Kuşadası

We have applied for permission to install solar energy capability at the port, which will significantly reduce the port's environmental footprint and energy costs. We worked on the potential addition of a new local ferry service between Kusadasi and Samos, Patmos Island in Greece. We currently expect this service to start in the middle of 2021.

EGE PORT
KUŞADASI

Turkey/Kuşadası

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: 80 km

General Information
Region: Eastern Mediterranean
Terminal: 1
Bus Capacity: 75
Turnaround Port: Yes

Ege Port Kuşadası
GPH Acquisition Date: 2003
End of Concession: 2033

WE HAVE APPLIED FOR PERMISSION TO INSTALL SOLAR ENERGY CAPABILITY AT THE EGE PORT.

72.5%
GPH OWNERSHIP

Ha Long

Our management agreement for Ha Long Bay Cruise Port began shortly before the outbreak of Covid-19, which meant that opportunities to promote the destination and its well-invested cruise facilities were limited over the reporting period.

However, there are plans to organise familiarisation trips with cruise line itinerary planners later this year, introducing and promoting to cruise lines this fantastic destination and all that it has to offer to cruise passengers. We are also working on developing the F&B offering for both domestic and international cruise passengers.

HA LONG
CRUISE PORT

Vietnam/Ha Long

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 incl. dolphins
Quay Depth: Vary from 10 m -14 m
Bus Capacity: 30

Anchorage Available: Yes
Ship Tender Allowed: Yes
Tugs Available: Yes
Tidal Movement/ Range: Min.0.3 m Max.4.0 m

Ha Long Cruise Port GPH Acquisition Date: 2019
End of Concession: 2034

WE ARE WORKING ON DEVELOPING THE F&B OFFERING FOR BOTH DOMESTIC AND INTERNATIONAL CRUISE PASSENGERS.

MANAGEMENT AGREEMENT

La Goulette

GPH's interest in La Goulette Cruise Port is through, Goulette Cruise Holding Ltd, its joint venture with MSC Cruises S.A. The concessions to operate the port runs until 2036, with a right to extend for an additional 20 years.

Passenger volumes have been low in recent years, with Covid delaying any hopes for a pickup in passenger volumes in 2020. However, we hope to see a gradual increase in passenger numbers ion the years ahead.

THE CONCESSIONS TO OPERATE THE PORT RUNS UNTIL 2036, WITH A RIGHT TO EXTEND FOR AN ADDITIONAL 20 YEARS.

Tunisia/La Goulette

Maximum Ship Dimensions for Berthing
Length: 340 m
Width: No Limit
Draught: 9.0 m

Quays/Berths
Total Number of Berths: 3
Total Berthing Line Length: C1 & C2 = 657 m

1BIS berth of approx. 100 m consisting of 2 dolphins and two access bridges

Priority on 400 m in the existing port authority berth (Quays 1 to 7)

Quay Depth: Vary 5.1 m - 10 m
Bus Capacity: 118

Anchorage Available: Yes
Ship Tender Allowed: Yes
Tugs Available: Yes (2 Tugs)
Tidal Movement/Range: 0.2 - 0.4 m

La Goulette Cruise Port GPH Acquisition Date: 2019
End of Concession*: 2036

** With a right to extend the term for an additional 20 years*

50.0%
GPH OWNERSHIP

Lisbon

During the 2020 we took the opportunity to reassess our cruise passenger offering in our award winning cruise terminal.

A key outcomes was that in 2021 cruise passengers will be welcomed by a new F&B operator at the Terminal. Our expectations is that the new operator to prove to be a success with both cruise passengers and locals alike.

Portugal/Lisbon

Maximum Ship Dimensions for Berthing
Length: No Limit
Width: No Limit
Draught: (-12) Zh

Quays/Berths
Total Berth: 3
Total Berthing Lines Length: 1,425 m (With a Possible Further 900 m)
Quays Depth: (-8.3) Zh Till (-12) Zh

Distances/ Transportation
City Centre: 500 m
Airport: 8 km

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

Lisbon Cruise Port GPH Acquisition Date: 2014
End of Concession: 2049

WE TOOK THE OPPORTUNITY TO REASSESS OUR CRUISE PASSENGER OFFERING IN OUR AWARD WINNING CRUISE TERMINAL.

46.2%
GPH OWNERSHIP

Málaga

In 2020, we postponed planned work to refurbish the retail area at Malaga Cruise Port. While we are considering an interim solution, this work will now commence in calendar year 2022. The provision of a cafeteria container module at the entrance to one of our Terminals is also currently under consideration. This module would help to enhance the F&B offering for passengers and crew.

Spain/Málaga

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

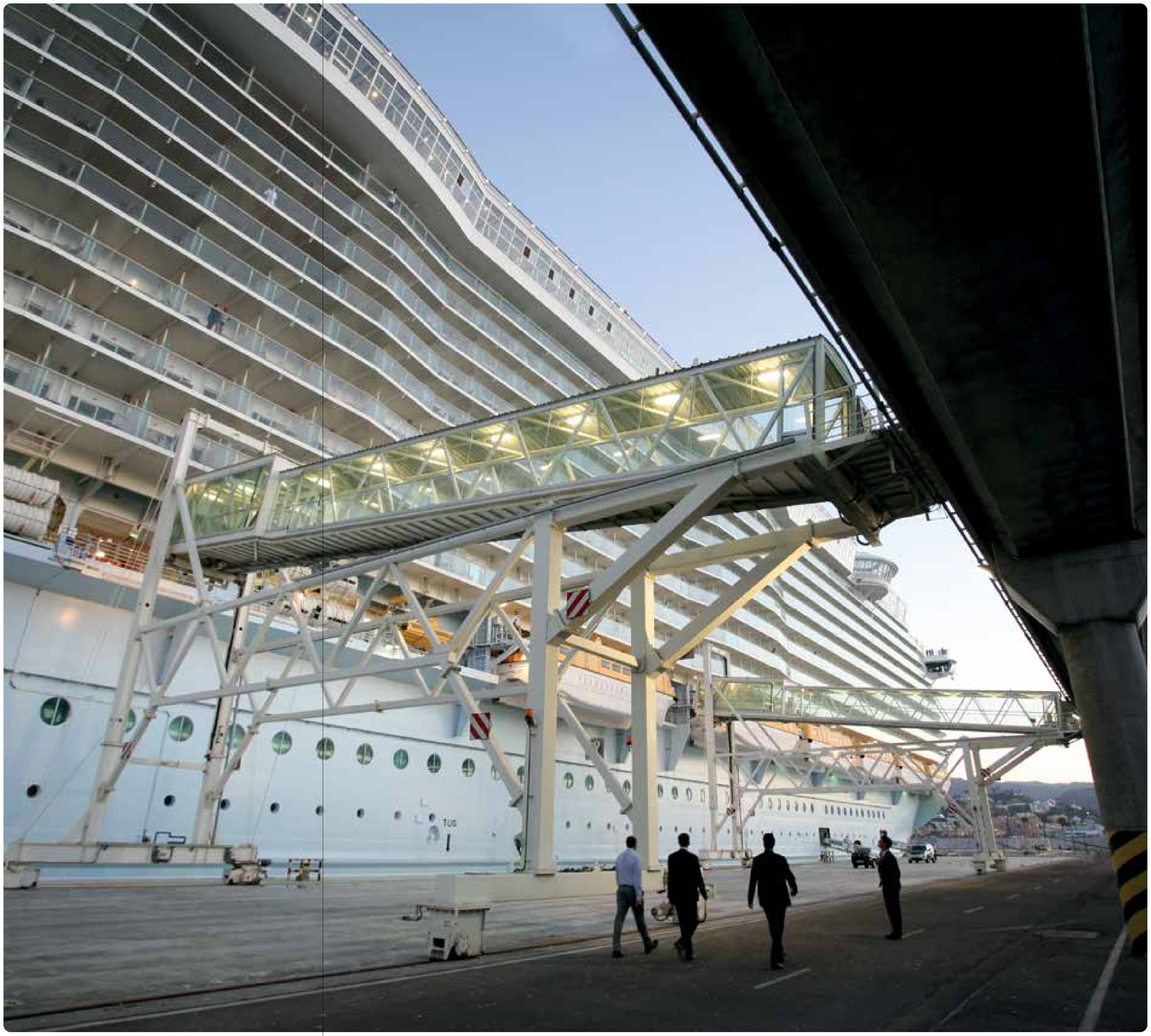
General Information
Region: Western Mediterranean
Terminal: 3
Bus Capacity: 78
Turnaround Port: Yes

Málaga Cruise Port GPH Acquisition Date: 2013-2014
End of Concession*: 2038 (Levante), 2042 (Palmeral)

**The extension of the current concession is 2053 and 2047, respectively. The process is ongoing.*

IN 2020, WE POSTPONED PLANNED WORK TO REFURBISH THE RETAIL AREA AT MALAGA CRUISE PORT.

62.0%
GPH OWNERSHIP



Nassau

Despite the onset of the Covid-19 pandemic, our investment plans for Nassau Cruise Port, including raising USD 150 million through a public bond offering by the Port in May 2020, continued as scheduled throughout the period.

The investment project is now on phase two, which will see us complete the marine works, including expanding the port's berthing capacity and breaking ground on land side works to include the installation of enhanced solar infrastructure. We expect this phase to complete in 2021, with phase 3, the landside works expected to complete in the first half of 2022. Once complete, Nassau's waterfront will be transformed into one of the great waterfronts of the world, with excellent transport connections and a fantastic new retail offering creating an enhanced passenger experience as well as additional business opportunities for locals.

We are very excited to be welcoming several cruise lines for home porting operations at Nassau Cruise Port in the year ahead. This will be the first time cruise lines have home ported in Nassau and it is an exciting development for the port and local stakeholders.

WE ARE VERY EXCITED TO BE WELCOMING SEVERAL CRUISE LINES FOR HOME PORTING OPERATIONS IN THE YEAR AHEAD.

Bahamas/Nassau

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

General Information
Region: Northern **Caribbean**
Terminal: 1
Bus Capacity: n/A
Turnaround Port: No

Nassau Cruise Port GPH Acquisition Date: 2019
End of Concession*: 2047

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

49.0% GPH OWNERSHIP

Ravenna

As a result of Covid-19, we were granted a one-year extension to the cruise port concession to end 2021. We submitted a proposal for a new concession that would include investment into a new cruise terminal that would be capable of welcoming both transit and turnaround passengers during the year.

We worked with local stakeholders on a project to promote local cultural and commercial attractions to cruise passengers during the year. We look forward to the cruise port playing its part as a #MyRavenna Ambassadors in the years ahead.

Italy/Ravenna

Maximum Ship Dimensions for Berthing
Length: 330 m
Width: 42 m
Draught: 8.80 m

Quays/Berths
Total Berth: 2
Total Berthing Lines Length: 600 m
Quays Depth: 10 m

Distances/ Transportation
City Centre: 14 km
Airport: 75 km

General Information
Region: Adriatic
Terminal: 1
Bus Capacity: 50
Turnaround Port: Yes

Catania Cruise Port GPH Acquisition Date: 2016
End of Concession: 2021

WE SUBMITTED A PROPOSAL FOR A NEW CONCESSION THAT WOULD INCLUDE INVESTMENT INTO A NEW CRUISE TERMINAL.

100.0%
GPH OWNERSHIP

Singapore

In 2020 we focussed our attention on reorganising the cruise terminal so that it could facilitate social distancing and on-site Covid-19 testing for all passengers before embarkation.

Singapore welcomed the return of cruise passengers in November 2020. While these have been focussed on cruises to nowhere, we look forward to a return to more traditional itineraries in the year ahead.

Singapore

Maximum Ship Dimensions for Berthing
Length: Max 360 m at Berth 2
Width: n/A
Draught: 11.3 m at Berth 2

Quays/Berths
Total Berth: 2
Total Berthing Lines Length: 695 m
Quays Depth: 11.3 m - 11.5 m
Ship Capacity: 2

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

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

Marina Bay Cruise Centre, Singapore
GPH Acquisition Date: 2014
End of Concession: 2027

SINGAPORE WELCOMED THE RETURN OF CRUISE PASSENGERS IN NOVEMBER 2020.

24.8%
GPH OWNERSHIP

Valletta

Valletta was one of the first cruise ports to see the return of cruise passengers in 2020, welcoming the MSC Grandiosa in Q3 2020.

During the year, we worked with other stakeholders, including Infrastructure Malta and Transport Malta, to finalise plans to invest in the infrastructure required to enable the provision of cold ironing or shore power to cruise ships. This work has now started and is expected to be completed by the end of 2023.

Malta/Valletta

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

Quays/Berths
Total Berth: 7
Total Berthing Lines Length: 2,166 m
Quays depth: 10.5 m - 11 m

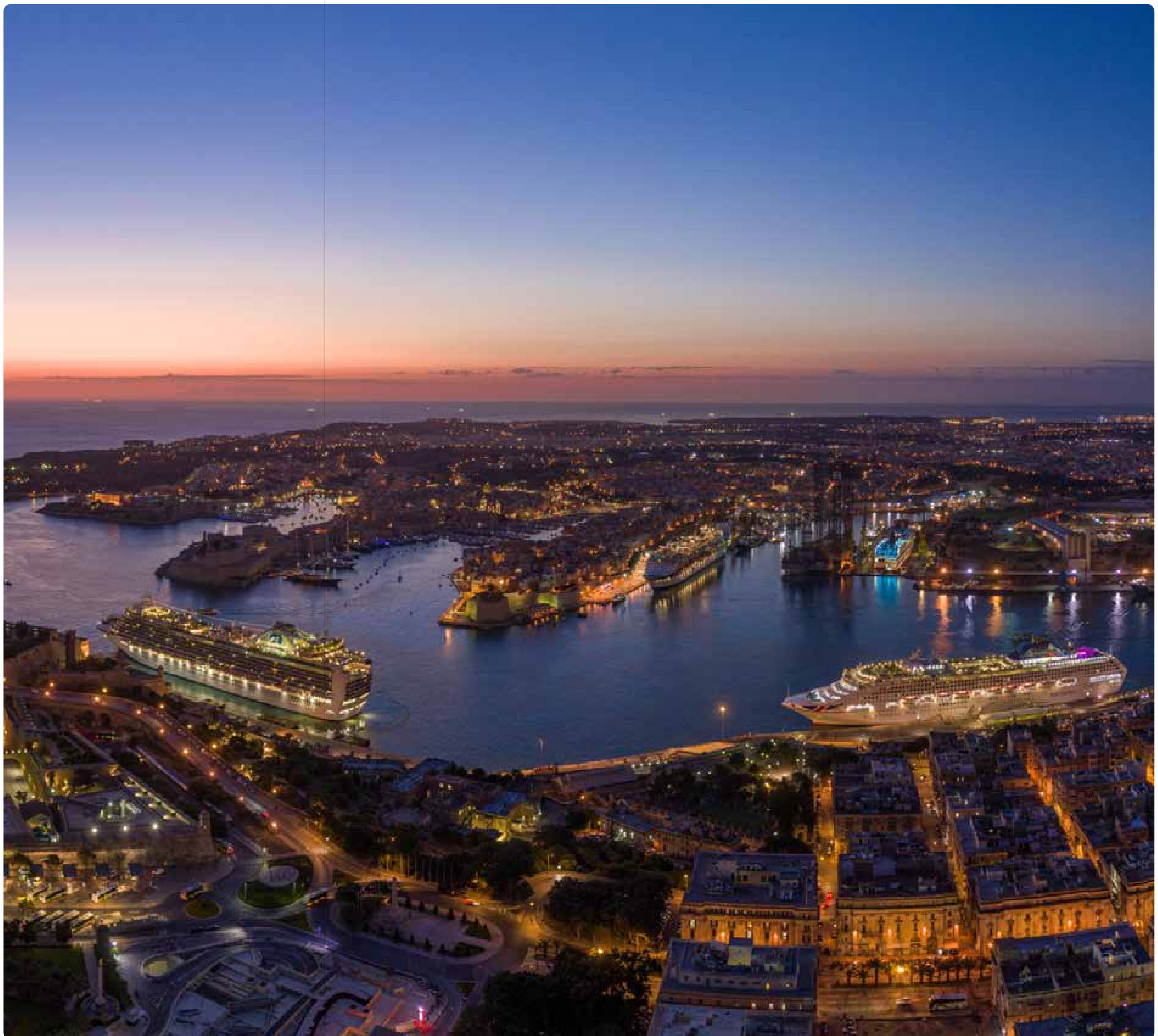
Distances/ Transportation
City Centre: 1.5 km
Airport: 6 km

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

Valetta Cruise Port GPH Acquisition Date: 2015
End of Concession: 2066

WE WORKED WITH OTHER STAKEHOLDERS TO FINALISE PLANS TO INVEST IN THE INFRASTRUCTURE REQUIRED.

55.6%
GPH OWNERSHIP



Venice

Like with all cruise ports, Venice Cruise Port was closed to cruise ships for the most of the year.

Looking to the future, while Venice remains one of the must see destinations in the Mediterranean, the debate around the future of cruising in Venice continues and GPH remains committed to finding a solution that works for all stakeholders.

Italy/Venice

Maximum Ship Dimensions Length: 340 m
Width: No limit
Draught: Up to 9.1 m
Turning basin: Up to 340 m

Quays/Berths
Total berth: 7 up to 12 (1 for river cruises)
Total Berthing Lines Length: 3,400 m

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

General Information
Region: Adriatic
Terminal: 10
Bus Capacity: 40
Parking Capacity: 2,300
Turnaround Port: Yes

Venice Cruise Port GPH Acquisition Date: 2016
End of Concession*: 2024

** Consortium is currently in the advanced stage of discussions with the Ministry of Transport for extending Venice Cruise Port concession for a minimum of 35 years, in return for building a new cruise terminal at Chioggia or Montesyndial, in addition to existing berths of Porto di Venezia for large ships.*

THE DEBATE AROUND THE FUTURE OF CRUISING IN VENICE CONTINUES AND GPH REMAINS COMMITTED TO FINDING A SOLUTION THAT WORKS FOR ALL STAKEHOLDERS.

***11.1%* GPH OWNERSHIP**

We are continuing to promote Zadar Cruise Port through already available and new marketing channels to the cruise lines as a destination that cruise lines should add to their Adriatic itineraries. We are also planning a gradual increase in the available services and retail opportunities for cruise passengers, crew and locals.

We have started a project with the Port Authorities to consider a potential investment into the cruise port's solar panel infrastructure. We look forward to taking this project forward in the year ahead.

WE ARE CONTINUING TO PROMOTE ZADAR CRUISE PORT THROUGH ALREADY AVAILABLE AND NEW MARKETING CHANNELS.

ZADAR CRUISE PORT

Croatia/Zadar

Maximum Ship Dimensions for Berthing
Length: 375 m
Width: No limit
Draught: 7-12 m

Quays/Berths
Total Number of Berths: 5
Total Berthing Lines Length: 180 m - 375 m
Quay Depth: 7-13 m

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

General Information
Region: Adriatic
Terminal: 1
Turnaround Port: Yes

Zadar Cruise Port GPH Acquisition Date: 2018
End of Concession: 2038

100% GPH OWNERSHIP

The Commercial Sector

UNCERTAIN OUTLOOK FOR COMMERCIAL SHIPPING REMAINS

Global Seaborne Trade
Almost everything we use, build, drive, eat or manufacture is enabled directly or indirectly by global seaborne trade. With around 80% of global trade by volume shipped by sea, the global maritime transport industry's health is a clear barometer of the health of the global economy.

A combination of factors has driven the growth of the maritime industry over the last 30 years. Global economic growth has led to wider economic prosperity and increased demand for goods. At the same time, the drive to lower manufacturing costs has led to manufacturers off-shoring their operations to countries with lower production costs. These factors have resulted in an increasing amount of finished goods being transported across the world.

While increasingly globalised trade policies have led to an increase in the free movement of goods between countries, with policies such as trade agreements opening up new markets all over the world to manufacturers. These trends have existed alongside and in many ways have grown hand in hand with the opening of major new economies to global trade, in particular China.

2020
Maritime trade slowed in 2019, driven by growing tensions over trade and an associated increase in trade tariffs, particularly between the US and China. This slowdown was then exacerbated by the Chinese economy experiencing its slowest growth rate since 1990.

While trade tensions between the US and China remain, the onset of the Covid-19 crisis meant the global shipping and commercial ports sector had to contend with more pressing matters.

WITH AROUND 80% OF GLOBAL TRADE BY VOLUME SHIPPED BY SEA, THE GLOBAL MARITIME TRANSPORT INDUSTRY'S HEALTH IS A CLEAR BAROMETER OF THE HEALTH OF THE GLOBAL ECONOMY.

In the first half of 2020, the Covid-19 epidemic resulted in a supply and demand shock. Supply-chains were disrupted by lockdowns and travel restrictions, while demand contracted as consumers and businesses reacted to the unprecedented events.

While these conditions remained throughout the year, a number of other trends developed as the year progressed. The extent of lockdowns in Western economies and the significant payroll support provided by Governments meant that with consumers unable to spend on things like travel, sporting events and meals out, there was a significant increase in demand for goods such as electricals and exercise equipment.

According to the Global Shippers Forum- Container Shipping Market Quarterly Review, the surge in demand was large enough that by the end of Q3, maritime deep-sea container volumes had recovered all of their earlier 2020 losses. By the end of the year, volumes for 2020 had grown by 6.8% YoY.

According to MDS Transmodal and the World Cargo Database (Feb 2021), the strength of the recovery was such that all primary maritime routes grow year on year. With the increased consumer demand from western economies driving a 9.5% growth in East-West maritime trade in 2020.

	2020 Q4	Year to Date (YTD)	Previous Quarter (PG)	Previous Year (PY)
Agricultural	207	798	-0.1%	7.1%
Metals	11	43	1.3%	2.2%
Oils&fats	24	95	1.1%	-1.6%
Chemicals	163	641	1.1%	-4.0%
Ores	514	1,981	-1.6%	0.9%
Forest products	103	405	0.6%	-1.6%
Energy:				
*Coal	288	1,185	2.5%	-2.2%
*Oil&gas	1,057	4,196	3.0%	-3.7%
Other	425	1,689	-0.2	0.7%
Total Non-Unitised	**2,792**	**11,034**	**1.1%**	**-1.2%**
Unitised	**608**	**2,306**	**3.4%**	**4.4%**
Total Tonnes	**3.4**	**13.34**	**1.5%**	**-0.2%**

Outlook
Despite this strong end to 2020, the outlook for the global economy is clouded in uncertainty. While many industries will be allowed to reopen and travel restrictions are expected to be eased, Covid-19 Government support measures will also start to be withdrawn.

Governments worldwide have spent hundreds of billions of USD supporting businesses and individuals through the Covid-19 crisis. As the crisis comes to an end, this support's withdrawal is expected to have a negative economic impact. However, given the unique nature of the crisis, how economies react to this support's withdrawal is a complete unknown.

In addition to withdrawing support, Government's will at some point need to start repaying the money they have borrowed to fund these various support measures. Whether achieved through increasing taxes, reducing Government expenditure or both, this is expected to have a negative impact on global economic growth.

DESPITE THESE CONCERNS THE GLOBAL MARKET FOR CARGO SHIPPING IS EXPECTED TO GROW FROM 11.3 BILLION METRIC TONS IN 2020 TO 13.1 BILLION METRIC TONS BY 2027.

While trade tensions between the US and China have been a near constant feature over the last few years, the Covid-19 pandemic could mean that national protectionism practices become more widespread across much of the world.

A number of countries, including the US and Japan have recently created policies to encourage manufacturers to reshore production out of China. Potentially accelerating the China plus one manufacturing model. While the disruption to supply chains from travel restrictions and lockdowns that closed factories and ports will see manufacturers reconsider lengthy supply chains and single country supply models. All of these factors could have a negative impact on the demand for seaborne trade in the years ahead.

However, despite these concerns the global market for cargo shipping is expected to grow from 11.3 billion metric tons in 2020 to 13.1 billion metric tons by 2027, a CAGR of 2.7% pa, general cargo forecast to grow 2.0% and container cargo to grow 2.8%.[1]

[1] *Cargo Shipping - Global Market Trajectory & Analytics (researchandmarkets.com)*

The Environment
The commercial shipping industry is a significant contributor to global carbon emissions. And while the industry's environmental impact needs to be considered in the context of the fact it carries around 80% of world trade, there pressure on the industry to reduce its environmental impact continues to grow. With consumers becoming more aware of their shopping habits' environmental impact, there is likely to be growing pressure on manufacturers that utilise global supply chains and the global shipping industry to reduce their environmental footprint.

In Q4 2020, the International Maritime Executive (IMO) agreed additional regulations to further reduce the carbon intensity of commercial ships. Although some observers do not believe the new regulations go far enough, the regulations are targeting a reduction in the shipping industries greenhouse gas emissions by 50% by 2050.

As well as taking measures to reduce emissions from the current fleet of commercial ships, new technologies are being trialled that could significantly reduce the industries environmental impact. Many of these technologies are focussed on using a range of different wind propulsion systems.[2]

An additional environmental issue with commercial shipping is the emissions that occur when ships are in port. Once docked, ships have to run their auxiliary engines which generate sulphur oxide (SOx), nitrix oxide (NOx) and carbon dioxide (CO_2). Cold ironing or shore power offers an opportunity to significantly reduce such emissions, by allowing ships to plug into an onshore power source while they are in port. While there are extensive barriers to the mass adoption of cold ironing, where appropriate, it offers significant environmental benefits.

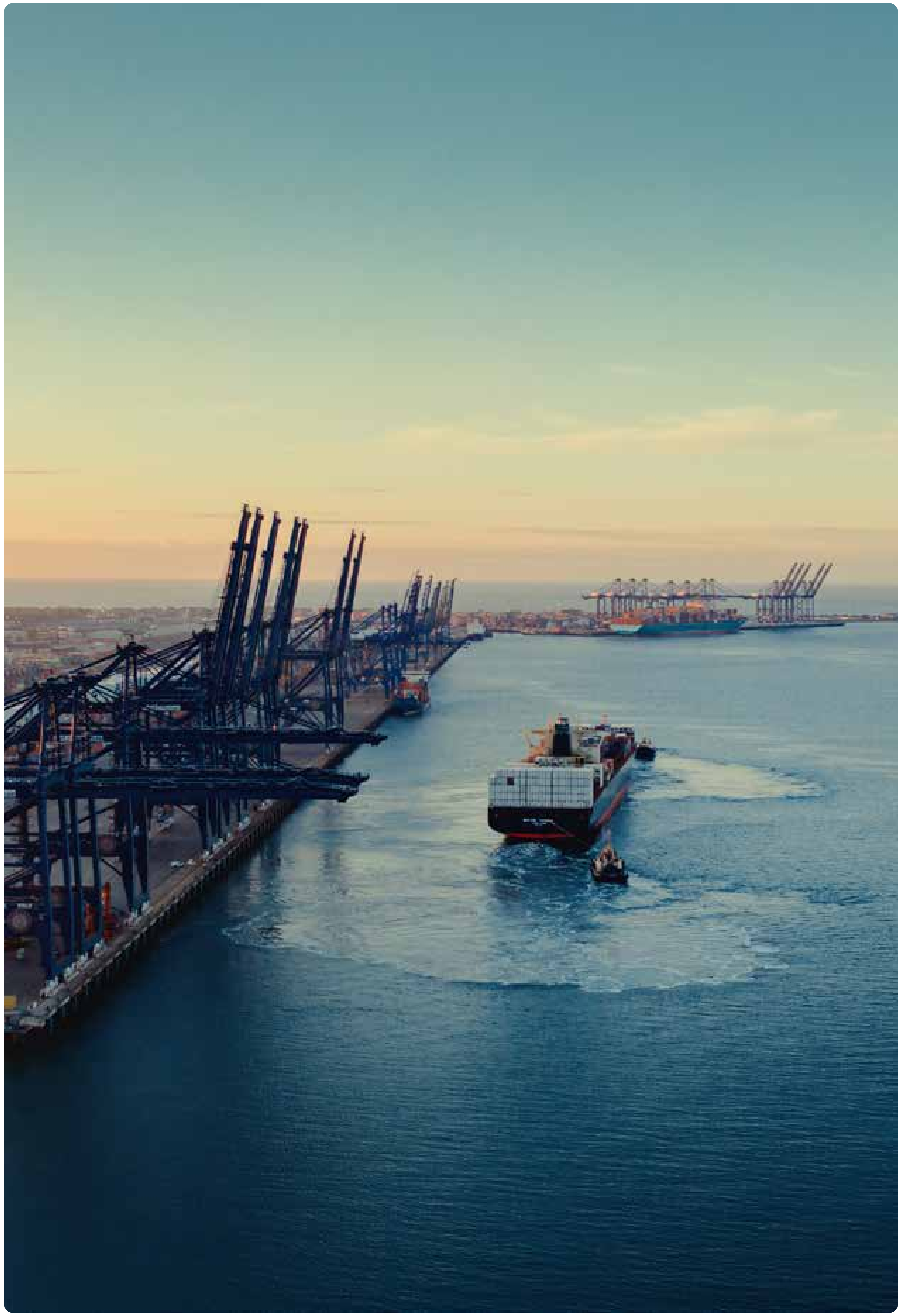
GLOBAL PORTS HOLDING TAKES ITS RESPONSIBILITY TO THE ENVIRONMENT AND OUR LOCAL ECOSYSTEMS SERIOUSLY.

Global Ports Holding takes its responsibility to the environment and our local ecosystems seriously. Both of our Commercial ports have been awarded a range of certifications related to our environmental policies, from ISO 14001 Environmental Management through to ISO 45001 Occupational Health and Safety. We remain committed to upholding the highest levels of environmental standards.

Our focus for 2021:
In Q1 2021, Port Akdeniz was sold to QTerminals W.L.L. ("QTerminals"), a Qatari commercial port operating company, for an enterprise value of USD 140 million.

Following the sale of Port Akdeniz and the effective creation of a pure-play cruise port operator, the board of Global Ports Holding is considering its options in regard to Port of Adria, the Group's commercial port concession in Bar, Montenegro, including a potential disposal.

[2] *What's the Shipping Industry Doing To Slash Carbon Emissions? - The Wire Science Who are we? - NEOLINE*



Energy Generation

ENERGY GENERATION FROM RENEWABLE RESOURCES WITH A SUSTAINABILITY APPROACH...

GLOBAL ENERGY MARKET OUTLOOK

The Covid-19 pandemic has caused more disruption to the energy sector than any other event in recent history, leaving impacts that will be felt for years to come as per the World Energy Outlook 2020 report of the International Energy Agency.

It is too soon to say whether today's crisis represents a setback for efforts to bring about a more secure and sustainable energy system, or a catalyst that accelerates the pace of change. The pandemic is far from over, many uncertainties remain and crucial energy policy decisions have yet to be made.

A huge shock to the system

Global energy demand dropped by 5% in 2020, energy-related CO_2 emissions by 7%, and energy investment by 18%. The impacts vary by fuel type. The falls of 8% in oil demand and 7% in coal make a contrast with the rising contribution of renewables. The reduction in natural gas demand is around 3%, while global electricity demand looks set to be down by a relatively modest 2% for the year. The 2.4 gigatons (Gt) decline takes annual CO_2 emissions back to where they were a decade ago. However, the initial signs are that there may not have been a similar fall in 2020 in emissions of methane - a powerful greenhouse gas - from the energy sector, despite lower oil and gas output.

The shadow of the pandemic looms large

While it is assessed that global energy demand will rebound to its pre-crisis level in early 2023, this is delayed until 2025 in the event of a prolonged pandemic and deeper slump. Prior to the crisis, energy demand was projected to grow by 12% between 2019 and 2030. Growth over this period is now 9% and only 4% in the delayed recovery scenario. With demand in advanced economies on a declining trend, all of the increase comes from emerging market and developing economies, led by India. The slower pace of energy demand growth puts downward pressure on oil and gas prices compared with pre-crisis trajectories, although the large falls in investment in 2020 also increase the possibility of future market volatility. Lower growth in incomes cuts into construction activities and reduces purchases of new appliances and cars, with the effects on livelihoods concentrated in developing economies.

GLOBAL ENERGY DEMAND DROPPED BY 5% IN 2020, ENERGY-RELATED CO_2 EMISSIONS BY 7%, AND ENERGY INVESTMENT BY 18%.

The worst effects are felt among the most vulnerable

Reversing several years of progress, the analysis shows that the number of people without access to electricity in sub-Saharan Africa rose in 2020. Around 580 million people in sub-Saharan Africa lacked access to electricity. Governments are attending to the immediate public health and economic crisis, utilities and other entities that deliver access face a serious financial strain and borrowing costs have risen significantly in countries where the access deficit is high. Regaining momentum on this issue is particularly challenging. In addition, it is estimated that a rise in poverty levels worldwide may have made basic electricity services unaffordable for more than 100 million people who already had electricity connections, pushing these households back to relying on more polluting and inefficient sources of energy.

Energy is essential for modern life

Easy access to a reliable energy source is closely linked with improvements to the quality of life. Over the next few decades, an expanding population and rising prosperity will increase demand for homes, businesses and transportation as well as the energy that powers them.

Global energy needs projecting to rise 20%, led by non-OECD nations

By 2050, the world's population is expected to reach 10 billion. Over the same period, global GDP is forecast to double. As a result, per capita GDP is projected to rise significantly. In turn, global energy demand will expand, reflecting its fundamental link to growing prosperity and better living standards for a growing population worldwide. Despite efficiency gains, global energy demand is expected to increase by nearly 20%. The majority of energy growth will be in non-OECD countries, where demand is forecast to increase over 35%, or about the same amount of energy consumed in the Americas today. Global energy consumption continues to shift proportionally to emerging markets where population and economic growth both outpace the global average.

The non-OECD share of global energy demand will climb to about 70% in 2050, as efficiency gains and slowing economic growth in OECD nations help keep their energy demand relatively flat.

Electricity demand nearly doubles in non-OECD countries

Human activity is highly dependent on electricity. Global electricity demand is forecast to rise by 60% by 2050, led by a nearly doubling power demand in non-OECD nations.

Global energy mix shifts to lower-carbon fuels

Renewables and nuclear energy are expected to see strong growth, contributing some 50% of incremental energy supplies to meet demand growth. One of the fastest-growing segments should be electricity from solar and wind, together with expanding about 400%. The combined share of solar and wind in global electricity supplies is likely to triple by 2050, enabling CO_2 intensity of delivered electricity to decline more than 40%. Natural gas is set to record the highest growth of any energy type, reaching one-quarter of all demand. Oil is forecast to play a leading role in the world's energy mix, with growing demand driven by commercial transportation needs and feedstock requirements for the chemicals industry. Coal use is expected to remain significant in parts of the world while losing substantial share amid the global transition to lower emissions energy sources.

RENEWABLES AND NUCLEAR ENERGY ARE EXPECTED TO SEE STRONG GROWTH, CONTRIBUTING SOME 50% OF INCREMENTAL ENERGY SUPPLIES TO MEET DEMAND GROWTH.

Oil plays a leading role in facilitating mobility and modern products

The proliferation of electric cars and efficiency improvements in conventional engines is expected to lead to a peak in liquid fuel use by the world's light-duty vehicle fleet by 2030. However, oil should continue to play a major role in the world's energy mix, with expanding demand driven by commercial transportation and the chemicals industry.

Decarbonization of the world's energy system will accelerate

As the world's economy doubles by 2050, energy efficiency gains and a shift to less carbon-intense energy sources should contribute to a nearly 45% decline in the carbon intensity of global GDP. Global energy-related CO_2 emissions are expected to peak by 2035 at about 5% above the 2020 level.

TURKISH ENERGY MARKET OUTLOOK

Market Overview

The government has pursued long-term liberalization and an incentive program in the energy market to attract private investment to meet projected demand.

The liberalization process and sector-specific regulations introduced by EMRA (Energy Market Regulatory Authority) with the ultimate objective of fostering a free energy market have led to more competitive and efficient market structures.

While capacity expansion remains a priority in light of rising electricity demand, Turkey's government also aims to boost energy security and reduce reliance on imported fossil fuel resources. Increased investment in renewables is actively encouraged as thermal power plants rely on local fossil fuel sources such as lignite.

Turkey's energy policies are improving energy security, wider use of domestic energy resources, causing more energy infrastructure to be manufactured in Turkey (localization) and moving Turkey to a more competitive energy market with an increased role for the private sector. The policies include many elements, but some of the main themes are increased energy efficiency, more renewable energy, advancing electricity and natural gas markets, building Turkey's first nuclear power plants, ramping up energy technology R&D and manufacturing and undertaking intensified exploration and production both offshore and onshore to discover and produce significantly more domestic natural gas and oil.

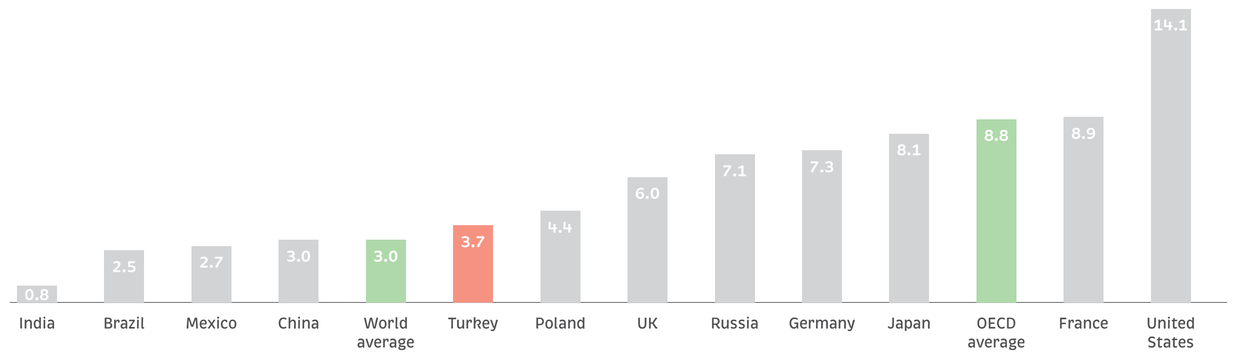
High growth energy market
In recent years, Turkey has ranked among the world's fastest-growing energy markets with an annual growth rate of 5% since 2002, due to its population, urbanization, industrialization and economic growth. Turkey is set to increase its energy use by half over the next decade. Moreover, the resources confirm that this trend will continue in the long term.

IN RECENT YEARS, TURKEY HAS RANKED AMONG THE WORLD'S FASTEST-GROWING ENERGY MARKETS WITH AN ANNUAL GROWTH RATE OF 5%.

Low per capita consumption
Turkey's per capita energy and electricity consumption are less than half of the OECD average. As a country that is still developing, compared to Turkey's OECD peers, the growth of energy services per capita will be much higher. With population growth, continuing industrialization, urbanization, increasing incomes, higher automobile ownership, more housing and wider uptake of air conditioning, Turkey will consume more energy services over the next two decades. Even with increased efficiency and innovations in providing these energy services, this also means that Turkey will need to consume more energy. Per capita gross electricity demand is expected to reach 5.7 MWh per year in 2040; over a 50% increase of the current 3.7 MWh per year consumption, a figure that is about 40% below the average of EU countries. These reflect an efficient growth pathway for electricity consumption.

Turkey's economic development has lifted the population's welfare and boosted access to technology, which will ultimately drive consumption rates upward. Per capita, electricity consumption in Turkey has risen steadily, with the exception of 2009 and 2019, when the sector faced negative effects of domestic and global economic activity. Electricity demand grows in direct proportion to the increase in population and is closely associated with the growth rate of the country's gross domestic product (GDP).

Electricity Consumption per Capita (MWh per Capita)



Source: TEIAS

Demand Dynamics
Electricity demand increases in Turkey at a faster rate than worldwide. For example, worldwide demand since 2000 has increased by 3% per year, while, in Turkey, electricity demand rose at almost 5% per year. Turkey's economic growth and social development, including rising incomes, industrialization and urbanization, help explain this rapid growth in demand.

The total demand for electricity in Turkey between 2000 and 2019, excluding the years 2011, 2009 and 2019, did not decline and maintained a constant increase. This proves that the demand for electricity in Turkey is closely associated with the country's gross domestic product (GDP) growth rate. Standing at 303.7 terawatt-hours (TWh) in 2019, the total electricity demand was materialized at 304.8 TWh as of the end of 2020. After a decline of 0.2% in 2019, there was a 0.4% increase in 2020. Recent gross electricity consumption has lost pace and underperformed GDP and industrial production growth, mainly due to slowing growth in energy-intensive industries (e.g. iron steel, textile and cement), the rising share of the lower electricity consuming service sector in the overall economy, and increasing energy efficiency.

TURKEY'S TOTAL ELECTRICITY DEMAND MATERIALIZED AT 304.8 TWH AS OF THE END OF 2020.

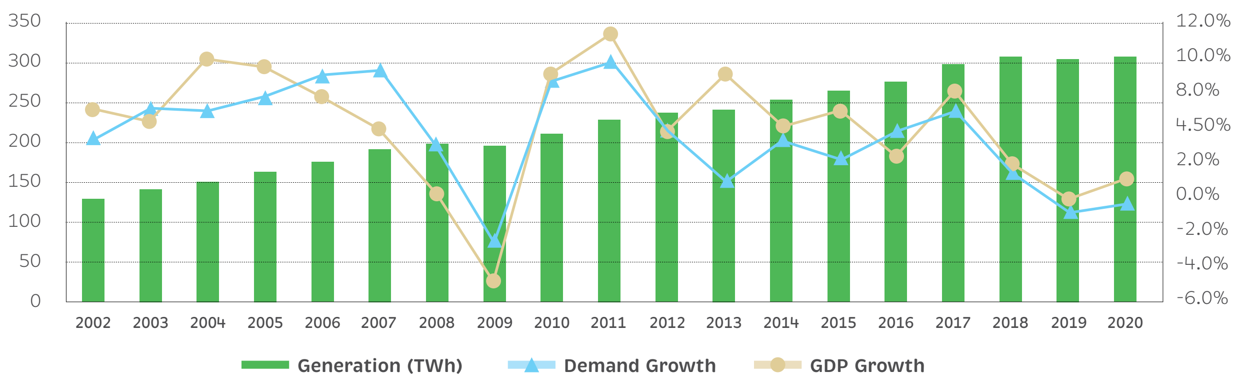
Making a huge impact throughout the world at the beginning of 2020, the Covid-19 pandemic resulted in the gradual introduction of limitations and tight measures in Turkey from March 11, 2020, when the first Covid-19 case was announced, to the end of May, and many firms in manufacturing and services sectors had limited operations leading to periodic closures. Within the framework of these restrictions and tight measures, the electricity demand decreased significantly in April and May year-on-year. With the relaxation of tight measures from June, the electricity demand started to recover and reached the levels prevailing before the Covid-19 pandemic.

Despite the impact of Covid-19 related measures on power demand observed through 2020, short to long term growth prospects remain strong compared to many advanced and developing energy economies. It is expected that, from 2020 to 2040, Turkey's net electricity demand will increase by 3.3% per year. While the growth of Turkey's electricity demand is expected to slow down, the importance of electricity in the economy is expected to increase. For example, while the share of electricity in total final energy consumption is around 20% today, by 2040, increased electrification of the Turkish economy will drive up the share of electricity to 27%.

Supply Dynamics
Supply and demand figures in the Turkish electricity market have demonstrated significant progress as a result of an expanding user base and rising electricity consumption per user.

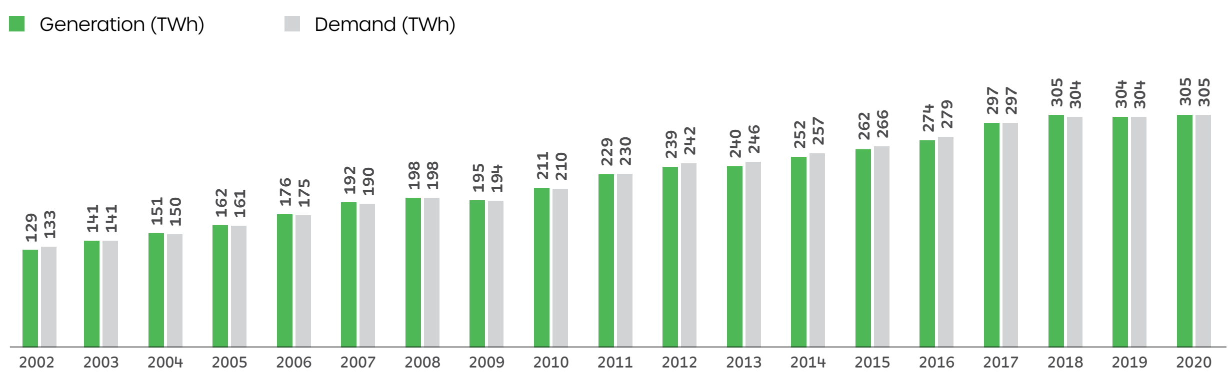
Turkey's power supply has rapidly grown since 2000. The number of household electricity users has increased due to the growing Turkish population. Meanwhile, the industrial consumer base has expanded due to the rising number of factories, SMEs and other manufacturing and services companies, along with the growing Turkish economy. In parallel with the changes regarding annual electricity demand, generation decreased in 2001, 2009 and 2019 and followed a parallel course with the electricity demand. Major investments have been made from the beginning of the 1980s to meet the rapidly-rising demand for electricity, thus leading to a considerable rise in the total gross electricity generation of Turkey. Shrinking by 1.8% in 2001 and 2009, gross electricity generation increased by 0.4% in 2020. Standing at 304.3 TWh in 2019, gross electricity generation dropped to 305.4 TWh by the end of 2020.

Evolution of Generation vs. Demand-GDP Growth Comparison



Source: TEIAS

Development of Turkish Power Production and Consumption (TWh)



Source: TEIAS, TUIK

New capacity investments have expanded
Private producers have ramped up new capacity investments significantly since 2008. This momentum is driven by supply security concerns based on demand projections, as well as the availability of long-term financing and government incentives.

Turkey has been one of the most dynamic power sectors worldwide in deploying new capacity over the past two decades. Turkey's installed capacity has posted a CAGR of 7.2% since 2008, with demand growth of 3.7%. Over the past five years, a total of 22.7 GW in new capacity has been commissioned (after taking into account plant closures), accounting for about 24% of the current installed capacity of 95.9 GW. This implies a CAGR of 5.6% in installed capacity in the country over the past five years. The makeup of the installed capacity has significantly changed. For example, the share of wind and solar PV has increased from just a few plants in 2020 to a 16% of installed capacity by 2020. This progress has ranked Turkey among the leading countries across Europe in cumulative renewable energy development and deployment. Turkey is second only after Norway in hydroelectric installed capacity and ranked seventh in both wind and solar installed capacity. Turkey is also among the leaders in geothermal plants and ranked fourth after the United States, Indonesia and the Philippines globally.

From 2000 to 2010, installed capacity increased from 28 GW to 50 GW and then as of end-2020, Turkey's installed capacity rose to 95.9 GW, on a net increase of 4.6 GW (after taking into account plant closures during the year), or 5.1% growth year-on-year. Despite the fact that a new large-scale NGPP came on stream, the capacity of natural gas-based power plants slightly contracted (-0.2 GW) due to the closure of old, small-scale, inefficient natural gas and multi-fuel power plants, which could no longer compete with highly efficient newer facilities. The capacity of coal PPs, on the other hand, remained unchanged. Meanwhile, the uptrend in renewable power plant capacity was sustained in 2020 (+4.8 GW), supported by state buyback guarantees. During the year, Turkey's power plant numbers rose to 9,402, up 813 year-on-year; of these, 617 were small-scale unlicensed solar energy producers.

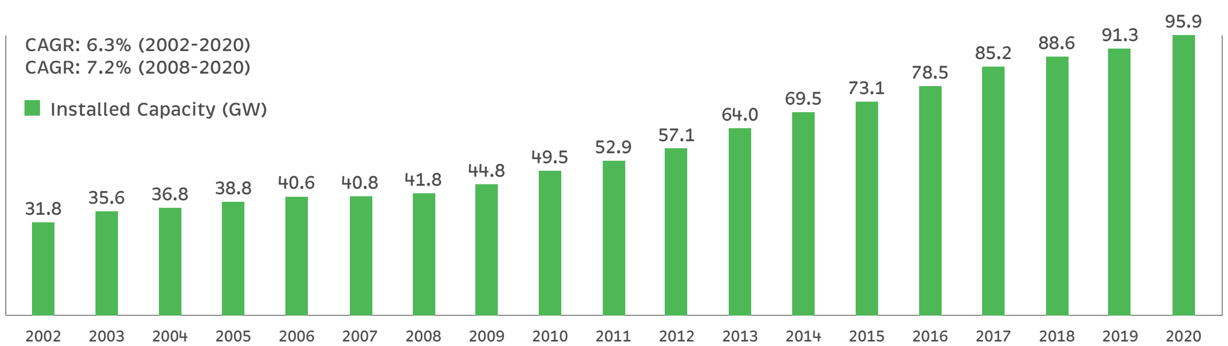
TURKEY HAS BEEN ONE OF THE MOST DYNAMIC POWER SECTORS WORLDWIDE IN DEPLOYING NEW CAPACITY OVER THE PAST TWO DECADES.

Hydroelectric power plants recorded the largest capacity increase of 2020, expanding 9%. The total installed capacity of hydroelectric power plants jumped to 30,984 MW by year-end, up 2,481 MW year-on-year attributable mainly to the fact that three new large-scale hydroelectric power plants came on stream. By 2021, capacity increases by commissioning large dam projects are expected to increase the hydro contribution to the generation portfolio of Turkey. It is a dispatchable power source, but due to the variability of rainfall, average annual capacity utilization can swing dramatically between wet and dry years.

Energy Generation

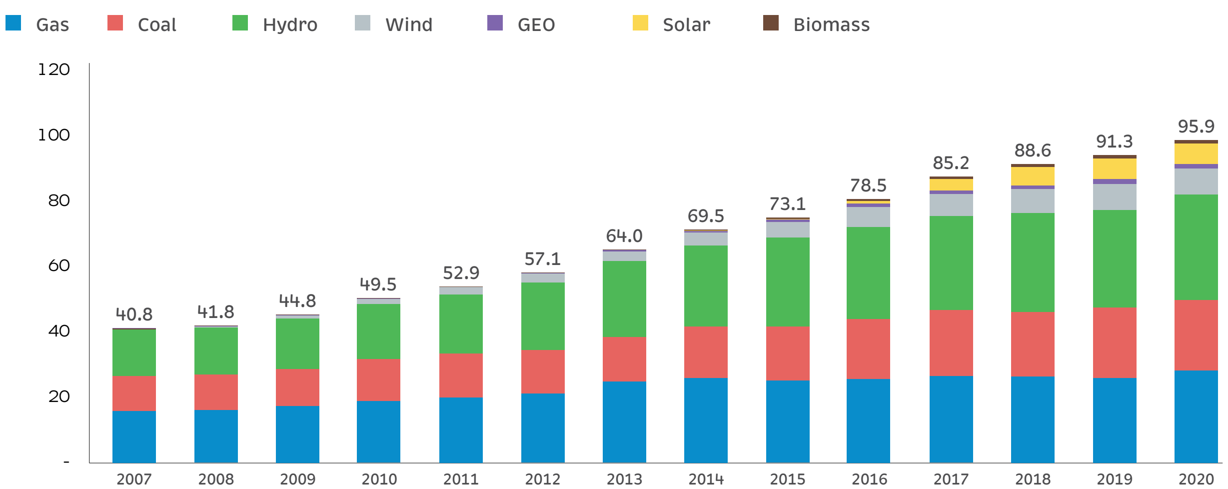
At year-end 2020, Turkey's installed capacity breakdown was as follows: 32.3% hydroelectric power, 27.5% natural gas, 21.2% coal, 9.2% wind, 7.0% solar energy, 1.7% geothermal energy, and 1.1 biomass energy resources.

Installed Capacity (GW)



Source: TEIAS

Historical Installed Capacity Breakdown by Source (GW)

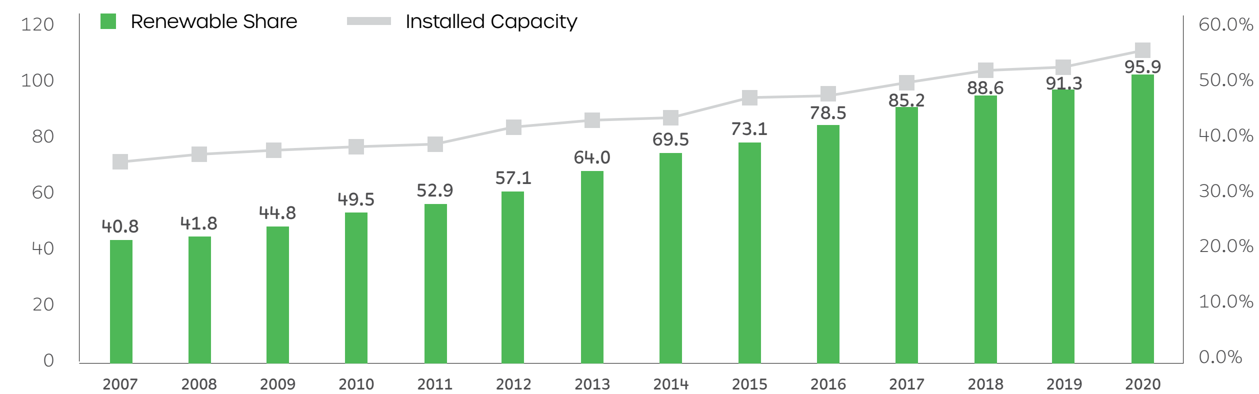


Source: TEIAS

Renewables expanded faster than non-renewables

Energy policies have favoured domestic resources, including local coal and all types of renewables. Fully utilizing domestic renewable energy resources and incorporating them into the economy are crucial to achieve resource diversity and decrease the economy's import dependency. For this reason, increasing the share of renewable energy in electricity generation and utilizing renewables as a heating source are objectives in the Turkey Strategic Plan 2019-2023. Renewables capacity has grown faster than any other fuel and technology and as a result of lower cost and incentives; most notably feed-in tariff mechanism that ensures power sales at fixed prices denominated in U.S. dollars. Renewable energy power plants accounted for 51.3% of the total installed capacity in 2020. The growing share of renewable energy is desirable as it reduces dependency on natural gas and coal, even though maintaining coal and natural gas-based power plants is critical to ensuring supply security. High dependence on imported fuels such as coal and natural gas raises concerns over pricing and availability.

Development of Renewables in Installed Capacity



Source: TEIAS

The government's share in total capacity is declining

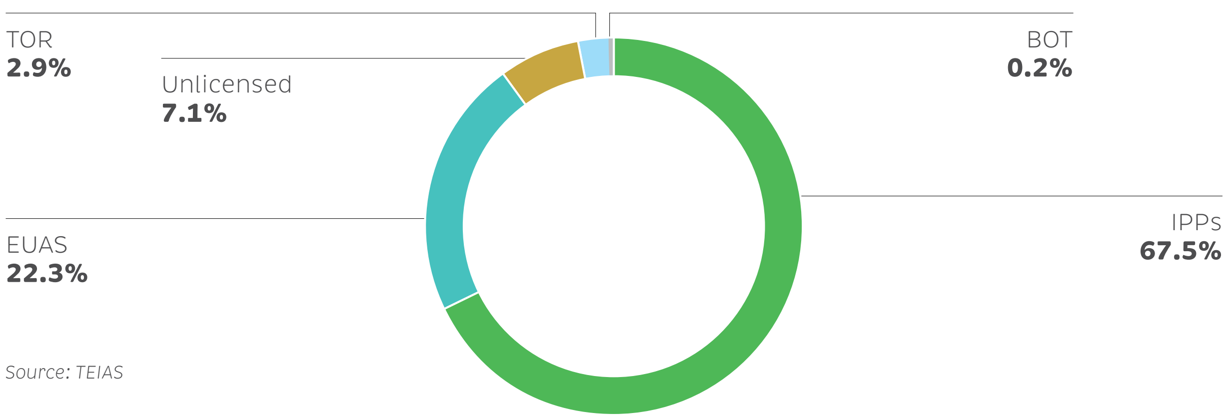
The breakdown of installed capacity per ownership reveals that "Electricity Generation Company (EUAS) is the largest single player in the market, yet government's share is declining. However, as part of governmental policy, EUAS share has decreased with ongoing privatizations for its generation portfolio to boost the market's competitiveness and bolster overall productivity of power plants in Turkey using private companies' financing and technical capability. This situation results in ultimately reducing Turkey's energy costs. The share of state-owned generation company EUAS in Turkey's total installed capacity has down trended over the past decade, falling down to 22.3% in 2020. The share of EUAS rose in the last two years mainly due to the completion of the contracts of build-operate-transfer and transfer of-operating-rights power plants and the transfer of these facilities to EUAS.

THE BREAKDOWN OF INSTALLED CAPACITY PER OWNERSHIP REVEALS THAT EUAS IS THE LARGEST SINGLE PLAYER IN THE MARKET, YET GOVERNMENT'S SHARE IS DECLINING.

During the year, the share of IPPs along with unlicensed power plants rose to 67.5%. Power plants operated under the build-operate-transfer (BOT) and transfer of operating rights (TOR) schemes together constitute 3.1% of the total installed capacity in the country. The output of these plants, mostly natural gas facilities, distort the industry's cost curve as they have a higher priority in the merit order, despite having higher marginal costs than coal-fuelled power plants and NGPPs, with greater efficiencies. The government's purchase guarantees for the majority of these power plants expired during the 2019-2020 period.

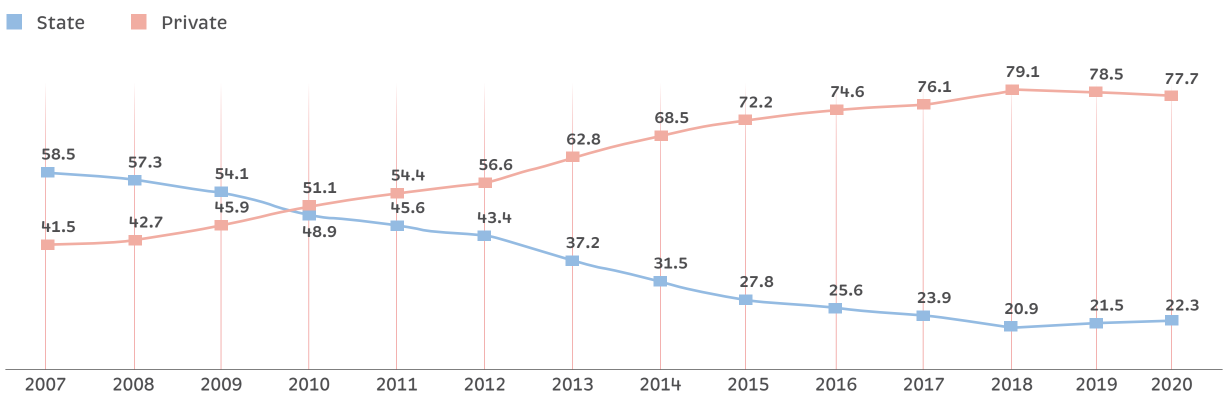
Energy Generation

Installed Capacity by Type (%, 2020)



Source: TEIAS

Historical State/Private Capacity Breakdown (%)

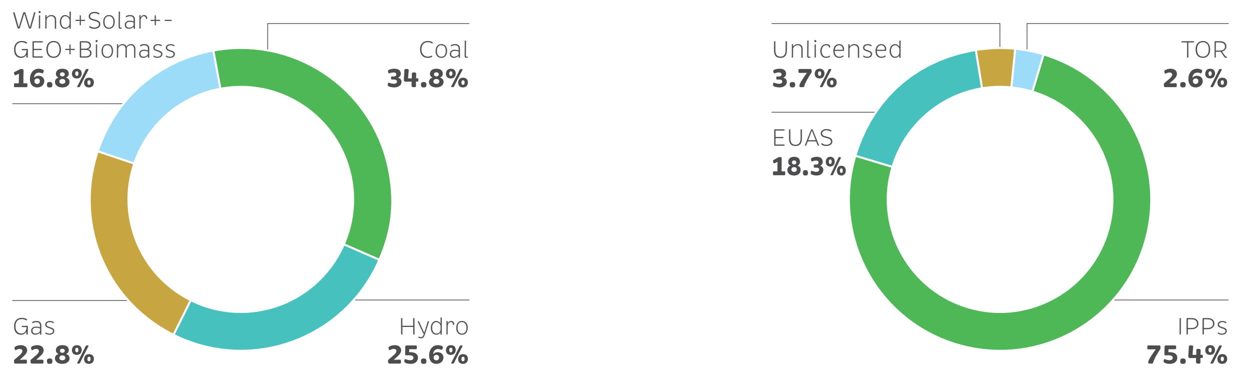


Source: TEIAS

Renewables' share of total generation decreased in 2020
Turkey recorded electricity generation of 305 TWh in 2020, broadly flat (+0.4%) year-on-year and below the net capacity increase of 5.1%. Renewables' share of total generation has lost momentum during the year, falling down to 42.4% (43.9% in 2019) and driven by lack of rainfall, although other renewables including wind, solar energy, geothermal energy and biomass energy resources continued their growth momentum with a 2pp improvement. Meanwhile, despite the fact that rehabilitation of privatized lignite power plants led to a 3pp decrease in coal power plants' share in the generation, thermal power plants' share of total generation increased to 57.6% in particular mainly attributable to the increase in NGPPs share as a result of a downward tariff adjustment of around 13% in natural gas in July 2020, while a lack of rainfall resulted in lower generation at hydroelectric power plants. At year-end 2020, Turkey's generation breakdown was as follows: 34.8% coal, 25.6% hydroelectric power, 22.8% natural gas and 16.8% other renewables including wind, solar energy, geothermal energy and biomass energy resources.

Independent power producers' share in Turkey's total electricity generation continued to rise and accounted for 75.4% of Turkish energy generation at the end-2020.

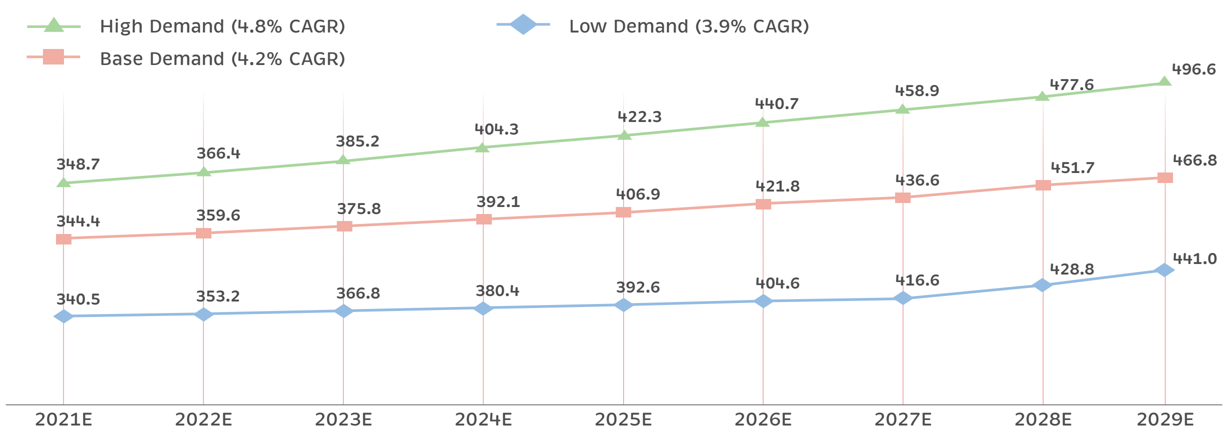
Generation Breakdown by Type and Source (%, 2020)



Source: TEIAS

Electricity demand forecast to grow 3.9% per year through 2029
According to the Turkish Electricity Transmission Company (TEIAS), the country's electricity demand is expected to expand by 3.9% annually to 466.8 TWh in the base case scenario by end-2029. Electricity demand is projected to increase by 4.6% and 3.4% on average per year based on high and low demand scenarios, respectively.

DEMAND PROJECTIONS (TWh)



Source: TEIAS

A strong investment pipeline ensures that renewables will outpace non-renewables
Turkish Electricity Transmission Company (TEIAS) runs two scenarios for installed capacity projections based on completion rates of ongoing construction. Completion rates of 10% and 15% are used for the scenarios; the plants are expected to come online gradually until 2024.

TEIAS estimates total new capacities of 18.1 GW and 16.7 GW coming online by end-2024 under scenarios 1 and 2, respectively. Projected capacity increases imply a CAGR of 4.4% and 4.1% until 2029 under these two scenarios. The bulk of the new planned capacity is composed of renewables - 73% of total investments. Besides, 80% of the investment is being undertaken by the private sector. Following renewables, natural gas-fired power plants account for 14%, while imported and local coal power plants make up 13%.

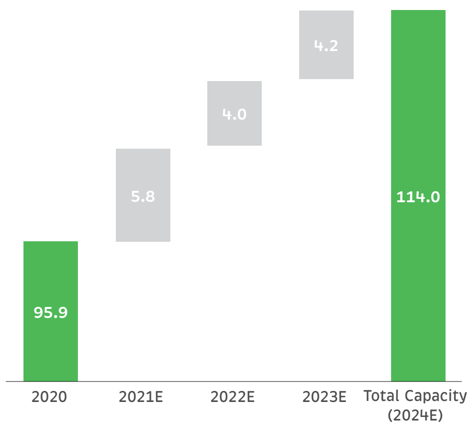
The net capacity increase is likely to materialize below these projections. Less efficient NGPPs may be closed in this period, and short delays to certain projects may be experienced. However, this might be partially offset by new fast track renewable PP projects during the period. The actual capacity expansion in 2020 was 4.6 GW, below TEIAS's expectations of 7.1 GW and 5.1 GW based on scenarios 1 and 2 respectively, due to the short delay to certain projects.

These capacity increases translate into a reliable production capacity growth of CAGR of 5.9% and 6.3%, respectively, versus TEIAS's growth projections of 3.9% for base demand. These new capacity projections indicate that a sufficient reserve margin will meet demand during the same period.

TEIAS ESTIMATES TOTAL NEW CAPACITIES OF 18.1 GW AND 16.7 GW COMING ONLINE BY END-2024 UNDER SCENARIOS 1 AND 2, RESPECTIVELY.

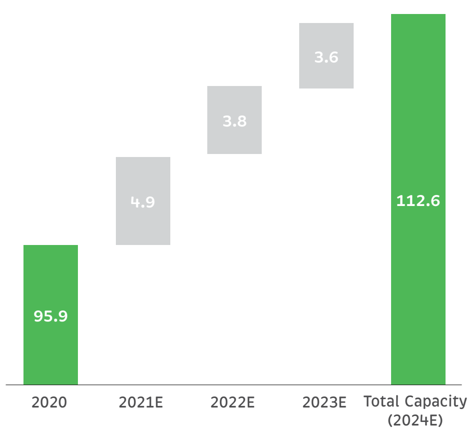
Government efforts to build power sector capacity have produced an intensive investment cycle over the past 12 years. As a result of slowing demand growth, Turkey's current power market is oversupplied with ample reserve production capacity. The Covid-19 impact on power demand in 2020 adds to the oversupply situation that is not expected to phase out until around 2025.

Capacity Projections (GW) - Scenario 1



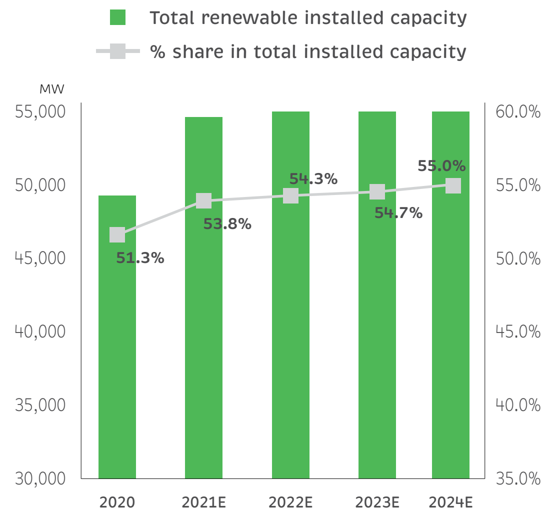
Source: TEIAS

Capacity Projections (GW) - Scenario 2



Source: TEIAS

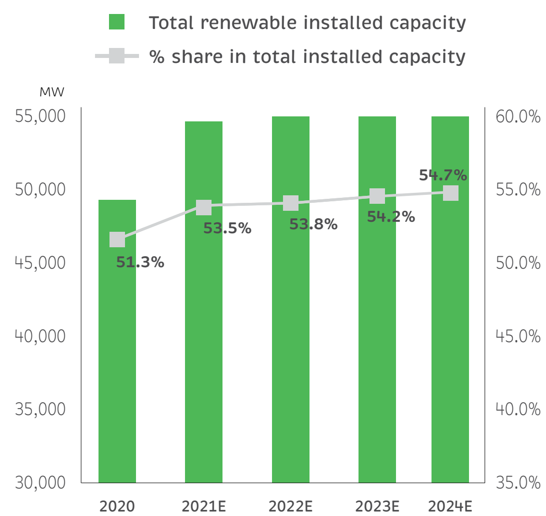
Renewable Projection in Scenario 1



Source: TEIAS

55.0%
SHARE IN TOTAL INSTALLED CAPACITY IN SCENARIO 1

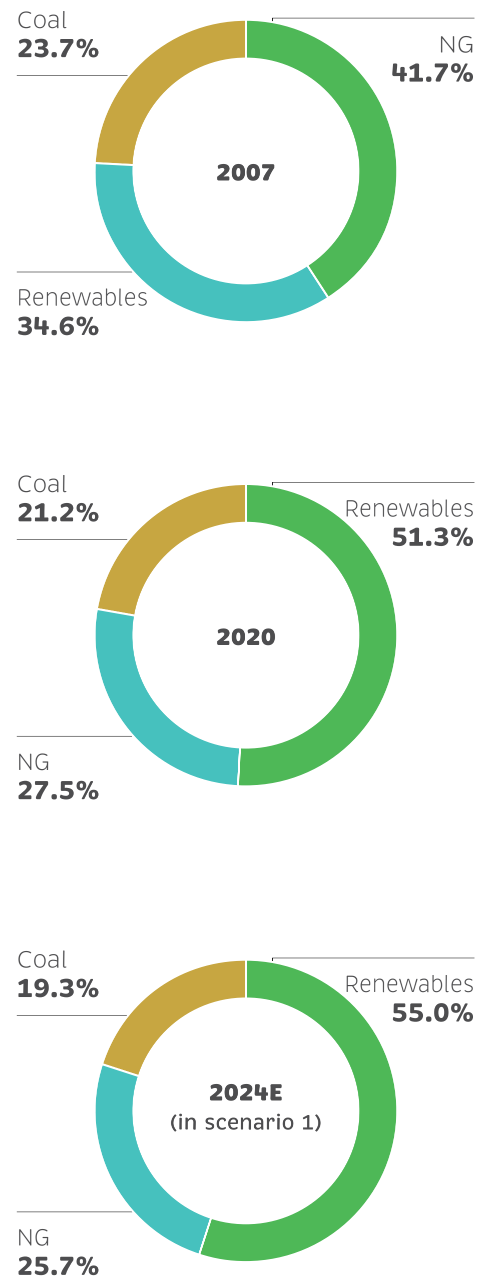
Renewable Projection in Scenario 2



Source: TEIAS

54.7%
SHARE IN TOTAL INSTALLED CAPACITY IN SCENARIO 2

Capacity Projections in Source



Government's Medium- and Long-Term Targets for the Energy Sector

The Energy Ministry has drawn up a road map (2019-2023 Strategic Plan, based on 2018 data) for energy as part of the government's ambitious strategic targets for 2023 - the centennial of the Turkish Republic. The two central themes of this strategy are the security of energy supply and energy efficiency. Strong and reliable energy infrastructure and optimal resource diversity are the major goals of the first theme. Optimum energy usage and improved capacity for energy efficiency and savings (policymaking and monitoring, a regulatory framework with effective incentives, public awareness and new technologies) are the key goals of the second theme.

Reducing Turkey's dependence on natural gas

Despite being surrounded by countries with large natural gas reserves, Turkey has reserves of only 18.5 bcm and low gas production, meeting less than 1% of the country's annual consumption. Natural gas supply is a critical factor for Turkey. More than 99% of its natural gas needs are imported, which widens Turkey's current account gap. To address the situation, the Ministry of Energy and Natural Resources has set strategic targets. These include reducing the usage of natural gas in power generation to below 30% by the end-2023. This target was already achieved as of year-end 2020 as the country's natural gas use fell to 23%. The Ministry also aims to build natural gas storage capacity to meet 20% of annual natural gas consumption by 2023. In addition, the government plans to shift to cheaper sources of natural gas, such as Northern Iraq and Israel, while reducing the country's reliance on Russia as the largest exporter of natural gas to Turkey.

TURKEY AIMS TO BOOST THE SHARE OF DOMESTIC COAL IN ELECTRICITY GENERATION BY TRANSFERRING COAL RESERVES TO THE PRIVATE SECTOR.

According to the announcement in August 2020, the Fatih drillship performing deep-sea drilling in the Black Sea has discovered a natural gas reserve of 320 bcm in the Sakarya Gas Field (Tuna-1 Zone). It was announced in October 2020 that an additional natural gas reserve of 85 bcm was discovered in the Tuna-1 Zone, thus increasing the discovered natural gas reserve from 320 to 405 bcm. The activities at the well in question were completed following reaching a depth of 4,775 meters as previously planned. Recent explorations and ongoing seismic and deep-drilling activities point to a potential rise in the natural gas production of Turkey in the upcoming period.

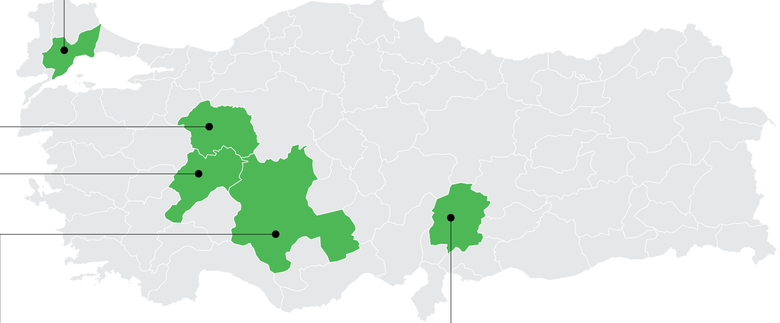
Transforming existing domestic coal resources into electricity generation

Turkey aims to boost the share of domestic coal in electricity generation by transferring coal reserves to the private sector with the requirement to build and operate coal-fired power plants in the vicinity. The target in the medium to long term is reaching a 20 GW domestic coal share in installed capacity, which was at around 11.3 GW as at year-end 2020. Turkey boasts significant coal reserves, totalling 17.3 billion tons and composed mostly of lignite. Among these reserves, the Afşin-Elbistan reserve alone has 4.8 billion tons of lignite resources, some 28% of Turkey's total lignite reserves. The reserves to be tendered with auctions bear 6.4 GW of installed generation capacity potential.

WHAT IS NEXT?

	Region/Bash	Total Reserves (Million Tons)	Total Resources (Million Tons)	Planned Installed Capacity (MW)	Current Status
1	Eskişehir/Alpu	Reserve determination studies are underway	568	1,100*	To be tendered
2	Konya/Karapınar	427	1,580	1,000	To be tendered
3	Afyo/Dinar	162	1482	500	To be tendered
4	Kahramanmaraş/Afşin Elbistan C-D	949	1,430	1,800	To be tendered
5	Tekirdağ/Malkara	Reserve determination studies are underway	676	1,000*	To be tendered
		TOTAL		**5,400**	

Source: The Republic of Turkey, Ministry of Energy and Natural Resources



TEKİRDAĞ/MALKARA
Mine Properties
License Owner **EUAS**
Method of Mining **Underground**
Resource **676 Mt**
Net Calorific Value **1987 kcal/kg**
Moisture Content **25.60%**
Ash Content **38.90%**
Sulphur Content **1.06%**
Geology,reserve and geotechnical field studies have been completed.
Hydrogeologicial studies are underway.
Planned Power **1,000 MW**

AFYON/DİNAR
Mine Properties
License owner **EUAS**
Method of mining **Underground**
Reserve area **1.200 ha**
Reserve **162 Mt**
Net Calorific Value **1.480 kcal/kg**
Seam Depths **100-600 m**
Moisture Content **39.8%**
Ash Content **25%**
Sulphur Content **1%**
Field studies, resource and reserve determination studies have been completed.
Planned Power **500 MW**

ESKİŞEHİR/ALPU
SECTOR B Mine Properties
License Owner **EUAS**
Method of Mining **Underground**
Resource **568 Mt**
Net Calorific Value **1.937 kcal/kg**
Moisture Content **32.1%**
Sulphur Content **1.21%**
Field studies have been completed.
Reserve determination studies are underway.
Planned Power **1,100 MW**

KONYA/KARAPINAR
Mine Properties
License owner **EUAS**
Method of mining **Open Pit**
Reserve area **2.106 ha**
Reserve **427 Mt**
Net Calorific Value **1.080 kcal/kg**
Seam Depths **130-310 m**
Moisture Content **48.4%**
Ash Content **24.4%**
Sulphur Content **2.3%**
Field studies,resource and reserve determination studies have been completed.
Planned Power **1,000 MW**

KAHRAMANMARAŞ AFŞİN/ELBİSTAN
SECTOR C - Mine Properties
License owner EUAS
Method of mining **Open Pit**
Reserve area **4,600 ha**
Reserve **949 Mt**
Net Calorific Value **1.145 kcal/kg**
Seam Depths **50-175 m**
Moisture Content **53.1%**
Ash Content **19.8%**
Sulphur Content **1.2%**
Field studies, resource and reserve determination studies have been completed.
Planned Power **1,800 MW**

Source: The Republic of Turkey, Ministry of Energy and Natural Resources

Nuclear energy to be added to the generation portfolio

To reduce energy import dependency and combat climate change, Turkey has taken major steps to introduce nuclear energy into its energy mix. Turkey signed an intergovernmental agreement with the Russian Federation in 2010 to construct nuclear power plants with 4,800 MW capacity. Technical evaluations and assessments for a third nuclear power plant are ongoing. The first station will include four units, each with a capacity of 1,200 MW. The goal is to have the first nuclear reactor operational by 2023, while the construction of the other three units is expected to be completed one per year by 2026. The share of nuclear energy in power generation is targeted at 10% in the medium term in Turkey.

Use of domestic renewable energy resources

Turkey's government aims to gradually boost the share of renewables in total installed capacity to 55% (51% at the end of 2020), implying a 62.3 GW installed capacity by 2024 (49.2 GW at the end of 2020). The objective is 33.2 GW of hydropower, 13.2 GW of wind energy, 11.8 GW of solar energy, 2.1 GW of biomass and 2.0 GW of geothermal source capacity. Turkey also aims to meet 10% of its transport sector's energy needs via renewable resources.

Unlicensed generation

In May 2019 via Presidential decree, the upper limit for installed capacity at renewable power plants that are eligible to operate without an EMRA license was increased from 1 MW to 5 MW. Distribution companies are obliged to purchase energy generated by unlicensed plants in accordance with the Renewable Energy Support Mechanism. The resolution stipulates that the installed capacity be limited to the connection power in the connection agreement of the power consumption facility and that both generation and consumption take place at the same measurement point. The resolution also states that the retail single-time active power fee for the specific subscriber group announced by the EMRA will apply to the surplus electricity generated at rooftop and facade solar power plants and other renewable power plants for a period of 10 years starting from the commissioning date of the plant.

TURKEY'S GOVERNMENT AIMS TO GRADUALLY BOOST THE SHARE OF RENEWABLES IN TOTAL INSTALLED CAPACITY TO 55%, IMPLYING A 62.3 GW INSTALLED CAPACITY BY 2024.

Mandatory contracts

BO & BOT plants sell their entire output at predetermined USD-based prices to state-owned generation company, TETAŞ (via Take or Pay Agreement). These facilities fully reflect hikes in NG costs to their electricity sales price with the "pass-through" clauses in the agreements signed, along with supply guarantees from state-owned natural gas pipeline company BOTAŞ. The majority of these contracts were terminated as of end-2019, while BO power plants (6.1 GW installed capacity) became IPPs, and working at much lower CURs, thereby having a positive impact on the demand-supply balance.

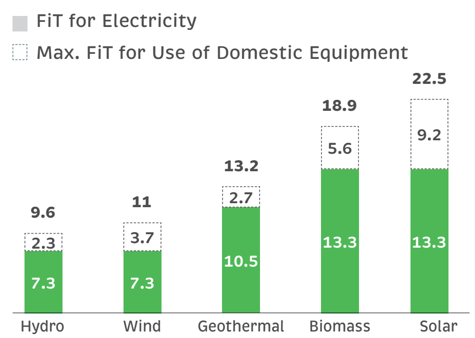
Feed-in-tariff

Turkey's parliament passed the Renewable Energy Law in 2005; the legislation was amended in 2010 to provide enhanced support. The Renewable Energy Law provides incentives for renewable energy sourced power plants commissioned between 2005-2020 through guaranteed purchase prices (feed-in-tariff) for 10 years. Additional price incentives are also available for use of local equipment at these plants, applicable for the first five years. As a result, the approved feed-in tariffs for hydro and wind (USD 0.073 per kWh) were comparable to the MCP (market clearing price). Meanwhile, the tariff for geothermal (USD 0.105 per kWh) and tariffs for biomass and solar (USD 0.133 per kWh) were significantly higher than the MCP.

A total installed capacity of 24.6 GW will benefit from the feed-in-tariff mechanism in 2021. Hydro plants with a total capacity of 13.1 GW account for a majority share, while wind power plants make up a total of 8.1 GW.

As a result of weak electricity prices prevailing on the spot market and significant depreciation of the Turkish lira since 2014, a record increase has occurred in the installed capacity of renewable energy plants participating in YEKDEM, the Turkish Renewable Energy Resources Support Mechanism implemented by Ministry of Energy. This situation has provided the opportunity to sell electricity at much higher prices than prevailing free-market prices of recent years. In 2018, a public announcement stated that YEKDEM would not be continued under the same conditions after December 31, 2020. As per the Presidential Resolution published in the Official Gazette on September 18, 2020, the condition for the commissioning of the generation plants eligible for YEKDEM by December 31, 2020 was extended to June 30, 2021. According to the resolution, the price support eligible for the YEK-certified generation plants subject to YEKDEM to be commissioned from January 1, 2021 to June 30, 2021 will apply until December 31, 2030.

Feed-in Tariff (USD Cent/kWh)*

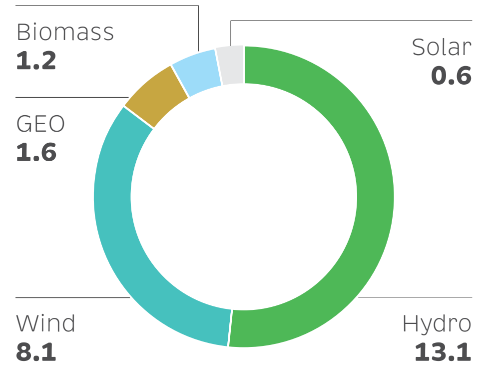


(*)Plants that become operational by June 30 2021 will be eligible to benefit from the FIT for a period of 10 years following their commercial operation date. Domestic equipment support is applicable for the initial 5 years of operation.

Source: Energy Market Regulatory Authority (EMRA)

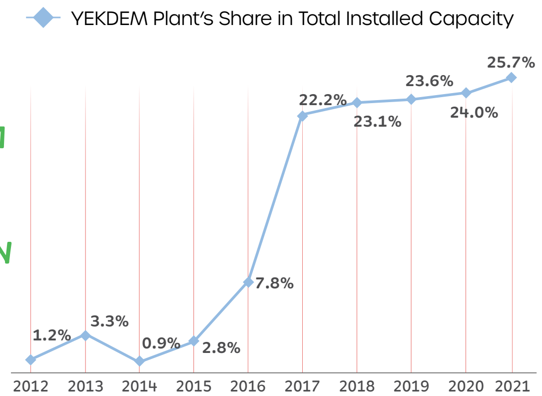
A TOTAL INSTALLED CAPACITY OF 24.6 GW WILL BENEFIT FROM THE FEED-IN-TARIFF MECHANISM IN 2021.

Feed-in-tariff Capacity (GW, 2021)



Source: EMRA

YEKDEM Plants' Share in Total Installed Capacity



Source: TEIAS

Details of the Turkish Lira based feed-in-tariff (YEKDEM) were published in the Official Gazette
According to the Presidential Decree published in the Official Gazette, the unit price MCP to be applied under the Renewable Energy Resources Support Mechanism (YEKDEM) for generation facilities holding Renewable Energy Resources (YEK) documentation, which will enter operation from July 1, 2021 to 31 December 2025, was determined as TL 0.40 per kilowatt-hour (/kWh) for electricity generated by hydroelectric power plants, TL 0.32/kWh for electricity generated by wind farms and solar power plants, TL 0.54/kWh for electricity generated from geothermal power plants and TL 0.32/kWh for electricity generated from resources obtained from by-products of refuse gas or waste tires at biomass power plants, TL 0.54/kWh for electricity generated at bio-energy plants and TL 0.50/kWh for generation from thermal disposal.

The domestic contribution price was set at TL 0.08/kWh and the domestic contribution margin application period was set at 5 years for these plants, where the YEKDEM implementation period will span 10 years.

These prices determined will be updated according to the methods determined on a resource basis in January, April, July and October of each year in quarterly periods starting from January 1, 2021. Prices will be adjusted each quarter, based on an index in which the Consumer Price Index (CPI) will have a 26% weighting, the Producer Price Index (PPI) will also have a 26% weighting, the USD exchange rate will have a 24% weighting, and in which the Euro exchange rate will have a 24% weighting.

An upper limit which is set in dollar terms will be applied when updating YEKDEM prices. This upper limit was determined as USD-cent 6.4/kWh for the electricity generated from hydroelectric production facilities, USD-cent 5.1/kWh for the electricity generated from wind and solar power production facilities, USD-cent 8.6/kWh for electricity generated from at geothermal energy facilities, USD-cent 5.1/kWh for electricity generated from by-products resulting from the processing of gas refuse or waste tires at biomass-based production facilities, USD-cents 8.6/kWh for electricity generated from biofuels, and USD-cent 8.0/kWh for electricity generated from thermal disposal.

THE MINISTRY OF ENERGY AND NATURAL RESOURCES DEVELOPED THE YEKA MODEL IN 2016 FOR LARGE-SCALE INVESTMENTS.

Renewable Energy Resource Area (YEKA)
The Ministry of Energy and Natural Resources holds tenders to transfer certain geographic areas to investors for electricity generation from renewable energy resources on the condition that domestically made equipment is used in these generation operations. YEKA projects in Turkey support the country's strategy for supply security and domestic and renewable energy resources but are also of great importance in terms of sustainable energy objectives. Tenders help attract foreign investors. On the other hand, the production of domestic energy equipment and incentives intended for R&D centres are also considered positive in terms of creating added value for the national economy, reducing the current account deficit and creating employment opportunities.

The Ministry of Energy and Natural Resources developed the YEKA model in 2016 for large-scale investments. The first YEKA tender was organized for Karapınar SPP in 2017, and Kalyon and its South Korean partner Hanwha won the tender. However, Hanwha decided to withdraw from the joint venture in January 2019 due to financial issues. In October 2019, Kalyon Energy and China Electronics Technology Group Corporation (CETC) closed a deal for a 500-MW solar panel factory, which was commissioned in August 2020. In September 2020, 4 MW of the 1,000-MW SPP was commissioned and the SPP started generating electricity. The first 1,000-MW WPP YEKA tender held in 2017 was awarded to the Siemens-Türkerler-Kalyon joint venture over a bid of 3.48 USD cents per kilowatt hour (kWh). Siemens Gamesa Renewable Energy Company started manufacturing nacelles in the newly-established company at the end of November 2019.

Table: Completed YEKA Tenders

	YEKA SPP-1	YEKA WPP-1	YEKA WPP-2
Location	Konya Karapınar	Edirne, Kırklareli, Sivas, Eskişehir	Aydın, Balıkesir, Çanakkale, Muğla
Date	3/20/2017	8/3/2017	5/30/2019
Capacity (MW)	1	1	1
Winning Price	69.9 USD/MWh	34.8 USD/MWh	35.3-45.6 USD/MWh
Sponsor Firm	Kalyon, CETC	Kalyon, Siemens Gamesa, Türkerler	Enerjisa (Aydın, Çanakkale) Enercon (Balıkesir, Muğla)
Purchase Warranty Period	15 years	15 years	15 years
Domestic Equipment Rate	60% for first 500 MW, 70% for second 500 MW	60%	55%

Source: EMRA

It was announced in 2018 that January 2019 would be the deadline for applications regarding Turkey's second-largest solar power plant tender. This tender incorporated three separate contests, one for an installed capacity of 500 MW in Viranşehir, Şanlıurfa, one for 200 MW in Erzin, Hatay and one for 300 MW in Bor, Niğde. However, it was announced in January 2019 that the tender was cancelled. YEKA tenders continued in 2018 as well. On June 21, 2018, a tender for a 1,200-MW offshore wind farm project was announced, but this tender was postponed since it failed to attract sufficient demand.

THE YEKA WPP-2 TENDER WAS HELD ON MAY 30, 2019. THE TENDERS COVERED WPPS WITH AN INSTALLED CAPACITY OF 250 MW IN BALIKESIR, ÇANAKKALE, AYDIN AND MUĞLA.

The YEKA WPP-2 tender was held on May 30, 2019. The tenders covered WPPs with an installed capacity of 250 MW in Balıkesir, Çanakkale, Aydın and Muğla. Enercon and EnerjiSA were each awarded two of these tenders. Enercon's bid of 4.00 USD cents/kWh enabled the company to win the Muğla tender, while a bid of 3.53 USD cents/kWh secured the Balıkesir tender. EnerjiSA, on the other hand, was awarded the Aydın tender with a bid of 4.56 USD cents/kWh and the Çanakkale tender with a bid of 3.67 USD cents/kWh. The applications for 74 YEKA tenders, also known as Mini YEKA and targeting a total installed capacity of 1,000 MW, were postponed from October 5-9, 2020 to January 18-21, 2021, and then to March 8-12, 2021. As of the time of reporting, the Ministry of Energy and Natural Resources has announced that demand was robust and that a total of 709 applications were received, corresponding to 9,440 MW installed capacity to 74 mini YEKA competitions with a target capacity of 1,000 MW. In addition, pre-license applications for 2,000-MW wind power plants to be received on October 5-9, 2020 were also postponed.

Table: Cancelled, Postponed, Pending YEKA Tenders

	YEKA SPP-2 (Cancelled)	YEKA Off-Shore WPP-3 (Postponed)	Mini YEKA SPP-3 (Application will be revieved)*
Location	Niğde, Hatay, Şanlıurfa	Gelibolu, Saroz, Kıyıköy	36 region (74 YEKA tender)
Capacity (MW)	1	1.2	1
Celling Price	65 USD/MWh	80 USD/MWh	300 TL/MWh
Purchase Guarantee Amount	15 years	-	15 years
Purchase Guarantee Amount	-	50 TWh	-
Domestic Equipment Rate	60%	60%	60%

*Applications were accepted on March 8-12, 2021.
Source: EMRA

Hybrid Technologies
Hybrid technology, with various examples around the world, entered the agenda of the Turkish energy sector with the publication of the relevant regulation by EMRA on March 8, 2020.

Defined by EMRA as "electricity generation plants based on more than one resource," "plants generating electricity based on a hybrid technology" cover combined renewable electricity generation plants, combined electricity generation plants, electricity generation plants with auxiliary resources and combined combustion electricity generation plants.

Hybrid technologies usually mean the combination of two or more power generation modes to provide electricity continuously, or at critical moments. Combined renewable electricity generation plants represent a single power generation plant established to generate electricity from more than one fully renewable energy resource that is connected to the grid from the same connection point, while combined electricity generation plants refer to a single electricity generation plant established to generate electricity from more than one energy resource connected to the grid from the same connection point.

HYBRID TECHNOLOGY, ENTERED THE AGENDA OF THE TURKISH ENERGY SECTOR WITH THE PUBLICATION OF THE RELEVANT REGULATION BY EMRA ON MARCH 8, 2020.

Considered as hybrid technology electricity generation plants, electricity generation plants with auxiliary resources are defined as a single electricity generation plant using another energy resource during the thermal transformation of generation plants. Finally, combined combustion electricity generation plants are defined as a single generation plant combusting an auxiliary renewable resource in addition to the main resource at the same plant within those electricity generation plants using resources other than renewable energy resources.

It is possible to use two or more renewable and thermal energy resources at hybrid technology power plants. According to the needs of the respective projects, these plants can be designed as on-grid, off-grid and green-line plants. Hybrid technology power plants involve the integration of conventional thermal power plants with renewable power plants, or else integration among renewable power plants in order to improve system efficiency and also ensure energy supply balance.

Global Investment Holdings in the industry
Global Investment Holdings' total installed capacity amounts to 94.1 MW, of which 40.0 MW is from renewable sources. GIH has a co/tri-generation capacity of 54.1 MW, with an additional 29.2 MW in biomass. Additionally, GIH has two solar power plants totalling 16.8 MWp, of which 10.8 MWp was fully commissioned at the end of 2019 and 6 MWp is under development and planned to be operational by 2022.

GLOBAL INVESTMENT HOLDINGS' TOTAL INSTALLED CAPACITY AMOUNTS TO 94.1 MW, OF WHICH 40.0 MW IS FROM RENEWABLE SOURCES.

Power generation capacity climbing to 300 MW while expanding internationally
GIH's strategy is to develop green energy projects with attractive long-term feed-in tariffs and innovative energy efficiency solutions. In the coming years, Global Investment Holdings plans to establish a diversified and balanced power generation portfolio, both in terms of resources and geography. GIH is also looking at developing and/or acquiring additional renewable energy projects in a variety of regions, especially in the Caribbean by leveraging local relationships of its Ports business. GIH aims to boost its current 94.1 MW combined installed capacity in renewable energy and energy efficiency investments to 300 MW within the next couple of years.

Biomass sector at a glance

As a major agricultural producer, Turkey's non-food crops, farm residues and waste present a significant untapped potential for biomass energy. The Renewable Energy General Directorate estimates Turkey's annual biomass potential at 50 million tons. The country has the potential to install more than 5,000 MW of biomass-based power capacity. Biomass-based power generation in Turkey is a newly-emerging field, accounting for less than 1% of total electricity generation today.

Global Investment Holdings intends to capitalize on this significant potential.

Production of energy from biomass is expected to gain traction in the near future. Significantly, the harnessing of this energy source will reduce the country's dependence on imported non-renewable resources such as natural gas. Biomass energy generation is also expected to make agricultural activity more efficient.

Biomass can be obtained from a variety of agricultural residues. These include, but are not limited to corn and cotton stalk, sunflowers, wheat, rice husks and hazelnuts, all of which have high calorific value. Biomass in the form of manure can be obtained from livestock farms.

Unlike widespread programs in more developed countries, biomass resources have no common economic use in Turkey. Farmers or producers either remove and burn the residue, despite legal prohibitions and damage to soil efficiency, or else mix the residue with soil, incurring additional costs. Livestock farms face greater difficulties and higher costs with respect to compliance with environmental regulations in handling animal waste.

GLOBAL INVESTMENT HOLDINGS IS TURKEY'S LEADING BIOMASS POWER PRODUCER FROM RESIDUES AND WASTE FROM AGRICULTURAL FIELDS, FORESTS, AND LIVESTOCK WITH A TOTAL INSTALLED CAPACITY OF 29.2 MW.

Biomass resources have a relatively high calorific value - ranging up to 4,000 kcal/kg - in comparison to alternative fuel types that can be produced locally, such as lignite. However, establishing a sustainable and economic supply chain, in addition to storing biomass in large volumes, are vitally important in terms of power plant feasibility.

The Renewable Energy Law sets the purchase price for electricity produced by a biomass power plant at USD 0.133 per kWh for the first 10 years of production. An additional tariff incentive of up to USD 0.056 per kWh is applicable for the first five years of operation as long as certain specified components of those biomass power plants are manufactured within Turkey.

Global Investment Holdings in the sector

Global Investment Holdings is Turkey's leading biomass power producer from residues and waste from agricultural fields, forests, and livestock, with a total installed capacity of 29.2 MW at its Aydın-Söke (12 MW), Mardin-Derik (12 MW) and Şanlıurfa-Haliliye (5.2 MW) power plants. These facilities generate about 200 kWh of electricity per annum, meeting the electricity requirement of over 80 thousand households; they are subject to the Renewable Energy Resources Support Mechanism (YEKDEM), selling electricity at USD 0.133 per kWh.

The facilities are located in close proximity to key supply areas where biomass is collected from diversified sources with its own equipment and personnel, in addition to those of selected subcontractors.

Global Investment Holdings is one of very few companies to combine biomass collection and power plant operations under a single roof.

By converting residues and waste from agricultural fields, forests and livestock into energy, Global Investment Holdings aims to reduce Turkey's dependence on energy imports and thereby contribute to the national economy. The Company's efforts also promise significant regional employment opportunities. These clean and domestic resources, which are collected and converted from the field in an environmentally conscious manner, are a type of renewable energy.

GLOBAL INVESTMENT HOLDINGS WILL REMAIN AN INDUSTRY PIONEER, SPEARHEADING THE DEVELOPMENT OF BIOMASS PROJECTS IN VARIOUS LOCATIONS ACROSS TURKEY.

Global Investment Holdings, pursuant to its strategy related to biomass supply security, has entered into long-term contractual agreements with both private and state-owned farms. The scope of the contracts includes the rights to access and collect, or receive, biomass from the respective facility or farm.

Global Investment Holdings will remain an industry pioneer, spearheading the development of biomass projects in various locations across Turkey to achieve a substantial installed biomass capacity.

Turkey has high solar energy potential thanks to its geographic location
Turkey boasts an advantageous geographic position in terms of solar radiation. According to the Solar Energy Map (SEM) of Turkey prepared by the Renewable Energy General Directorate, the country's total annual insolation time was calculated at 2,741 hours (a total of 7.5 hours per day), with total solar energy derived per year of 1,638 kWh/m^2 (total 4.5 kWh/m^2 per day). Turkey is considered one of the three most suitable areas worldwide for solar energy, after Morocco and the USA, holding major potential in this regard.

While solar energy technologies are extremely varied in terms of their methods, materials and technological levels, they can be categorized into two principal groups:

Solar Cells: Semi-conducting materials, also known as photovoltaic solar energy systems, convert sunlight directly into electricity.

Photo-emissive Solar Technologies and Concentrated Solar Power (CSP): In this system, heat is obtained from solar energy, and can be used either directly, or in the generation of electricity.

Turkey's total established solar collector area as of 2020 was calculated at close to 20 km^2. Nearly 823,000 TEP (tons equivalent to petrol) heat energy was produced using solar collectors during the year.

Solar is a field that is more mature and developed in other international markets. As a result, solar-based power generation in Turkey still offers significant potential. Only about 6% of the country's total electricity generation originates from solar resources. As of end-2020, the total installed capacity of solar power plants in Turkey is 6,667 MW, with 6,258 MW unlicensed and 410 MW licensed. Turkey aims to develop around 12 GW additional installed capacity in solar energy by 2024, increasing the share of the solar power plant in installed capacity to 10.4% from 7% at the end of 2020.

GLOBAL INVESTMENT HOLDINGS PLANS TO ESTABLISH A SIGNIFICANT SOLAR POWER GENERATION CAPACITY WITHIN THE NEXT FEW YEARS.

Turkey has set certain targets for the nation's centennial celebrations in 2023. One target is to initiate a major renewable energy and energy efficiency program. This initiative will draw on Turkey's favourable geographic conditions for generating wind, solar and geothermal power. The program aims to boost the nation's renewable and domestic energy share in total power supply to two-thirds by 2023.

The applications for 74 YEKA tenders, also known as Mini YEKA and targeting a total installed capacity of 1,000 MW, were postponed from October 5-9, 2020 to January 18-21, 2021, and then to March 8-12, 2021. As of the time of reporting, that The Ministry of Energy and Natural Resources has announced that demand was so strong and a total of 709 applications were received, corresponding to 9,440 MW installed capacity to 74 mini YEKA competitions with a target capacity of 1,000 MW.

Global Investment Holdings in the industry
Global Investment Holdings' solar-based installed capacity stands at 16.8 MWp, of which 10.8 MWp was fully commissioned at the end of 2019 and 6 MWp is under development and planned to be operational by 2022.

Global Investment Holdings plans to establish a significant solar power generation capacity within the next few years. GIH continues to develop additional projects in accordance with both licensed and unlicensed regulations in Turkey. In addition, GIH actively pursues plans to bid on government tenders, YEKA, in solar, while also evaluating various opportunities abroad in the sector. Thanks to its integrated business approach, GIH started to utilize its expertise and network gained in the ports business, to improve and expand its energy business line. GIH aims to expand the same business model in destinations where it operates ports, especially in the Caribbean.

The Group is also planning to start solar farm investments during the year at its biomass plant areas in parallel with the new hybrid generation regulation to improve generation volume, as well as plant efficiencies.

SOLAR – RA SOLAR

Global Investment Holdings' first solar plant
Global Investment Holdings added its first solar power plant to its renewables portfolio during the year.

GIH commissioned its first solar power plant, Ra Solar, with 10.8 MWp installed capacity in Mardin in end-2019.

Ra Solar is subject to Renewable Energy Resources Support Mechanism (YEKDEM) starting from 2020, selling electricity at USD 0.133 per kWh for a 10-year period.

The solar plant is located in Mardin/Artuklu, Turkey's southeast region. Ra Solar is one of the largest solar-based power plant investments in the region. The facility generates about 20 million kWh electricity per annum, meeting the electricity requirement of more than 7.5 thousand households.

SOLAR – BARSOLAR

Global Investment Holdings' first international solar plant
Global Investment Holdings registered its first international power-generation investment with the establishment of Barsolar in Montenegro. Barsolar plans to develop a roof-top solar plant in the Port of Adria, Bar.

GLOBAL INVESTMENT HOLDINGS ADDED ITS FIRST SOLAR POWER PLANT TO ITS RENEWABLES PORTFOLIO DURING THE YEAR.

Global Investment Holdings' 51% subsidiary in solar energy, Barsolar D.O.O. Bar in Montenegro was granted Temporary Status of Privileged Energy Producer, enabling the company to sell electricity under a feed-in-tariff, at EUR 0.12 per kWh for 12 years.

Located on Montenegro's western coast on the Adriatic Sea, Bar is situated at the foot of Rumija Mountain. From Bar, a railway line connects central and northern Montenegro; the rail line extends further to Belgrade, the capital of neighbouring Serbia. Ferry lines connect the city with Bari on the Italian coast. Global Ports Holding, the main subsidiary of GIH that invests in port terminals around the world, has been operating Port of Adria since 2012 through a concession agreement valid until 2043.

Barsolar is expected to generate about 6.9 million kWh of electricity per year, meeting the electricity requirement of more than 2.6 thousand households. The solar power plant will be constructed on warehouse roofs covering an area of over 66,000 square meters at the port. The total installed capacity of the plant is planned as 6 MWp.

The company is planning to start construction in Q2 2022 and commence power generation in Q3 2022. Once operational, Barsolar will be the investor and operator of the largest solar power plant in Montenegro.

CO/TRI-GENERATION
Turkey meets a significant share of its energy demand via imported energy resources. With power figuring among the largest commodity expenses for the manufacturing and services industries, energy reserves need to be maximized while meeting current energy needs using fewer resources. As a result, both large and small enterprises should formulate a power strategy. Procurement and energy efficiency are fundamental pillars of any coherent power-related strategy.

Tres Energy effectively addresses these issues by offering unique solutions that optimize one of the core expenses of any business. Even as the power sector evolves, energy efficiency and carbon emission policies will remain primary concerns for users. The need for energy efficiency will require all commercial consumers, especially those with greater exposure to power costs, to develop and make new infrastructure-related investments. The overall sustainable competitive advantage of a company depends on effectively managing these factors.

Established in 2012 and 95.8% owned by Global Investment Holdings, Tres Energy delivers power supply and energy efficiency solutions to industrial and commercial customers. The company also builds and operates customized generation facilities. Tres Energy works to create measurable added-value for customers that result in significant energy savings.

The company provides Turkish corporate energy consumers an advantage over their international competitors in terms of input costs by delivering uninterrupted access to high-quality power at competitive prices. This is achieved by adapting a performance-boosting business model, tested worldwide, to fit Turkey's commercial and legal framework.

TRES ENERGY DESIGNS, CONSTRUCTS AND OPERATES SMALL- AND MID-SIZED TURNKEY POWER PLANTS FOR INDUSTRIAL AND COMMERCIAL CUSTOMERS.

Power Plants
Tres Energy designs, constructs and operates small- and mid-sized turnkey power plants for industrial and commercial customers. The company provides power generation solutions based mainly on combined heat and power generation facilities (cogeneration/trigeneration). These customers use energy in a number of different forms, such as electricity, heat and cooling.

Tres Energy identifies the optimal energy generation system and capacity specific for each customer. It then delivers solutions based on alternative business structures, including build-operate models. The company completes power generation facilities without receiving customer funding, thereby relieving clients of the financial burden of additional capital expenditure. Tres Energy also secures savings on the customer's energy costs based on a long-term bilateral agreement.

Tres Energy has created a "one-stop-shop" that comprehensively covers its customers' energy needs. Drawing on its experienced workforce and robust financial structure, the company performs a free-of-charge energy analysis for enterprises. It can then install the cogeneration/trigeneration facilities that best correspond to customer needs while undertaking all investment costs to provide high-quality, reliable and inexpensive energy. Tres Energy also operates these cogeneration/trigeneration facilities, thereby managing a customer's entire energy infrastructure.

54.1 MW Generation Capacity
At present, Tres Energy has a total installed capacity of 54.1 MW. The company also aims to finalize additional contracts with several industrial and commercial consumers, thus expanding its co-generation capacity nationwide.

The company's build-operate contracts range in duration according to customer preference, lasting up to 13 years excluding the construction period. Current customers operate across a range of industries, including ceramic tiles, forestry products, food processing and paper production. Large shopping centres are among other commercial users. Prospective pipeline projects cover a variety of facilities and sectors such as hospitals, hotels, the textile industry, and other industrial and commercial areas.

TRES ENERGY PLANS TO CONCLUDE ADDITIONAL CONTRACTS WITH PROSPECTIVE CONSUMERS IN THE NEAR FUTURE.

Tres Energy plans to conclude additional contracts with prospective consumers in the near future, expanding its cogeneration capacity across Turkey.

Gas

TURKEY'S AND EUROPE'S LEADING NON-PIPED NATURAL GAS DISTRIBUTOR IN TERMS OF STATION INFRASTRUCTURE AND BULK SALES VOLUME...

Naturelgaz, a subsidiary of GIH, is Turkey's 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. 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 due to economic or geographic constraints. In addition, Naturelgaz supplies CNG for mainly heavy-duty vehicles and provides operational services to natural gas wells that are not able to connect to the national pipeline network, by adding value with the CNG system.

The Turkish non-piped natural gas market (LNG + CNG) is based on bulk products supplied to industrial facilities, commercial consumers, districts and towns that lack access to natural gas pipelines, as well as natural gas supplied to vehicles (Auto CNG). As of end-2020, the total market is forecasted to reach 698.5 mcm, of which CNG has a 33.7% share or 235.2 mcm.

In 2020, Naturelgaz distributed 170.2 million Sm³ of CNG and 3.2 million Sm³ of LNG as the market leader in the Turkish non-piped natural gas market in terms of sales volume. As of 2020 year-end, Naturelgaz is forecasted to capture a 24.8% share of the total non-piped natural gas market (including Auto CNG sales) and a 72.4% share of the CNG market in Turkey.

Naturelgaz owns the most solid infrastructure in Turkey, mainly in the CNG product:

CNG infrastructure consists of 13 bulk CNG plants, 9 Auto CNG stations, 341 CNG road tankers, 67 industrial-scale compressors and 102 trucks (22 self-owned and 80 outsourced).

IN 2020, NATURELGAZ DISTRIBUTED 170.2 MILLION SM³ OF CNG AND 3.2 MILLION SM³ OF LNG AS THE MARKET LEADER IN THE TURKISH NON-PIPED NATURAL GAS MARKET IN TERMS OF SALES VOLUME.

In terms of LNG product, Naturelgaz supplies LNG customers with 6 LNG road tankers, 44 LNG storage tanks and 94 ambient air heated vaporizers.

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

- **Bulk (Industrial) CNG Plants:** İzmir, Bursa, Adapazarı, Antalya, Konya, Kayseri, Kırıkkale, Osmaniye, Rize, Elazığ, Kırklareli, Ordu, Denizli
- **Auto CNG Stations:** Istanbul/Alibeyköy, Bolu, Kocaeli/Çayırova, Kocaeli/Şekerpınar, Bursa, Eskişehir, Konya, Aksaray, Mersin

2020: HIGHLIGHTS

In 2020, Naturelgaz has sustained its solid financial position, despite the impacts of the Covid-19 pandemic thanks to its operational capability, efficient cost management structure and new business development efforts.

Highlights from the year included:

- Naturelgaz took a significant step towards its inorganic growth strategy and signed an SPA to purchase 100% of SOCAR Turkey LNG Satış A.Ş. ("SOCAR LNG") on February 6, 2020. The acquisition has been successfully concluded at a total consideration of TL 32.4 million and the purchase price has been fully paid, in cash. As of October 30, 2020, shares of SOCAR LNG have been transferred to Naturel Doğal Gaz Yatırımları A.Ş. ("Naturel Doğal Gaz"), a 100% subsidiary of Global Investment Holdings, and as of December 23, 2020, Naturel Doğal Gaz and SOCAR LNG were merged under Naturelgaz. Following the acquisition, Naturelgaz enlarged its CNG infrastructure with the addition of 2 bulk CNG plants and 6 Auto CNG stations; reaching out to new regions in bulk CNG and increasing its Auto CNG network on critical routes of heavy-duty vehicle transportation in Turkey. In addition to CNG infrastructure, Naturelgaz completed its product portfolio in the non-piped natural gas sector by entering into the LNG business with ready-to-use infrastructure and customer portfolio.
- In 2020, sales volume increased by 3.8% YoY, to 173.4 million Sm³, driven mainly by the increase in City Gas. City Gas sales volume surged by 47.5% as a result of the winning of new tenders and increased number of subscribers in towns already supplied by Naturelgaz. However, lockdown measures and the contraction in economic activity due to the Covid-19 pandemic have adversely affected the production capacity of some customers, and as a result, bulk CNG and LNG sales volume remained flat. Furthermore, Auto CNG sales volume has declined due to the negative effects of the Covid-19 pandemic on public transportation and the delay in the tender process. Yet, Naturelgaz maintained its market leadership, controlling c.25% share of the total non-piped natural gas market and c.72% share of the CNG market in Turkey.
- On the financial front, revenues increased by 6% YoY, reaching TL 452.1 million, and reflecting the revenue increase from City Gas, Well Head CNG operations and the addition of LNG revenues as a result of the SOCAR LNG merger. However, the increase in revenues was offset in part by a reduced-price margin due to the BOTAŞ tariff change.
- EBITDA reached TL 96.0 million in 2020, translating into a 21.2% EBITDA margin compared to 23.6% in 2019. Despite the gross margin was broadly flat YoY at 29%, such decline has stemmed from Opex increase due to the ongoing expenses of the recently acquired stations in the last two months, which will start to generate margins in-line with outstanding stations in the coming years.
- In 2020, Naturelgaz continued to invest to expand the coverage of its plant network and established Kırklareli (Lüleburgaz) CNG filling plant to supply CNG to 13 districts and towns in the Thrace Region of Turkey.
- Naturelgaz's main drivers of growth were as follows:
  - Strong focus on maintaining the leading position in the non-piped natural gas sector by developing new sales channels and achieving operational excellence
  - Established long-term relationships with customers addressing demand and needs with tailored solutions
  - Seamless execution of the overall operation, from the gas procurement phase to gas supply to customers
  - Efficiency in the operational cycle and effective use of existing capacity via remote monitoring systems
  - Optimization of logistics and equipment management
  - Sound management of health and safety practices
  - Lean and efficient organizational structure

IN 2020, NATURELGAZ CONTINUED TO INVEST TO EXPAND THE COVERAGE OF ITS PLANT NETWORK AND ESTABLISHED KIRKLARELİ CNG FILLING PLANT.

Naturelgaz

MAIN BUSINESS LINES:

a) Bulk (Industrial) CNG and LNG
In terms of Bulk (Industrial) CNG product, with its 13 bulk CNG plants around Turkey, 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.

Like Bulk CNG, Bulk (Industrial) LNG is used in similar business lines, 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 by LNG road tankers and made ready-to-use through storage tanks and vaporizers installed at customer sites.

In 2020, Naturelgaz generated a sales volume of 141.0 million Sm³ of bulk CNG and 3.2 million Sm³ of bulk LNG. In 2021, the company is aiming to focus on new customer acquisitions to reduce the effects of seasonality and boost market share.

b) Auto CNG
In 2020, Naturelgaz generated a sales volume of 5.6 million Sm³ from its Auto CNG stations. The company also continued to supply 120 CNG buses of private operators working for the Istanbul Metropolitan Municipality.

Regarding the development of the Auto CNG market, Naturelgaz is focused on the road and in-city transportation sectors to supplement existing bulk CNG and LNG sales. Compared to other energy sources, the two key advantages of using CNG in road transportation are cost-saving and environmental sustainability.

IN 2020, NATURELGAZ GENERATED A SALES VOLUME OF 141.0 MILLION SM³ OF BULK CNG AND 3.2 MILLION SM³ OF BULK LNG.

The target customer segments in Auto CNG are:
- Route-to-route logistics operators
- Closed-loop in-city passenger bus operators
- Closed-loop garbage truck operators

Naturelgaz cooperates with OEM vehicle producers to expand the number of CNG vehicle options in Turkey, believing that OEM CNG vehicles will drive higher market growth. In addition, during the transition process, Naturelgaz cooperates with conversion companies to offer alternative solutions to its customers.

c) City Gas
City Gas - an initiative supported by The Ministry of Energy and Natural Resources & Energy Market Regulatory Authority - declares that districts and towns not currently connected to natural gas pipelines in Turkey due to economic or geographic constraints will be supplied by CNG and LNG via tenders. The requisite low-pressure pipeline infrastructure is being established in towns by natural gas distribution companies connecting households to natural gas via the CNG and LNG system.

With City Gas, Turkey aims to expand the reach of natural gas to additional towns via tender offerings. Naturelgaz participates in such tenders to sustain its solid position in the sector.

This business line is strategic for Naturelgaz not only given the opportunity to increase volumes but also to raise efficiency.

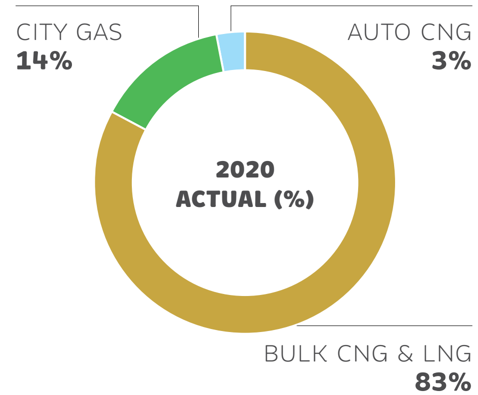
In 2020, Naturelgaz supplied 23.6 million Sm³ CNG to 51 districts and towns with a total population of 1.1 million in cooperation with licensed district gas distributors.

d) Well Head CNG
There is a clear need for CNG in gas wells with uncertain reserves, or where the closest gas pipeline is remotely located and the connection is not economically viable. In 2018, Naturelgaz began to supply CNG equipment and operational services to two natural gas production companies at the Silivri and Gelibolu gas wells. In 2019, Naturelgaz signed a contract with a company to set up a well head CNG plant and distribute the gas in CNG form from the gas field to the daughter field, where the gas will be injected into the pipeline, and the project was put in operation in February 2020. During 2020, Naturelgaz recorded an EBITDA of TL 2.9 million from well head CNG operations.

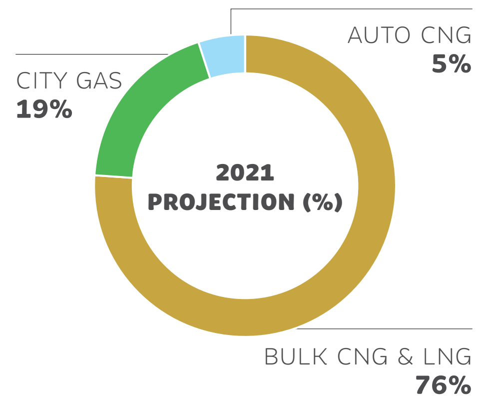
FOCUS IN 2021:
1. **Bulk CNG and LNG:** Naturelgaz will focus on acquiring new customers with a stable consumption pattern throughout the year to reduce seasonality and expand the existing customer base.
2. **Auto CNG:** Naturelgaz aims to extend the coverage of its Auto CNG stations, develop Auto CNG projects in cooperation with OEM producers and conversion companies, and evaluate cooperation opportunities with fuel distribution companies to expand the station network.
3. **City Gas:** Turkey still has many regions that are not reached by natural gas, either because of geographical obstacles or inadequate economics. Naturelgaz aims to prioritize the City Gas project by increasing coverage and sales volume to curb the effects of seasonality and make efficient use of equipment in winter possible.
4. **Well Head CNG:** Naturelgaz aims to increase its project portfolio by supplying integrated CNG solutions to well operators, mainly in Turkey's Thrace region.
5. **International Expansion:** In 2021, Naturelgaz aims to extend its experience and investments to surrounding markets such as Africa that have an underdeveloped power infrastructure, and therefore solid growth potential. In addition, new international expansion and project opportunities will be evaluated.

IN 2021, NATURELGAZ AIMS TO EXTEND ITS EXPERIENCE AND INVESTMENTS TO SURROUNDING MARKETS SUCH AS AFRICA THAT HAVE AN UNDERDEVELOPED POWER INFRASTRUCTURE.

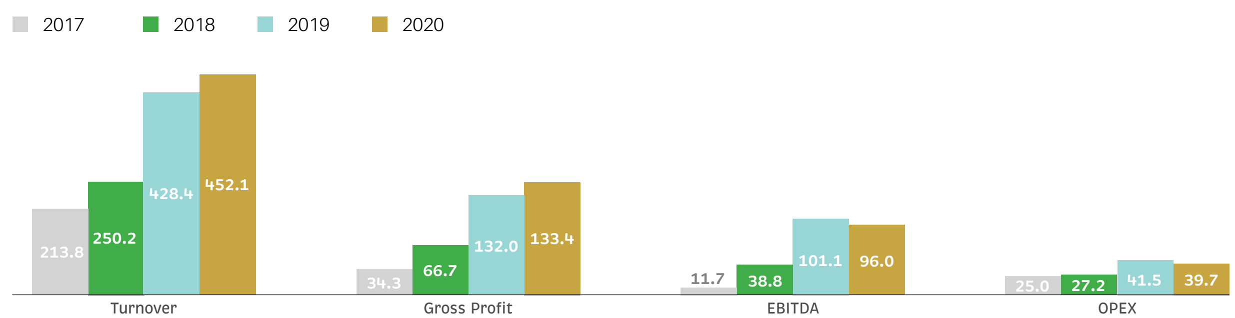
SALES VOLUME BY BUSINESS LINE



SALES VOLUME BY BUSINESS LINE



KEY FINANCIALS (TL Million)



Mining

ONE OF TURKEY'S LEADING PLAYERS IN INDUSTRIAL MINERALS WITH ~1 MILLION TONS FELDSPAR ANNUAL PRODUCTION CAPACITY...

Straton Maden

Feldspar is extensively used in the glass, ceramics and paint industries. Known for its high quality, low iron and titanium content, sodium feldspar in Turkey is mainly extracted in the provinces of Manisa, Kütahya, Aydın and Muğla. With overall reserves of 250 million tons, Turkey holds 15% of the world's total known feldspar resources. Today, Turkey is the world leader in feldspar mining, with annual production exceeding 6 million tons, around 80% of which is exported. Key export markets include Spain, Italy, Russia, Lebanon, Egypt, Germany, Poland, Israel, Algeria, Romania and markets in Asia.

In 2013, Global Investment Holdings Group invested in the feldspar sector with the acquisition of Straton Maden, where it currently owns a 97.7% stake. Straton Maden has become a leading player in the global feldspar market.

Straton Maden has significant total reserves of 20 million tons feldspar in its licensed field of operation. The company's annual production capacity is about 1.0 million tons. Eighty percent of its production is exported to Italy, Spain and Egypt for use in the glass and ceramics industries.

Straton Maden extracts feldspar in the most efficient and environmentally responsible manner while producing higher value feldspar products. To this end, the company has completed a capital investment program to establish new separation and enrichment facilities, while expanding existing production capacity. Thanks to these new facilities, Straton Maden has substantially increased its production and feldspar sales volume. The company has also diversified its customer base by entering new export markets. Today, Straton Maden ranks among the leading players in the industry.

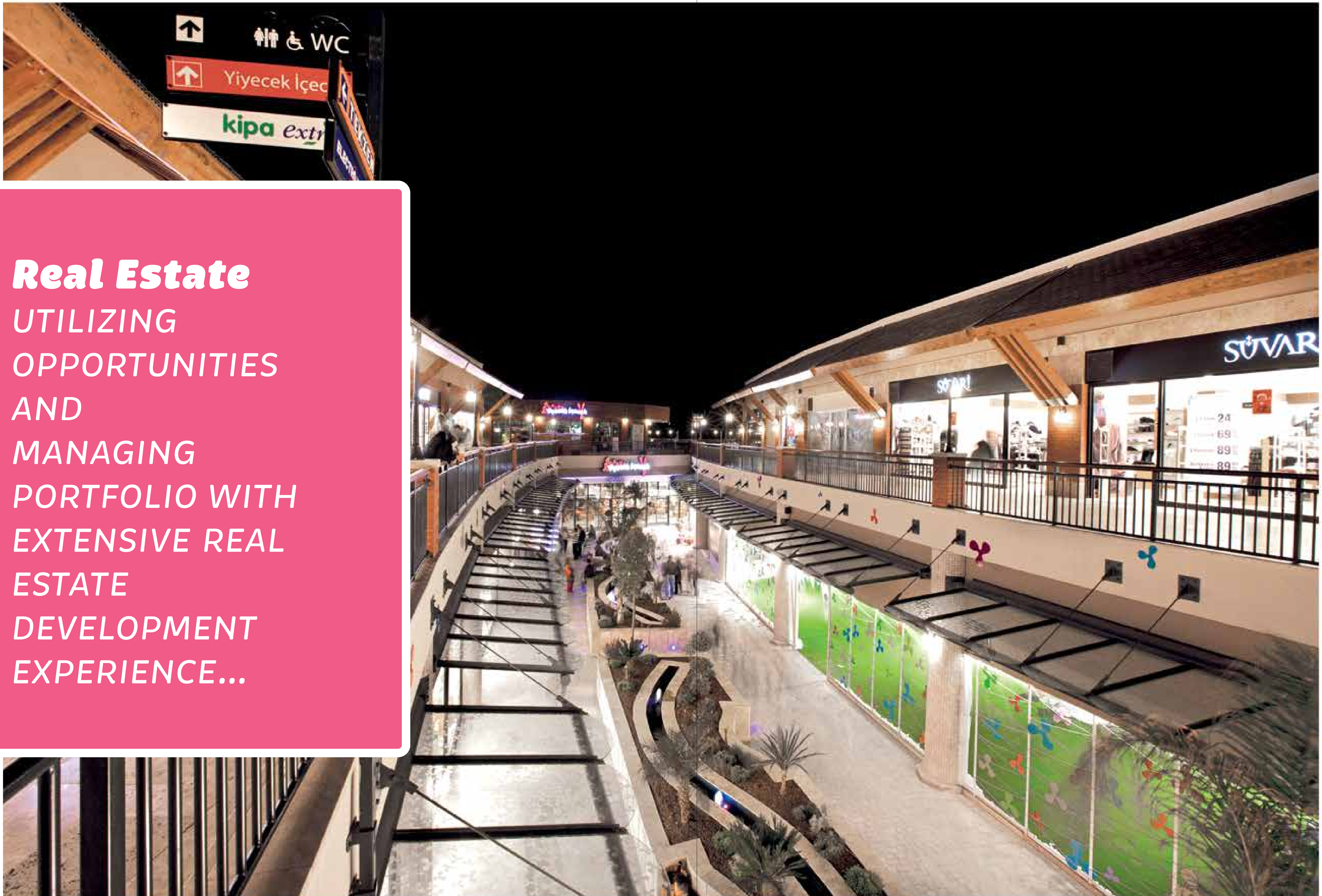
STRATON MADEN HAS SIGNIFICANT TOTAL RESERVES OF 20 MILLION TONS FELDSPAR IN ITS LICENSED FIELD OF OPERATION.

The Company also completed the permission process and initiated production in a new mining license in the Aydın region. The new license, besides increasing total feldspar reserves of the Group, is expected to supplement the product quality of ongoing operations. The Group works towards the completion of the permission process in additional mining licenses with a target to initiate production in 2021.

European Standards

Straton Maden boasts a well-established customer base and ensures that each product offered fully meets European market quality and service standards. Following its acquisition by Global Investment Holdings, Straton has continued to add significant value to the Turkish economy by exporting natural resources. Since completing capital investments back in 2016, Straton Maden has continued to boost production, product quality and sales volumes by deploying world-class advanced technologies.

Currently, demand for feldspar is rising across various industries. Feldspar increases the impermeability and durability of final products in the ceramics industry, facilitating higher yields. The increased use of glass in packaging - in response to the detrimental effects of plastics on the environment and human health - has also boosted demand for feldspar, which is used for insulation and clarity in the glass industry.



Real Estate

UTILIZING OPPORTUNITIES AND MANAGING PORTFOLIO WITH EXTENSIVE REAL ESTATE DEVELOPMENT EXPERIENCE...

The construction industry often serves as a lever for national economies with the added value and employment opportunities it creates. Today, construction encompasses not only the construction of the environment, but also activities that contribute to maintenance, repair and operation.

Over the last 20 years, Turkey's construction sector 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 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 have been a driving force of economic growth. Industry and service sectors have also been invigorated by the advance of the construction sector.

The high correlation between the construction industry and macroeconomic expansion enables high growth during times when interest rates and input costs are low. In times when the reverse is true, economic recession results. Turkey's economy has made a strong recovery in H2, after the second quarter's Covid-19-induced contraction and GDP growth came in at +1.8% YoY in 2020, the construction industry contracted 3.5% YoY and showed some deceleration in contraction following 8.6% shrinkage for the previous year. The measures and proactive approaches adopted by the Government during the pandemic have had a stimulus effect and strengthened the recovery trend. The divergence between the construction sector and national GDP can be associated with the fact that the construction sector is rather like a large freight train; its acceleration and stopping take a bit more time than other sectors. Although the sectors did not achieve the expected performance in H2 2020, the measures adopted point to a noticeable recovery during H2 2021, and in particular, elevated interest rates are expected to decline in H2 2021.

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 industry's share in GDP declined from 7.2% in 2018 to 5.4% in 2019, while remaining unchanged at 5.4% in 2020. Construction and its sub-sectors are susceptible to the country's general economic developments.

Foreign direct investment

Based on the World Investment Report 2020, prepared by the United Nations Conference on Trade and Development (UNCTAD), FDI flows to Turkey declined significantly, by 28%, to nearly USD 9.3 billion in 2019. The slowdown was triggered by global economic uncertainty as well as weak economic growth. Unlike other major economies in the region, which are rich in natural resources, Turkey's economy is more exposed to global macroeconomic conditions, which thus limited FDI flows in 2019. In 2020, net direct international investment inflow (actual inflow) amounted to USD 7.8 billion, with some 57% of it being attributed to real estate purchases. This figure reflected a 15% decline in 2020 compared to USD 9.3 billion in 2019.

Communiqué on converting FX-based contracts – including real estate related contracts – to TL went into effect in 2018

With the Communiqué on the Law to Protect the Value of the Turkish Currency, which entered into force in October 2018, it was forbidden to sign a lease agreement in foreign currency. An exemption was introduced in November of the same year to the effect that contracts can be determined in terms of a foreign currency or foreign currency indexed in the case of rental or sales contracts where the lessor or purchaser is a company with more than 50% foreign capital ownership. A year later, lease and sales rates are entirely denominated in Turkish lira while lease and sales operations are realized in Turkish lira.

As of October 2020, a new notification was published in the Official Gazette to lengthen the period of prohibition of an arrangement of lease contacts in foreign currency for both old and new leases.

HOUSING MARKET

The Turkish residential market has expanded significantly over the past 15 years. Drivers of demand include new and modern residential supply on the market, greater use of affordable mortgages, and increased demand for earthquake-resistant construction. An increase in housing need due to population growth and urban migration has also affected the residential construction market. The high number of housing units to be renewed/replaced due to the age of housing stock, plus urban renewal programs, are other key factors in determining housing need. In Turkey, all these factors positively contribute to demand. The country's major cities - including Istanbul, Ankara, Bursa, and Izmir - stand out as primary beneficiaries of the new wave of residential demand.

IN 2020 THE NUMBER OF BUILDINGS INCREASED BY 69.4% YOY ACCORDING TO CONSTRUCTION PERMITS.

Housing demand in Turkey is largely shaped by macro developments, demographics and income dynamics. According to the Turkish Central Bank's housing demand analysis, income predominantly determines residential housing demand. The total number of homes sold in Turkey recorded a CAGR of 9.5% between 2010 and 2020. In spite of the Covid-19 pandemic, falling interest rates revitalized the Turkish residential market in 2020, which saw an all-time record in terms of the number of house sales. Total house sales for Turkey overall in 2020 rose at an annual rate of 11.2% in 2020 to reach an all-time record of 1,499,316.

Building permits statistics

In 2020 the number of buildings increased by 69.4% YoY according to construction permits, while the number of buildings decreased by 17.4% according to occupancy permits.

New and existing home sales fell 1.9% in 2019, with a limited decline thanks to mortgage sales

The mortgage rate cuts led by state banks in the first three months of 2020 served to spur house sales. However, the arrival of the Covid-19 pandemic in Turkey in March of last year negatively impacted the Turkish economy, including the housing sector. Sales came to a standstill in April and May. Then, the Central Bank's weighted average interest rate cuts, to a level as far down as 0.74% in June, and the re-ignition of low-rate mortgage campaigns, served to push housing sales to record-breaking peaks over three successive months, while the re-increase in rates towards 1.5%/month should further decelerate activity going forward. Total house sales for Turkey overall in 2020 rose at an annual rate of 11.2% in 2020 to reach an all-time record of 1,499,316. New home sales continued to fare worse, decreasing by 51% y/y in December

2020, and indeed also decreasing by 8% in 2020. Second-hand house sales, on the other hand, dropped by 45% YoY in December 2020, while rising by 23% YoY in 2020.

The share of mortgaged sales in total house sales stood at 38% at the end of the year throughout Turkey, and at 39% in Istanbul. Compared to the end of 2019, mortgaged sales recorded a year-on-year jump of 72% for Turkey overall, and 87% for Istanbul.

Meanwhile, the sales momentum of foreigners also started to weaken again, decreasing by 16% YoY in December 2020, while declining by 10% in 2020. Note that sales to foreigners made up a mere 3% of total sales and 9% of first-hand sales in 2020.

Demographics as a driving factor
Over the long term, demographic factors such as rising urbanization rates and shrinking household sizes are expected to further fuel housing demand in Turkey. Turkey's population growth projections and demographic assumptions indicate population growth with a CAGR of 1% over the next decade. Meanwhile, household size is expected to decline to 3.1 persons, down from the current 3.5, during the same period. A young population, a rising number of university students studying outside their hometowns, plus high divorce and marriage rates are forecasted to support housing demand over the medium to long term.

Incentives and promotional campaigns are set to further stimulate housing demand in the short-term
Throughout 2020, several incentive mechanisms, including reducing VAT and title deed charges imposed on housing sales, and low-interest-rate housing loan campaigns were introduced by the Turkish government. In addition, banks and sector participants extended loan maturities. The loan interest rate cuts and home lending campaigns proved effective, despite the setbacks of the year. Turkey's government plans to further support the housing sector with regulatory actions to avoid any sharp decline in house sales.

OVER THE LONG TERM, DEMOGRAPHIC FACTORS SUCH AS RISING URBANIZATION RATES AND SHRINKING HOUSEHOLD SIZES ARE EXPECTED TO FURTHER FUEL HOUSING DEMAND IN TURKEY.

Mortgage rates as a decisive factor
Given the high correlation between mortgage interest rates and the share of mortgage-financed sales in total home sales, mortgage rates are another critical factor affecting future housing demand. The downward trend in housing loan interest rate in July 2019 had started to reverse as of the end of August 2020. The housing loan interest rate, which was recorded as 0.75% at the beginning of August 2020, rose to 1.5% at the end of 2020. Likewise, the annual interest rate that started to fall at the beginning of July 2019 and decreased to 9.22% as of August 2020 rose to 19% at the end of 2020.

As the pandemic continues, the transition to flexible and home-working models has led to a change in working people's housing preferences. During this period, continued higher demand for houses far from the city centre, and for residential spaces offering social facilities such as gardens and green areas, has been observed. Residential projects that are still under construction are affected by negative developments in the market. The rise in costs associated with the devaluation of the Turkish Lira, coupled with interest rate hike-related falls in demand and increasingly tough financing terms, continue to challenge the completion of construction. Over the months of June, July and August mortgaged house sales rose at levels not seen since 2013. The rise in sales over such a short three-month period demonstrates the extent to which large numbers of people in Istanbul and Turkey as a whole wished to buy a house but were waiting for mortgage rates to fall. Rising interest rates are expected to contribute to the slowdown in house sales in the coming period. However, a revitalization of the residential market and a return to rising levels of house sales remain within the realms of possibility in the event that interest rates resume a downward path.

Residential Property Price Index
The Residential Property Price Index (RPPI) (2017=100) measures quality-adjusted price changes by monitoring the observable characteristics of homes in Turkey. The index stood at 154.9 in December 2020, recording annual positive growth of 30.9% in nominal terms and 13.8% in real terms.

In 2020, RPPI rose 27.8%, 30.2% and 29.5% in Istanbul, Ankara and Izmir, respectively, on an annualized basis in nominal terms.

RETAIL MARKET
Turkey's retail market has enjoyed robust growth over the past decade. This rapid expansion was driven by a significant rise in the middle-class population and purchasing power, as well as sustained long-term growth in both international and domestic tourism.

Throughout 2020, the impact of the global pandemic had dramatic consequences for the brick and mortar retail market. Given the first lock down from March to May and second curfew within the latest measures in starting from November and continued closures of food and beverage sector, limited to takeaways, meant a new halt, adding more pressure on the recovery period starting in the second half of the year, and will negatively impact turnover and retailer activity. As a result of the drop in footfall and turnover, turnover rent arrangements requested by occupiers remained in place in the fourth quarter and discussions over the ability to terminate leases without penalty have risen in order to mitigate the economic ripple effect caused by the pandemic.

BY THE END-2020, THE EXISTING SHOPPING MALL SUPPLY IN TURKEY HAS REACHED 13.6 MILLION M² AT 447 SHOPPING MALLS.

447 shopping centres as of end-2020
At end-2019, Turkey was home to 439 shopping centres with a total gross leasable area of 13.5 million m². By the end-2020, the existing shopping mall supply in Turkey has reached 13.6 million m² at 447 shopping malls and Istanbul accommodates the majority of the available supply with a 37% share. On the other hand, 29 shopping malls with a leasable area of nearly 1.0 million m² are under construction. With the supply projected to be finalized by the end of 2022, the total shopping mall stock is expected to reach 14.5 million m².

Real Estate

In Turkey, the average leasable area per 1,000 people was 161 m² at the end-2020, versus 160 m² a year earlier.

Shifting to TL challenges the retail sector
Retail is one of the markets most affected by the Protection of the Value of Turkish Currency Law. Lease prices fell due to the conversion from foreign currency (USD and EUR) to TL, though investors continued to repay bank loans in foreign currency. In addition to lease contracts being converted to TL, the costs of shopping centre investors increased at a higher rate than revenues due to the significant rise in energy and labour expenses.

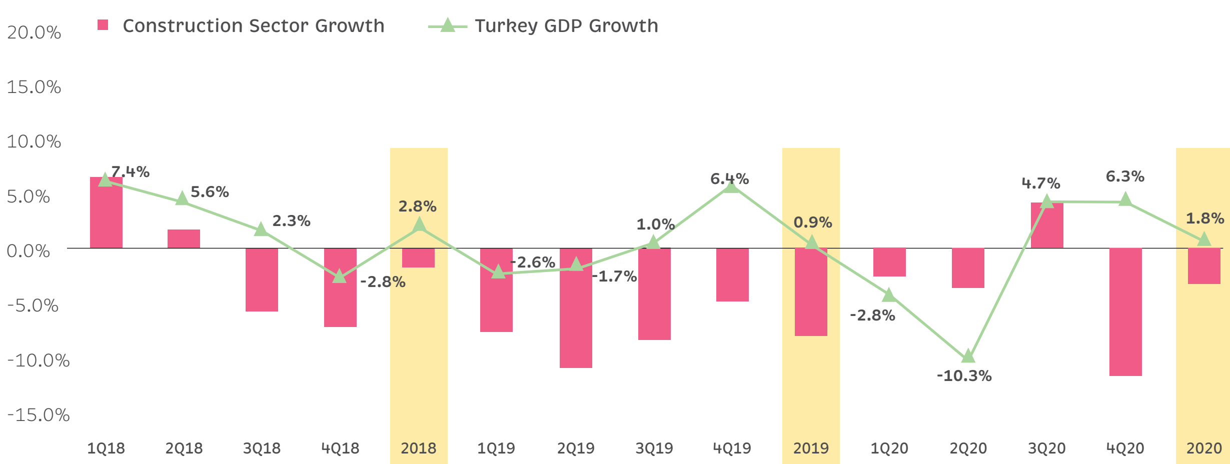
SC Footfall and Turnover Indexes impacted by Covid-19 measures
Shopping centres, which had been entirely shuttered due to Covid-19 during the months of March, April and May, were progressively reopened through June. At the beginning of the pandemic, only their supermarket areas remained in operation. For this reason, footfall during these months was rather low. Footfall indexes fell more than 90% especially in shopping centres that were completely closed through April and May. Although footfall has begun to rise in shopping centres that continue to operate on a restricted basis, the year on year decline has continued. The Shopping Centre Footfall Index in 2020 stands at 52 points, on a 46.9% annual fall.

THE NUMBER OF RESIDENTIAL UNIT SALES IN TURKEY INCREASED TO 1.5 MILLION AS OF YEAR-END 2020.

In spite of low footfall, the Shopping Centre Turnover Index showed a significant upturn in June. Turnover continued to rise in the subsequent period; in September it came in at similar levels to the same period the previous year. Turnover continued to rise through October before falling again in November. Based on the December 2020 results of the SC Index, co-developed with the Council of Shopping Centres - Turkey (AYD) and Akademetre Research Company, the SC Turnover Index in 2020 declined 21.8% nominally on an annual basis. The relatively lower decline in turnover compared to footfall indicated that visitors spent in higher amounts. This may indicate a long-term positive trend for retailers.

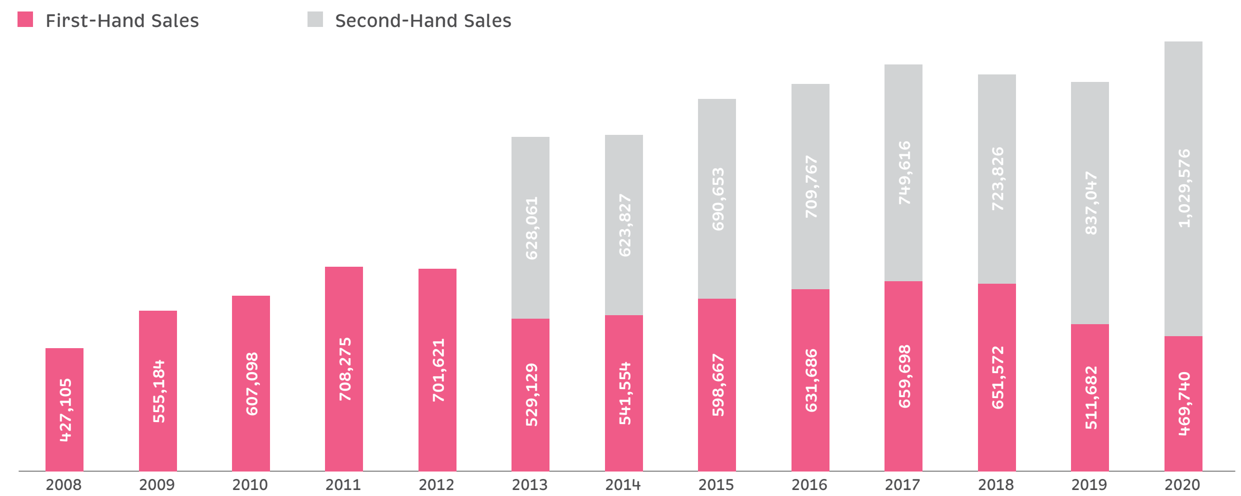
Footfall and turnover figures are expected to rise as of the second half of 2021 in line with the vaccination program rollout and looser restrictions as the pandemic is brought under control, with footfall and turnover figures approaching their pre-pandemic levels towards the end of the year.

GDP VS CONSTRUCTION SECTOR GROWTH BY CHAIN VOLUME INDEX



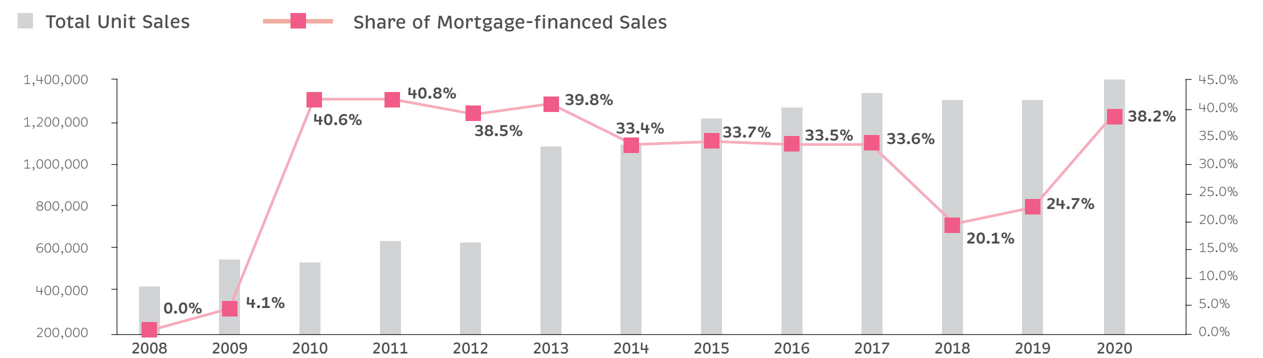
Source: TUIK

RESIDENTIAL UNIT SALES IN TURKEY



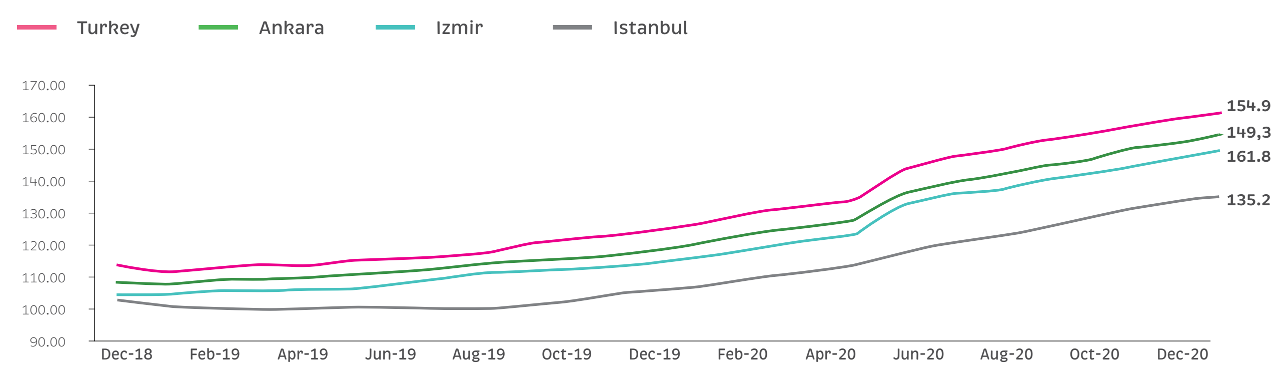
Source: TUIK

HOME SALES VS MORTGAGE UTILIZATION



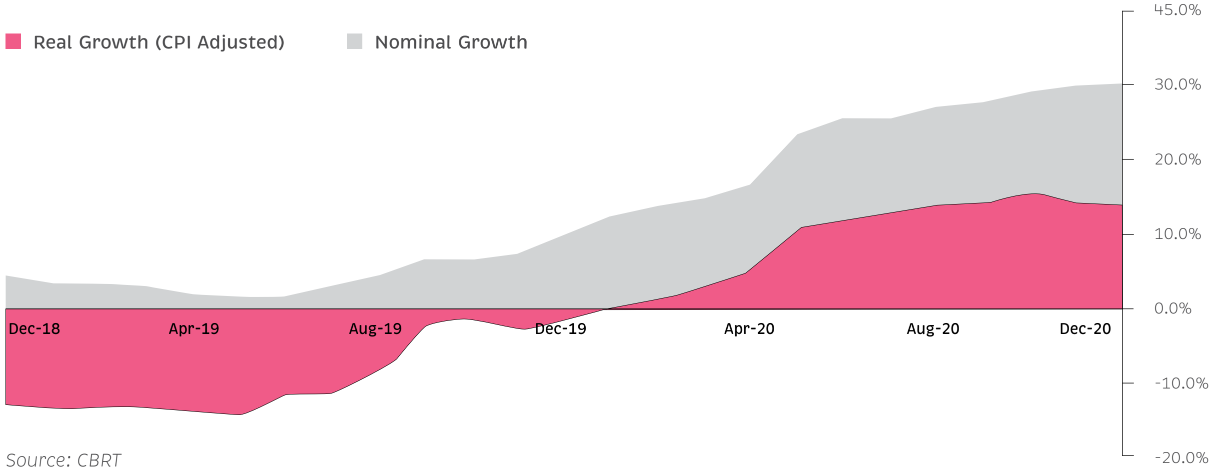
Source: TUIK

RESIDENTIAL PROPERTY PRICE INDEX (RPPI)



Source: CBRT

RESIDENTIAL PROPERTY PRICE INDEX (ANNUAL % CHANGE)



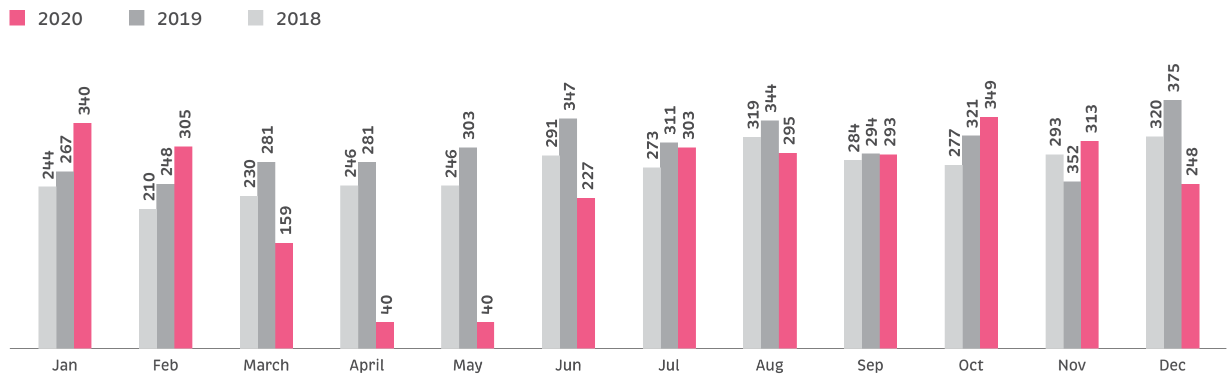
Source: CBRT

Shopping Centre Development: GLA & Unit

Shopping Centres		2020	Under Construction*	Total
Istanbul	Number	133	13	146
	GLA (sqm mn)	5.1	0.4	5.5
Rest of Turkey	Number	314	16	330
	GLA (sqm mn)	8.5	0.5	9.0
Turkey	Number	447	29	476
	GLA (sqm mn)	13.6	1.0	14.5

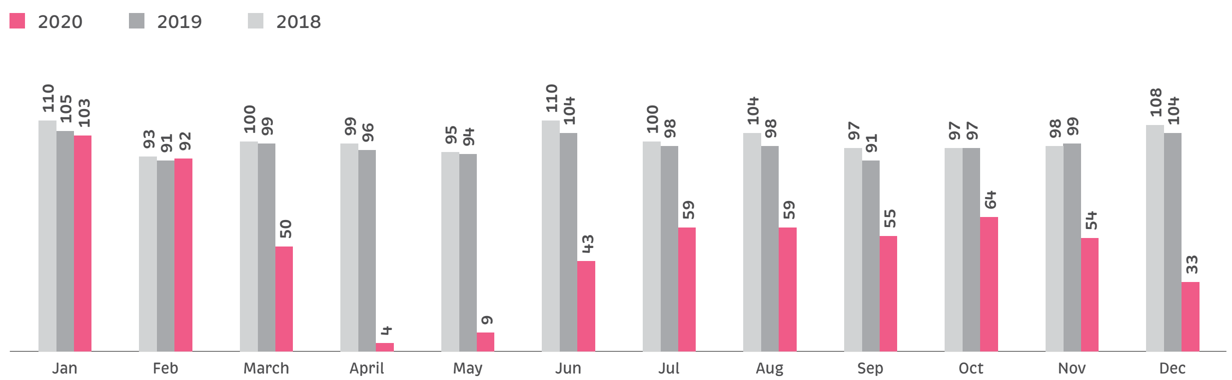
**To be completed by end-2022*
Source: Jones Lang LaSalle - 2020 Year-End Turkey Report

SHOPPING CENTRE TURNOVER INDEX TURKEY GENERAL



Source: AYD

SHOPPING CENTRE FOOTFALL INDEX TURKEY GENERAL



Source: AYD

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 two main subsidiaries are Pera REIT and Global Ticari Emlak, which are focused on commercial real estate development.

PERA REIT
Pera REIT is made up of a well-skilled team of professionals with wide-ranging experience in the tourism and real estate sectors. They oversee the existing portfolio.

Pera REIT is engaged in the development and operation of real estate projects. Its current operating and ongoing investment portfolio include commercial, multi-use commercial and residential development projects. The Group holds a long-term view on real estate investments, prioritizing greenfield development over the acquisition of completed projects. A portion of the Group's real estate projects is primarily managed by Pera REIT, a real estate investment trust trading on Borsa Istanbul.

Subject to the rigorous corporate governance regulations of Turkey's Capital Markets Board, as a listed entity Pera REIT offers an attractive real estate investment option for both institutional and individual investors. Like all other real estate investment trusts, the company benefits from certain incentives, including exemption from corporate tax.

PERA REIT IS MADE UP OF A WELL-SKILLED TEAM OF PROFESSIONALS WITH WIDE-RANGING EXPERIENCE IN THE TOURISM AND REAL ESTATE SECTORS.

The historic Vakıfhan No. VI building, the Denizli Sümerpark Shopping Centre and Sümerpark Office projects are held solely through Pera REIT.

DENİZLİ SUMERPARK MIXED-USE PROJECT
Denizli is a fast-growing industrial city located in southwestern Turkey, in the Aegean region. As the area's second-biggest city after Izmir, Denizli features a strong economy and an expanding population of around 1.1 million. In recent years, it has become a major centre for export and industry. Denizli is a key player in Turkey's textile manufacturing sector. In addition, it 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.

The Group's Denizli project is a mixed-use development on a 98,500 m^2 land. When completed, the development will span a gross construction area of 228,000 m^2. The project is composed of Sümerpark Evleri, Sümerpark Shopping Centre, Skycity Business Towers, Private School and a private hospital.

The development's centrepiece, Sümerpark Shopping Centre, boasts 35,836 m^2 of gross leasable area and opened in March 2011. The Mall received 1.3 million visitors in 2020. It is currently occupied by leading brands as anchor tenants - including 5M Migros, Flo, Koton, Ebebek, Çetinkaya and Tekzen - with long-term leases of up to 25 years. The Mall has around 60% occupancy rate and also houses fashion retailers and food court tenants.

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

As part of a mixed-use project, an office complex - SkyCity - was developed in a construction area of 33,055 m^2. Construction commenced in early 2015. The first phase of the project, comprising 15,255 m^2 of gross sellable area and 151 office units, was completed in June 2017, of which 128 independent units had been sold, while the sales of remaining units are ongoing. The second Block (C Block) construction is considered to be started in 2021 depending on the economic conjuncture and, if it is started, it will be completed in 24 months.

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 the fall of 2014, under a 15-year lease contract signed with Final Schools.

AN OFFICE COMPLEX - SKYCITY - WAS DEVELOPED IN A CONSTRUCTION AREA OF 33,055 M².

The Denizli development project also includes the construction of a hospital on another 10,745 m^2 tract located adjacent to the Sümerpark Shopping Centre and Sümerpark Evleri housing project. The land is currently rented to Medical Park Hospital Group and awaiting the necessary permits.

VAKIFHAN NO. VI
Vakıfhan No. VI is located in Karaköy, Istanbul's latest up and coming neighbourhood near the Golden Horn. An active business centre over the centuries, Karaköy is an important commercial district hosting many new real estate developments. The historic Vakıfhan No. VI building faces Salıpazarı Port, which is Turkey's second busiest cruise port by passenger arrivals. The Salıpazarı Port project is an extensive urban renewal initiative that, in addition to redeveloping a modern cruise port, includes the provision of tourism and recreation facilities.

VAN SHOPPING CENTRE

Van lies on the shore of a large scenic lake of the same name in eastern Turkey. 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 December 15, 2015

Van Shopping Centre is the first mall with a "Lifestyle Centre" concept in the city and has a total GLA of 26,047 m². The Centre brings together 90 brands, a 10-screen cinema, food-court and entertainment venues, catering not only to the city of Van but also the region and nearby countries. Van Shopping Mall has attracted over 3.5million visitors per annum, while currently operating with a 90% occupancy.

Van Shopping Centre was named the "Best Shopping Centre Project in Turkey" at the Golden City Awards 2016, one of the most prestigious competitions in the field of world urbanism/urban design. The awards event is organized by London-based Eurasia Strategies.

AQUA DOLCE RESORT

Thanks to the island's strategic location in the Mediterranean, Cyprus has for many centuries been a key meeting point for traders. Through the centuries, Cyprus has been seized and ruled by numerous civilizations, including the Phoenicians, Assyrians, Romans, Persians and Byzantines, which have in turn each left their distinctive mark upon the island. An increasing number of tourists are discovering the rare beauty and peaceful settings that the less developed Northern Cyprus has to offer.

VAN SHOPPING CENTRE IS THE FIRST MALL WITH A "LIFESTYLE CENTRE" CONCEPT IN THE CITY AND HAS A TOTAL GLA OF 26,047 M².

Aqua Dolce Tourism & Recreation World is a planned development on a project area of some 48,756 m² in Northern Cyprus. The development is to include a 5-star 300-room hotel featuring extensive facilities offering a holiday of a lifetime. A casino will be at the heart of the resort, providing a wide range of gaming opportunities. The resort will also feature conference facilities of varying sizes to host seminars and business meetings; as well as a spa centre, a sports centre, and swimming pools; cafes, restaurants, bars, and outdoor sports facilities. The Group believes that the relatively less populated and lower-priced tourism and real estate markets of TRNC, as compared to the southern part of the island, offer highly attractive investment opportunities, particularly as efforts to resolve political issues relating to Cyprus gain traction.

Aqua Dolce Tourism & Recreation World, aiming to attract vacationers seeking a unique Mediterranean experience, will bring a new dimension to the luxury holiday concept. Named after the nearby natural springs, it will be developed on a 260,177 m² tract located on the coast of Tatlısu, Kyrenia.

BILECEIK INDUSTRIAL ZONE LAND

Located in the Industrial Zone, 29,500 m² in size

BODRUM TORBA LAND

3,000 m² land suitable for large-scale tourism investments

Finance

PERFORMING ASSET MANAGEMENT AND PROVIDING CAPITAL MARKET BROKERAGE SERVICES UNDER ONE ROOF...

ASSET MANAGEMENT
In Turkey, 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 Turkey's volatility and the extremely high-interest rates on short-term deposits 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 fund strategies and marketing them. Instead, funds had to be sponsored by banks. Until recently, this environment resulted in a market that lacks capital, savings and appetite.

A strong year with exceptional asset under management (AUM) growth
In 2020, assets under management in Turkey's AM industry climbed to TL 365 billion (USD 49 billion), expanding 28% in TL (3% in USD), according to the Turkish Capital Markets Association (TCMA). AUM growth is predominantly driven by pension fund assets, which increased more than one third over the prior year. Meanwhile, pension funds recorded solid growth of about 19% during the year.

Solid performance with room for further growth
Assets under management in the Turkish AM sector recorded a CAGR of 23% in TL (5% in USD) over the past 10 years, as government incentives helped spur growth in private-sector pensions. Due to limited growth in mutual funds (MF) and a lacking variety of alternative investment funds (AIF), pension fund assets (PFA) are the main driver of AUM expansion.

Sector growth is set to continue over the next several years given the young average age of Turkey's population and the level of state contribution for pension savings. PWC's international respondents' survey in 2018 ranked Turkey among the top three high growth potential asset management sectors within EMs.

IN 2020, ASSETS UNDER MANAGEMENT IN TURKEY'S AM INDUSTRY CLIMBED TO TL 365 BILLION (USD 49 BILLION), EXPANDING 28% IN TL (3% IN USD).

At present, the Turkish AM industry appears to be significantly underperforming other emerging markets, both in terms of AUM/GDP and AUM per capita. However, measures taken in recent years to boost savings, coupled with a revision to natural accounts data resulted in gross domestic savings reaching 26.1% of Turkey's GDP in 2020. While AUM/GDP has been on the rise, the total percentage of GDP represented by funds is currently at 6.8%, very low when compared with Eastern Europe's 9.3%, a peer group average of 16.1% and the global average of 25.0%.

That said, the industry is potentially set to undergo a dramatic transformation. This is in part thanks to general trends supporting the financial sector as a whole, namely steadily declining interest rates and reduced stock market volatility. In addition, sweeping reforms of rules governing the sector and Turkey's burgeoning private pensions system have positioned the domestic AUM industry for rapid expansion.

Key growth areas: Pension and alternative investment funds
The Turkish AM industry is expected to significantly expand over the next five years, with pension funds, real estate investment fund (REIF)s, investment advisory and financial planning, and private equity investment fund (PEIF) s leading the way. The sector has welcomed government reforms in these areas, including auto-enrolment in pension plans, and the introduction of AIFs in Turkey.

Pension funds are the key driver of AUM growth in Turkey, backed by a 25% government incentive on savings provided since 2013. The pension auto-enrolment system launched in 2017 further boosted pension system growth.

Turkey's pension funds are starting from a low base and the country is underdeveloped in relation to comparable markets. The total size of pension fund assets (PFA) in Turkey reached TL 171 billion (c. USD 23 billion, 47% of total AUM in Turkey) at 2020 year-end. Despite a very high CAGR of 27.7% between 2013 and 2019, the PFA/GDP ratio is only 3.2% - a very low figure compared to the OECD ratio of 51.2%. Countries such as Brazil (25.1%), Mexico (17.2%) and, most importantly, Chile (75%), with its much smaller economy, have a higher penetration rate than Turkey due to the early introduction of the funded and paid pension system. At year-end 2020, over 70% of the working population was covered with funded and private pension plans in OECD member states where enrolment into a plan was mandatory. In Turkey, this ratio was around 25% due to the recent introduction of the system.

In addition to promising growth rates, Turkey remains an untapped pension fund market with great growth opportunities.

The Private Pension System and Rethinking Auto-Enrolment
Participation rates in the private pension system, which was established as a complement to the existing public social security system in 2003, increased with the state contribution in 2013 and Automatic Enrolment in 2017. Automatic enrolment in the private pension system for employees was introduced in Turkish law with the Amendment Act of August 25, 2016. Accordingly, employees under the age of 45 must be enrolled in a private pension plan and are required to contribute a minimum of 3% of their gross salaries. Although the provisions entered into force on January 1, 2017, the regulation was applied gradually depending upon the number of employees working at an employer. The scope of the system was expanded with the inclusion of all companies with 10 or more employees as of 2018, and all companies with five or more employees as of 2019. With the Automatic Enrolment System, all employees under the age of 45 are automatically included in the private pension system through their employers.

THE TOTAL SIZE OF PENSION FUND ASSETS (PFA) IN TURKEY REACHED TL 171 BILLION (C. USD 23 BILLION, 47% OF TOTAL AUM IN TURKEY) AT 2020 YEAR-END.

An employee automatically enrolled in a private pension plan was entitled to withdraw from the system within two months as of the notification of the enrolment. According to recent surveys:
- Over 19 million employees were enrolled in the system; around 14 million employees had withdrawn from the system as of end-2020.
- More than half of employees exercised their right to withdraw from the system within two months.

As most of the employees withdrew from the system, legislative authorities worked to improve it. According to the regulation published in the Official Gazette dated December 27, 2018, those who leave the automatic private pension system will be re-instated in the system within three years. The Treasury and Ministry of Finance will be able to reduce this period to one year or increase it by five years. Changes to the pension auto-enrolment system include an extension of the exit option period to three years, up from the current two months. This would mean a material increase in the number of persons enrolled, and funds in the private pension system, while also boosting the overall national savings.

Reportedly, there are plans to convert the Automatic Enrolment of the private pension system into a Complementary Pension System. Arrangements will be made to change the state support provided to those entering the private pension system according to age and to provide the opportunity to withdraw cash without leaving the system due to marriage, health or education. Studies that aim to strengthen individuals' tendency to conduct long-term savings and increase their retirement income are expected to take place in 2021.

According to EGM data dated December 31, 2020, the total number of participants in the private pension system including auto enrolment was up by 2% to 12.6 million in the twelve months to December 31, 2020, whereas total funds increased by 17% to TL 148 billion.

Growth prospects

Global Investment Holdings is optimistic and sees growth ahead for the AUM sector, despite current limitations. Pension funds in Turkey are expected to record a CAGR of one third over the coming decade. New incentives are set to shake up the investment focus and bring new vehicles to the table, particularly in alternative investments. Starting in 2018, a minimum of 10% of pension fund assets must be invested in private equity investment funds, real estate investment funds, capital market instruments related to infrastructure projects and Turkish sovereign wealth funds. In addition, new rules also incentivize the diversification of asset management. Since January 1, 2018, no asset manager is allowed to oversee more than 40% of a pension fund, down from 100% previously. This restriction means that pension funds must spread their assets between at least three asset managers going forward, which has already had an impact on the sector. Out of 49 asset management companies in Turkey, only 25 managed pension funds in 2020.

Turkish Wealth Fund

The Turkish Wealth Fund (TWF) is expected to support the domestic AM industry by giving external mandates and improving governance standards of state-owned assets.

GLOBAL INVESTMENT HOLDINGS IS OPTIMISTIC AND SEES GROWTH AHEAD FOR THE AUM SECTOR, DESPITE CURRENT LIMITATIONS.

Following its inception in 2016, Turkey's sovereign wealth fund - Turkey Wealth Fund (TWF) - rapidly gained momentum in 2019, announcing major projects and carrying out long-delayed work related to strategic areas and companies placed in its portfolio. TWF now aims to become the strategic equity investment fund for the country.

TWF was established by the government primarily to boost savings and ultimately GDP growth, expedite the development of and deepen the country's capital markets, and enhance employment opportunities. TWF aims to invest in strategic sectors abroad such as petroleum and natural gas, and expand the reach of Islamic finance products. Finally, the sovereign wealth fund helps Turkey finance major infrastructure projects and support domestic enterprises in the defence, aviation, and software industries.

As of 2019, Turkey Wealth Fund has a portfolio of assets consisting of 14 companies from 8 sectors, 2 licenses and real estate properties. As of December 31, 2019, TWF's total equity amounted to TL 198 billion according to an independent audit conducted. Total assets and equity of TWF stood at TL 1.5 trillion. The consolidated surplus of TWF-run companies totalled some TL 9 billion.

International Istanbul Financial Centre (IIFC) as an anchor

The International Istanbul Financial Centre Strategy and Action Plan entered into force in October 2009 and was revised in 2015. This effort aims to make Istanbul a regional financial centre, and calls for improvements in regulation, tax, infrastructure, human resources, education, and other areas, in order to develop and enhance the attractiveness of the Turkish financial sector.

The primary objective of the IIFC Strategy and Action Plan is for the Istanbul Financial Centre/Turkey to become one of the world's top 25 financial centres.

Having an area of about 1.3 million square meters of usable space, 465,000 square meters of the project was taken over in September 2019 at a cost of TL 1.7 billion including the project, earthwork, land costs and completed construction costs. The construction and legislation of the project, initiated with the aim of positioning Istanbul as the financial centre for the region, is estimated to be completed in 2022.

ISTANBUL ASSET MANAGEMENT

Actus Asset Management, Global Investment Holdings' asset management subsidiary and the leading independent asset management company serving domestic, international, corporate and individual investors with an innovative product portfolio, finalized its merger with Istanbul Asset Management under Istanbul Asset Management as of September 25, 2020, creating the largest domestic and independent asset management company in Turkey.

Global Investment Holdings consolidated its asset management operations under Istanbul Asset Management. Global Investment Holdings currently holds a 26.6% stake in the merged entity with an option to buy an additional 40% of the shares. The remaining 6.7% stake is owned by the Police Care and Assistance Funds, which has over 50,000 partners and sizeable assets of TL 1.3 billion, while a 66.7% stake is owned by 5 investors.

At the end-2020, Istanbul Asset Management managed TL 6.4 billion in AUM, becoming the largest domestic and independent asset management company in Turkey. Actus Asset Management has increased its total AuM 8-fold since 2015 from its acquisition by GIH to the merger, and this growth is expected to continue at an accelerated rate post-merger.

GLOBAL INVESTMENTS HOLDINGS AIMS TO CREATE TURKEY'S LARGEST ASSET MANAGEMENT COMPANY BY LEVERAGING ITS PARTNERSHIP WITH CENTRICUS.

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

Managing 33 funds, of which 5 are pension funds, as well as several discretionary mandates, Istanbul Asset Management is the only full-fledged asset manager in Turkey.

Achieving AM growth with our partner Centicus

Global Investments Holdings aims to create Turkey's largest asset management company by leveraging its partnership with Centricus, a London-based global investment platform. Teaming up with Centricus allows GIH to more easily acquire independent asset management companies to boost AUM in the short term and create an infrastructure fund for international investors that will invest in infrastructure projects with significant treasury guarantees. In pursuit of market leadership, GIH aims to capture market share in the pension industry, benefiting from the re-allocation of asset management services for/to pension funds, while feeding pension funds with AIFs that will be mandatory for auto-enrolment funds.

The first step of GIH's Asset Management growth strategy after the Centricus partnership is leveraging the accumulated know-how and capitalizing on the synergy between the two organizations that will be taken to new heights with the corporate support of GIH and Centricus. GIH plans to bolster its presence in the sector via new mergers, acquisitions and strategic alliances, including the exercise of the option to purchase majority shares in the merged entity.

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 to both individual and institutional investors, managing 8 funds invested in the Turkish equity and debt markets.

At the end-2020, Global MD reported a total portfolio fund size of TL 216 million.

Global MD is the founder of Torkam Global MD Real Estate Fund, one of Turkey'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 Turkey.

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 2021 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 Turkey. Its superior, multidisciplinary and international Istanbul-based team focuses squarely on cross-border transactions and financing.

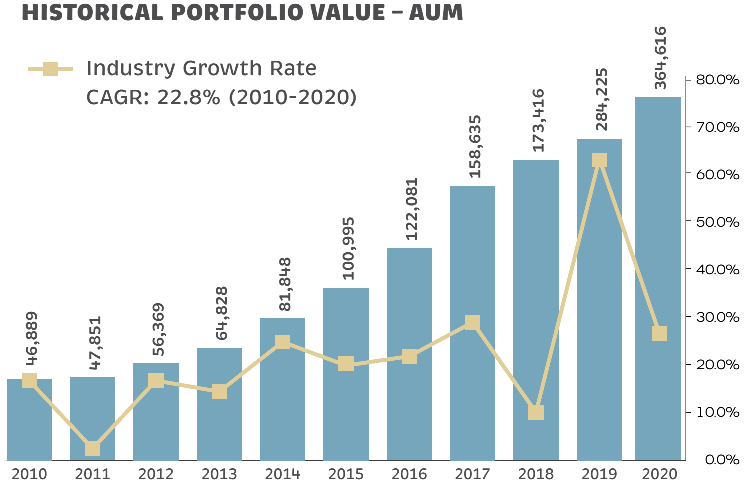
AT THE END-2020, GLOBAL MD REPORTED A TOTAL PORTFOLIO FUND SIZE OF TL 216 MILLION.

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.

AUTO-ENROLLMENT INTO PENSION IN 6 PHASES

No. of Employees in the Private Company	Start Date	Auto-enrolment
1,000 and over	January 1, 2017	0.7 million
250 to 999	April 1, 2017	4.7 million
100 to 249	July 1, 2017	1.6 million
50 to 99	January 1, 2018	1.5 million
10 to 49	July 1, 2018	3.6 million
5 to 9	January 1, 2019	2.0 million

HISTORICAL PORTFOLIO VALUE – AUM



Source: TCMA

BREAKDOWN OF INDUSTRY

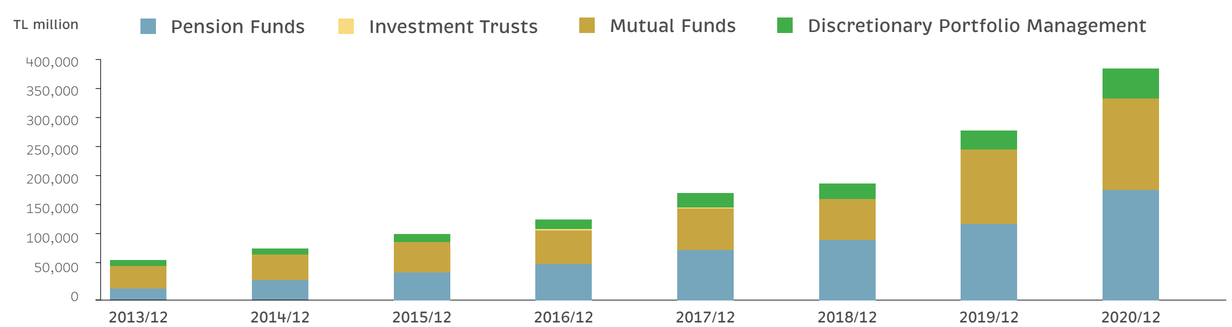
	2014/12	2015/12	2016/12	2017/12	2018/12	2019/12	2020/12
Total AUM (TL million)	**81,848**	**100,995**	**122,081**	**158,635**	**173,416**	**284,225**	**364,616**
Collective Investment Schemes	**73,050**	**88,736**	**108,034**	**139,338**	**150,641**	**255,513**	**323,608**
Pension Funds	**37,815**	**48,022**	**60,510**	**79,543**	**93,206**	**127,577**	**171,015**
Mutual Funds	**35,234**	**40,714**	**47,109**	**59,287**	**56,920**	**127,292**	**151,857**
Securities Mutual Funds	-	-	43,613	50,064	44,276	98,635	-
Real Estate Funds (REIF)	-	-	87	2,535	3,994	6,842	-
Private Equity Funds (PEIF)	-	-	73	394	1,254	1,516	-
Exchange-Traded Funds (ETF)	-	-	139	152	182	292	-
Hedge Funds (HF)	-	-	3,197	6,142	7,213	20,007	-
Investment Trusts	**-**	**-**	**415**	**508**	**515**	**644**	**735**
Securities Investment Trust	-	-	403	460	472	566	-
Real Estate Investment Trust	-	-	-	40	12	13	-
Venture Capital Investment Trust	-	-	12	8	31	64	-
Discretionary Portfolio Management	**8,798**	**12,259**	**14,047**	**19,297**	**22,776**	**28,713**	**41,008**

PORTFOLIO VALUE (TL MILLION)

Year	Number of Companies*	TL Million	USD Million
2009	23	39,952	26,694
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

(*) It denotes the companies that have portfolio management licence.

PORTFOLIO DEVELOPMENT

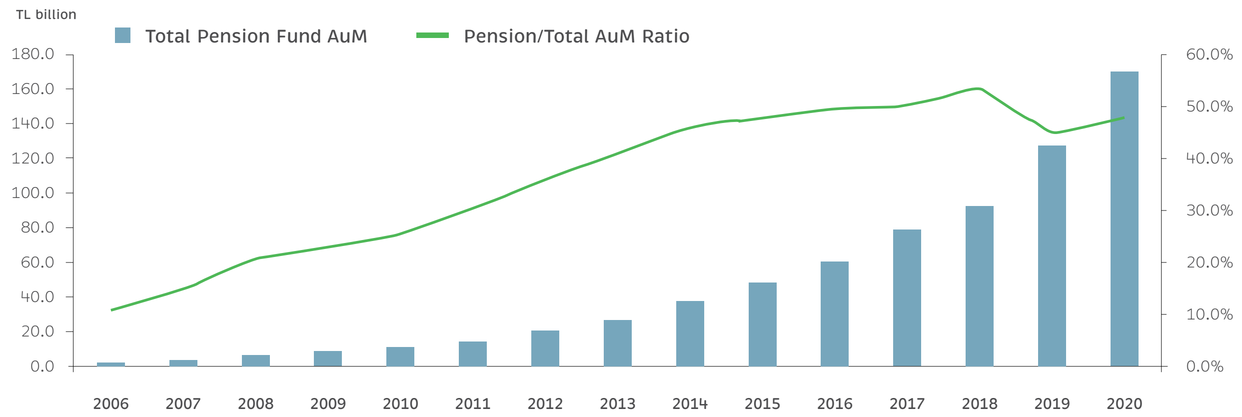


Asset Management

As of December 31, 2020	
Number of Asset Management Companies*	49
Total AUM	TL 365 billion
Total AUM/GDP	6.8%
Number of Independent AMs (excl. bank subsidiaries)	35
Market Share of Independent AMs	8.4%

It denotes the companies that have portfolio management licence.

PENSION FUND AUM DEVELOPMENT



Source: CMB

Borsa Istanbul Trends in 2020

The Grouping A-B-C-D companies was abolished according to Borsa Istanbul's regulation dated December 13, 2019. The number of companies traded in the BIST All increased to 357 at the end of 2019 as a result of the IPOs, the companies traded in the Emerging Companies Market and the companies in the C-D group. As of the end of 2020, the number of companies traded in the BIST All had decreased to 352.

While the total free float of the BIST All increased at the end of 2020, the effective free float decreased slightly. In 2020, the BIST 100's Free Float and Effective Free Float was 43.6% and 33.8%, respectively.

The year 2020 has been volatile for the equity markets, as the Covid-19 pandemic hit the markets particularly hard in the March-April period. Then the recovery expectations among the economies led to improvement in the equity markets. When starting 2021, most were in the bullish territory given the better outlook for 2021E. Although the BIST-100 index's return was 29% in TL terms during 2020, the MSCI Turkey index was among the weakest performing indices of the MSCI EM. During 2020, the MSCI Turkey index underperformed the MSCI EM by 27%. Considering the multiples, Turkish stocks are trading at a 58% relative discount in terms of 12M forward-looking P/E, above the 5Y average of 41%. Having started at ~280 going into 2020, Turkey's 5Y CDS retreated to 330 levels at YE20, before topping 635 in April.

The continuing uncertainty over the Covid-19 pandemic in 2020 has increased the volatility in global markets and has led to remarkable increases in trading volume. Borsa Istanbul's nominal trading volume increased by 184% compared to 2019 year-end. In 2020, trading volume in USD increased by 147% on an annual basis. While it was observed that the trading volume of BIST 30 and BIST 50 stocks increased in the previous years, greater trading was realized in stocks other than those of the BIST 100 and BIST 100 in 2020. The reason for this can be the recently increased interest of domestic investors.

AS OF THE END OF 2020, THE NUMBER OF COMPANIES TRADED IN THE BIST ALL WAS 352.

Borsa Istanbul, which failed to make a good start to 2020 due to the Covid-19 epidemic, did not change much in the subsequent quarters, and in the first 3 quarters of the year, there was a continuous money outflow. In the last quarter of the year, the situation reversed and a net inflow of USD 1.4 billion was realized. At the end of 2020, Borsa Istanbul experienced a net foreign cash outflow of USD 4.6 billion. On the other hand, when the whole of 2019 is examined, the figure was around USD 556 million.

At the end of December, the total number of investors in Borsa Istanbul increased by 65% compared to the end of the previous year to 1 million 988 thousand 940. The increase stemmed from domestic and foreign individual investors and domestic institutional investors. In the investor base, foreign investors represent only 0.6% of the total at Borsa Istanbul. Their share in trading volume is 22%, while they hold 49% of the total market capitalization.

In 2020, the holding periods of both domestic and foreign investors have reached their lowest level since 2012 in all indexes. In 2020, foreign investors had the longest holding period at BIST Banks with 174 days, while BIST Technology was the shortest with 22 days. For domestic investors, the longest holding period was in the BIST Trade at 24 days, while the shortest was in the BIST Technology at 13 days. On the other hand, the longest period for foreign investors in all indexes was recorded in 2012. It was observed that it reached up to 837 days in BIST Trade. The longest holding period among domestic investors was seen in the BIST Holding and Investment at 103 days in 2014.

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 non-bank owned major 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.

As of 2019 year-end, Global Securities serves clients at three branch locations with 103 employees, including Global MD Portfolio Management.

Global Securities had a market share of 1.7% with an equity trading volume of TL 225 billion, ranking 18th among domestic brokerage houses in 2020.

GLOBAL SECURITIES HAS ASSISTED NEARLY 80 CORPORATIONS WITH THEIR INITIAL PUBLIC OFFERING (IPO)S, TOTALLING USD 5 BILLION TO THE TURKISH CAPITAL MARKETS.

Over the years, Global Securities has received 40 international awards for its many accomplishments in Turkey. These include "Non-Bank Intermediary Institution with the Biggest Trading Volume since the Founding of Borsa Istanbul."

Global Securities has assisted nearly 80 corporations with their initial public offering (IPO)s, totalling USD 5 billion to the Turkish capital markets.

Strategy

Formulated with the vision of being an industry pioneer in Turkey, Global Securities' core strategy is to serve its clients with the deep know-how and experience it has accumulated over the years as a leading and dependable brokerage.

Sustainability

With the Communique on Amendment (II-17.1.a) of the Communique on Corporate Governance (II-17.1) published in the Official Gazette dated October 2, 2020, companies shall include the title of Sustainability Principles Compliance Framework in their reporting for the compliance Corporate Governance Principles; and also provide information whether or not Sustainability Principles are implemented, and if not, a reasoned explanation as well as an explanation regarding the impacts on environmental and social risk management due to not fly complying these principles in their annual report. Detailed information on sustainability is provided in Sustainability Principles Compliance Framework.

Sustainability Principles Compliance Framework

A. GENERAL PRINCIPLES

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 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 the attractive investment opportunities in growing sectors. We not only evaluate investments made based on their economic success but also expect them to garner permanent results and create value for all our stakeholders. Accordingly, we evaluate the growth potential of the 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.

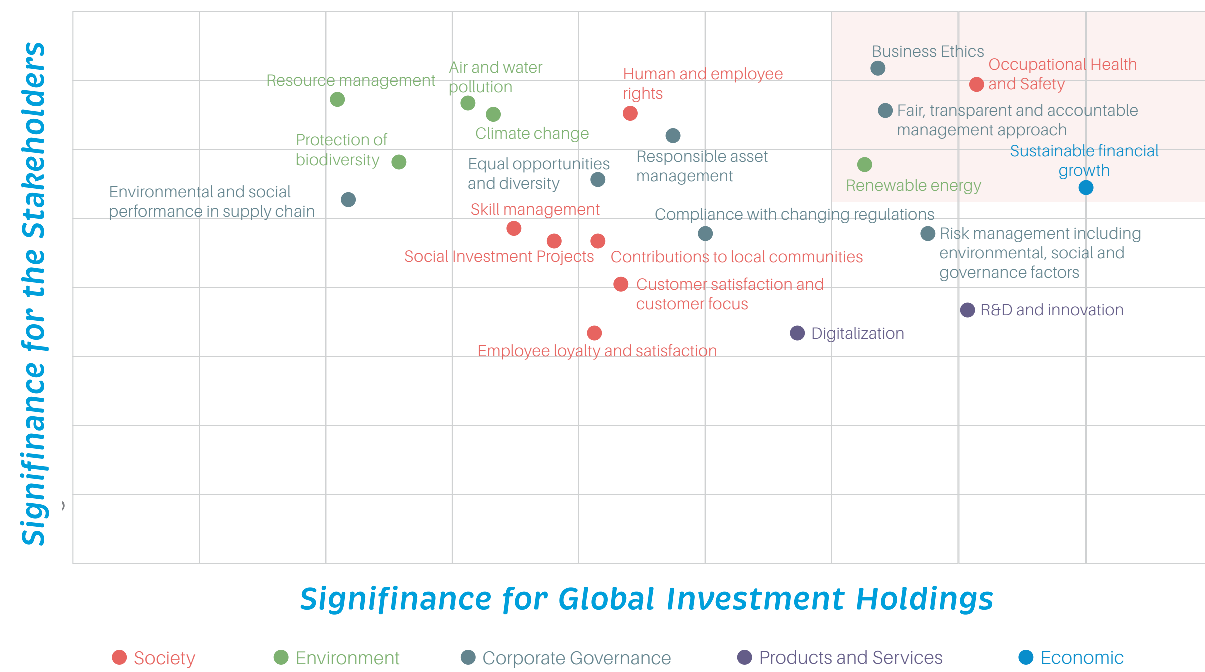
GLOBAL INVESTMENT HOLDINGS HAS CONTRIBUTED TO THE DEVELOPMENT OF TURKISH CAPITAL MARKETS WITH ITS DIVERSIFIED AND EXPANDING PORTFOLIO.

We carry out all our port, energy, real estate, financial and other activities in accordance with the environmental legislations and international standards. As stated in our Environmental Policy, we are committed to managing and reducing the environmental impacts of our business activities and continuously improving our environmental performance. We aim to reduce our greenhouse gas emissions to minimize our impact on climate change and we conduct activities to reduce energy use and increase energy efficiency in all stages of our operations. We aim to lower the water consumption and use of natural resources while using them in the most efficient way in all our operations. We treat and discharge water emissions (wastewater) in accordance with legal obligations. We conduct our activities to assess, reduce and recycle waste resulting from our activities at the source, and dispose of them as required by relevant legislation.

We are a signatory to the United Nations Global Compact
Sustainability plays an important role at this point reached in the industry, along with the contributions we have made to Turkish capital markets. Our fair, responsible and accountable management understanding, ethical principles, environmental sustainability efforts, understanding of human rights in a business environment, occupational health and safety, supplier relations and social contributions considered within the scope of our sustainability work 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.

Sustainability Priorities
Accordingly, 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. Under the leadership of this Committee and with the support of the top management, we identified the material issues that we need to focus primarily in the field of sustainability by conducting a stakeholder analysis complying with the internationally accepted AA1000SE standard. Our material issues defined at the end of stakeholder analysis are occupational health and safety, sustainable financial growth, business ethics, fair-transparent-accountable management approach, and renewable energy.

Our material issues matrix



BIST Sustainability Index
For two years, Global Investment Holding has been included in the BIST Sustainability Index it comprises the shares of listed companies on Borsa Istanbul with a high corporate sustainability performance. The Company was included in the index thanks to its continued compliance with the index criteria.

Sustainability Reports
We published 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 our website in the coming period and to improve our work in line with the opinions of our stakeholders.

B. ENVIRONMENTAL PRINCIPALS

Global climate change, rapid population increase, and shortage of natural resources are causing pressure on global markets. The private sector players shoulder the main responsibility in solving the global issues that have increasingly made their presence felt, especially since the industrial revolution. At Global Investment Holdings with the consideration of our global investment portfolio, we conduct our business with awareness of the potential impact of our performance on the environment. Accordingly, as we see it as an important duty to continue to grow, we see it as an important duty to control our impact on the environment and contribute to the solution of global issues.

Within this scope, we track the Holding's operations, as well as effectively manage the environmental performances of the Holding's subsidiaries. The framework of our work about energy management, renewable energy investments, water and waste management and biodiversity is set by our Environment Policy. We determine the outline for the updating of the Environmental Policy, management of environmental issues and the studies conducted within the scope of the Sustainability Committee in line with the Principles and Procedures of the Environmental Management System.

WE CONDUCT OUR BUSINESS WITH AWARENESS OF THE POTENTIAL IMPACT OF OUR PERFORMANCE ON THE ENVIRONMENT.

In addition to the policies and principles with which all our subsidiaries are required to conform, we expand the use of management system practices at international standards for the purposes of ensuring effective tracking and management of our environmental performance. Our energy companies and ports in Kuşadası, Akdeniz, Bodrum, Malaga and Adria all have the ISO 14001 Environmental Management System Certificates. At the Holding, we have been awarded ISO 14001: 2015 Environmental Management System & ISO 9001:2015 Quality Management System & certification since 2018. We manage all our activities in line with these international standards.

Certifications of the Ports

	ISO Standards				Other Standards			COVID 19 Certificates
Ports	**9001**	**28001**	**14001**	**45001**	**Eco-Ports**	**Green-Ports**	**QSCs**	
Antigua								
Adria/Bar	✓		✓	in progress				Safe travels by WTTC
Mediterranean	✓		✓	✓				
Barcelona	in progess		in progess		✓		✓	SAFE TRAVELS from WTTC and RESPONSIBLE TOURISM fron Ministry of Health
Bodrum	✓	✓	✓	✓	✓	✓		Safe travels from WTTC
Cagliari	in progress		in progress					Safe travels from WTTC
Catania	in progress		in progress					Safe travels from WTTC
Kuşadası	✓	✓	✓	✓	✓	✓		Safe travels from WTTC
Lisbon								
Malaga	✓		✓		partially		✓	SAFE TRAVELS from WTTC and RSPONSIBLE TOURISM from Ministry of Health
Nassau								Safe travels from WTTC
Ravenna	in progress		in progress					Safe travels from WTTC
Valletta	in progress		in progress					Safe travels from WTTC
Zadar								Safe travels from WTTC

Within the EU only Port authorities can become EcoPorts certified.

QSCs: Quality Service Certification is only eligible by Spanish Ports.

Ege Port Kuşadası, Bodrum and Akdeniz port operations are all conducted under the Green Port certificate. We aim to apply for a Green Port certificate for Lisbon Port within the next period. Moreover, Ege Port Kuşadası, Akdeniz, Bodrum and Barcelona Ports are included within the scope of Green Port Practices by ESPO (European Sea Ports Organization) Eco-Ports. The targeted certifications and Port names for the future are shown in the table above.

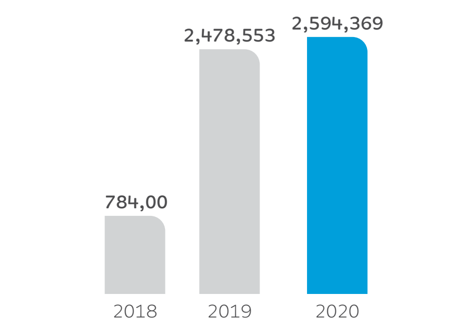
We handle our work in the field of the environment under the leadership of the Sustainability Committee, with the participation of varied stakeholder groups and within the scope of the cooperative initiatives we have established. We are aware of the importance of the feedback we receive from our stakeholders and shape our work in line with their contributions. Within this scope, the results obtained from the stakeholder analysis, conducted at international standards, support the development of our work regarding the environment.

Our renewable energy investments and studies on climate change and the protection of the water ecosystem are conducted in parallel with the Sustainable Development Goals of the United Nations. Our work contributes to SDG 6, SDG 7, SDG 13, SDG 14 and SDG 17 specifically.

We seek to further our performance regarding the environment with each passing year. Our environmental investments have increased three folds comparing to last year and reached TL 2,594,369 in 2020. There have been no environment-related non-compliance or environmental fines due to our operations within the last four years.

WE REGULARLY FOLLOW THE ENERGY CONSUMPTION OF BOTH THE HOLDING AND ALL ITS SUBSIDIARIES.

GIH Environmental Investments (TL)



i. Climate Change and Energy Management

The global climate change that originates from greenhouse gas emissions and whose effect we have been increasingly feeling brings along risks that are closely related to the operations of many sectors. Effective energy management plays an important role in the management and conversion of these risks into an advantage.

As we seek to achieve our corporate objectives, we consider reduction of our greenhouse gas emissions, more effective use of energy, and responsible consumption among our priorities to be pursued across the Holding. We regularly follow the energy consumption of both the Holding and all its subsidiaries. As such, we test our corporate performance regarding the set targets and seek to develop any areas where our performance falls short.

In 2020, our electricity consumption of the energy generation and mining facilities was 34,314 MWh and real estate and Global MD Portfolio Management companies was 6,519 MWh, 12 MWh at Naturelgaz, and 433 MWh at the Holding Headquarters, equating to 41,278 MWh in total.

Energy Efficiency

Due to the pandemic in 2020, we achieved a reduction of approximately 3,020 MWh in energy consumption. This saving was achieved due to the reduction in the annual working period in the shopping centres and the savings measures during the working period and the savings from electricity in the common areas that are not used due to working at home. For the upcoming period, we aim to increase energy savings with various developments such as improvements in tools and systems we use, roof solar panel applications, changes in lighting systems, and the use of electric vehicles.

In 2020, we increased our energy efficiency with the improvements we made in our biomass facilities. We achieved a 41 percent reduction in the energy used for unit energy production. We achieved a 14 percent improvement in the rate of conversion of biomass to energy.

Energy Efficiency of Biomass Plants

	2019	2020
Consumed energy/Generated energy	0.17	0.10
Amount of biomass/ Generated energy	1.95	1.67

IN 2020, WE INCREASED OUR ENERGY EFFICIENCY WITH THE IMPROVEMENTS WE MADE IN OUR BIOMASS FACILITIES.

GROWING OUR RENEWABLE ENERGY PORTFOLIO

29.2 MW Total Biomass-Based Installed Capacity

In addition to two biomass plants that we commissioned in 2017, we had commissioned a third plant with an installed capacity of 12 MW in Derik, Mardin in October 2018. Thus, our power to generate electricity from biomass reached a total of 29.2 MW. This meets the electricity requirement of over 80 thousand households. In 2020, Mavibayrak, Mavibayrak Doğu ve Dogal Energy facilities generated 318,187 MWh electricity from 171,378 tons of residues and waste from agricultural fields, forests, and livestock.

In addition, the project has been approved by VCS (VERRA) for the acquisition of carbon rights for Mavibayrak Enerji Üretim A.Ş. The project was awarded as “first of its kind.”

The I-REC renewable energy certification process has been completed and certificates have been issued on behalf of Mavibayrak Doğu Enerji plant. The same process has been initiated for Doğal Enerji plant.

Solar Energy

The investments in the 10.8 MWp solar power plant that began to be installed in Mardin by our group company Ra Güneş in 2018 began to generate power in 2020. In 2020, 20,098 MWh of electricity was produced at the Ra Solar power plant.

Global Investment Holdings’ 51% subsidiary in solar energy, Barsolar D.O.O. Bar in Montenegro was granted Temporary Status of Privileged Energy Producer. The solar plant is located in the port of Adria, Bar, Montenegro. Barsolar is expected to generate about 6.9 million kWh electricity per year, meeting the electricity requirement of more than 26 thousand households.

ELECTRICITY GENERATION WITH COGENERATION SYSTEM

Cogeneration systems are combined energy systems in which electricity and heat are produced together by burning other fuels, especially natural gas, in an engine or turbine. In other words, cogeneration is the production of energy from the same system simultaneously in both electrical and heat forms and making it available to enterprises. The biggest aim in cogeneration is to utilize the primary fuel energy at the highest rate.

Energy in trigeneration systems; It can be offered to enterprises simultaneously in three different forms as electricity, heating and cooling.

Cogeneration and trigeneration produce clean and environmentally friendly energy with low carbon emission. In 2020, 307,532 MWh of electricity was produced with cogeneration/trigeneration systems.

OUR FUTURE PLANS

Global Investment Holding’s first international solar power plant

Global Investment Holding made its first foreign investment in the field of energy generation by establishing Barsolar company in Montenegro. Barsolar is planning to build a solar power plant on the roofs of the building used for storage at the Port of Adria in the city of Bar. Bar, located on the western coast of the Adriatic Sea in Montenegro, and is located at the foot of Rumija Mountain. Bar railway line connects central and northern Montenegro; the railway line also extends to Belgrade, the capital of neighbouring Serbia. Ferry lines connect the city with Bari on the Italian coast. Global Ports Holding, a subsidiary of GYH, which invests in port terminals around the world, has been operating Adria Port since 2012 with the concession agreement valid until 2043.

GLOBAL INVESTMENT HOLDING MADE ITS FIRST FOREIGN INVESTMENT IN THE FIELD OF ENERGY GENERATION BY ESTABLISHING BARSOLAR COMPANY IN MONTENEGRO.

The plant is expected to meet the needs of 2,600 houses with an annual electricity generation of 6.9 million kWh. The power plant will be installed on the roof of the warehouse covering an area of more than 66,000 m^2 in the port and the installed capacity of the plant is planned to be 6 MWp in total. The Montenegrin government supports renewable energy production based on the tariff guarantee system. In this system, the highest rate is applied for rooftop solar power plants. Within the scope of the feed-in-tariff system, the power plant will be able to sell electricity at a tariff-guaranteed price of 0.12 Euros per kilowatt-hour for 12 years.

Barsolar plans to start construction in the second quarter of 2022 and start generating electricity in the third quarter of 2022. After the power plant starts to operate, Barsolar will be the investor and operator of the largest solar power plant in Montenegro.

GHG EMISSIONS

The calculations on GHG emissions data of the Ports, which cover the Scope 1 and 2 GHG emissions, have been conducted in accordance with the GHG Protocol control approach. During 2019, GPH’s Scope 1 and Scope 2 Greenhouse Gas Emissions reduced by 9.0% compared to the previous year. Greenhouse gas emissions for 2020 are planned to be declared in the 2020 annual report.

Table of the GHG Emissions of GPH (tonnes CO_2e)*

	2018	2019
Scope 1	2,748	2,514
Scope 2 (Location based)	5,907	5,363
Scope 1 and 2 total		
Location-based	8,655	7,877
Carbon intensity		
Per full-time equivalent employee	14.77	12.32
Per sqm facility area	0.0096	0.0085

Emissions were calculated in accordance with the GHG Protocol control approach using IPCC 2006 emission factors, AR5 GWP values, the International Energy Agency and the World Resources Institute emission factors and local fuel data (net calorific value and density), where possible.

ii. Water and Waste Management
We monitor our water consumption in the fields where we are active and consider any waste that is the direct or indirect result of our operations as our responsibility within the scope of our environmental management strategy. In line with the responsibility we have undertaken, we track our water consumption on a regular basis. In 2020, our water consumption of the real estate and Global MD Portfolio Management companies was 22,026 m³. The total water consumption of the GIH including energy production companies, mining, Naturelgaz and Adria, Ege Port Kuşadası, Bodrum, Barcelona, Cagliari, Catania, Lisbon, Malaga, Valetta Ports and the real estate and Global MD Portfolio Management companies and the Holding Headquarters, amounted to 161,862 m³.

Within the scope of our waste management efforts, we plan to monitor our waste generation more effectively. At the same time, we aim to increase the rate of recycling in general at the Holding and its subsidiaries. We aim to generate waste of a more recyclable nature through awareness studies conducted in the company and by expanding the scope of recycling practices. In 2020, the total waste amount generated as a result of our operations was 274,638 tonnes. 99.9% of waste is non-hazardous, while 0.1% is hazardous. Additional information about waste is provided in the GIH Environmental Performance Indicators table below.

WE MONITOR OUR WATER CONSUMPTION IN THE FIELDS WHERE WE ARE ACTIVE AND CONSIDER ANY WASTE THAT IS THE DIRECT OR INDIRECT RESULT OF OUR OPERATIONS.

Our port operations are important in terms of waste management. We ensure that the waste generated at the ports is separated before storage. We store all the waste obtained from ships at our ports and render such waste more environmentally friendly by subjecting it to treatment. On the other hand, we treat wastewater and regularly control its contents to ensure compatibility.

In 2020, the total wastewater discharge of the GIH including energy generation, natural gas, mining sector companies and Ege Port Kuşadası, Bodrum, and the real estate and Global MD Portfolio Management companies and the Holding Headquarters, amounted to 92,649 m³. In the future period, we will continue to control the wastewater generated as a result of our operations within the scope of corporate and legislative requirements. In this regard, we aim to improve the quality and decrease the amount of wastewater generated in future periods.

iii. Our Support for the Protection of Biodiversity
Protection of land and marine ecosystems is extremely important where the health of our planet and sustainability of our business models are concerned. All industrial activities have some sort of effect on the environment. We diligently work towards minimizing these effects and towards not causing any direct or indirect irrecoverable damage to the environment or damaging biodiversity as a result of our operations.

At Global Investment Holdings, we are aware of the effect that our facilities spread across the world may have on biodiversity, led by our port operations that 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 since 2015. In addition to minimizing the effect of our operations, we collaborate with others and lead work for the protection of natural life for contributing positively to biodiversity.

AT GLOBAL INVESTMENT HOLDINGS, WE ARE AWARE OF THE EFFECT THAT OUR FACILITIES SPREAD ACROSS THE WORLD.

One of our facilities is located in the Gulf of Gökova. We are carrying out a collaborative project, which began in 2015 and continue in 2019, with the Association for the Protection of Mediterranean called the Sandbar Shark (Carcharhinus Plumbeaus) and Breeding Site Project at Boncuk Bay, which is near the Gulf of Gökova and has Special Conservation Area status. Under this project, we contribute to the protection of sandbar sharks and their living environment which are included in the sensitive category in the International Union for Conservation of Nature's (IUCN) Red List and in the endangered category in the red list for the Mediterranean region. Accordingly, we include and benefit from the knowledge of the local fisherman in the studies we conduct.

GIH ENVIRONMENTAL PERFORMANCE INDICATORS

	2017	2018	2019	2020
Electricity consumption (MWh)	54,613.1	80,113.4	44,8331	41,278
Renewable energy production (MWh)				
Biomass			122,207	171,378
Solar				20,098
Total renewable production				191,476
Water data (m³)				
Water Consumption (m³)	204,000	473,679	182,3112	161,862
Wastewater (m³)	23,000	48,894	91,9063	92,649
Waste data (tonnes)				
Total hazardous waste (tonnes)		2,025	1,3124	245
Total non-hazardous waste (tonnes)		9,682	16,7115	274,393
Total (tonnes)	772,000	11,707	18,023	274,638

1: Energy consumption 2019: Energy generation, mining and real estate sector companies and GMD Portfolio Management Company data is included.
2: Water consumption 2019: Mavibayrak ve Dogal Energy companies and Ege Port Kuşadası, Bodrum, Barcelona, Cagliari, Catania, Lisbon, Malaga, Valetta Malta Ports and real estate and GMD Portfolio Management Company data is included.
3: Wastewater 2019: Energy generation, natural gas, mining sector companies and Adria, Ege Port Kuşadası, Bodrum, Akdeniz Ports and the real estate and Global MD Portfolio Management Company data is included.
4: Hazardous waste 2019: Energy generation, natural gas, mining companies and Ports and the real estate and Global MD Portfolio Management Company data are included.
5: Non-hazardous waste 2019: Energy generation, natural gas, mining companies and Ports and the real estate and Global MD Portfolio Management Company data are included.

C. SOCIAL PRINCIPALS

i. Working Life at Global Investment Holdings

The importance we attach to our employees plays a significant role in the success of our company and subsidiaries. We are of the belief that we can further this success by improving the commitment, motivation and satisfaction of our employees and strengthening the synergy in the company.

We attach importance to employee development that will allow employees to achieve their potential and offer opportunities to improve both the company and employee performance within this scope. We design our performance management system accordingly to ensure fair judgment of employee competencies and performances.

As a global group, we operate in different geographical areas and we expect our subsidiaries to manage their human resources in consideration of the requirements of these regions. We manage human resources within the scope of our Personnel Regulation that identifies employee rights and the rules with which employees are required to comply.

We prioritize respect for human rights and diversity and inclusion in our approach to our employees. Based on the importance we place on equality in line with the United Nations Global Compact, to which we are a signatory, 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 scope of Sustainable Development Goals.

We pay attention to the impact of our operations on local communities and human rights in our activities conducted outside the OECD. We prevent any negative impact in terms of human rights and conduct all our operations in compliance with the Universal Declaration of Human Rights and Conventions of the International Labour Organization (ILO).

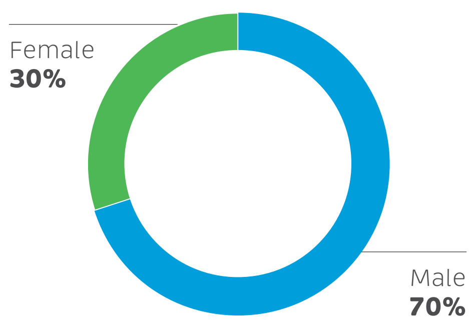
WE EMPLOY A TOTAL OF 1,534 EMPLOYEES AT GLOBAL INVESTMENT HOLDINGS (GIH) AND AFFILIATES.

8 DECENT WORK AND ECONOMIC GROWTH

We employ a total of 1,534 employees at Global Investment Holdings (GIH) and affiliates. Sixteen percent of our staff are women. At GIH and affiliates, women make up 30% of senior management, whereas the Holding senior management female employment rate is 33%. We aim to boost the percentage of women at all levels of our organization, including our board, in accordance with Sustainable Development Goals. In 2018, GIH's Board of Directors adopted a policy that set a target of 25% women board members within five years. This policy continues to be implemented. As of the end of 2020, GIH's Board of Directors is composed of seven members, one of which is female.

In February 2019, the Global Ports Holding's, our ports subsidiary, Board approved a proposal from European Bank for Reconstruction and Development (EBRD) for a two-year pilot program aimed at empowering women entrepreneurs in Turkey within the travel and tourism sector. The Program will be focused on the Antalya, Bodrum and Kuşadası regions and has the potential to be replicated in other countries where EBRD and the Group operate.

2020 GIH Senior Management Gender Distribution



ii. Training

We believe that our employees can reach their potential through training programs that support both their professional and personal development. We support our employees' professional and personal development through the training programs we provide in personal development, occupational and technical areas.

The training programs provided differ from each other depending on the sector and competency requirements. In our real estate and finance companies, the training programs mainly focus on capital markets, CMB license renewal, technical issues regarding the exchange and financial markets, and foreign languages. On the other hand, gas measurements, ERP, software, technical maintenance, environmental protection covering marine and land pollution, waste management, quality management and basic occupational health and safety subjects occupy the agenda of the training programs in electricity generation/gas/mining companies.

In 2020, we planned the training and development programs in line with the Port Group vision and goals. We emphasized digitalization in our training processes. We aimed continuity with a 50-week program in the training program, which was carried out on the digital platform (Vibons Journey) and intended acquisition of different competencies and personal development. A total of 520 hours of training were conducted for 52 employees in Turkey and overseas operations.

iii. Healthy and Safe Work Environment

Providing our employees with healthy and safe work environments is among our material issues. To be able to provide this, we manage occupational health and safety in the most effective manner, take the necessary measures in the work environment, and train our employees in this area.

IN ALL BRANCHES OF ACTIVITY OF GLOBAL INVESTMENT HOLDINGS, WORKS HAVE BEEN CARRIED OUT IN ACCORDANCE WITH ALL RELEVANT GUIDELINES PUBLISHED BY THE MINISTRY OF HEALTH.

Occupational health and safety risks differ according to the sector and accordingly mining and energy companies are classified among higher-risk firms, while ports are classified as moderate, and finance companies as lowest risk ventures. Occupational health and safety is managed according to each sector's requirements and risk levels.

We manage OHS on a company basis by observing sector-based differences and through boards and committees in which employees are also represented. The highest responsible body regarding OHS is the Sustainability Committee that reports OHS issues to the Board of Directors.

We systematically track the risks and performance and work with continuous improvement and zero accident objectives. We pay particular attention to the updating of OHS policy and guidelines. Within this scope we prepared and published an OHS Handbook for ports. Moreover, we work towards improving accident reporting systems.

Preventive Measures against Covid-19

In all branches of activity of Global Investment Holdings, works have been carried out in accordance with all relevant guidelines published by the Ministry of Health since March 2020, when Covid-19 emerged.

For office workers, 80% of remote access from home is authorized and monitored. Fever measurement is performed for office employees upon entrance to the office. HES code control is carried out, clean masks are given, and fever is measured for outsiders including repairmen, customers or independent audit teams. In the office, departments are naturally ventilated, and employees are required to wear masks. Clean masks are distributed for office workers in the morning and at noon. Used masks are thrown into a special medical waste bin. Every evening, the contact parts of the tables and computers are cleaned in the office. Hand disinfectants are available at the entrance of the office and in the toilets, and there are images in the hand washing guide and the measures for protection from coronavirus. Office and vehicles are disinfected.

Many measures have also been taken in the real estate sector. Van Shopping Centre received TSE Covid-19 Safe Service Certificate on 17/10/2020 due to the Covid-19 pandemic. SÜMERPARK AVM goes through a more advantageous process compared to other closed shopping malls as it is an open shopping mall. Personnel Management and Workplace Rules have been rearranged in accordance with the guidelines published by the Ministry of Health. Since the relevant regulation is issued, the HES code is applied at the entrance to the shopping mall. Shopping Malls are audited by local administrations in various periods. The work arrangements of the employees and subcontractors are planned alternately with the minimum personnel. A mask requirement has been imposed for employees and subcontractors at the facility without exception. Gloves and shields are required for security personnel dealing with the customer. A Covid-19 officer was appointed for the implementation and supervision of Covid-19 measures at the facility and plans were made according to possible scenarios. The air conditioning systems in the facility have been arranged in accordance with the guidelines issued by the Ministry of Health, and air conditioning is performed directly with only clean air. Antiviral ionizer ventilation units are installed in the elevators. The person counting system in the shopping mall entrances is connected to automation, allowing the number of customer entries permitted by the local administration. Hand disinfectant stations have been placed in various parts of the facility for employees and customers, and the cleaning and hygiene period has been tightened. In addition to the annual routine training and audits with the contracted OSGB company, additional training was given this year due to the Covid-19 pandemic.

PORT AKDENİZ, EGE PORT KUŞADASI, BODRUM CRUISE PORT, AND PORT OF ADRIA HAVE THE OHSAS 18001 OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT CERTIFICATE.

In our energy production facilities, Combating Contagious Diseases and Adaptation Procedure have been prepared in accordance with the requirements of the Ministry of Health and Governorships. The entire infrastructure has been established in line with these procedural requirements. All relevant actions have been taken within the scope of the application for the Turkish Standards Institute (TSE) Covid-19 Safe Work Certificate.

On the Naturelgaz side, an "Emergency and Business Continuity Plan" was drafted for the Covid-19 outbreak. In this context, an emergency team has been established. This team evaluates the developments regarding the epidemic instantly and works to take the necessary actions. If any cases are detected in employees or in their families, actions are taken by the management in accordance with the aforementioned plans. As of the report date, there has not been any situation that would cause an interruption in operations.

PORTS

Port Akdeniz, Ege Port Kuşadası, Bodrum Cruise Port, and Port of Adria have the OHSAS 18001 Occupational Health and Safety Management Certificate and currently undergoing a renewal process with the new version, ISO 45001:2016. On the other hand, our ports are compliant with the international port operations safety standards, as well as being managed in conformity with ISO 20858 Maritime Port Facility Security Assessment System.

Our HSE Manual defines all health, safety and environmental guidance across the Company. It is regularly reviewed and updated to reflect global best practice and in-house knowledge-sharing across the business. Across all our ports, the goal is to prevent injury, harm and illness, and to ensure the personal safety of employees, contractors, the public and our community. Our HSE Manual ensures that we not only comply with legislation but embed activities and training into our culture to prevent incidents from occurring or reoccurring. If an incident or a near-miss does take place, we have defined reporting procedures and where applicable, use the learning we gain to design preventative action.

Accident Reduction at the PORTS

Like any business, our day-to-day operations carry potential risks that must be mitigated. In our case, we welcome many thousands of passengers who travel through our facilities; we work next to, and on, water; and we accommodate some of the world's largest cruise ships.

In 2020, there were no reportable incidents that affected passenger safety. Nor were there any injuries to employees during cruise port operations that required any prolonged absence from work.

Additionally, we lift and move thousands of tonnes of cargo every week at our two commercial ports. To do this safely, we set rigid processes and make significant investments in highly trained teams, and our equipment and infrastructure.

IN 2020, THERE WERE NO REPORTABLE INCIDENTS THAT AFFECTED PASSENGER SAFETY.

To effectively fight against Covid-19, a measures handbook was prepared at our Bodrum and Ege Port Kuşadası Ports in 2020. In addition, the Covid-19 related Certificates received by our Port facilities are shown in the table in Our Environmental Impact section.

OHS DATA OF GPH

	2019	2020
Number of fatalities	0	0
Number of OHS training hours	3,901	660

ENERGY GROUP OHSAS 18001 CERTIFICATIONS

Consus Energy, Dogal Energy, Mavi Bayrak Energy, Mavibayrak Dogu Energy, Straton Mining and Tres Energy have OHSAS 18001 Occupational Health and Safety Management Certificates and currently updating their certifications with new version ISO 45001:2016.

OHS DATA OF THE GLOBAL INVESTMENTS HOLDINGS (GIH) GROUP COMPANIES

In 2020, we provided a total of OHS training of 10,030 employee x hour to our employees in the Holding and affiliates. Also, energy generation companies, Natural Gas Company and Ports facilities provided a total OHS training of 2,530 employee x hour to our contractors.

	2016	2017	2018	2019	2020
Fatalities	0	0	1	2	0
Number of Accidents	53	46	63	115	181
Total OHS Training Hours	6,836	11,390	11,211	14,401	10,030

iv. Ethics

BUSINESS ETHICS
We believe that strong corporate governance is only possible through a strong ethical foundation. Our Company upholds all anti-bribery and corruption laws and regulations in the countries where we operate and are represented. We observe ethical and professional principles, and universal rules of law, in particular, the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions. We take a zero-tolerance approach to bribery and corruption and are committed to acting professionally, fairly, transparently and with integrity in all our relationships and business dealings. As a result of the importance we attribute to this issue, we drew up our Anti-Bribery and Corruption Policy and publicly declared it on the Holding's website.

As Global Investment Holdings (GIH), our Anti-Bribery and Corruption Policy includes the principles, practices, supervision and reporting methods regarding compliance with the laws and regulations on bribery, corruption and facilitation payments, political donations, hospitality costs and gifts. In addition, our Group Company, serving in the port operating business line, GPH's, Anti-Bribery and Corruption Policy and Modern Slavery Statement are accessible on its corporate website.

We expect all our stakeholders, and especially our employees to embrace this approach and to act within the framework of our Code of Ethics and Anti-Bribery and Corruption Policy.

The Board of Directors is responsible for approving the Policy, along with supervising the determining and operating notifications, examinations, and enforcement mechanisms for noncompliance of rules and regulations. Senior Management is responsible for preparing, developing, executing and updating the Policy.

WE EXPECT ALL OUR STAKEHOLDERS, AND ESPECIALLY OUR EMPLOYEES TO EMBRACE THIS APPROACH AND TO ACT WITHIN THE FRAMEWORK OF OUR CODE OF ETHICS AND ANTI-BRIBERY AND CORRUPTION POLICY.

Our Policy is reviewed every year and when deemed necessary amended and circulated among the company employees. The Audit Committee, consisting of independent members, is responsible for this review. In addition, the Corporate Governance Committee is responsible for reviewing and improving the Company's Anti-Bribery and Corruption Policy at regular intervals; as well as monitoring these practices on a regular basis, including bribery and corruption issues in the general risk assessment processes; and conducting regular risk assessments in this area within annual periods.

In case of the violation of the Anti-Bribery and Corruption Policy, disciplinary penalties that may extend to the termination of the employment contract can be applied. Moreover, our Group companies commit to show zero tolerance to bribery and corruption and avoid doing business with organizations known to be involved in such acts.

We offer training to concerned parties on anti-bribery and corruption issues so that these parties may acquire information on the Policy's principles and internalize them. These parties include all Company employees, contractors, suppliers, agencies and joint ventures. Periodically, we conduct training and awareness programs for employees regarding legal requirements under the anti-bribery and anti-corruption program.

In 2020, trainings were held on the Anti-Bribery and Anti-Corruption Policy, Prevention of Market Misuse and General Data Protection Regulation in the Port operating sector, which is the largest subsidiary of the Global Investment Holding Group. A total of 103 employees, 24 of whom were senior management and executive level, attended the Anti-Bribery and Anti-Corruption Policy trainings. The duration of the online trainings was 45 minutes. Detailed information about the number of participants in the trainings is given in the table below.

All notifications about ethical rules, anti-bribery and anti-corruption can be forwarded to the Holding through the ethical line and via the below e-mail address. In 2020, 3 reports/incidents were sent over the ethics line. The reports received were investigated and concluded that they were not related to our company. Therefore, they were closed.

The number of participants by training subjects in 2020

Training subject	Total participant number	C level and senior management participant number
Anti-Bribery and Anti-Corruption	103	24
Preventing Market Fraud	69	21
General Data Protection Regulation	80	16

The anti-bribery and anti-corruption reporting e-mail hotline: etik@global.com.tr

v. Community Relations

In line with our objective to rising while creating a difference, we conduct our relations with the employees, contractors, suppliers, customers and the local people in the regions in which we operate with an eye to having a positive effect on all our stakeholders.

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 Turkey and improve the social, cultural and economic environment, benefiting the country and its citizens, both locally and nationally.

The Company's sponsorship activities in 2020 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, Turkey; Valletta, Malta; Bar/Kotor, Montenegro, Ravenna, Italy Havana, Cuba and Barcelona, Spain. The intention is to host a Global Run in all locations of GPH's growing portfolio around the world. In 2020, due to the Covid-19 pandemic, there was no such organisation.

GIH'S SPONSORSHIP ACTIVITIES IN 2020 CONTINUED TO SUPPORT SPORTS, EDUCATIONAL, CHARITABLE, CULTURAL AND SOCIAL CAUSES, AND RELATED PROJECTS AND EVENTS.

D. CORPORATE GOVERNANCE PRINCIPLES
Pursuant to Article 17 of the Capital Market Law No: 6362, dated December 6, 2012, and II-17.1 Corporate Governance Communiqué released on January 3, 2014, issuance of a "Corporate Governance Principles Compliance Report" and compliance with specified Corporate Governance Principles have become mandatory for companies traded on Borsa Istanbul (BIST). Accordingly, the Company has resolved that the requirements imposed by the CMB be strictly followed, and necessary efforts are undertaken to guarantee compliance with other principles described in those Communiqués.

Although full compliance with non-mandatory Corporate Governance Principles is a target, it has not yet been achieved due to difficulties regarding implementation of some principles and some principles failing to align with the existing structure of the market and the Company. The principles that have not been implemented yet have not resulted in a conflict of interest among stakeholders up today. However, they are being worked on and the plan is to adopt them upon the completion of the administrative, legal and technical infrastructure works that would contribute to the Company's effective management.

Following the initial public offering of our shares, Global Investment Holdings achieved full compliance with the mandatory Corporate Governance Principles published by the Turkish Capital Markets Board and substantially complied with the non-mandatory Corporate Governance Principles. Global Investment Holdings received its first Corporate Governance Rating in 2011. With its Corporate Governance Principles compliance rating upgraded from 8.36 in 2011 to 9.12 in 2020, the Group continues to be included in the Borsa Istanbul Corporate Governance Index as the score is above the threshold score of 7. Detailed information on corporate governance compliance is provided in the Corporate Governance Compliance Form (CGCF) and Corporate Governance Information Form (CGIF).

As Global Investment Holdings, we have made sustainability the focus of all our operations since our establishment; and we progress with a "responsible investment" mentality. The core of our sustainability approach is to maintain and develop our corporate reputation and the trust of our all stakeholders, which are our most valuable asset. We believe that financial returns are not enough unless they also generate social benefits and continue to contribute through Global Investment Holdings or our subsidiaries to sustainable development in the regions where we operate. We are pleased to be included in the BIST Sustainability Index again this period, which provides a reliable option for investors in the stock market.

AS GLOBAL INVESTMENT HOLDINGS, WE HAVE MADE SUSTAINABILITY THE FOCUS OF ALL OUR OPERATIONS SINCE OUR ESTABLISHMENT.

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 2020, the Investor Relations Department has held 3 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, through the year more than 300 numerous investor requests via phone, email and social media have been responded to.

Additionally, the IR Department proactively contacted relevant financial institutions with the company- related and key news updates. The IR 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 website at www.globalyatirim.com.tr.

Investor Relations Department Information:

Name-Surname	Title/License	Phone	E-mail
Aslı Su Ata	Investor Relations Director/CMB Advanced Level & Corporate Governance Rating	+90 (212) 244 60 00	investor@global.com.tr
İsmail Özer	Investor Relations Senior Analyst/CMB Advanced	+90 (212) 244 60 00	investor@global.com.tr
Onat Polat	Corporate Communications	+90 (212) 244 60 00	investor@global.com.tr

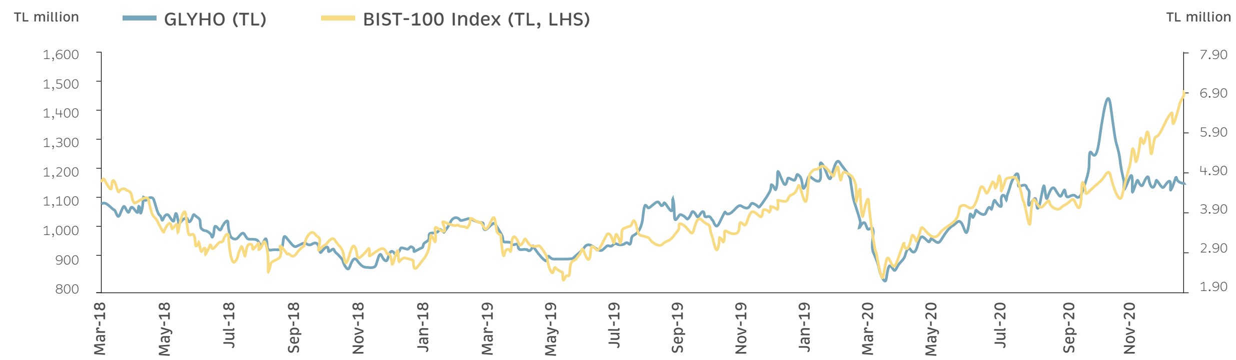
GLOBAL INVESTMENT HOLDINGS GROUP DELIVERS TIMELY COMMUNICATIONS AND ENJOYS A TRANSPARENT RELATIONSHIP WITH ITS INVESTORS.

GLYHO Performance

- The share performance for the year was significantly impacted by the outbreak of Covid-19, which has had a devastating impact on both global economies and global travel sectors, particularly from late February 2020 onwards.
- GLYHO has lost 3.9% in TL value (down 23.1% in USD value) in 2020, while the BIST-100 was up 29.1% in TL value (up 3.3% in USD value)
  - Equities are climbing up from the depths to which they had plummeted during the Great Lockdown due to the Covid-19 pandemic at the beginning of the year. More importantly, since March 23, 2020, when the downward trend shifted the course of Borsa Istanbul, GLYHO has increased by 126.1% in TL value, while yielding a 29.1% relative return to the BIST-100 until year-end.
  - GLYHO has been relatively strong and mostly outperformed its global and national peers in the aviation & travel sectors in 2020, as follows in USD;
    - Turkish Airlines -29%
    - Pegasus -31%
    - TAV Airports -37%
    - Norwegian Cruise Lines -56%
    - Royal Caribbean -44%
    - Carnival -62%

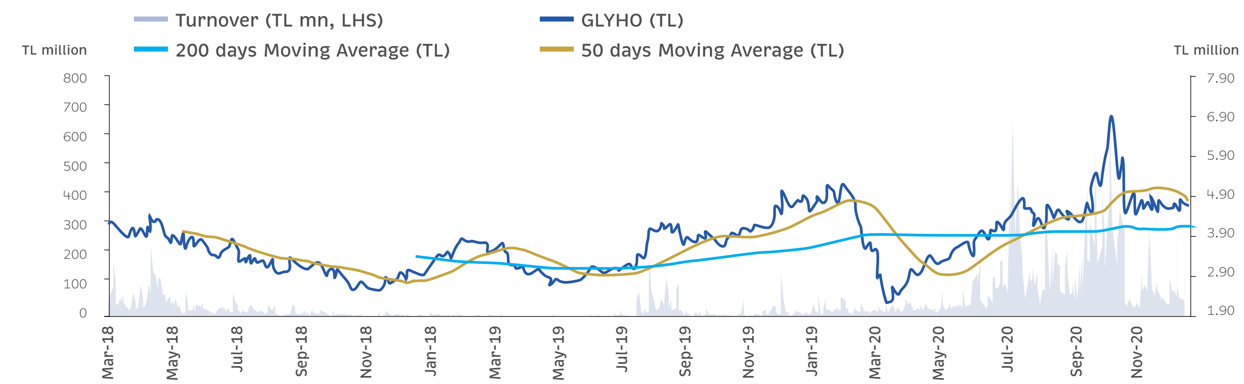
- GLYHO has traded between TL 2.01 (March 23, 2020) and TL 7.38 (October 21, 2020).
- The daily average trading volume increased to TL 22.8 million, surpassing 2019's average trading volume of TL 12.0 million by nearly 90%
- Mcap stood at TL 1.5 billion at year-end 2020.
- The share of foreign holdings in the free float was 32.3% as of the end of 2020 compared to 48.8% a year ago.
- Having incorporated sustainability into its business model, GLYHO is again among the BIST Sustainability Index constituents for the 2020-2021 period.
- Global Investment Holdings' corporate governance rating has been upgraded to 9.12 (out of 10).
- GLYHO is included in numerous indexes, including BIST ISTANBUL/BIST SUSTAINABILITY/BIST ALL SHARES-100/BIST MAIN/BIST ALL SHARES/BIST FINANCIALS/BIST HOLD. AND INVESTMENT/BIST CORPORATE GOVERNANCE

GLYHO & BIST 100 - PRICE PERFORMANCE



Source: BIST & Thomson Reueters

GLYHO PRICE PERFORMANCE



Source: BIST & Thomson Reueters

Ratings

Global Investment Holdings' Corporate Governance Rating has been upgraded to 9.12

Within the scope of the Capital Markets Board's ("CMB") Communiqué on "Rating Activities and Rating Agencies in the Capital Markets," Global Investment Holdings' Corporate Governance Rating has been reviewed by Kobirate Uluslararası Kredi Derecelendirme ve Kurumsal Yönetim Hizmetleri A.Ş. (Kobirate International Credit and Corporate Governance Rating: "Kobirate"). Accordingly, Global Investment Holdings' Corporate Governance Rating has been upgraded to 9.12 (out of 10.0) from 9.06 a year ago, indicating that the Company has achieved substantial compliance with CMB's Corporate Governance Principles.

Kobirate has reviewed the Corporate Governance Practices of Global Investment Holdings under four main categories, while improvements in the "Board of Directors" and "Public Disclosure & Transparency" categories contributed to the overall rating improvement. More specifically, the establishment of the Nomination and Remuneration Committee (Board of Directors); as well as the continuation of enhanced scope and content of the annual report (Public Disclosure & Transparency), have had a positive impact on the overall rating.

	2020
Overall rating (out of 10.0)	**9.12**
Shareholders (25%)	90.88
Public Disclosure & Transparency (25%)	94.34
Stakeholders (15%)	92.95
Board of Directors (35%)	88.54

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

GLOBAL INVESTMENT HOLDINGS' CORPORATE GOVERNANCE RATING HAS BEEN UPGRADED TO 9.12 (OUT OF 10.0) FROM 9.06 A YEAR AGO.

Credit Ratings

JCR Eurasia Rating has revised the ratings of Global Investment Holdings as 'BBB+ (Trk)' and 'BB+' on the long term national and international scale and affirmed the outlook on the ratings as 'Stable'. The sovereign rating of the Republic of Turkey was downgraded by one notch to 'BB+' on April 10, 2020. The Holding's Long-Term International Ratings, which were previously assigned as 'BBB-,' are downgraded by one notch to 'BB+' and aligned with the sovereign rating of the Republic of Turkey. Additionally, despite the fact that the outlook of Turkey's sovereign rating is determined as 'Negative' by Japan Credit Rating Agency Ltd. On April 10, 2020, JCR Eurasia Rating has assigned 'Stable' outlooks on the international long- and short-term local currency rating perspectives of Global Investment, considering the Holding's foreign currency generation capacity.

In its periodic review, JCR Eurasia Rating has evaluated Global Investment Holdings ("GIH") and the Ongoing Bond Issues in an investment-level category on the national scale and revised the ratings on the Long Term National Scale from 'A- (Trk)' to 'BBB+ (Trk)' and the Long Term International Scale from 'BBB-' to 'BB+' with 'Stable' outlooks. Moreover, the ratings for the outstanding or prospective debt instrument issuances are determined as 'BBB+ (Trk)' for the long term and 'A-2 (Trk)' for the short term. Additionally, GIH's Short Term National Rating was amended to 'A-2 (Trk)/Stable'. The rating action is driven by the Covid-19 pandemic that has engulfed the world and is causing unprecedented disruption to both global economies and the global travel sector. On the other hand, GIH's resilience was also confirmed by JCR Eurasia Rating. Despite the fact that the outlook of Turkey's sovereign rating was determined as 'Negative' on April 10, 2020, JCR Eurasia Rating has assigned 'Stable' outlooks to the international long and short term local currency rating perspectives of Global Investment, considering the Holding's foreign currency generation capacity.

Global Investment Holdings' main shareholders are deemed adequate in terms of financial power considering the diversification of the sectors involved and their competitive advantage. In this regard, the major shareholders have the adequate willingness and experience to ensure long-term liquidity and equity within their financial capability when required, and the Company's Sponsor Support Grade has been determined as (2), which denotes adequate external support.

The Stand-Alone grade, denoting GIH's ability to fulfil the liabilities with its own resources, has been determined as (B), indicating that the capacity to utilize internal resources is adequate when considering GIH's activities across diverse sectors, income generation capacity and equity and indebtedness levels.

Other notes and details of the ratings are:

Long Term International Foreign Currency	:	BB+/(Stable Outlook)
Long Term International Local Currency	:	BB+/(Stable Outlook)
Long Term International Issue Rating	:	BB+
Long Term National Local Rating	:	BBB+ (Trk)/(Stable Outlook)
Long Term National Issue Rating	:	BBB+ (Trk)
Short Term International Foreign Currency	:	B/(Stable Outlook)
Short Term International Local Currency	:	B/(Stable Outlook)
Short Term International Issue Rating	:	B
Short Term National Local Rating	:	A-2 (Trk)/(Stable Outlook)
Short Term National Issue Rating	:	A-2 (Trk)
Sponsor Support	:	2
Stand Alone	:	B

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 Turkey and improve the social, cultural and economic environment, benefiting the country and its citizens, both locally and nationally.

The Company's sponsorship activities in 2020 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, Turkey; Valletta, Malta; Bar/Kotor, Montenegro, Ravenna, Italy Havana, Cuba and Barcelona, Spain. The intention is to host a Global Run in all locations of GPH's growing portfolio around the world. In 2020, due to the Covid-19 pandemic, there was no such organization.

GIH AND ITS SUBSIDIARIES ARE COMMITTED TO INTEGRATING SOCIAL, ENVIRONMENTAL, ETHICAL, AND HUMAN RIGHTS CONCERNS INTO THE GROUP'S BUSINESS OPERATIONS AND CORE STRATEGY.

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, text books 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.

GLOBAL INVESTMENT HOLDINGS & GLOBAL PORTS HOLDING HAS ORGANIZED AND SPONSORED BODRUM GLOBAL RUN ANNUALLY SINCE 2014.

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 memberof 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.

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.

DALINÇ ARIBURNU
Executive Board Member
Dalınç Arıburnu has over 25 years of financial services industry experience. He co-founded Centricus in 2016.

Previously, Dalınç was a senior partner and global co-head of fixed income, currency and commodity sales at Goldman Sachs. Dalınç served as a member of Goldman Sachs' European Management Board, Firmwide Partnership Committee and Securities Division Global Executive Committee. He also represented Goldman Sachs globally as a board member of Fixed Income, Currencies and Commodities Markets Standards Board (FMSB).

Prior to joining Goldman Sachs in 2009, Arıburnu was Global Head of Emerging Markets Group at Deutsche Bank and a member of the Securities Division Global Executive Committee. Mr. Arıburnu joined Deutsche Bank in 1999 when they acquired Bankers Trust Company, where he had worked since 1993.

SHAHROKH BADIE
Independent Board Member
Shay Badie has over 18 years' financial services experience ranging across corporate finance, including structured and project finance, to financial markets including FX structuring, interest rate structuring and emerging markets structuring.

Most recently, he was at Goldman Sachs, where he was responsible for structuring and executing strategic financing solutions, principal investments, hedging and asset-liability management, as well as complex derivatives in Central and Eastern Europe, the Middle East, and Africa regions. Prior to joining Goldman Sachs, Shay was Head of Local Rates and FX Derivative Structuring for Central and Eastern Europe, the Middle East and Africa at Deutsche Bank. Prior to this, Shay held roles in structured and project finance, FX structuring and interest rate structuring at Deutsche Bank.

Shay holds a Ph.D. and Masters in Engineering (First Class Honours) both in Chemical Engineering from Imperial College of Science, Technology and Medicine.

OĞUZ SATICI
Independent 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 Turkey'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 Turkey (YOİKK) between 2001 and 2008, and of the Investment Advisory Council of Turkey (YDK) from 2004 to 2009.

Mr. Satıcı is Chairman of the Turkey - 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 Turkey, 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.

Oğuz SATICI

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 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.

Shahrokh BADIE

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.

A separate Nomination and Remuneration Committee, functions of which was carried out by the Corporate Governance Committee before, was established; its job description was made, and the Committee started to work in 2020.

In 2020, 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;
- Oğuz Satıcı/Chairman
- Shahrokh Badie/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 2020, 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.

Its members are;
- Oğuz Satıcı/Chairman
- Ayşegül Bensel/Member
- Serdar Kırmaz/Member
- Adnan Nas/Member
- Aslı Su Ata/Member

The Committee convened four times in 2020. It made assessments of the Company's corporate governance practices and the Corporate Governance Compliance Report in 2020 and informed the BoD on the activities of the Investor Relations Department.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee was established to form a transparent system for the determination, evaluation and remuneration of current members and candidates suitable for the positions of the board of directors and executives, and to determine policies and strategies in this regard.

- The Committee determines and assesses the suitable candidates for the Board of Directors.
- The Committee evaluates the organization and efficiency of the Board of Directors and makes suggestions to the Board of Directors accordingly.
- The Committee determines the approaches, principles and practices for performance assessment and career development of Board of Directors and senior managers and supervises them
- The Committee makes suggestions for remuneration principles applicable to the Board of Directors and senior managers with due regard for the long-term objectives of the company, in addition to suggestions regarding the determination of criteria to be used for remuneration purposes in connection with the performance of the company and Board of Directors

Its members are;
- Oğuz Satıcı/Chairman
- Ayşegül Bensel/Member
- Serdar Kırmaz/Member
- Ercan Nuri Ergül/Member
- Göknil Akça/Member

The Committee convened once in 2020.

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;
- Oğuz Satıcı/Chairman
- Ayşegül Bensel/Member
- Serdar Kırmaz/Member
- Ercan Nuri Ergül/Member
- Adnan Nas/Member

The Committee convened six times in 2020.

Investment Committee

Investment Committee assists the Board in deciding to commit an Investment into a new business (whether as greenfield/brownfield or acquisition of an existing company/business) or major capacity increase or purchase of an asset in an existing operation of the Group which requires Group resources (funds, human resource, guarantees or otherwise) to be used.

- The Committee approve, implement and review the appropriateness of Group-wide investment policies and strategies.
- The Committee annually review and monitor the investment strategy, the strategic direction and strategic plan of the Group pertaining to the investment and divestment activities.
- The Committee reviews Company's investment portfolio to assess the performance of its investments.
- The Committee reviews the relationships between the Company and third parties.

Its members are;
- Dalınç Arıburnu/Member
- Serdar Kırmaz/Member
- Shahrokh Badie/Member
- Feyzullah Tahsin Bensel/Member
- Ercan Nuri Ergül/Member

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.

With a responsible investment mentality, 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.

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 Turkey ("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%	90.88
Public Disclosure & Transparency - 25%	94.34
Stakeholders - 15%	92.95
Board of Directors - 35%	88.54
Overall (Out of 10)	9.12

The report, prepared by Kobirate and related to the corporate governance rating of 9.12, 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.

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 duties, limited to USD 5 million, which is equal to 11% of our TL 325.9 million issued capital as of the end of 2019.

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.

With reference to Article No. 4.6.1 of the Corporate Governance Principles, it will be evaluated in the coming future periods.

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

With reference to Article No. 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 June 29, 2020. 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 2020 Annual Report.

Corporate Governance Compliance Report (CGCR)

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.

Global Investment Holdings Corporate Governance Principles Compliance Report

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.
1.6. DIVIDEND RIGHT						
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 as 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					

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 training 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				Informative meetings and training are held on occupational health and safety.
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, training, 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 to 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.						
4.2. ACTIVITIES OF THE BOARD OF DIRECTORS						
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 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 USD 5 million, which is equal to approximately 11% of our 325.9 million TL issued capital as of the end of 2020.

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 minimum 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	
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 the 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.

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						
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 its 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 held on June 29, 2020. The remunerations and the benefits provided to Mr. Mehmet Kutman, the Chair of the Board and the Chief Executive Officer, are separately disclosed.

Corporate Governance Information Form (CGIF)

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	In 2020, the Company has held 3 teleconferences with multiple participants to inform analysts and portfolio managers on its quarterly financial results and operational developments. Through the year more than 300 current and potential investor meetings have been held.
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/tr/Bildirim/848881
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 the Investor Relations/ Corporate Governance section on our corporate website
The relevant link to the PDP with a 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 in 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 / 0.00001% D / 1.000.000 / 0.30685% E / 1.500.000 / 0.46028%
The percentage of ownership of the largest shareholder	31.25% (as of 31.12.2020)

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 the 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/2019 Ordinary section as the 7th point under Minutes on our corporate website. "The Assembly was informed that there would be no distribution of dividend because both the solo/legal financial statements - prepared in accordance with Tax Procedure Law and Turkish Commercial Code - about the year ending on 31.12.2019 - and the consolidated financial statements - prepared in compliance with Capital Market Board's Communique "Principles of Financial Reporting in Capital Markets" - showed a period loss."
PDP link to the related general shareholder meeting minutes in case the board of directors proposed to the general assembly not to distribute dividends	https://www.kap.org.tr/tr/Bildirim/853322

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
29.06.2020	0	65.1%	0.3%	64.7%	Information could be found under Investor Relations/ General Assembly/2019 Ordinary Minutes on our corporate website	Information could be found under Investor Relations/ General Assembly/2019 Ordinary Minutes on our corporate website.	Article 13	65	https://www.kap.org.tr/tr/Bildirim/861406

2. DISCLOSURE AND TRANSPARENCY	
2.1. Corporate Website	
Specify the name of the sections of the website providing the information requested by 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 the 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 the 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 thereof	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 the 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	The 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 the Investor Relations/ Sustainability section.
Any measures combating any kind of corruption including embezzlement and bribery	Principles on these topics are covered in the 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.

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	6
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 the "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/826676
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 11% of our TL 325.9 million issued capital as of the end of 2020
The name of the section on the corporate website that demonstrates current diversity policy targeting women directors	It could be found under the Investor Relations/Corporate Governance section on our corporate website.
The number and ratio of female directors within the Board of Directors	1 director, the rate is 14.3%

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	Independent director	10.05.2012	https://www.kap.org.tr/tr/Bildirim/826676	Considered	No	No
DALINÇ ARIBURNU	Executive	Not independent director	27.04.2018	-	-	-	Yes
SHAHROKH BADIE	Non-executive	Independent director	27.04.2018	https://www.kap.org.tr/tr/Bildirim/826676	Considered	No	Yes

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)	26
Director average attendance rate at board meetings	88%
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 the 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	
4.5. Board Committees	
Page numbers or section names of the annual report where information about the board committees are presented	Related information can be found in the "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 the 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	-	Oğuz Satıcı	Yes	Board Member
Audit Committee	-	Shahrokh Badie	No	Board Member
Corporate Governance Committee	-	Oğuz Satıcı	Yes	Board Member
Corporate Governance Committee	-	Ayşegül Bensel	No	Board Member
Corporate Governance Committee	-	Serdar Kırmaz	No	Board Member
Corporate Governance Committee	-	Adnan Nas	No	Not Board Member
Corporate Governance Committee	-	Aslı Su Ata	No	Not Board Member
Nomination and Remuneration Committee	-	Oğuz Satıcı	Yes	Board Member
Nomination and Remuneration Committee	-	Ayşegül Bensel	No	Board Member
Nomination and Remuneration Committee	-	Serdar Kırmaz	No	Board Member
Nomination and Remuneration Committee	-	Ercan Nuri Ergül	No	Not Board Member
Nomination and Remuneration Committee	-	Göknil Akça	No	Not Board Member
Early Risk Assessment Committee	-	Oğuz Satıcı	Yes	Board Member
Early Risk Assessment Committee	-	Ercan Nuri Ergül	No	Not Board Member
Early Risk Assessment Committee	-	Ayşegül Bensel	No	Board Member
Early Risk Assessment Committee	-	Serdar Kırmaz	No	Board Member
Early Risk Assessment Committee	-	Adnan Nas	No	Not Board Member

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 the 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 the Investor Relations/ Corporate Governance/Committees section on our corporate website
Specify where the activities of the nomination committee are presented in your annual report or website (Page number or section name in the annual report/website)	The duty of the Nomination Committee is carried out by the Corporate Governance Committee.
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 the Investor Relations/ Corporate Governance/Committees section on our corporate website
Specify where the activities of the remuneration committee are presented in your annual report or website (Page number or section name in the annual report/website)	The duty of the Remuneration Committee is carried out by the Corporate Governance Committee.
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 in the "Financial Statement" section.
Specify the section of the website where remuneration policy for executive and non-executive directors are presented.	"Wage Policy for Senior Managers" could be found under the 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 in the "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	-	40%	20%	4	4
Nomination and Remuneration Committee	-	40%	20%	1	1
Early Risk Assessment Committee	-	60%	20%	6	6

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 GYH 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. 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.

GYH 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.

Besides 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 is 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.

Risk register 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.

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 Auditor 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 audit
- Special audit (investigations, adhoc audits etc.)

Amendments to the Articles of Association in 2020

The Company's Articles of Association has been revised and Article 3/2-D.2 has been changed as below. The change was accepted at Company's 2019 Ordinary General Assembly meeting on 29.06.2020.

PREVIOUS TEXT	NEW TEXT
AIM AND SUBJECT	**AIM AND SUBJECT**
Article 3/2-D.2 Company can issue any and all kinds of bills, financing bonds, profit and loss sharing certificates and any similar debt instruments together with any Capital markets instruments accepted by the Capital Market Board, for sale to natural and legal persons, in - within the framework of legal articles - and out - by getting the necessary permissions - of the country, as per the provisions of the Turkish Commercial Code (TCC), Capital Market Law (CMLw.) and other applicable legislation. The Board of Directors shall be authorized to determine to issue all kinds of bills in accordance with Capital Market Board regulations, in addition to the conditions which they will be subject to and the rights they will grant, within scope of regulations.	Article 3/2-D.2 Holding can issue any and all kinds of bills, financing bonds, profit and loss sharing certificates and any similar debt instruments, together with any capital markets instruments accepted by the Capital Market Board, for sale to natural and legal persons, in and out of the country, as per the provisions of the Turkish Commercial Code (TCC), Capital Market Law (CMLw.) and other applicable legislation. The Board of Directors shall be authorized to determine to issue all kinds of bills, financing bonds and any similar debt instruments, together with any capital markets instruments, in addition to the conditions which they will be subject to and the rights they will grant, within the scope of the applicable rules and regulations.

Statement of Responsibility

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

Date: March 11, 2021
Number: 1032

STATEMENT OF RESPONSIBILITY AS PER ARTICLE 9 OF CAPITAL MARKETS BOARD COMMUNIQUÉ NO: II-14.1
Under the Capital Markets Board Regulations, within the framework of the information provided to us in relation to our tasks and responsibilities related to the Company, we hereby announce and declare that: the Annual Report along with the Corporate Governance Compliance Report (URF) and the Corporate Governance Information Form (KYBF) prepared by the Company and the consolidated Statement of Financial Position, Statement of Comprehensive Income, Statement of Cash Flow, Statement of Changes in Equity along with the related Notes prepared by the Company and audited by the independent auditor KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. for the period of 01.01.20120 - 31.12.2021 under the CMB Financial Reporting Communique numbered as II.14.1. in accordance with Turkish Accounting Principles/Turkish Financial Reporting Standards ("TAP/TFRS) and in line with the compulsory formats determined by the CMB;

- Have been reviewed by us;
- According to the information obtained within the scope of our duty and responsibility, as of the date of our statement, the reports do not contain any inaccuracy in all material respects and are free of omissions that may be regarded as misleading as of the issue date;
- According to the information obtained within the scope of our duty and responsibility, we hereby declare that the financial statements, prepared in accordance with the financial reporting standards in force, regarding the period concerned, present correctly and fairly the actual situation of our Company concerning its assets, liabilities, financial position and profit/loss, and that the annual report presents correctly and fairly the development and performance of business, the Company's financial position, its financial situation together with the important risks and uncertainties it is exposed to, and a truthful account of the results of its operations

Sincerely,

March 11, 2021
Oğuz SATICI | Chairman of Audit Committee
Shahrokh Badie | Member of Audit Committee
Mehmet Kutman | Chairman of Board of Directors

Financial Overview

A Year Like No Other

Global Investment Holdings, a diversified conglomerate operating in 12 different countries across four continents, announced its audited results for the twelve months ending December 31, 2020.

Global Investment Holdings reported Consolidated Net Revenues of TL 1,330 million in 2020, excluding the IFRIC 12 impact of TL 298.8 million, while announcing a Consolidated Operating EBITDA of TL 327.7 million. Quarterly results were solid with the bottom line marking TL 19.9 million net profit in Q4 2020 as opposed to a net loss of TL 44.7 million in Q4 2019.

Global Investment Holdings' Chairman & CEO, Mehmet Kutman, stated that "2020 was a year unlike any other we have lived through. While infectious diseases remain a part of global life and we have always recognized the possibility that they may impact our lives, our expectations were generally of a localized serious outbreak, or maybe a bad global flu season. The novel coronavirus was not localized, and nor was it merely bad flu."

The Chairman continued "Before commenting on the 2020 financial results, let me begin by thanking healthcare workers throughout the world, but specifically those working in countries in which we operate. We have had friends and family of global employees catch the virus, and indeed some cases of employees themselves falling ill. But thanks in large part to the efforts of doctors and nurses, we have had no casualties."

Drawing attention to the results and careful risk management, the Chairman further stated: "Global Investment Holdings companies did not plough through 2020 oblivious to the damage being inflicted on the world, but with obvious exceptions generally weathered it better than some might have feared. Our first discussions about the emerging situation in Wuhan took place in the last week of January and the first week of February 2020, with the first company-wide measures announced soon afterwards, and though these were initially in the form of travel restrictions, they were very quickly and substantially ramped up. We also quickly moved to reduce costs, and in some cases, extreme measures were taken. I would like to thank all employees for their understanding and patience." Mr. Kutman added that "Even in times of unexpected volatility and a great challenge, there is much to be positive about at Global Investment Holdings. We continue to execute an exceptional performance across the Group - and continue to dream big for the future.

Commenting on the results, The Chief Financial Officer of the Group, Ferdağ Ildır, stated that, "The results for the year were significantly impacted by the outbreak of Covid-19, which has had a devastating impact on both global economies and global travel sectors, particularly from late February 2020 onwards. We went into this pandemic in a strong position with healthy levels of capital and liquidity, although undoubtedly profits are lower in a period where our focus has rightly been on the safety and well-being of our teams and ensured business continuity. We have adequate liquidity and solvency headroom and management will continue to monitor and regularly review the longer term impact of the Covid-19 pandemic on the Group. At the same time, we are taking all appropriate actions to preserve cash, reduce and defer both capital spending and operating costs and secure additional financing in order to strengthen and maintain our liquidity. Our main target was to maintain and improve the results, while we placed greater importance on being efficient, competitive and profitable in our core businesses."

Global Investment Holdings reported TL 1,330 million revenues (excluding the impact of IFRIC 12) for 2020, down by 8% YoY. The negative impact of Covid-19, particularly on the ports, mining and real estate divisions overshadowed the pleasing revenue growth in power and brokerage & asset management divisions. The Covid-19 outbreak put material pressure on revenues. Had this pandemic not occurred, total consolidated net revenues could have registered a 39% increase YoY to around TL 2,004 million. Nevertheless, the mining and real estate divisions' performances in the second half showed remarkable improvement compared to the first half as pandemic restrictions were partially eased.

At the end of 2020, consolidated Operational Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) amounted to TL 328.7 million, compared to an EBITDA of TL 563.3 million in 2019. The notable solid contribution from the power and brokerage & asset management divisions, in particular, was offset by the expected weak performance of the ports and real estate divisions for the year. The Covid-19 outbreak pressured EBITDA as well. Had such a pandemic not occurred, total consolidated operating EBITDA was forecast to jump nearly 50% to TL 844.4 million.

On a divisional basis,
Naturelgaz, a compressed natural gas distributor, has sustained its solid financial position, despite the Covid-19 impact thanks to its operational capability, efficient cost management structure and new business development efforts. The gas division distributed a 173.4 million Sm³ sales volume in 2020, compared to 167.1 million Sm³ for 2019, reflecting the impact of the Socar LNG merger of October 30, 2020. On the financial front, revenues increased by 6% YoY, reaching TL 452.1 million, mainly reflecting the addition of LNG revenues as a result of the SOCAR LNG merger. Operating EBITDA came in at TL 96.0 million for the year, down 5% YoY and translating into a 21.2% EBITDA margin (23.6% in 2019). Despite the gross margin being broadly flat YoY at 29%, such a decline has stemmed from the Opex increase due to the ongoing expenses over the past 2 months of the recently acquired stations, which will start to generate margins in line with outstanding stations in the coming years.

The business line affected the most by Covid-19 is the ports business. The ports division reported TL 395.9 million revenues (excluding the impact of IFRIC 12), down by 41% YoY, while consolidated adjusted EBITDA fell by 71% YOY to TL 127.1 million. Due to the application of IFRIC-12 for Nassau Cruise Port the CAPEX incurred for this project is accounted for as revenue including a gross profit margin of 2%. IFRIC-12 had an impact of TL 298.8 million (USD 42.6 million) on revenues in 2020. The expenditure for construction activities is recognized as operating expenses. The margin is non-cash. The ports division benefited from the Q1 pre-pandemic first-time contribution from the Caribbean ports, as well as the favourable currency environment in Turkey. However, the travel restrictions imposed globally following the widespread outbreak of the Covid-19 virus have had a materially negative impact on the cruise business. The adverse effect of Covid-19, coupled with the unfavourable impact of uncertainty of global trade on commercial operations, pressured the margins. Despite the materially negative impact of Covid-19 on our operations; the inherent flexibility in GPH's business model, including the extensive use of outsourced service providers, means that many of the costs expand and contract in line with cruise traffic or cargo volumes, which should help to reduce costs and preserve cash. The ports business, Global Ports Holding Plc, has changed its calendar year to March to March; hence, they have notified us that they will not announce their 15-month results before July 2021.

The power division, which includes co/tri-generation- along with biomass- and solar-based renewable power production, reported TL 261.8 million revenues for the year, rising remarkably by 76% YoY. The increase was attributable mainly to the commencement of the 10.8MW Mardin solar power plant, selling electricity at the feed-in tariff rate of USD 0.133/kWh, and to the pleasing performance of operational plants. With all plants fully under operation, the division's EBITDA has also improved substantially to TL 96.2 million in 2020, registering more than a 5-fold increase YoY (TL 18.3 million in 2019). The eye-catching EBITDA growth is attributable mainly to the solid operational performance of power plants, as well as the first time consolidation effect of the high margin solar-based renewable power plant.

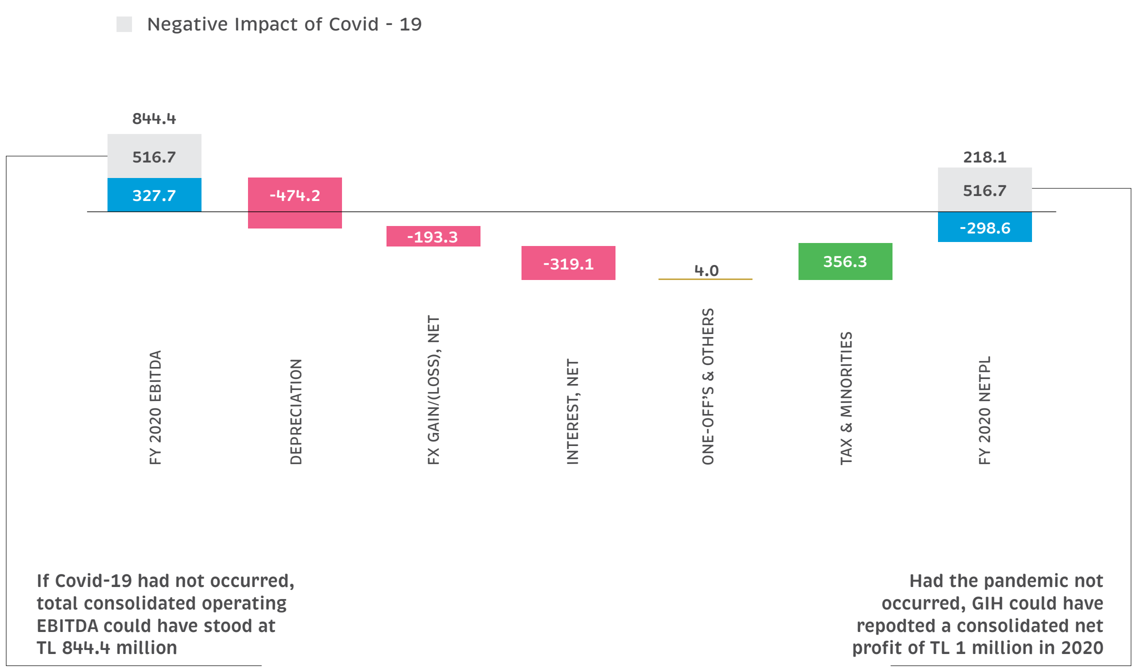
The mining division realized 366,511 tons of product sales in 2020, down by 24% YoY, due mainly to the Covid-19 lockdown in export markets. The mining division reported revenues of TL 88.7 million, down 8% YoY, while operating EBITDA for the year fell by 17% YoY to TL 27.1 million. Such a decline has stemmed from the lockdown in Europe, especially during the first half of the year. However, both sales volume and profitability recovered remarkably in the second half of the year with improving demand from the export markets. The division's revenue generation surged considerably in the second half of 2020, surpassing the first half levels by 57%. Similarly, the division reported an EBITDA of TL 20.1 million in H2 2020, almost tripling compared to the first half of 2020.

The other business line which was seriously negatively impacted by Covid-19 was the real estate business. The real estate division reported revenues of TL 29.4 million and an operating EBITDA of TL 11.9 million in the year, compared to TL 42.5 million and TL 21.1 million, respectively in the same period of last year. The weakness resulted mainly from lower rental revenues, particularly throughout H1 2020 due to the safety measures taken against Covid-19, as the Van Shopping Centre remained partially closed in March and entirely in April and May. On the other hand, the real estate division has started to recover as pandemic restrictions were partially eased, reporting improved second-half results. The division's revenue generation picked up in H2 2020, surpassing first half levels by 30%, while EBITDA generation reached TL 9.0 million in H2 2020, tripling compared to H1 2020.

In 2020, the financial services subsidiaries shone. The brokerage & asset management division reported revenues of TL 101.3 million in 2020, indicating a robust 89% YoY increase, while operating EBITDA increased 12-fold, reaching TL 31.7 million as opposed to last year's TL 2.7 million. The outstanding performance was attributable to the increase in trading volumes, as well as effective cost management.

GIH reported a consolidated net loss of TL 298.6 million in 2020, compared to a net loss of TL 131.0 million in 2019, while quarterly results were solid with the bottom line marking TL 19.9 million net profit in Q4 2020 as opposed to a net loss of TL 44.7 million in Q4 2019. The net loss in 2020 stemmed mainly from non-cash depreciation and foreign currency translation differences incurred on the Group's long term borrowings. The bottom line incorporated TL 667.5 million non-cash charges, of which TL 474.2 million are depreciation and amortization and TL 193.3 million net foreign exchange losses. When adjusted for the non-cash charges, the bottom line turns positive. Depreciation and amortization charges have increased from TL 370.2 million in 2019 to TL 474.2 million in 2020, purely as a result of foreign currency valuations. TL 87.2 million (84%) of the increase in Depreciation and amortization was due to the depreciation of the Turkish Lira against hard currencies. Also, the Group has incurred TL 193.3 million of net non-cash foreign exchange losses, compared to TL 76.0 million in 2019. The Group's net interest expenses in the year were at TL 319.1 million (USD 45.5 million), as opposed to TL 253.9 million (USD 44.8 million) a year ago. TL 63.0 million (96.7%) of the increase in net interest expenses was due to the depreciation of the Turkish Lira against hard currencies.

NET PROFIT (LOSS) BREAKDOWN IN 2020 - (TL MILLION)



Major operational developments

On the operational front, developments are on track in line with the growth strategy by means of new acquisitions and investments, mainly into core businesses, which are ports infrastructure, clean energy and asset management. During the reporting year, the strategic focus remained on the core businesses, and how best to insulate the Group from the impact of Covid-19.

A major development on the ports side during 2020, to position the Group as a pure-play global cruise port operator, was the divestment of our concession in Port Akdeniz. Agreed on in October, this was finalized in January, with the sale being made to QTerminals of Qatar. The sale's successful closing is an essential element of the Group's refinancing strategy for the Eurobond. On January 7, 2021, it had published a refinancing proposal for the holders of USD 250 million 8.125% Senior Unsecured Notes due 2021. This proposal aims to address the upcoming maturity and provide the business with a more stable, deleveraged capital structure. The Scheme Meeting will be held virtually on March 26, 2021. Moreover, as part of its global expansion strategy, the Group continuously monitors potential public and private acquisitions around the world. For example, on November 13, 2020, the Group announced that its partner, Baleària group, had been awarded a 35-year concession for the ferry and cruise port of Valencia in Spain, which the Group will operate and manage for the concession period; in addition, on November 16, 2020, the Group announced that the Port Network Authority of the Ionian Sea had awarded the Group with a 20-year concession to manage the cruise passenger services at the port of Taranto in Italy. These have enhanced and further strengthened the Group's presence in the cruise sector's core markets.

During the year, Global Investment Holdings took major steps forward with its natural gas efforts. In the second core business area, Naturelgaz, the compressed natural gas subsidiary, took a significant step in its inorganic growth strategy by signing a SPA to purchase 100% of SOCAR Turkey LNG Satış A.Ş. on February 6, 2020. The acquisition has been successfully concluded at a total consideration of TL 32.4 million and the purchase price has been fully paid, in cash. Moreover, on February 10, 2021, Naturelgaz signed an agreement with Petrol Ofisi to create synergies in the Auto CNG business. Such developments will further strengthen the position of Naturelgaz in the LNG, bulk CNG, and auto-CNG businesses; increasing volume and geographical coverage, while diversifying the product portfolio.

In the third core business line, subsidiary Actus Asset Management, and Turkey's largest domestic and independent asset management company Istanbul Asset Management have finalized their merger, creating the largest domestic and independent asset management company in Turkey. GIH has an option to buy an additional 40% of the shares in the merged entity.

Covid-19 crisis management and actions

The Covid-19 outbreak was declared a pandemic by the World Health Organization (WHO) on March 11, 2020, and precautions taken against the pandemic continue to cause unfavourable results in operations and negatively affect economic conditions in all countries exposed to the epidemic. As a result of the pandemic, asset prices, liquidity, foreign exchange rates, interest rates and many other areas have been affected, and the ultimate severity of the outbreak is uncertain at this time.

The Group from the very outset has closely monitored all developments, taking necessary measures in order to effectively manage the negative impact of the Covid-19 outbreak on its consolidated financial position, consolidated financial performance and consolidated cash flows. The Group's key focus areas for the coming period are, deleveraging, positive FCF generation, operational profitability and efficiency. The Group will also continue performing its duties to the best of its abilities, carrying out innovative and pioneering works and adding value to every field in which it operates.

The business line affected the most by Covid-19 is our ports division. Then comes real estate (shopping malls), and there is also a relatively minor impact on our mining business. The business lines are susceptible to the uncertainties surrounding Covid-19. While the recent development of effective Covid-19 vaccines is encouraging, the duration and spread of the Covid-19 impact worldwide and in Turkey has not been clearly estimated. And as the severity and duration of the impact become clearer, a more distinct and healthy assessment will be made by the Group management for the medium and long term.

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 2019:
At the 2019 Ordinary General Assembly Meeting on 29.06.2020, the Assembly was informed that as solo/legal financial statements - prepared in accordance with Tax Method Law and Turkish Commercial Code - and consolidated financial statements - prepared in compliance with CMB regulations - about the year ending 31.12.2019 had both losses, there would be no distribution of dividend.

Developments after the Reporting Period

THE SALE OF PORT AKDENİZ COMPLETED, CREATING A PURE-PLAY CRUISE OPERATOR
Global Ports Holding Plc ("GPH" or "Group"), the world's largest independent cruise port operator, announced that further to the announcement of October 21, 2020, all conditions precedent to the sale of Ortadoğu Antalya Liman İşletmeleri ("Port Akdeniz") to QTerminals W.L.L. ("QTerminals"), including obtaining regulatory clearance and approval from relevant Turkish government authorities, have been satisfied, and the transaction has now been completed.

As previously announced, the agreed enterprise value for the sale was TL 1,033,158.000 (USD 140 million), and the equity value for GPH after deducting net debt and debt-like items of Port Akdeniz as at closing is TL 849,837,111 TL. The buyer will withhold TL 764,853,400 as security for potential claims, which will be released in Q4-2021. From the proceeds received at the closing after the aforementioned retention, GPH will pay transaction-related costs and expenses.

As a result of the disposal, GPH will become a more geographically diversified business, with Turkey representing a significantly reduced proportion of Group revenue going forward. Revenue from Turkish assets represented 47.0% of Group revenue in the year ending on December 31, 2019; following the disposal of Port Akdeniz, revenue from remaining Turkish assets represents c10% of 2019 pro-forma revenues.

The disposal also means that GPH will now effectively be a pure-play global cruise port operator. The GPH Board and senior management will now focus time and resources on the resumption of cruise port operations during 2021 and continued expansion in the global cruise port market.

Notwithstanding current travel restrictions and uncertainty surrounding the return of meaningful global cruise activity, the Board of Global Ports Holding believes that the continued demand for cruising, as evidenced by healthy booking patterns reported by the major cruise lines for 2021 and beyond, supports the forecasted long term structural growth in cruise tourism.

As a result of the sale of Port Akdeniz and the effective creation of a pure-play cruise port operator, the board of Global Ports Holding is considering its options in regard to Port of Adria, the Group's commercial port concession in Bar, Montenegro, including potential disposal. There can be no certainty as to the timing, or that the terms of a sale will be agreed upon. A further announcement will be made when it is appropriate to do so.

EUROBOND REFINANCING

Launches Eurobond tender offer
Global Ports Holding Plc's wholly owned subsidiary Global Liman Isletmeleri A.S. has launched an offer for up to USD 75.0 million of its USD 250,000,000, 8,125% Senior Unsecured Notes due 2021.

Result of Eurobond tender offer
The tender expired at 4:00 p.m. on 16 April 2021. Following the unmodified Dutch Auction procedure conducted in connection with the Offer, the weighted average purchase price of the Notes validly tendered and accepted by Global Liman Isletmeleri A.S. was determined to be USD 899.4 for each USD 1,000 in principal amount of such Notes.

The total amount of cash used in connection with the Offer is USD 44.7 million excluding accrued interest on the Notes validly tendered and accepted.

Following the completion of the tender offer, USD 200.3 million of Notes will remain outstanding.

New senior secured loan agreement
Global Ports Holding Plc has entered into a five-year, senior secured loan agreement for up to USD 261 million with the leading global investment firm Sixth Street. This new investment from Sixth Street will strengthen GPH's balance sheet and provide flexible growth capital for GPH to pursue expansion opportunities at a dynamic juncture in the global cruise industry. Sixth Street is a global investment firm with over USD 50 billion in assets under management and more than 300 team members across nine global locations. Sixth Street operates as

one global team using its flexible, long-term capital, cross-platform approach, and data-enabled capabilities to pursue thematic opportunities and provide solutions for companies across all stages of growth.

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 75.0 million. The net proceeds of the initial facility, together with existing cash resources, will be used to refinance the outstanding amount of the 8,125% senior unsecured Eurobond, due 14 November 2021, issued by GPH's wholly owned subsidiary Global Liman Isletmeleri A.S. The initial facility will also be used to pay related fees and expenses and general corporate purposes. The net proceeds of the growth facility amounting to USD 75.0 million. are proposed to be used to invest in new port projects and capital expenditure, as well as related fees and expenses.

Redemption of Eurobond

Global Liman Isletmeleri A.S. has given notice to noteholders of its intention to redeem on 30 June 2021 any and all of the outstanding 8.125% Senior Unsecured Notes due 2021 (USD 200.3 million as of reporting date) at par plus any accrued and unpaid interest. The redemption and the redemption date are conditioned upon financial close of the loan financing.

NATURELGAZ-PETROL OFİSİ CO-OPERATION ON AUTO-CNG

Naturelgaz (a 95.5% subsidiary of Global Investment Holdings), Turkey's leading non-pipeline natural gas distribution company with an estimated 25% market share in CNG (Compressed Natural Gas) and LNG (Liquefied Natural Gas) with a total sales volume of 173.4 million cubic meters in 2020, have signed an agreement with Petrol Ofisi to create synergies in the auto-CNG business. Such cooperation will further strengthen the position of Naturelgaz in the auto-CNG business through expansion of geographical coverage and volume increases, while also contributing to the development of the auto-CNG market in Turkey. Furthermore, this cooperation is a perfect fit for Naturelgaz's strategy of establishing an auto-CNG station network on routes critical to heavy-duty vehicle transportation in Turkey.

As per the agreement, the parties will act together to establish new auto-CNG stations in Petrol Ofisi's or its dealers' stations with Naturelgaz' licenses, while revenue generation will be shared between the two parties. Currently, the infrastructure of Naturelgaz consists of 9 auto-CNG stations, while the agreement with Petrol Ofisi envisages the establishment of 12 new auto-CNG stations within two years.

IPO OF NATURELGAZ

Global Investment Holdings' ("GIH") Board of Directors approved on February 5th 2021 the Initial Public Offering of Naturelgaz Sanayi ve Ticaret A.Ş. ("Naturelgaz"), a subsidiary of GIH. Naturelgaz is Turkey's leading non-pipeline natural gas distribution company with an estimated 25% market share in CNG (Compressed Natural Gas) and LNG (Liquefied Natural Gas) with a total sales volume of 173.4 million cubic meters in 2020. The Company's 13 mother-stations and 9 auto-CNG stations, coupled with a state-of-the art equipment and vehicle fleet, constitute the widest network in Turkey.

Naturelgaz has successfully completed the IPO process. The IPO, priced at TL 8.5 per share, has received overwhelming investor demand, with 75.3 times domestic individual investor oversubscription (allocation: 60%), 28.8 times domestic institutional investor oversubscription (allocation: 30%), and 3.5 times international institutional investor oversubscription (allocation: 10%) with a total demand nearing 2 billion USD. Norges Bank Investment Management, out of Norway, acquired 8.3% of the total shares offered in the IPO. Based on the offer price, the total market capitalisation of Naturelgaz at the commencement of trading was TL 977.5 million. Naturelgaz has been admitted to trading on Borsa İstanbul Stars Market at TL 8.5 TL per share under the ticker "NTGAZ" as of 1st April 2021.

The offering comprised from issuance of new ordinary shares and sale of existing shares. The offer size was 293,250,000 TL, including a primary offer of TL 127,341,951. The Company issued 14,981,406 new shares, increasing the total number of shares issued from 100,018,594 to 115,000,000. In addition, GIH sold 16,146,097 existing shares and also an additional 3,136,363 shares were made available pursuant to an over-allotment option due to high demand; of which 4,267,451 was for the purpose of exchanging same number of shares held by a minority shareholder, leaving GIH with net offered shares of 15,015,009. Hence, GIH received gross proceeds of approximately TL 127,627,581 pursuant to the Offer (excluding fees and expenses), which will predominantly be used to pay off debt at the Holding level. Nevertheless, at the Offering all existing minority shareholders at Naturelgaz with total shares of 4,503,585 sold their shares, leaving the capital structure with no remaining privileged shares. After the IPO, GIH remains the largest individual shareholder of Naturelgaz with 70% stake, while free float stands at 30% to trade on Borsa İstanbul.

Naturelgaz Post IPO Shareholding Structure	Number of shares	%
Global Investment Holdings	80,500,00	70%
Free Float	34,500,000	30%
Total	**115,000,000**	**100%**

Naturelgaz received gross proceeds of approximately TL 127,341,951 which will be used to develop and expand the its business. The Company, while improving its leadership position in Turkey, also envisages expanding its operations to Sub-Saharan countries where lack of pipeline infrastructure is an opportunity to transport natural gas to power and industrial plants.

GLOBAL INVESTMENT HOLDINGS INCREASES ITS ISSUED SHARE CAPITAL IN CASH

The Board of Directors of Global Investment Holdings ("GIH" or the "Company") resolved on April 22nd, 2021 to issue 32,411,159,007 ordinary shares, with a nominal value of 1 Kr each, increasing the issued share capital of the Company by TL 324,111,590.07, from 325,888,409.93 to 650,000,000, which is the upper limit of its registered capital. Such capital increase will be paid in cash.

GIH's existing shareholders will be able to exercise their pre-emptive rights for the newly issued shares at the value of TL 1.5 for 1 lot (100 shares). The remainder of the shares that have not been bought by the existing shareholders, will be offered to the public on the Stock Exchange at the price to be set on Borsa Istanbul, which will not be lower than the nominal value, for 2 business days.

Through the capital increase, GIH is taking effective steps to stabilize its liquidity position and manage its long-term debt obligations. This aims to provide the company with a more stable, deleveraged capital structure.

Completion of the capital increase is conditional upon receipt of customary regulatory clearances and approvals from various Turkish governmental authorities, including the Capital Markets Board of Turkey, Borsa Istanbul, Central Registry Agency and Istanbul Settlement and Custody Bank.

Upon the completion of this capital increase in cash, the Board, later on, evaluates the usage of the TL 192,110,841.59, that already exists under internal resources, as share premiums, in addition to share premiums to be obtained from this capital increase in cash, for a possible non-cash capital increase.

GLOBAL INVESTMENT HOLDINGS INITIATES THE PROCESS TO EXERCISE ITS OPTION TO BUY ADDITIONAL 40% OF ISTANBUL ASSET MANAGEMENT

Further to the announcement dated September 25, 2020 regarding the completion of the merger of Global Investment Holdings' subsidiary Actus Asset Management and Istanbul Asset Management under Istanbul Asset Management, Global Investment Holdings has initiated the process to exercise its option to buy additional 40% of Istanbul Asset Management's (merged entity) shares. Currently, Global Investment Holdings' share in the merged entity is 26.6%. Completion of such transaction is conditional upon receipt of customary regulatory approval of the Capital Markets Board of Turkey.

Through the exercise of the option, Global Investment Holdings is to acquire 5,673,600 shares, with a nominal value of TL 1 each, corresponding to 40% of the share capital of Istanbul Asset Management. Once the share transfer is materialized, Global Investment Holdings will be the largest shareholder of Istanbul Asset Management with 66.6% stake, which will pave the way for full consolidation.

Shareholder	Current Shareholding Structure		Post Share Transfer Shareholding Structure	
	Share in Capital (TL)	Ratio in Capital (%)	Share in Capital (TL)	Ratio in Capital (%)
Global Investment Holdings	3,772,944	26.6	9,446,544	66.6
Polsan (Police care and support fund)	943,236	6.65	943,236	6.65
Hasan Turgay Ozaner	3,313,737	23.36	1,016,683	7.17
Tufan Deriner	2,707,796	19.09	1,016,683	7.17
Alpaslan Ensari	2,702,116	19.05	1,06,683	7.17
Atıf Cezairli	473,391	3.34	473,391	3.34
Mehmet Fevzi Çelebi	270,780	1.91	270,780	1.91
Total	**14,184,000**	**100**	**14,184,000**	**100**

Istanbul Asset Management (the merged entity) is Turkey's largest domestic and independent asset management company with an AUM of TL 9.1 billion as of the end of April 2021 (TL 6.4 billion at the end 2020). Istanbul Asset Management is the most extensive asset management platform of Turkey with the current corporate investor base, market leader position in alternative asset classes and foreign country asset funds.

Disclaimer

The projects and activities described in this Annual Report are undertaken through a number of companies ("Affiliates") affiliated with Global Investment Holdings 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, 2020. 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 Turkey ("Turkey") 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 Turkey 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, Turkey. The registered address of the Company's headquarters is Büyükdere Cad. No: 193 Şişli 34394, Istanbul, Turkey. 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 2020 Together With Independent Auditor's Report

(Originally issued in Turkish)

11 March 2021 This report includes 6 pages of independent auditor's report and 166 pages of consolidated financial statements and their explanatory notes.

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CONVENIENCE TRANSLATION OF THE INDEPENDENT AUDITOR'S REPORT ORIGINALLY PREPARED AND ISSUED IN TURKISH TO ENGLISH

To the Shareholders of Global Yatırım Holding Anonim Şirketi

A) Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Global Yatırım Holding Anonim Şirketi and its subsidiaries (together will be referred to as "the Group"), which comprise the consolidated statement of financial position as at 31 December 2020, the consolidated statements 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, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2020, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Turkish Financial Reporting Standards ("TFRS").

Basis for Opinion

We conducted our audit in accordance with standards on auditing issued by Capital Markets Board of Turkey ("CMB") and Standards on Auditing which is a component of the Turkish Auditing Standards published by the Public Oversight Accounting and Auditing Standards Authority ("POA") ("Standards on Auditing issued by POA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We declare that we are independent of the Group in accordance with the Code of Ethics for Auditors issued by POA ("POA's Code of Ethics") and the ethical requirements in the regulations issued by POA that are relevant to audit of consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with the POA's Code of Ethics and regulations. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Group's ability to continue as a going concern

Refer to Notes 2.1 (g) to the consolidated financial statements for significant estimates and assumptions used in the assessment of Group's ability to continue as a going concern.

The key audit matter	How the matter was addressed in our audit
The consolidated financial statements have been prepared on a going concern basis. Management's evaluation on whether the going concern basis is appropriate for the consolidated financial statements involves significant judgements on the inherent risks to the Group's business model and how those risks affect the Group's liquidity and ability to continue its operations for a period of at least twelve months following the date of approval of the consolidated financial statements. Foremost risk to the Group's ability to continue as a going concern is the COVID-19 pandemic causing a 'shutdown' of cruise ports operated by the Group, continuing for prolonged period and the impact this would have on the Group's liquidity and ability to comply with covenants linked to its borrowing facilities. Secondary risk to the Group's ability to continue as a going concern is the failure to renew the Group's financing facilities, and the rights allowing the Group to operate its ports not being extended or terminated before they expire. Management's evaluation of whether there is a material uncertainty with regards to the Group's ability to continue as a going concern is considered to be a key audit matter because the assessment is dependent upon certain management assumptions and judgements and due to the inherent uncertainty involved in forecasting future cash flows.	Our audit procedures performed related to this matter are listed: • We evaluated the sensitivities of the Group's financial forecasts of available financial resources and cash flows taking account of the reasonably possible adverse effects that could arise from these risks individually and collectively. • In addition, we considered whether these scenarios led to the breach of covenants linked to the Group's borrowing facilities. • We challenged the appropriateness of management's assumptions with regards to the decline in the Group's passenger and ancillary revenues from port operations. • We assessed the management's intentions for refinancing the Eurobond before its maturity in November 2021 through inquiries and inspection of correspondences with potential financial investors and challenged the extent to which the Group's financial forecasts rely on funding which has not yet been secured by comparing forecast cash inflows from financing activities to existing signed loan agreements. • We evaluated the achievability of the possible actions to be taken by the management should the risks materialise; including the reduction of planned capital expenditure and potential cost savings. • We assessed the completeness and accuracy of the matters covered in the going concern disclosure by comparing these to the Group's internally generated cash flow forecast projections and downside scenarios.

Impairment of Goodwill and Port Operation Rights

Refer to Note 2.4 and Note 18 to the consolidated financial statements for summary of significant accounting policies and significant accounting estimates and assumptions for impairment of goodwill and port operation rights.

The key audit matter	How the matter was addressed in our audit
As at 31 December 2020, the Group has recognised goodwill in the amount of TL 117.825.709 (31 December 2019: TL 98.944.709) and port operation rights in the amount of TL 2.422.562.767 (31 December 2019: TL 2.516.660.847). The amount of goodwill and port operation rights constitutes 27% of the Group's total assets (31 December 2019: 37%). The Group management carries out impairment testing for goodwill on an annual basis and port operation rights with finite live (port concession period) in case there are indicators of impairment. The recoverable amount of the CGU and port operation rights, which are based on the higher of the value in use or fair value less costs to sell, has been derived from discounted forecast cash flow models. These models use several key assumptions, including estimates of future passenger numbers, calls, and prices, operating costs, terminal value growth rates and the weighted-average cost of capital (discount rate). The impairment testing of goodwill and port operation rights are considered to be a key audit matter due to the complexity of the accounting requirements and the significant judgment required in determining the assumptions to be used to estimate the recoverable amount.	Our audit procedures performed related to this matter are listed: - We involved our own valuation specialist to assist in evaluating the appropriateness of the discount rates applied, which included comparing the weighted-average cost of capital with sector averages for the relevant markets in which the cash generating units (CGUs) operate; - We evaluated the appropriateness of the assumptions applied to key inputs such as ship calls, passenger numbers, prices, operating costs, inflation and long-term growth rates, which included comparing these inputs with externally derived data as well as our own assessments based on our knowledge of the client and the industry; - We performed our own sensitivity analysis, which included assessing the effect of reasonably possible reductions in growth rates and forecast cash flows to evaluate the impact on the currently estimated headroom for the goodwill and port operation rights; - We performed sensitivity analysis, which included assessing the effect of reasonably possible reductions in growth rates and forecast cash flows of the cash generating units on estimated vacancy rate. - We evaluated the adequacy of the consolidated financial statement disclosures, including disclosures of key assumptions, judgments and sensitivities.

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Determination of fair value of investment properties

Refer to Note 2.4 and Note 15 to the consolidated financial statements for summary of significant accounting policies and significant accounting estimates and assumptions for determination of fair value of investment properties.

The key audit matter	How the matter was addressed in our audit
As of 31 December 2020, the Group's investment property amount is TL 554.174.000 (31 December 2019: TL 510.920.000). The amount of investment properties constitutes 8.5% of the Group's total assets (31 December 2019: 9%) Investment properties of the Group consist of shopping malls operating in Denizli and Van ("Sümerpark AVM" and "Van AVM"), school building and hospital land located in Denizli and the land located in Bodrum. The Group measures its investment properties at fair value and the fair value of investment properties has been determined by independent real estate valuation company. As of 31 December 2020, TL 1.369.000 fair value increase is recognized for Sümerpark AVM (31 December 2019: TL 295.000 impairment) and TL 40.415.000 fair value increase (31 December 2019: TL 35.755.000 fair value increase) related to Van AVM as a result of the value determined by the independent real estate valuation company. We identified the determination of fair value of investment properties as a key audit matter due to the fact that the investment properties constitute significant part of the Group's total assets and the valuation methods include significant estimates and assumptions.	Our audit procedures performed related to this matter are listed: - Evaluating the competence capabilities and objectivity of the real estate valuation expert appointed by the management; - By the help our valuation specialist, evaluation of the appropriateness of the valuation methods used in the valuation reports of the investment properties and the appropriateness of the significant assumptions used, such as the discount rate, the rate of increase in rent and the occupancy rate; - Reconciliation of the amount determined in the appraisal reports for the relevant investment properties with the amounts disclosed in Note 15; - Evaluation of the adequacy of inputs such as rental income, duration of lease agreements and occupancy rates; - Evaluation of sensitivity analyses for the basic assumptions used in the valuation reports; and - Assessing of adequacy of other information in the consolidated financial statements and disclosures.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with 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.

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

Responsibilities of auditors in an audit are as follows:

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

As part of an audit in accordance with the standards on auditing issued by the CMB and Standards on Auditing issued by POA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to 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.

B) Other Legal and Regulatory Requirements

1) Pursuant to the fourth paragraph of Article 398 of Turkish Commercial Code ("TCC") numbered 6102; the Independent Auditor's Report on System and Committee of Early Identification of Risks is presented to the Board of Directors of the Company on 10 March 2021.

2) Pursuant to the fourth paragraph of Article 402 of the TCC; no significant matter has come to our attention that causes us to believe that for the period between 1 January 2020 and 31 December 2020, the Company's bookkeeping activities and consolidated financial statements are not in compliance with TCC and provisions of the Company's articles of association in relation to financial reporting.

3) Pursuant to the fourth paragraph of Article 402 of the TCC; the Board of Directors provided us the necessary explanations and required documents in connection with the audit.

KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi

Işıl Keser, SMMM
Partner
11 March 2021
İstanbul, Türkiye

GLOBAL YATIRIM HOLDİNG A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2020

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Global Yatırım Holding A.Ş. and its Subsidiaries

Consolidated Statement of Financial Position as at 31 December 2020

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

	Notes	Audited 31 December 2020	Audited 31 December 2019
ASSETS			
Current assets		**2.889.490.742**	**1.350.450.647**
Cash and cash equivalents	7	991.689.962	474.710.252
Financial investments	8	7.083.899	8.504.024
Trade receivables		172.688.680	229.297.974
- Due from third parties	*10*	*172.688.680*	*229.297.974*
Other receivables		55.526.870	145.991.093
- Due from related parties	*6*	*35.151.618*	*81.558.783*
- Due from third parties	*11*	*20.375.252*	*64.432.310*
Receivables from operations in finance sector		271.362.700	233.625.016
- Due from related parties	*6*	*21.559.829*	*4.300.734*
- Due from third parties	*12*	*249.802.871*	*229.324.282*
Inventories	13	99.815.456	85.375.506
Prepaid expenses	14	79.513.340	101.100.145
Current tax assets	32	12.624.818	16.786.613
Other current assets	23	57.423.875	54.197.273
Subtotal		*1.747.729.600*	*1.349.587.896*
Non-current assets or disposal groups classified as held for sale	36	1.141.761.142	862.751
Non-current assets		**6.516.888.469**	**5.705.981.735**
Other receivables		114.735.726	65.452.441
- Due from related parties	*6*	*59.581.144*	*52.435.460*
- Due from third parties		*55.154.582*	*13.016.981*
Financial investments	8	8.146.247	8.172.568
Investments accounted for using equity method	19	247.782.597	188.296.426
Investment property	15	554.174.000	510.920.000
Property, plant and equipment	16	1.842.057.780	1.457.923.353
Right of use assets	17	703.412.230	502.462.895
Intangible assets and goodwill		2.724.092.819	2.786.113.909
- Goodwill	*18*	*117.825.709*	*98.944.709*
- Other intangible assets	*18*	*2.606.267.110*	*2.687.169.200*
Prepaid expenses	14	23.748.929	38.690.176
Deferred tax asset	32	278.174.854	131.264.565
Other non-current assets	23	20.563.287	16.685.402
TOTAL ASSETS		**9.406.379.211**	**7.056.432.382**

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 2020

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

	Notes	Audited 31 December 2020	Audited 31 December 2019
LIABILITIES			
Current liabilities		**4.525.955.684**	**1.579.020.677**
Current borrowings	9	648.213.253	304.449.590
Current portion of non-current borrowings	9	2.822.017.458	737.091.772
Trade payables		234.390.058	155.321.001
- Due to third parties	*10*	*234.390.058*	*155.321.001*
Payables related to employee benefits	22	26.527.911	10.199.359
Other payables		100.395.911	84.021.171
- Due to related parties	*6*	*8.923.033*	*13.476.873*
- Due to third parties	*11*	*91.472.878*	*70.544.298*
Payables on financial sector operations		136.605.612	212.018.523
- Due to third parties	*12*	*136.605.612*	*212.018.523*
Deferred income		3.623.780	12.516.981
Current tax liabilities	32	1.241.964	17.714.133
Current provisions		30.532.496	21.964.689
- Current provisions for employee benefits	*22*	*6.492.359*	*6.063.064*
- Other current provisions	*20*	*24.040.137*	*15.901.625*
Other current liabilities	23	51.755.647	23.723.458
Subtotal		*4.055.304.090*	*1.579.020.677*
Liabilities included in disposal groups classified as held for sale	36	470.651.594	-
Non-current liabilities		**3.331.240.957**	**3.959.455.005**
Non-current borrowings	9	2.665.506.800	3.266.985.412
Other payables		67.150.863	10.531.966
- Due to third parties	11	*67.150.863*	*10.531.966*
Liabilites due to investments accounted for using equity method	19	4.906.242	657.739
Deferred income		3.192.359	6.261.221
Derivative financial instruments		10.908.822	2.879.070
Non-current provisions		157.980.362	122.503.329
- Non-current provisions for employee benefits	*22*	*13.915.592*	*14.374.643*
- Other non-current provisions	*20*	*144.064.770*	*108.128.686*
Deferred tax liabilities	32	421.595.509	549.636.268
EQUITY		**1.549.182.570**	**1.517.956.700**
Equity attributable to equity holders of the Group		**1.088.285.190**	**973.157.167**
Paid-in capital	24	325.888.410	325.888.410
Adjustments to share capital	24	34.659.630	34.659.630
Treasury shares owned by the company (-)	24	(1.439.473)	(137.398.773)
Share premium (discount)	24	281.223.459	242.629.340
Other comprehensive income that will not be reclassified in profit or loss		(2.205.310)	2.944.643
- Other gains / (losses)	*24*	*2.433.128*	*6.510.528*
- Losses on remeasurements of defined benefit plans	*24*	*(4.638.438)*	*(3.565.885)*
Other comprehensive income that will be reclassified in profit or loss		655.441.600	418.238.966
- Currency translation differences	*24*	*1.388.012.616*	*974.306.010*
- Hedging reserve	*24*	*(732.571.016)*	*(556.067.044)*
Restricted reserves appropriated from profits	24	7.979.263	144.105.529
Prior years' profits / (losses)	24	85.345.421	73.056.391
Net loss for the period	24	(298.607.810)	(130.966.969)
Non-controlling interests		**460.897.380**	**544.799.533**
TOTAL EQUITY AND LIABILITIES		**9.406.379.211**	**7.056.432.382**

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 2020
(Currency: Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

	Notes	Audited 1 January- 31 December 2020	Audited 1 January- 31 December 2019
PROFIT OR LOSS			
Revenue	25	1.527.806.842	1.387.448.668
Cost of revenues (-)	25	(1.415.765.469)	(998.709.339)
Gross profit from trade operations		**112.041.373**	**388.739.329**
Revenues from finance operations	25	101.348.804	53.525.627
Cost of revenues from finance operations (-)	25	(7.370.202)	(5.175.043)
Gross profit from operations in finance sector		**93.978.602**	**48.350.584**
GROSS PROFIT		**206.019.975**	**437.089.913**
Marketing expenses (-)	26	(89.210.140)	(82.587.247)
General administrative expenses (-)	26	(307.454.005)	(213.718.279)
Other income from operating activities	28	140.909.775	89.528.396
Other expense from operating activities (-)	28	(123.669.372)	(87.838.159)
OPERATING PROFIT / (LOSS)		**(173.403.767)**	**142.474.624**
Income from investing activities	29	70.254.342	47.490.068
Expense from investing activities (-)	29	(2.406.771)	(366.851)
Share of profit/(loss) of equity accounted investees	19	(29.791.137)	29.780.093
Impairment gain/(loss) and reversal of impairment losses determined in accordance with TFRS 9	10	(7.207.139)	(6.304.997)
PROFIT/(LOSS) BEFORE FINANCE INCOME/(COSTS)		**(142.554.472)**	**213.072.937**
Finance income	30	128.281.532	80.137.833
Finance costs (-)	31	(708.814.151)	(427.620.223)
LOSS BEFORE TAX		**(723.087.091)**	**(134.409.453)**
Tax income/(expense)		**225.633.849**	**(23.266.991)**
- Current tax income/(expense)	*32*	(6.069.120)	(45.306.686)
- Deferred tax income	*32*	231.702.969	22.039.695
LOSS FROM CONTINUING OPERATIONS		**(497.453.242)**	**(157.676.444)**
LOSS FOR THE PERIOD		**(497.453.242)**	**(157.676.444)**
Loss for the period attributable to		**(497.453.242)**	**(157.676.444)**
-Non controlling interests		(198.845.432)	(26.709.475)
-Owners of the company	33	(298.607.810)	(130.966.969)
Loss per share from continuing operations	33	**(1,0240)**	**(0,5356)**
Diluted loss per share from continuing operations	33	**(1,0240)**	**(0,5356)**
OTHER COMPREHENSIVE INCOME/(EXPENSE)			
Items not to be reclassified to profit or loss		**(1.072.553)**	**(754.730)**
Losses on remeasurements of defined benefit plans		(1.072.553)	(754.730)
Items to be reclassified to profit or loss		**353.823.519**	**(4.569.691)**
Currnecy translation differences		530.327.491	80.767.762
Other components of other comprehensive income to be reclassified to other profit or loss	24	(176.503.972)	(85.337.453)
OTHER COMPREHENSIVE INCOME / (EXPENSE)		**352.750.966**	**(5.324.421)**
TOTAL COMPREHENSIVE EXPENSE		**(144.702.276)**	**(163.000.865)**
Total comprehensive expense attributable to		**(144.702.276)**	**(163.000.865)**
Non-controlling interests		(82.224.547)	(11.613.732)
Owners of the Company		(62.477.729)	(151.387.133)

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 2020
(Currency: Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

	Paid-in capital	Adjustments to share capital	Treasury shares owned by the Company	Share premiums or discounts	Other accumulated comprehensive income/expense not to be reclassified to profit or loss: Gains (Losses) on remeasurements of defined benefit plans	Other accumulated comprehensive income/expense not to be reclassified to profit or loss: Other reserves of other gains (losses)	Other accumulated comprehensive income/expense to be reclassified to profit or loss: Hedging reserve	Other accumulated comprehensive income/expense to be reclassified to profit or loss: Currency translation differences	Restricted reserves appropriated from profits	Retained earnings: Net profit / (loss) for the period	Retained earnings: Prior years' profits or losses	Equity attributable to the owners of the company	Non-controlling interest	Total
Balance at 1 January 2019	**325.888.410**	**34.659.630**	**(115.476.802)**	**204.351.140**	**(2.811.155)**	**(70.835.927)**	**(416.886.094)**	**856.335.598**	**118.703.224**	**(89.864.325)**	**107.840.389**	**951.904.088**	**723.978.161**	**1.675.882.249**
Other comprehensive income/(expense)	-	-	-	-	(754.730)	-	(85.337.453)	65.672.019	-	-	-	**(20.420.164)**	15.095.743	**(5.324.421)**
Increase (decrease) due to treasury share transactions	-	-	(21.921.971)	38.278.200	-	-	-	-	21.921.971	-	(21.921.971)	**16.356.229**	-	**16.356.229**
Profit (loss) for the period	-	-	-	-	-	-	-	-	-	(130.966.969)	-	**(130.966.969)**	(26.709.475)	**(157.676.444)**
Acquisition or Disposal of a Subsidiary	-	-	-	-	-	-	-	-	-	-	8.684.077	**8.684.077**	2.341.467	**11.025.544**
Dividends paid	-	-	-	-	-	-	-	-	-	-	-	**-**	(100.875.118)	**(100.875.118)**
Increase (decrease) due to changes in ownership interests in subsidiaries without change in control	-	-	-	-	-	-	(53.843.497)	52.298.393	(398.806)	-	64.999.812	**63.055.902**	(69.031.245)	**(5.975.343)**
Others	-	-	-	-	-	77.346.455	-	-	3.879.140	-	-	**81.225.595**	-	**81.225.595**
Transfers	-	-	-	-	-	-	-	-	-	89.864.325	(86.545.916)	**3.318.409**	-	**3.318.409**
Balance at 31 December 2019	**325.888.410**	**34.659.630**	**(137.398.773)**	**242.629.340**	**(3.565.885)**	**6.510.528**	**(556.067.044)**	**974.306.010**	**144.105.529**	**(130.966.969)**	**73.056.391**	**973.157.167**	**544.799.533**	**1.517.956.700**
Balance at 1 January 2020	**325.888.410**	**34.659.630**	**(137.398.773)**	**242.629.340**	**(3.565.885)**	**6.510.528**	**(556.067.044)**	**974.306.010**	**144.105.529**	**(130.966.969)**	**73.056.391**	**973.157.167**	**544.799.533**	**1.517.956.700**
Other comprehensive income/(expense)	-	-	-	-	(1.072.553)	-	(176.503.972)	413.706.606	-	-	-	**236.130.081**	116.620.885	**352.750.966**
Increase (decrease) due to treasury share transactions	-	-	135.959.300	38.594.119	-	-	-	-	(135.959.300)	-	135.959.300	**174.553.419**	-	**174.553.419**
Profit (loss) for the period	-	-	-	-	-	-	-	-	-	(298.607.810)	-	**(298.607.810)**	(198.845.432)	**(497.453.242)**
Acquisition or Disposal of a Subsidiary	-	-	-	-	-	-	-	-	-	-	1.626.484	**1.626.484**	7.835.874	**9.462.358**
Dividends paid	-	-	-	-	-	-	-	-	-	-	-	**-**	(1.548.139)	**(1.548.139)**
Increase (decrease) due to changes in ownership interests in subsidiaries without change in control	-	-	-	-	-	(4.077.400)	-	-	(166.966)	-	5.670.215	**1.425.849**	(7.965.341)	**(6.539.492)**
Transfers	-	-	-	-	-	-	-	-	-	130.966.969	(130.966.969)	**-**	-	**-**
Balance at 31 December 2020	**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**

The 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 2020

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

	Notes	Audited 1 January- 31 December 2020	Audited 1 January- 31 December 2019
Loss for the period		**(497.453.242)**	**(157.676.444)**
Loss from Continuing Operations		(497.453.242)	(157.676.444)
Adjustments for depreciation and amortisation expense	27	474.246.401	370.186.273
Adjustments for / (Reversal of) provisions related with employee benefits	22	2.487.536	4.310.973
Adjustments for losses (gains) on disposal of subsidiaries or joint operations		(23.014.688)	(36.519.418)
Adjustments for / (Reversal of) other provisions		30.739.504	1.260.370
Adjustments for undistributed profits / (loss) of investments accounted for using equity method	19	29.791.137	(29.780.093)
Adjustments for interest income		(34.872.377)	(51.430.224)
Adjustments for interest expense		358.291.335	279.636.704
Adjustments for fair value (gains) / losses on derivative financial instruments		(9.472.262)	(703.887)
Adjustments for tax (income) / expenses	32	(225.633.849)	23.266.991
Adjustments for unrealised foreign exchange losses / (gains)		197.137.289	84.678.898
Adjustments for losses / (gains) on disposal of property, plant and equipment		(25.671.808)	(8.002.566)
Adjustments for impairment loss / (Reversal of impairment loss) of inventories		-	15.951.180
Adjustments for bargain purchase gain	28	(54.923.267)	-
Adjustments for fair value losses / (gains) of investment property	29	(43.254.000)	(37.525.000)
Other adjustments to reconcile profit (loss) / gain		40.743.433	17.245.548
Adjustments to reconcile profit / (loss) for the period		**219.141.142**	**474.899.305**
Decrease / (increase) in financial sector receivables		(20.478.589)	(98.692.934)
Decrease / (Increase) in other receivables from third parties related with operations		74.764.448	(70.269.026)
Adjustments for decrease in inventories		(12.358.917)	8.061.364
Increase in trade payables to third parties		77.437.062	41.590.081
Increase / (Decrease) in payables to finance sector operations		(75.412.911)	101.250.629
Increase in employee benefit liabilities		21.167.815	(679.960)
Increase in deferred income		27.709.259	13.590.098
Decrease / (Increase) in other assets related with operations		(97.806.874)	23.922.812
Increase / (Decrease) in other liabilities related with operations		102.669.276	87.869.035
Interest paid		(3.713.345)	(4.374.654)
Interest received		20.292.545	11.846.216
Payments related with provisions for employee benefits	22	(1.502.057)	(1.423.633)
Income taxes refund / (payments)		(18.457.675)	(47.632.311)
Changes in working capital		**313.451.179**	**539.957.022**
Proceeds from sales of property, plant and equipment		46.312.506	15.524.807
Acquisition of property, plant and equipment	16	(323.688.614)	(168.696.281)
Acquisition of intangible assets	18	(367.348.916)	(8.234.054)
Acquisition of/ sale of other long-term assets		-	(68.749.679)
Other payments from cash advances and payables		42.040.560	(38.106.340)
Interest received		14.579.832	21.347.362
Cash outflows from purchase of additional shares of subsidiaries		(52.093.674)	(115.086.225)
Cash Inflows from sale of shares of subsidiaries that doesn't cause loss of control		(3.509.291)	15.301.535
Cash outflows arising from purchase of shares or capital increase of associates and/or joint ventures		(6.559.600)	(19.466.500)
Other cash inflows / (outflows)		4.183.866	119
Cash flows used in investing activities		**(646.083.331)**	**(366.165.256)**
Cash (outflows) / inflows from acquisition / sale of treasury shares		174.553.419	16.356.229
Proceeds from borrowings	9	1.870.742.454	1.302.787.372
Proceeds from issue of debt instruments	9	351.151.563	185.000.000
Repayment of borrowings	9	(985.076.957)	(1.139.311.952)
Payments of issued debt instruments	9	(294.620.000)	(134.800.000)
Increase/ Decrease in other payables to related parties		16.424.353	(49.091.809)
Dividends paid		(1.548.139)	(106.528.976)
Interest paid		(242.292.217)	(253.811.096)
Payments of lease liabilities	9	(34.698.370)	(10.647.736)
Other cash inflows / (outflows)		(143.649.555)	(8.952.088)
Cash flows from financing activities		**710.986.551**	**(199.000.056)**
Net increase / (decrease) in cash and cash equivalents before the effects of foreign currency differences		378.354.399	(25.208.290)
Effects of foreign currency differences on cash and cash equivalents		45.461.705	11.269.732
Net increase (decrease) in cash and cash equivalents		423.816.104	(13.938.558)
Cash and cash equivalents at the beginning of the period	7	428.601.058	442.539.616
Cash and cash equivalents at the end of the period	7	852.417.162	428.601.058

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

Global Yatırım Holding A.Ş. And its Subsidiaries

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2020

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

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 2020, the number of employees of the Group is 1.534 (31 December 2019: 1.510).

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 has been changed to “Esentepe Mahallesi Büyükdere Caddesi 193 Apt Blok NO: 193 İç Kapı NO: 2 34394 Şişli/İstanbul” as of 1 March 2021.

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") (2)	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
Ortadoğu Antalya Liman İşletmeleri A.Ş. ("Ortadoğu 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)	Valetta-Malta	Port Operations
Creuers del Port de Barcelona, S.A. ("Barselona Port") (3)	Spain	Port Operations
Barcelona Port Investments, S.L ("BPI") (3) (2)	Spain	Port Operations
Port Operation Holding S.r.l (5)(2)	Italy	Port Operations
Ravenna Terminali Passeggeri S.r.l. (5)	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") (14)	Croatia	Port Operations
Travel Shopping Limited	Malta	Tourism Operations
Global Ports Mediterranean S.L. ("GP Med") (2)	Spain	Tourism Operations
GPH Antigua Ltd. ("Antigua") (23)	Antigua and Barbuda	Port Operations
Nassau Cruise Port Ltd. ("NCP") (24)	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
Global Gemicilik ve Nakliyat Hizmetleri A.Ş. ("Global Gemicilik") (21)	Turkey	Maritime Investments
Consus Enerji İşletmeciliği ve Hizmetleri A.Ş. ("Consus Enerji") (7)	Turkey	Energy Investments
Tres Enerji Hizmetleri Sanayi ve Ticaret A.Ş ("Tres Enerji") (7)	Turkey	Energy Generation
Mavi Bayrak Enerji Üretim. A.Ş. ("Mavi Bayrak") (7)	Turkey	Energy Generation
Mavi Bayrak Doğu Enerji Üretim A.Ş. (7) (8)	Turkey	Energy Generation
Doğal Enerji Hizmetleri ve San.Tic. A.Ş. ("Doğal Enerji") (7)	Turkey	Electricity Generation
Global Biyokütle Yatırımları A.Ş. ("Global Biyokütle") (22)	Turkey	Energy Investments
Consus Energy Europe B.V.	Netherlands	Energy Investments
Glowi Energy Investments Limited	Malavi	Energy Investments
Glozania Energy Investments Limited	Tanzania	Energy Investments
Global Africa Power Investments (9)	Mauritius	Energy Generation
Barsolar D.O.O. (7)	Montenegro	Energy Generation
Evergas Doğalgaz İthalat ve Tic. A.Ş. ("Evergas") (10)	Turkey	Natural Gas Sales
Doğaldan Enerji Üretim A.Ş. ("Doğaldan Enerji") (22)	Turkey	Energy Generation
Ra Güneş Enerjisi Üretim San. ve Tic. A.Ş. ("Ra Güneş") (6) (7)	Turkey	Electricity Generation
Biyotek Enerji Üretim A.Ş. ("Biyotek Enerji") (22)	Turkey	Energy Generation
Naturelgaz Sanayi ve Tic. A.Ş. ("Naturelgaz") (25)	Turkey	Compressed Natural Gas Sales
Naturel Doğal Gaz Yatırımları A.Ş. (25)	Turkey	Gaseous Fuel Trading
Straton Maden Yatırımları ve İşletmeciliği A.Ş. ("Straton")	Turkey	Mining
Tenera Enerji Tic. A.Ş. ("Tenera") (7)	Turkey	Electricity and Natural Gas Trade
Edusa 1 Enerji San. Ve Tic. A.Ş. ("Edusa 1") (10)	Turkey	Energy Generation
Port Management Services S.L.	Spain	Port Operations
Port Finance Investments Limited	United Kingdom	General Corporate Transaction

Global Yatırım Holding A.Ş. And its Subsidiaries
Notes to the Consolidated Financial Statements for the Year Ended 31 December 2020
(Currency: Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

1 ORGANIZATION AND NATURE OF BUSINESS *(continued)*

(a) Subsidiaries: *(continued)*

Subsidiaries	Location	Operations
KNY Enerji Üretim A.Ş. ("KNY Enerji") (22)	Turkey	Energy Generation
Edusa Atık Bertaraf Geri Kazanım ve Depolama San. ve Tic. A.Ş.(9) ("Edusa Atık")	Turkey	Energy Generation
Dağören Enerji A.Ş. ("Dağören") (7)	Turkey	Electricity Generation
Ardus Gayrimenkul Yatırımları A.Ş. (12)	Turkey	Real Estate Investments
Global Ticari Emlak Yatırımları A.Ş. (13)	Turkey	Real Estate Investments
Pera Gayrimenkul Yatırım Ortaklığı A.Ş. ("Pera")	Turkey	Real Estate Investments
Rıhtım51 Gayrımenkul Yatırımları A.Ş.	Turkey	Real Estate Investments
Global Menkul Değerler A.Ş. ("Global Menkul") (15)	Turkey	Brokerage
Global MD Portföy Yönetimi A.Ş. (16)	Turkey	Portfolio Management
Actus Portföy Yönetimi A.Ş. (17)	Turkey	Portfolio Management
Global Sigorta Aracılık Hizmetleri A.Ş. ("Global Sigorta")	Turkey	Insurance Agency
Ege Global Madencilik San. ve Tic. A.Ş. ("Ege Global") (11)	Turkey	Energy Generation
Salıpazarı İnşaat Taahhüt Bina Yönetim ve	Turkey	
Servis Hizmetleri Sanayi ve Ticaret A.Ş. ("Salıpazarı") (10)	Turkey	Construction Investments
Güney Maden İşletmeleri A.Ş. ("Güney")	Turkey	Mining
Neptune Denizcilik Yatırımları ve İşletmeciliği A.Ş. ("Neptune") (10)	Turkey	Maritime Investments
Tora Yayıncılık A.Ş. ("Tora")	Turkey	Publishing
Global Enerji Hizmetleri ve İşletmeciliği A.Ş. ("Global Enerji") (11)	Turkey	Electricity Generation
Sem Yayıncılık A.Ş. ("Sem") (18)	Turkey	Publishing
Maya Turizm Ltd. ("Maya Turizm") (19)	Cyprus	Tourism Investments
Galata Enerji Üretim San. ve Tic. A.Ş. ("Galata Enerji") (11)	Turkey	Electricity Generation
Randa Denizcilik San. ve Tic. Ltd. Şti. ("Randa") (20)	Turkey	Marine Vehicle Trade
Adonia Shipping Limited	Malta	Ship Management
Vinte Nova	Cayman Islands	Financial Investments
Global Financial Products Ltd. ("GFP")	Cayman Islands	Financial Investments
Vespa Enterprises (Malta) Ltd. ("Vespa")	Malta	Tourism Investments
Aristaeus Limited	Malta	Financial Investments
Sümerpark Gıda İşletmeciliği A.Ş.	Turkey	Food Management
Rainbow Tech Ventures Limited	Malta	Financial Investments
Rainbow Holdings Worldwide Limited	United Kingdom	Financial 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 a result of share purchase transactions in 2020 as at 31 December 2020 the Company continue to own 62,54% of shares of Global Ports Holding Plc indirectly (31 December 2019: 60,86%).

(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.

(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) As explained in Note 24, Evergas, Edusa 1, Salıpazarı and Neptune have merged with the Company and divested on 12 August 2020.

(11) As explained in Note 24, Global Enerji, Galata Enerji and Ege Global have merged with the Company and divested on 27 January 2020.

1 ORGANIZATION AND NATURE OF BUSINESS *(continued)*

(a) Subsidiaries *(continued):*

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

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

(14) 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.

(15) 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 2020, the Group's effective ownership rate in this company is 75% (31 December 2019: 75%).

(16) Global MD Portföy Yönetimi A.Ş. (formerly named as Eczacıbaşı Portföy Yönetimi A.Ş.) was purchased by Global Menkul on 1 June 2015 and consolidated to Global Menkul.

(17) 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.

(18) This company is consolidated to Tora.

1 ORGANIZATION AND NATURE OF BUSINESS *(continued)*

(a) Subsidiaries *(continued):*

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

(20) This company was purchased by Global Liman, a subsidiary of the Group, on 17 February 2011 for a price amounting to EURO 10.000. This company is inactive and its financial statements are immaterial in the consolidated financial statements, so as at 31 December 2020 and 31 December 2019 it is excluded from the scope of consolidation (Note 2.1.f).

(21) This company was established in 13 May 2014 and shares transferred from Global Liman to the Company on 31 December 2020.

(22) This company was established in 14 June 2018 and operates in energy investments sector of the Group. As explained in Note 24, KNY Enerji, Doğaldan Enerji and Biyotek Enerji have merged with Global Biyokütle and divested on 7 August 2020.

(23) 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, terminal will have 2.400sqm, with leasable retail spaces.

(24) 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.

Global Yatırım Holding A.Ş. And its Subsidiaries
Notes to the Consolidated Financial Statements for the Year Ended 31 December 2020
(Currency: Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

1 ORGANIZATION AND NATURE OF BUSINESS *(continued)*

(a) Subsidiaries: *(continued)*

(25) As of 30 October 2020, 79.850.000 shares with a total nominal value of TL 79.850.000 representing the 100% of Socar Turkey LNG Satış Anonim Şirketi ("Socar LNG") owned by Socar Turkey Petrol Enerji Dağıtım Sanayi A.Ş ("Socar Dağıtım") were transferred to Naturel Doğal Gaz Yatırımları Anonim Şirketi ("Naturel Doğal Gaz"),100% subsidiary of the Group. Following the announcement of merger transaction on the Turkey Register Gazette dated 10 November 2020 and numbered 10199, Socar LNG and Naturel Doğal Gaz were liquidated and mergered under legal entity of Naturelgaz.

As of 23 December 2020, after the merger of Socar Turkey LNG and Naturel Doğalgaz Yatırımları A.Ş. under Naturelgaz, the Company's ownership rate in Naturelgaz is realised as 95,5% through the capital increase of TL 18.594 by accounting of Naturel Doğalgaz Yatırımları A.Ş.'s equity.

Through the acquisition of Socar LNG and Naturel Doğal Gaz by Naturelgaz by way of taking over with all asset and liability, Naturel Doğal Gaz and Socar LNG mergered with Naturelgaz in accordance with the relevant articles of Turkish Commercial Code numbered as 136 and 158, Corporate Tax Law numbered as 18, 19 and 20, Natural Gas Market Licensing Regulation numbered as 43 and the related merger transaction was realised on 23 December 2020 with additional statement from Competition Authority dated 10 July 2020 and 22 September 2020 and required permissions from Energy Market Regulatory Authority dated 10 December 2020 and the acquisition process was completed with registering by İstanbul Trade Registry on 28 December 2020.

(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
Axel Corporation Grupo Hotelero, S.L. (5)	Spain	Tourism Investments
La Spezia (6)	Italy	Port Operations
Goulette Cruise Holding Ltd. (UK) ("Goulette") (7)	United Kingdom	Port Investments
Pelican Peak Investment Inc (9)	Canada	Entertainment investments
1121438 B.C. LTD	Canada	Entertainment investments
İstanbul Portföy Yönetimi A.Ş. (8)	Turkey	Portfolio Management

(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) Aristaeus Limited, a subsidiary of the Group, has been acquired a 15% shares of Axel Corporation Grupo Hotelero SL, operating in Spain, on 15 July 2016. As at 30 September 2016, the Group started to consolidate its financial statements as equity accounted investment method. As at 31 December 2020, the shareholding rate is 35% through participation in capital increase in 2020 (31 December 2019: 30%).

(6) 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.

(7) 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.

(8) 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.

(9) 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.

All companies have the same fiscal year with the Parent, 1 January – 31 December, except Singapore Cruise Port, which has 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 11 March 2021. 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.

(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.

Global Yatırım Holding A.Ş. And its Subsidiaries
Notes to the Consolidated Financial Statements for the Year Ended 31 December 2020
(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)*

(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 operates.

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, Vinte Nova, Ege Liman, Bodrum Liman, Global Ports Holding Plc, Ortadoğu Liman, GPH Antigua, GPH Americas, GPH Bahamas, 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, Port Operation Holding S.r.l., Ravenna Terminali Passeggeri S.r.l., Cagliari Terminali Passeggeri S.r.l., Catania Terminali Passeggeri S.r.l., Aristaeus, Barcelona, ZIPO, Malaga Limanı, Balearic Handling S.L.A., Shore Handling S.L.A. 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 2020 and 2019, 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.

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 2020 and 2019 for all subsidiaries directly or indirectly controlled by the Group:

	Effective ownership rates		Voting power held	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
Global Liman İşletmeleri A.Ş.	62,54	60,86	62,54	60,86
Ege Liman İşletmeleri A.Ş.	45,34	44,12	45,34	44,12
Bodrum Yolcu Limanı İşletmeleri A.Ş.	37,52	36,52	37,52	36,52
Ortadoğu Antalya Liman İşletmeleri A.Ş.	62,53	60,85	62,53	60,85
Port of Adria	39,51	38,45	39,51	38,45
Cruceros Malaga, S.A. ("Port of Malaga")	38,77	30,19	38,77	30,19
Global Ports Holding B.V.	100,00	100,00	100,00	100,00
Global Ports Holding Plc	62,54	60,86	62,54	60,86
Global Ports Europe B.V ("Global BV")	62,54	60,86	62,54	60,86
Global Ports Melita Ltd.	62,53	60,85	62,53	60,85
Valetta Cruise Port PLC ("VCP")	34,77	33,84	34,77	33,84
Creuers del Port de Barcelona, S.A. ("Creuers")	38,77	37,73	38,77	37,73
Barcelona Port Investments, S.L ("BPI")	38,77	37,73	38,77	37,73
Port Operation Holding S.r.l	62,54	60,86	62,54	60,86
Ravenna Terminal Passeggeri S.r.l.	62,54	32,68	62,54	32,68
Cagliari Cruise Port S.r.l.	44,34	43,15	44,34	43,15
Catania Terminali Passeggeri S.r.l.	38,90	37,85	38,90	37,85
Global Ports Netherlands B.V.	62,54	60,86	62,54	60,86
Zadar International Ports Operations d.o.o.	62,54	60,86	62,54	60,86
Travel Shopping Limited	31,30	30,45	31,30	30,45
Global Depolama A.Ş.	62,53	60,85	62,53	60,85
Consus Enerji İşletmeciliği ve Hizmetleri A.Ş.	100,00	100,00	100,00	100,00
Tres Enerji Hizmetleri Sanayi ve Ticaret A.Ş.	95,83	95,83	95,83	95,83
Mavibayrak Enerji Üretim A.Ş.	100,00	100,00	100,00	100,00
Mavibayrak Doğu Enerji Üretim A.Ş.	100,00	100,00	100,00	100,00
Doğal Enerji Hizmetleri San. Ve Tic. A.Ş.	100,00	100,00	100,00	100,00
Global Biyokütle Yatırımları A.Ş.	100,00	100,00	100,00	100,00
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
Evergas Doğalgaz İthalat ve Tic. A.Ş.	-	100,00	-	100,00
Doğaldan Enerji Ürt. A.Ş.	-	100,00	-	100,00
Ra Güneş Enerjisi Üretim San. ve Tic. A.Ş.	100,00	100,00	100,00	100,00
Biyotek Enerji Üretim A.Ş.	-	100,00	-	100,00
Naturelgaz San. ve Tic. A.Ş.	95,50	95,50	95,50	95,50
Naturel Doğal Gaz Yatırımları A.Ş.	-	100,00	-	100,00
Straton Maden Yatırımları ve İşletmeciliği A.Ş.	97,69	97,69	97,69	97,69
Tenera Enerji Tic. A.Ş.	100,00	100,00	100,00	100,00
Edusa 1 Enerji San. ve Tic. A.Ş.	-	100,00	-	100,00
KNY Enerji Üretim A.Ş.	-	100,00	-	100,00
Edusa Atık Bertaraf Geri Kazanım ve Depolama San. ve Tic. A.Ş.	100,00	100,00	100,00	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.	8,39	22,45	8,39	22,45
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
Actus Portföy Yönetimi A.Ş.	-	80,00	-	80,00
Global Sigorta Aracılık Hizmetleri A.Ş.	100,00	100,00	100,00	100,00
Ege Global Madencilik San. ve Tic. A.Ş.	-	100,00	-	100,00
Salıpazarı İnşaat Taahhüt Bina Yönetim ve Servis Hizmetleri Sanayi ve Ticaret A.Ş.	-	100,00	-	100,00
Güney Madencilik İşletmeleri A.Ş.	100,00	100,00	100,00	100,00
Neptune Denizcilik Yatırımları ve İşletmeciliği A.Ş.	-	100,00	-	100,00
Tora Yayıncılık A.Ş.	100,00	100,00	100,00	100,00
Global Enerji Hizmetleri ve İşletmeciliği A.Ş.	-	100,00	-	100,00
Sem Yayıncılık A.Ş.	65,00	65,00	65,00	65,00
Maya Turizm Ltd.	54,20	61,23	54,20	61,23
Galata Enerji Üretim San. ve Tic. A.Ş.	-	100,00	-	100,00
Randa Denizcilik San. ve Tic. Ltd. Şti.	62,53	60,85	62,53	60,85
Adonia Shipping Limited	99,93	99,93	99,93	99,93
Global Gemicilik ve Nakliyat Hizmetleri A.Ş.	90,00	59,64	90,00	59,64
Global Ports Mediterranean S.L.	62,54	60,86	62,54	60,86
GPH Antigua Ltd.	62,54	60,86	62,54	60,86
Nassau Cruise Port Ltd.	30,64	29,82	30,64	29,82
GPH Americas Ltd.	62,54	60,86	62,54	60,86
GPH Bahamas Ltd.	62,54	60,86	62,54	60,86
Global Ports Destination Services Ltd (UK)	62,54	60,86	62,54	60,86
Vinte Nova	99,93	99,93	99,93	99,93
Global Financial Products Ltd.	100,00	100,00	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
Rainbow Tech Ventures Limited	100,00	100,00	100,00	100,00
Rainbow Holdings Worldwide Limited	100,00	100,00	100,00	100,00
Balearic Handling S.L.A.	31,90	-	31,90	-
Shore Handling S.L.A.	31,90	-	31,90	-
Port Management Services S.L.	62,54	-	62,54	-
Port Finance Investments Limited	62,54	-	62,54	-

Global Yatırım Holding A.Ş. And its Subsidiaries
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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 2020 and 2019 for the associates:

	Effective ownership rates		Voting power held	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
Lisbon Cruise Terminals ("Port of Lisbon")	28,89	28,12	28,89	28,12
Singapur Limanı ("Port of Singapore")	15,51	15,22	15,51	15,22
Venezia Investimenti SRL	15,64	15,22	15,64	15,22
La Spezia Cruise Facility S.c.a.r.l	17,82	17,35	17,82	17,35
Axel Corporation Grupo Hotelero, S.L.	35,00	30,00	35,00	30,00
IEG Global Kurumsal Finansman Danışmanlık A.Ş. (IEG)	37,50	37,50	37,50	37,50
Goulette Cruise Holding Ltd. (UK) ("Goulette") (Note 1)	31,27	30,43	50,00	30,43
Pelican Peak Investment Inc	6,40	3,96	6,40	3,96
1121438 B.C. LTD	7,75	4,75	7,75	4,75
İstanbul Portföy Yönetimi A.Ş. (Note 1.b.8)	26,60	-	26,60	-

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 2020 Global Ports Destination Services Ltd., GPH Bahamas Ltd, Port Management Services S.L., Port Finance Investments Limited in which the Group has effective ownership interest of 62,54%, Randa in which the Group has effective ownership interest of 60,53% (31 December 2019: 60,85%), Consus Energy BV with an effective ownership interest of 100% (31 December 2019: 100%) and Glowi Energy Investments 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.

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

2.1 Basis of Preparation *(continued)*

(g) Going concern

The consolidated financial statements have been prepared on a going concern basis which assumes that the Group's has ability to continue its operations and will be able to meet the obligation for a period of at least twelve months. However, Covid-19 pandemic has negative effect on Group's port operations as explained more detail in Note 38.

Except the effect of Covid-19 pandemic, the Group has been protected from the negative effects of the depreciation of TL against foreign currencies due to the Group's revenue mainly consists of foreign currencies. It is aimed to reduce the interest and debt burden of the Group by using the cash obtained from the Antalya Port sale in January 2021 for debt refinancing in the port segment.

The Group has benefited from various incentives and exceptions such as extension of the concession right periods and postponed of the payments, after the negotiations with the governments of the operating countries, to eliminate the negative effects of the Covid-19 outbreak.

The positive progress of cruise operation of the Port Group has not been observed yet. Cruise market has made several restarting signals since closing of cruise operations on early March 2020. The main expectation of the sector is that after the second quarter of 2021, cruise operations will restart all over the world, starting from Europe until the end of the year. The Group, in conjunction with the leading companies of the cruise industry, has carried out a detailed 15-month analysis based on the assumption that the sector will revive in 2022, adhering to the initial forecast with a slow acceleration after the second quarter of 2021, taking into account the expectations of the sector.

The process within the scope of the application for the refinancing of Eurobond of the Group's subsidiary Global Liman İşletmeleri A.Ş. in accordance with English law, amounting to USD 250.000.000 with a maturity of 14 November 2021 and issued abroad are continuing:

- Extension of due date from 14 November 2021 to 14 May 2024,
- Determining the interest rate at a lower rate than the current bond's interest rate,
- The net cash proceeds from Port Akdeniz sale being used to cash redemption of a part of the bond

The Group is also working intensively on two additional alternatives for the refinancing of eurobond and intend to complete the refinancing at latest in May 2021 before its maturity.

The Group intends to reduce the debt burden by using the cash obtained via growth in the natural gas market continuance with the acquisition of 100% share of Socar Turkey Lng Satış A.Ş. from Socar Turkey Petrol Enerji Dağıtım Sanayi ve Ticaret A.Ş. ("Socar Dağıtım") and the public offering, which is expected to be concluded in the near future in Energy sector.

The Group management believes that the Group will successfully manage its commercial risks and liquidity reserves with the recovery of the real estate and mining sectors, which are partially effected, and the gradual opening of sector in cruise line despite the current uncertain economic outlook.

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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.

Standards and interpretations issued but not yet effective and not early adopted as at 31 December 2020

Standards issued but not yet effective and not early adopted

A number of new standards, interpretations of and amendments to existing standards are not effective at reporting date and earlier application is permitted; however the Group has not early adopted are as follows.

TFRS 17 – Insurance Contracts

On 16 February 2019, POA issued IFRS 17 Insurance Contracts. This first truly globally accepted standard for insurance contracts will help investors and others better understand insurers' risk exposure, profitability and financial position. TFRS 17 replaces TFRS 4, which was brought in as an interim Standard in 2004. TFRS 4 has given companies dispensation to carry on accounting for insurance contracts using national accounting standards, resulting in a multitude of different approaches. As a consequence, it is difficult for investors to compare and contrast the financial performance of otherwise similar companies. TFRS 17 solves the comparison problems created by TFRS 4 by requiring all insurance contracts to be accounted for in a consistent manner, benefiting both investors and insurance companies. Insurance obligations will be accounted for using current values – instead of historical cost. The information will be updated regularly, providing more useful information to users of financial statements. TFRS 17 has an effective date of 1 January 2023 but companies can apply it earlier.

The Group is assessing the potential impact on its consolidated financial statements resulting from the application of TFRS 17.

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

2.2 Changes in Accounting Policies *(continued)*

Amendments to TFRS 4: Applying TFRS 9 Financial Instruments with TFRS 4 Insurance Contracts

TFRS 4 has been amended by POA, to reduce the impact of the differing effective dates of the new insurance contracts standard and TFRS 9. These amendments to TFRS 4 provide two optional solutions for insurers to reduce concerns about implementations: i) when applying TFRS 9 by insurers to its financial assets, an insurer will be permitted to reclassify the difference between profit or loss and other comprehensive income and the amounts recognised in profit or loss under TFRS 9 and those that would have been reported under TAS 39; or ii) an optional temporary exemption from applying TFRS 9 for companies whose activities are predominantly connected with insurance before January 1, 2023. These companies will be permitted to continue to apply existing requirements for financial instruments in TAS 39.

The Group is assessing the potential impact on its consolidated financial statements resulting from the application of the amendments to TFRS 4.

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

2.2 Changes in Accounting Policies *(continued)*

Standards and interpretations issued but not yet effective and not early adopted as at 31 December 2020 *(continued)*

Standards issued but not yet effective and not early adopted *(continued)*

Classification of Liabilities as Current or Non-current (Amendments to TAS 1)

On 23 January 2020, IASB issued "Classification of Liabilities as Current or Non-Current" which amends IAS 1 Presentation of Financial Statements to clarify its requirements for the presentation of liabilities in the statement of financial position which are issued by POA on 12 March 2020 as amendments to TAS 1.

The amendments clarify one of the criteria in TAS 1 for classifying a liability as non-current that is, the requirement for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period.

The amendments include:

(a) Specifying that an entity's right to defer settlement must exist at the end of the reporting period;

(b) Clarifying that classification is unaffected by management's intentions or expectations about whether the entity will exercise its right to defer settlement;

(c) Clarifying how lending conditions affect classification; and

(d) Clarifying requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments.

The Group shall apply retrospectively these amendments for annual periods beginning on or after 1 January 2022 with earlier application permitted. However, the amendment published on 15 July 2020, IASB decided to defer the effective date of IAS 1 until 1 January 2023. Relevant amendment was published by POA on 15 January 2021.

The Group is assessing the potential impact on its consolidated financial statements resulting from the application of the amendments to IAS 1.

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

2.2 Changes in Accounting Policies *(continued)*

Standards and interpretations issued but not yet effective and not early adopted as at 31 December 2020 *(continued)*

Standards issued but not yet effective and not early adopted *(continued)*

Covid-19 related rent concession (Amendments to TFRS 16)

In May 2020, IASB issued Covid-19 related rent concession which amends TFRS 16 Leases which is issued by POA on 5 June 2020.

The amendments allow lessees not to account for rent concessions as lease modifications if they arise as a direct consequence of COVID-19.

The practical expedient will only apply if:

- the revised consideration is substantially the same or less than the original consideration;
- the reduction in lease payments relates to payments due on or before 30 June 2021
- no other substantive changes have been made to the terms of the lease.

No practical expedient is provided for lessors. Lessors are required to continue to assess if the rent concessions are lease modifications and account for them accordingly.

The Group shall apply these amendments for annual periods beginning on or after 1 June 2020 with earlier application permitted.

IBOR Reform and its Effects on Financial Reporting—Phase 2

In August 2020, IASB issued amendments which is issued by POA in 18 December 2020 that complement those issued in 2019 and focus on the effects of the interest rate benchmark reform on a company's financial statements that arise when, for example, an interest rate benchmark used to calculate interest on a financial asset is replaced with an alternative benchmark rate.

The Phase 2 amendments, Interest Rate Benchmark Reform—Phase 2, address issues that might affect financial reporting during the reform of an interest rate benchmark, including the effects of changes to contractual cash flows or hedging relationships arising from the replacement of an interest rate benchmark with an alternative benchmark rate (replacement issues). In 2019, IASB issued its initial amendments in Phase 1 of the project. Afterwards, these changes were published by POA.

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

2.2 Changes in Accounting Policies *(continued)*

Standards and interpretations issued but not yet effective and not early adopted as at 31 December 2020 *(continued)*

Standards issued but not yet effective and not early adopted *(continued)*

IBOR Reform and its Effects on Financial Reporting—Phase 2 *(continued)*

The objectives of the Phase 2 amendments are to assist companies in:

- applying TFRS Standards when changes are made to contractual cash flows or hedging relationships because of the interest rate benchmark reform; and
- providing useful information to users of financial statements.

In Phase 2 of its project, the Board amended requirements in TFRS 9 Financial Instruments, TAS 39 Financial Instruments: Recognition and Measurement, TFRS 7 Financial Instruments: Disclosures, TFRS 4 Insurance Contracts and TFRS 16 Leases relating to below and these amendments were published by POA:

- changes in the basis for determining contractual cash flows of financial assets, financial liabilities and lease liabilities;
- hedge accounting; and
- disclosures.

The Phase 2 amendments apply only to changes required by the interest rate benchmark reform to financial instruments and hedging relationships.

The Group shall apply these amendments for annual periods beginning on or after 1 January 2021 with earlier application permitted.

Reference to the Conceptual Framework (Amendments to TFRS 3)

In May 2020, IASB issued Reference to the Conceptual Framework, which made amendments to TFRS 3 Business Combinations.

The amendments updated TFRS 3 by replacing a reference to an old version of the Board's Conceptual Framework for Financial Reporting with a reference to the latest version, which was issued in March 2018. Subsequently, the TFRS 3 amendment was published by POA on 27 July 2020 to reflect these changes.

The Group shall apply these amendments for annual periods beginning on or after 1 January 2022 with earlier application permitted.

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

2.2 Changes in Accounting Policies *(continued)*

Standards and interpretations issued but not yet effective and not early adopted as at 31 December 2020 *(continued)*

Standards issued but not yet effective and not early adopted *(continued)*

Property, Plant and Equipment—Proceeds before Intended Use (Amendments to TAS 16)

In May 2020, IASB issued Property, Plant and Equipment—Proceeds before Intended Use, which made amendments to TAS 16 Property, Plant and Equipment. The amendments prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss. Subsequently, TFRS 16 amendment was published by POA on 27 July 2020 to reflect these changes.

The amendments improve transparency and consistency by clarifying the accounting requirements—specifically, the amendments prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.

The Group shall apply these amendments for annual periods beginning on or after 1 January 2022 with earlier application permitted.

Onerous Contracts—Cost of Fulfilling a Contract (Amendments to TAS 37)

In May 2020, IASB issued Onerous Contracts—Cost of Fulfilling a Contract, which made amendments to TAS 37 Provisions, Contingent Liabilities and Contingent Assets.

IASB developed amendments to TAS 37 to clarify that for the purpose of assessing whether a contract is onerous, the cost of fulfilling the contract includes both the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts. Subsequently, the TAS 37 amendment was published by POA on 27 July 2020 to reflect these changes.

The amendments specify which costs an entity includes in determining the cost of fulfilling a contract for the purpose of assessing whether the contract is onerous.

The Group shall apply these amendments for annual periods beginning on or after 1 January 2022 with earlier application permitted.

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

2.2 Changes in Accounting Policies *(continued)*

Standards and interpretations issued but not yet effective and not early adopted as at 31 December 2020 *(continued)*

Standards issued but not yet effective and not early adopted *(continued)*

Annual Improvements to TFRS Standards 2018–2020

Improvements to TFRSs

POA issued Annual Improvements to TFRSs - 2018–2020 Cycle for applicable standards on 27 July 2020. The amendments are effective as of 1 January 2022. Earlier application is permitted. The Group does not expect that application of these improvements to TFRSs will have significant impact on its consolidated financial statements.

TFRS 1 First-time Adoption of International Financial Reporting Standards

This amendment simplifies the application of TFRS 1 for a subsidiary that becomes a first-time adopter of IFRS Standards later than its parent – i.e. if a subsidiary adopts TFRS Standards later than its parent and applies TFRS 1.D16(a), then a subsidiary may elect to measure cumulative translation differences for all foreign operations at amounts included in the consolidated financial statements of the parent, based on the parent's date of transition to TFRS Standards. This amendment will ease transition to TFRS Standards for subsidiaries applying this optional exemption by i) reducing undue costs; and ii) avoiding the need to maintain parallel sets of accounting records.

TFRS 9 Financial Instruments

This amendment clarifies that – for the purpose of performing the ''10 per cent test' for derecognition of financial liabilities – in determining those fees paid net of fees received, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

Amendments are effective on 1 January 2020

The changes that become effective as of 1 January 2020 are as follows:

1-) The revised Conceptual Framework (Version 2018)

2-) Amendments to TFRS 3 - Definition of a Business

The application of the amendment in TFRS 3 did not have a significant impact on the consolidated financial statements of the Group.

3-) Amendments to TAS 1 and TAS 8 - Definition of Material

The application of the amendment to TAS 1 and TAS 8 does not have a significant impact on the consolidated financial statements of the Group.

4-) Interest Rate Benchmark Reform (Amendments to TFRS 9, TAS 39 and TFRS 7)

The application of this amendment is not expected to have a significant impact on the consolidated financial statements of the Group.

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:

(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.

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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.

<u>Contract modifications</u>

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. Payments in Port Akdeniz are mainly made in advance, in some cases payment terms are up to 30 days.

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.

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)

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.

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 such as Habana Port. 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.

(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.

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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; and
- 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.

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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, Vakıf Han building usage rights, 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, Ravenna and Catania 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	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 2028 for Ortadoğu Liman, 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 2021 for Ravenna Port, by 2026 for Catania Port, by 2025 for Cagliari Port, by 2044 for Nassau Port and by 2044 for Antigua Port.

(**) The licenses of Naturelgaz include the compressed natural gas (CNG) sales licenses in İzmir, Bursa, Bursa-2, Adapazarı, Antalya, Konya, Afyon, Bolu, Osmaniye, Kayseri, Rize, Düzce, Elazığ, İstanbul, Kırıkkale, Kocaeli, Eskişehir, Ordu, Mersin, Denizli and Aksaray regions as well as the CNG transmission license. The CNG transmission license and the CNG sales licenses in Bursa, Antalya and Adapazarı have been obtained by Naturelgaz in 2005 whereas the CNG sales license in İzmir has been obtained in 2006, Bolu in 2012, in Afyon, Düzce, Konya, Osmaniye, Kocaeli in 2013, in Rize and Denizli CNG sales licenses with Aksaray and Şekerpınar Auto CNG linceses in 2014, Ordu CNG licence and Mersin Auto CNG licence in 2015, spot LNG and Konya Auto CNG licenses in 2016, Kırıkkale, Kayseri, Elazığ CNG linceses and Eskişehir Auto CNG 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.

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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.

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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 2020 and 2019, 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.

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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 ECLs.

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.

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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.

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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 impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or 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.

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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 2020 and 2019. 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 2019, the Group established share option program that entitles key management personnel to receive shares in the Company based on the performance of the Company during the vesting period.

Under this program, holders of vested option are entitled to receive shares of the Company 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 2019, the Group granted 204,000 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 two 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.

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 EUR/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 2020 and 2019, foreign currency buying exchange rates of the Central Bank of Republic of Turkey ("CBRT") comprised the following:

	31 December 2020	31 December 2019
US Dollar / TL	7,3405	5,9402
Euro / TL	9,0079	6,6506

The average foreign currency buying exchange rates of the CBRT in 2020 and 2019 comprised the following:

	2020	2019
US Dollar / TL	7,0090	5,6708
Euro / TL	8,0278	6,3477

(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 37.

(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 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 at 31 December 2019.

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 (d,e,f) Useful lives of property, plant and equipment and intangible assets and concession intangible assets
- 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 2019.

3 BUSINESS COMBINATIONS

The details of acquisitions, which are accounted at the consolidated financial statements for the year ended as at 31 December 2020 are presented below. The Group has no acquisition for the year ended as at 31 December 2019.

The detailed information about acquisitions and sales of non-controlling interests for the year ended as at 31 December 2020 are disclosed in Note 24.6.

Business combinations

Global Enerji Hizmetleri ve İşletmeciliği A.Ş, Galata Enerji Üretim Sanayi ve Ticaret A.Ş. and Ege Global Madencilik Sanayi ve Ticaret A.Ş., wholly owned subsidiaries of the Group, have merged within the Company. The merger transaction has been registered on 27 January 2020 on the Trade Registry and the merger process has been completed.

Doğaldan Enerji Üretim A.Ş., Biyotek Enerji Üretim A.Ş. and KNY Enerji Üretim A.Ş., wholly owned subsidiaries of the Group, have merged with Global Biyokütle Enerji. The merger transaction has been registered on 7 August 2020 on the Trade Registry and the merger process has been completed.

Evergas Doğalgaz İthalat ve Tic. A.Ş., Edusa 1 Enerji San. Ve Tic. A.Ş., Salıpazarı İnşaat Taahhüt Bina Yönetim ve Servis Hizmetleri Sanayi ve Ticaret A.Ş. and Neptune Denizcilik Yatırımları ve İşletmeciliği A.Ş., wholly owned subsidiaries of the Group, have merged with Consus Enerji. The merger transaction has been registered on 12 August 2020 on the Trade Registry and the transactions were 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.

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

3 BUSINESS COMBINATIONS *(continued)*

Socar LNG Turkey

As per the share purchase agreement dated 6 February 2020, Naturelgaz, residing in the Turkey and 95,5% subsidiary of the Group, completed the acquisition of 100% of Socar LNG Turkey which was wholly owned by Socar Dağıtım A.Ş. The necessary approvals from the Competition Authority and Energy Market Regulatory Authority were completed on 30 October 2020 and the relevant date was determined as the purchase date. As of the date of purchase, the value of net assets of Socar LNG Turkey at the financial statements is amounting to TL 87.334.279. The Group has recognized the difference between the fair value of net assets purchased and the total amount paid as a bargain purchase gain under other operating income on financial statements amounting to TL 54.923.267 (Note 28.1).

	Book value before purchase	Fair value adjustments	Purchased value
Cash and cash equivalents	1.007.702	--	1.007.702
Trade and other receivables	22.281.818	--	22.281.818
Inventories	5.291.499	150.000	5.441.499
Other assets	141.482	--	141.482
Tangible assets	35.118.256	36.343.157	71.461.413
Intangible assets	301.476	1.508.524	1.810.000
Right of use assets	2.100.000	2.300.000	4.400.000
Financial liabilities	(511.337)	--	(511.337)
Trade and other payables	(10.033.240)	--	(10.033.240)
Provision for employee benefits	(311.291)	--	(311.291)
Deferred tax liabilities	--	(8.052.185)	(8.052.185)
Other liabilities	(301.582)	--	(301.582)
Net assets	55.084.783	32.249.496	87.334.279
Purchased share ratio			100%
Purchased net realizable asset and liabilities			87.334.279
Consideration payable			(32.411.012)
Bargain purchase gain (Negative goodwill)			54.923.267
Consideration paid			32.411.012
Cash received from purchasing			(1.007.702)
Net cash out flow			31.403.310

There are inputs (land, building, facility, machinery and equipment, stocks and customer relations), production processes and an organized workforce among the identifiable assets and liabilities acquired on the date of purchase of Socar LNG Turkey. 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.

In the two-month period until 31 December 2020, Socar LNG Turkey has contributed to the Group's results with a revenue amounting to TL 14.122.975 and a loss amounting to TL 224.916 TL. If the acquisition had been realized on 1 January 2020, the Group management estimated that there would be an additional income effect amounting to TL 63.756.490 on natural gas sales revenues and an additional loss effect amounting to TL 12.426.248 on consolidated profit or loss. In determining these amounts, management has assumed that, the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same, if the acquisition had occured on 1 January 2020.

3 BUSINESS COMBINATIONS *(continued)*

Balearic Handling ve Shore Handling

Global Liman, wholly owned subsidiary of the Group, acquired 51% shares of Balearic Handling S.L.A. and Shore Handling S.L.A., residing in Spain, through Global Ports Mediterranean S.L., wholly owned subsidiary, on 1 July 2020 with a price of TL 8.055.600.

The details of accounting of the Group's acquisition in accordance with the acquisition method are as follows:

	Provisional Fair Value
Acquisition cost	8.055.600
Fair value of total net identifiable assets (100%)	(15.795.290)
Fair value of non-controlling interests (49%)	7.739.690

	Provisional Fair Value
The value of identifiable assets and liabilities acquired	**100%**
Tangible assets	4.862.915
Intangible assets	9.112.765
Other assets	1.374.858
Trade and other receivables	8.717.440
Cash and cash equivalents	339.697
Trade and other payables	(8.612.385)
Total value of net identifiable assets	**15.795.290**

Identifiable assets, liabilities and contingent liabilities shown in the table above are recognised at fair value based on TFRS-3 "Business Combinations". The gross amounts of trade receivables and other receivables acquired at the date of the business combination reflect on their carrying value.

On the condition that, acquisition transactions were realized on 1 January 2020 , Baleric Handling S.L.A. and Shore Handling S.L.A would have contributed by TL 566.720 on the consolidated revenue and by TL 319.618 on the consolidated net profit.

Consideration paid:	8.055.600
Cash associated with purchased assets	(339.697)
Net cash out flow	**7.715.903**

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

4 INVESTMENT 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*	*Dividend paid to non-controlling interests*
Global Ports Holding Plc				
31 December 2020	37,46%	(201.273.373)	736.258.821	1.548.139
31 December 2019	39,14%	(23.857.466)	512.810.951	100.875.118
Pera Gayrimenkul Yatırım Ortaklığı Anonim Şirketi				
31 December 2020	91,61%	(6.866.315)	22.123.687	-
31 December 2019	77,55%	(4.878.687)	26.906.560	-

4 INVESTMENT IN OTHER ENTITIES *(continued)*

Consolidated financial information of Global Ports Holding Plc, before consolidation adjustments and eliminations is as follows:

Global Ports Holding Plc **Condensed Consolidated Statement of Financial Position**	**31 December 2020**	**31 December 2019**
Current assets	832.178.832	1.092.541.963
Non-current assets	5.903.995.586	3.629.197.325
Total assets	**6.736.174.418**	**4.721.739.288**
Current liabilities	2.519.578.932	562.258.292
Non-current liabilities	3.258.645.973	3.237.197.504
Total liabilities	**5.778.224.905**	**3.799.455.796**
Equity	**957.949.513**	**922.283.492**
Total equity and liabilities	**6.736.174.418**	**4.721.739.288**

Global Ports Holding Plc **Condensed Consolidated Statement of Profit or Loss**	**31 December 2020**	**31 December 2019**
Revenue	694.702.708	668.498.598
Operating profit/(loss)	(285.067.654)	86.810.571
Net loss	(328.635.925)	(86.301.472)

Consolidated financial information of Pera Gayrimenkul Yatırım Ortaklığı A.Ş., before consolidation adjustments and eliminations is as follows:

Pera Gayrimenkul Yatırım Ortaklığı A.Ş. **Condensed Consolidated Statement of Financial Position**	**31 December 2020**	**31 December 2019**
Current assets	14.244.661	17.616.584
Non-current assets	111.985.503	110.392.714
Total assets	**126.230.164**	**128.009.298**
Current liabilities	51.559.300	42.335.289
Non-current liabilities	262.913	3.704.588
Total liabilities	**51.822.213**	**46.039.877**
Equity	**74.407.951**	**81.969.421**
Total equity and liabilities	**126.230.164**	**128.009.298**

Pera Gayrimenkul Yatırım Ortaklığı A.Ş. **Condensed Consolidated Statement of Profit or Loss**	**31 December 2020**	**31 December 2019**
Revenue	8.784.481	9.901.237
Operating profit/(loss)	689.039	(927.461)
Net profit/(loss)	(7.505.353)	(8.202.160)

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 (previously named as "infrastructure"), energy generation, natural gas, mining (previously named as "natural gas/mining/energy generation"), brokerage and asset management segment (previously named as "finance"), real estate and other. 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.

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5 SEGMENT REPORTING *(continued)*

	Port Operations (*)		Energy Generation		Natural Gas		Mining		Real Estate		Brokerage & Asset Management		Other (**)		Total	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019	31 December 2020	31 December 2019	31 December 2020	31 December 2019	31 December 2020	31 December 2019	31 December 2020	31 December 2019	31 December 2020	31 December 2019	31 December 2020	31 December 2019
Segment assets	6.583.252.116	4.679.092.318	778.936.226	642.270.000	376.948.516	260.682.688	230.069.607	176.113.678	631.371.315	588.837.418	288.272.078	275.143.547	517.529.353	434.292.733	**9.406.379.211**	**7.056.432.382**
Segment liabilities	5.774.399.168	3.797.654.259	534.198.455	450.249.769	162.290.632	134.904.272	126.966.878	112.744.688	198.524.653	164.048.980	243.858.238	227.093.200	816.958.617	651.780.514	**7.857.196.641**	**5.538.475.682**

The Twelve-Month Period Ended 31 December (1 January-31 December)

	Port Operations (*)		Energy Generation		Natural Gas		Mining		Real Estate		Brokerage & Asset Management		Other (**)		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
External revenues	694.702.708	668.498.598	261.827.380	148.525.696	452.098.612	428.354.179	88.671.142	95.951.436	29.371.281	42.460.371	101.348.804	53.525.627	1.135.719	3.658.388	**1.629.155.646**	**1.440.974.295**
EBITDA	127.087.303	437.143.666	96.220.125	18.310.198	96.046.133	101.147.116	27.134.224	32.700.218	11.858.940	21.057.293	31.696.249	2.664.360	(62.336.585)	(49.702.815)	**327.706.389**	**563.320.036**
Depreciation and amortisation expense (-)	(346.112.277)	(270.975.681)	(43.475.769)	(29.935.573)	(32.307.676)	(27.958.423)	(42.788.545)	(32.464.838)	(473.733)	(690.061)	(2.275.108)	(2.694.960)	(6.813.293)	(5.466.737)	**(474.246.401)**	**(370.186.273)**
Finance income	108.467.170	45.565.808	10.093.066	8.557.360	2.010.499	1.034.610	96.552	2.760.357	117.510	66.138	2.481.829	3.958.561	8.884.796	28.213.440	**132.151.422**	**90.156.274**
Finance costs	(362.538.206)	(239.532.279)	(65.672.138)	(29.636.129)	(34.712.091)	(31.857.148)	(6.741.087)	(3.522.122)	(47.407.291)	(38.076.845)	(4.759.974)	(1.490.401)	(190.848.457)	(93.627.447)	**(712.679.244)**	**(437.742.371)**

(*) For the year ended 31 December 2020, port operations' revenues include TFRS Interpretation 12 effect.
(**) Includes Global Yatırım Holding A.Ş.'s operations.

The effect of COVID-19 on Group operations is disclosed in detail in Note 38.

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5 SEGMENT REPORTING *(continued)*

	1 January- 31 December 2020	1 January- 31 December 2019
Revenues		
Segment revenues	1.643.761.824	1.446.708.194
Elimination of inter-segment revenues	(14.606.178)	(5.733.899)
Consolidated revenues	**1.629.155.646**	**1.440.974.295**

	1 January- 31 December 2020	1 January- 31 December 2019
Consolidated EBITDA	327.706.389	563.320.036
Finance income (Note 30)	128.281.532	80.137.833
Finance cost (Note 31)	(708.814.151)	(427.620.223)
Non-operating income/(expenses) (*)	3.985.540	19.939.174
Depreciation and amortisation expenses (Note 27)	(474.246.401)	(370.186.273)
Consolidated profit/(loss) before income tax	**(723.087.091)**	**(134.409.453)**

	1 January- 31 December 2020	1 January- 31 December 2019
Segment finance income	132.151.422	90.156.274
Elimination of inter-segment finance income	(3.869.890)	(10.018.441)
Total finance income (Note 30)	**128.281.532**	**80.137.833**

	1 January- 31 December 2020	1 January- 31 December 2019
Segment finance cost	(712.679.244)	(437.742.371)
Elimination of inter-segment finance cost	3.865.093	10.122.148
Total finance cost (Note 31)	**(708.814.151)**	**(427.620.223)**

(*) 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.

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 Investment Funds	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 2020 and 31 December 2019, other current payables to related parties comprised the following:

Other current payables to related parties	31 December 2020	31 December 2019
Mehmet Kutman	5.116.639	7.550.282
Turkcom (*)	-	4.948.916
Other	3.806.394	977.675
Total	**8.923.033**	**13.476.873**

(*) The total of amount comprised of the borrowing provided by Turkcom for financing of the Company as at 31 December 2019.

Due from related parties

As at 31 December 2020 and 31 December 2019, 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 2020	31 December 2019
Mehmet Kutman	10.080.585	464.841
Turkcom	9.875.044	2.353.656
IEG Kurumsal Finansal Danışmanlık A.Ş.	1.417.420	1.336.201
Other	186.780	146.036
Total	**21.559.829**	**4.300.734**

As at 31 December 2020 and 31 December 2019, other current receivables from related parties comprised the following:

Other current receivables from related parties	31 December 2020	31 December 2019
Mehmet Kutman (1)	7.564.385	9.630.103
Erol Göker (1)	3.217.437	2.648.087
Other	6.747.634	4.481.432
Total (2)	**17.529.456**	**16.759.622**

(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 2020: 16,75 %, 31 December 2019: 13,75%)

(2) The amount excludes the loans provided to key management explained below.

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

6 RELATED PARTY DISCLOSURES *(continued)*

A subsidiary of the Group has provided loans to key management with a limit of USD 10.000.000 and an interest rate of Libor +3,5%, having annual coupon payments and a principal payment at the end of period, which mature on 30 December 2013. The maturity of loan is revised as 31 January 2021 and interest rate is revised as 7,12%. As at 31 December 2020 and 31 December 2019, this receivable has been classified in other receivables from related parties in the balance sheet. As at 31 December 2020, the principal of this loan amounted to USD 864.198 and the accrued interest amounted to USD 584.340. The total loan amounted to USD 1.448.538 (equivalent to TL 10.632.993) (31 December 2019: USD 6.452.571 (TL 38.329.562)). As of 31 December 2020, the Group has recognized these receivables as other current receivables from related parties (31 December 2019: TL 33.196.055 and TL 5.133.506, current and non-current, respectively). In addition, as of 31 December 2020, out of other receivables balances of the Group amounting to TL 6.989.169 (USD 952.138) with a maturity on 31 January 2021. The total of these receivables has been classified as current receivables (31 December 2019: TL 31.603.106 (USD 5.320.209), TL 5.655.890 (USD 952.138) current and non-current, respectively).

As at 31 December 2020, in addition to the Group's other receivables from related parties which is amounting to TL 17.622.162, current other receivables due from related parties (including the loan provided to key management by the Group) amount to TL 35.151.618 (31 December 2019: TL 81.558.783 current receivables) in the consolidated financial statements.

In addition, as at 31 December 2020, the receivable amounting to TL 59.581.144 (31 December 2019: TL 41.646.067) 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. The total of compensation amounting to TL 41.650.649 which consist also assistant general managers and directors as of 31 December 2019 has been revised comperatively as TL 26.301.241 due to the change in scope in 2020. As at 31 December 2020 and 2019, the details of compensation of key management personnel comprised the following:

	31 December 2020	31 December 2019
Salaries	24.765.354	22.325.554
Bonuses	511.172	1.821.662
Attendance fee	1.820.067	1.889.468
Other	1.485.713	264.557
	28.582.306	**26.301.241**

The Group's interest income resulting the loan provided to key management for the period 1 January-31 December 2020 amounts to TL 4.249.830 (1 January-31 December 2019: TL 18.236.646).

Regarding to the loans used by the Group, there is a personal surety amounting to TL 169.934.502 (31 December 2019: TL 84.988.913) and USD 27.100.983 (31 December 2019: USD 29.947.012), and there is pledge on personal property amounting to TL 32.500.000 (31 December 2019: TL 32.500.000) given by Mehmet Kutman with respect to these loans.

6 RELATED PARTY DISCLOSURES *(continued)*

For the year ended 31 December 2020 and 2019, significant transactions with related parties comprised the following:

	1 January-31 December 2020				1 January-31 December 2019			
	Interest Received	Interest Paid	Other Income	Other Expense	Interest Received	Interest Paid	Other Income	Other Expense
Turkcom (*)	606.137	69.768	405.567	775.716	-	719.254	270.479	1.086.662
Mehmet Kutman (*)	756.083	635.729	351.300	-	2.231.711	3.115.361	2.206	-
Erol Göker	318.760	-	12.930	-	278.621	-	2.986	-
IEG Global Kurumsal Finansal Danışmanlık A.Ş.	76.020	-	-	-	207.222	-	-	-
Global MD Funds	-	-	1.240.383	-	-	-	975.099	-
Other (**)	-	-	-	56.072.000	-			
Total	**1.757.000**	**705.497**	**2.010.180**	**56.847.716**	**2.717.554**	**3.834.615**	**1.250.770**	**1.086.662**

(*) Includes margin lending and advance interest.

(**) As one of steps to expand the operations of the Port Group, port operating right agreement ("PORA") of Nassau Cruise Port ("NCP") was signed at the end of the year of 2019. During the period of contract, the Group signed a contract with Turquoise Advisory Limited ("TAL"), which is a subsidiary of the Group and owned by general manager and one of the board member of NCP. A contract has been signed for the preparation of proposals for the port tender, negotiation of the PORA, realization of the partnership and financing structure, obtaining all the permits for the project, and taking an active role / providing assistance in all processes including project debt financing;

The scope of the agreement was created by the Group with the aim of achieving the success of the PORA completely (including financial and construction processes), and a success premium of USD 7.500 thousand was envisaged as a fair value, considering the economic impact of the project, in return for the successful completion of the terms of the PORA. Due to the fact that the project finance and construction approval and permission processes have not been met as of the year of 2019, no success premium has been accrued, which has an important place in the finalization of the term of the Operating Right in reference to the content of the PORA Convention. The success premium was paid in the year of 2020 after the completion of the construction permit and acceptance processes, which are the integral elements of the contract, and the successful completion of the construction and financing.

Apart from this agreement, the Group has also signed a Consultancy agreement with TAL. Under this contract, TAL will help create new revenue streams for the various aspects of the project and for the NCP during the lifetime of the PORA. The price of this contract was determined as 500 thousand USD annually, but later on, this contract was revised retrospectively to be effective as of May 2020, as a result of mutual agreement of the parties.

Business meetings were held between the parties prior to the signing date of the above-mentioned contracts, and since 2017, individual collaborations have been carried out with these individuals. When the situation that the said joint work could not be concluded with a partnership institution in the year of 2019, the above-mentioned contracts were signed at the discretion of the services they have done and will perform.

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7 CASH AND CASH EQUIVALENTS

As at 31 December 2020 and 31 December 2019, cash and cash equivalents comprised the following:

	31 December 2020	31 December 2019
Cash on hand	800.803	899.881
Cash at banks	984.895.438	424.787.935
-Demand deposits	*653.637.911*	*285.683.805*
-Time deposits	*331.257.527*	*139.104.130*
Receivables from reverse repurchase agreements	-	38.599.997
Other	5.993.721	10.422.439
Cash and cash equivalents	**991.689.962**	**474.710.252**
Blocked deposits (*)	(139.272.800)	(46.109.194)
Cash and cash equivalents for cash flow purposes	**852.417.162**	**428.601.058**

(*) As at 31 December 2020, cash at banks amounting to TL 117.952.835 (31 December 2019: TL 38.717.746) is blocked by relevant banks due to bank borrowings and letters of guarantee. As at 31 December 2020, TL 8.695.233 deposited at the BIST Settlement and Custody Bank ("Takasbank") is blocked by CMB (31 December 2019: TL 6.650.000). As at 31 December 2020 TL 12.624.732 (31 December 2019: TL 741.448) 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 2020 and 31 December 2019, maturities of time deposits comprised the following:

	31 December 2020	31 December 2019
Up to 1 month	327.378.794	132.782.235
1-3 months	3.878.733	6.321.895
	331.257.527	**139.104.130**

As at 31 December 2020 and 31 December 2019, the range of time deposit interest rates included in cash and cash equivalents is as follows:

	31 December 2020	31 December 2019
Interest rate range for time deposit - TL	10,50% - 17,50%	8,00% - 12,50%
Interest rate for time deposit - USD	0,40% - 2,50%	1,50% - 1,90%

8 FINANCIAL INVESTMENTS

As at 31 December 2020 and 31 December 2019, the details of financial investments of the Group comprised the following:

Current assets	31 December 2020	31 December 2019
Financial assets mandatorily at fair value through profit or loss	6.638.720	8.085.225
Other	445.179	418.799
Total	**7.083.899**	**8.504.024**
Non current assets		
Financial assets at fair value through other comprehensive income-equity instruments	8.146.247	8.172.568
Total	**8.146.247**	**8.172.568**

The details of the Group's financial assets classified as mandatorily at fair value through profit or loss are as follows:

	31 December 2020	31 December 2019
Equity securities	5.980.581	6.340.786
Debt securities (governmental bonds)	658.139	144.428
Investment funds participations	-	1.600.011
	6.638.720	**8.085.225**

All financial assets mandatorily at fair value through profit/loss are financial assets at fair value through profit/loss. The changes in fair value of these assets are accounted in gain/ (loss) on investing activities, at consolidated statement of profit or loss and other comprehensive income.

All the equity securities included in the financial assets mandatorily at fair value through profit/loss are traded in active markets.

As at 31 December 2020 the equity shares amounting to TL 9.402 are pledged for an ongoing lawsuit case (31 December 2019: TL 9.402).

As at 31 December 2020 and 31 December 2019, the letters of guarantee given to BIST, Settlement and Custody Bank, Derivative Market ("VIOP") and the CMB are explained in Note 21.

Details of equity securities which are not quoted in an active market comprised the following:

	31 December 2020		31 December 2019	
	Share ratio (%)	Book value	Share ratio (%)	Book value
Firefly Systems Inc.	0,42	4.499.951	0,52	4.499.951
Borsa İstanbul A.Ş.	0,08	3.034.508	0,08	3.034.508
Bakü Borsası	4,76	137.594	4,76	137.594
Other	-	474.194	-	500.515
Total		**8.146.247**		**8.172.568**

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.

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9 BORROWINGS

As at 31 December 2020 and 31 December 2019, borrowings comprised the following:

Current borrowings	**31 December 2020**	**31 December 2019**
Current bank loans	481.405.218	275.052.263
-TL Loans	*259.406.361*	*105.809.445*
-Foreign currency loans	*221.998.857*	*169.242.818*
Debt securities issued	154.564.989	-
- TL debt securities	*154.564.989*	-
Other financial liabilities (*)	12.243.046	29.397.327
Total	**648.213.253**	**304.449.590**

Current portion of non-current borrowings	**31 December 2020**	**31 December 2019**
Current portion of non-current bank loans	643.855.325	408.068.230
-TL Loans	*13.418.270*	*14.127.249*
-Foreign currency loans	*630.437.055*	*393.940.981*
Debt securities issued	2.117.793.536	290.499.189
- TL debt securities	*147.622.012*	*178.833.171*
-Foreign currency debt securities	*1.970.171.524*	*111.666.018*
Finance lease obligations	34.748.068	23.417.637
Total borrowings	**2.796.396.929**	**721.985.056**
Lease liabilities (TFRS 16)	25.620.529	15.106.716
Total	**2.822.017.458**	**737.091.772**

Non-current borrowings	**31 December 2020**	**31 December 2019**
Non-current bank loans	913.573.961	1.158.900.729
-TL Loans	*3.254.283*	*11.797.398*
-Foreign currency loans	*910.319.678*	*1.147.103.331*
Debt securities issued	855.213.386	1.398.533.539
-Foreign currency debt securities	*855.213.386*	*1.398.533.539*
Finance lease obligations	52.511.721	40.685.217
Other financial liabilities (*)	346.795.641	290.989.622
Total borrowings	**2.168.094.709**	**2.889.109.107**
Lease liabilities (TFRS 16)	497.412.091	377.876.305
Total non-current borrowings	**2.665.506.800**	**3.266.985.412**
Total current and non-current borrowings	**5.612.704.891**	**3.915.543.753**
Total	**6.135.737.511**	**4.308.526.774**

(*) As at 31 December 2020, TL 8.985.153 of current other financial liabilities (31 December 2019: TL 24.230.076) and TL 343.906.404 of non-current other financial liabilities (31 December 2019: TL 285.624.918) are related to concession agrrement liabilities of NCP.

9 BORROWINGS *(continued)*

Maturity profile of non-current bank loans and debt securities issued comprised the following:

Years	**31 December 2020**	**31 December 2019**
2021	-	1.932.338.795
2022	349.623.736	181.090.379
2023	246.769.649	145.006.279
2024 and onwards	1.172.393.962	298.998.815
Total	**1.768.787.347**	**2.557.434.268**

Maturity profile of finance lease obligations and lease liabilities comprised the following:

	31 December 2020			**31 December 2019**		
	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	77.417.440	(17.048.843)	60.368.597	43.070.348	(4.545.995)	38.524.353
Between one and five years	887.907.217	(337.983.405)	549.923.812	464.561.099	(45.999.577)	418.561.522
Total	**965.324.657**	**(355.032.248)**	**610.292.409**	**507.631.447**	**(50.545.572)**	**457.085.875**

The movement of financial borrowings as of 31 December 2020 and 2019 is as follows:

	2020	**2019**
Opening balance as at 1 January	**4.308.526.774**	**2.898.607.012**
Additions to the scope of consolidation	3.014.758	187.688.447
Additions	2.221.894.017	1.482.619.462
Repayments	(1.279.696.957)	(1.274.111.952)
Changes in other financial liabilities	(28.667.116)	320.386.949
Lease liabilities (TFRS 16-First adoption)	-	403.630.757
Additions (TFRS 16)	84.340.756	-
Repayments related to lease liabilities	(34.698.370)	(10.647.736)
Changes in foreign currency exchange rates	197.137.289	84.678.898
Changes in interest accruals	112.285.773	21.450.954
Liabilities included in disposal groups classified as held for sale (Note 36)	(206.800.216)	-
Currency translation difference	758.400.803	194.223.983
Closing balance as at 31 December	**6.135.737.511**	**4.308.526.774**

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9 BORROWINGS *(continued)*

Loan Type	Company Name	Currency	Maturity	Interest Type	Nominal Interest Rate %	31 December 2020 Principal (TL)	31 December 2020 Carrying Value (TL)
Loans and issued debt securities used to finance							
Debt securities issued (i)	Holding	USD	2022	Fixed	8,00%	24.840.252	24.840.252
Bond issued (ii)	Holding	TL	2021	Floating	BIST TLREF + 4,75%	125.380.000	129.917.302
Bond issued (ii)	Holding	TL	2021	Floating	BIST TLREF + 2,5%	50.000.000	50.045.346
Bond issued (ii)	Holding	TL	2021	Floating	17%	33.096.563	34.437.709
Bond issued (ii)	Holding	TL	2021	Floating	BIST TLREF + 4,5%	17.295.000	17.704.710
Secured loan (iii)	Holding	EURO	2021	Fixed	3,50%	47.741.870	47.802.113
Secured loan (iii)	Holding	TL	2021	Fixed	14,50%	31.000.000	33.383.816
Secured loan (iii)	Holding	EURO	2021	Fixed	5,50%	84.674.260	86.834.870
Secured loan	Holding	TL	2023	Fixed	11,20%	306.425	306.627
Secured loan (xvi)	Antigua	USD	2026	Floating	Libor + 5,25 - 6,75%	223.806.812	222.189.300
Bond issued (xv)	Nassau	USD	2040	Fixed	8,00%	917.562.500	952.124.189
Secured loan (xii)	VCP	EURO	2026	Floating	Euribor+ 3%	83.720.798	83.720.798
Secured loan (xvii)	Global Ports Holding BV	EURO	2021	Floating	Euribor + 6,75%	346.149.616	348.810.641
Secured loan (xi)	Global Ports Europe BV	EURO	2021	Floating	Euribor+ 4,60%	21.618.960	21.817.642
Bond issued (iv)	Global Liman	USD	2021	Fixed	8,125%	1.835.125.000	1.848.420.469
Secured loan	Global Liman	TL	2021	Fixed	9,25 - 9,50%	17.815.573	18.719.258
Secured loan	Global Liman	USD	2021	Fixed	1,30%	36.702.500	36.666.510
Secured loan	Global Liman	EURO	2021	Fixed	1,30%	8.107.110	8.098.357
Secured loan (xiii)	Port of Adria	EURO	2025	Floating	Euribor + 4,25%	175.654.050	176.906.485
Secured loan	Port of Adria	EURO	2021	Floating	Euribor + 3,30%	5.674.977	5.682.477
Secured loan	Bodrum Liman	TL	2021	Fixed	9,50 - 19%	3.380.313	3.437.847
Secured loan	GP Med	EURO	2028	Fixed	2,0 - 2,27%	3.014.757	3.014.757
Secured loan	Ege Liman	TL	2021	Fixed	9,50 - 30,60%	30.886.356	32.627.308
Secured loan (v)	Naturelgaz	TL	2022	Floating	TR Libor + 2,50%	6.959.242	7.238.594
Secured loan (v)	Naturelgaz	USD	2022	Floating	USD Libor + 5,25%	57.806.437	59.599.787
Secured loan	Naturelgaz	TL	2021	Revolving	-	29.268.045	29.285.664
Secured loan	Straton Maden	TL	2021	Fixed	5,26 - 20,25%	15.528.194	15.551.862
Secured loan (vi)	Straton Maden	EURO	2022	Floating	Euribor + 0,60 - 3,00%	50.194.476	50.175.412
Secured loan	Straton Maden	EURO	2021	Fixed	2,00 - 6,50%	18.105.879	18.105.879
Secured loan (x)	BPI	EURO	2024	Floating	Euribor + 4%	132.010.835	130.118.549
Secured loan (x)	Malaga Cruise Port	EURO	2025	Floating	Euribor + 1,75%	29.466.042	29.279.847
Secured loan	Tres Enerji	TL	2021	Revolving	-	34.865.895	35.063.146
Secured loan	Tenera Enerji	TL	2021	Revolving	-	23.953.751	23.957.812
Secured loan	Ra Güneş	USD	2029	Floating	Libor + 8,50%	62.526.379	62.858.528
Secured loan	Edusa Atık Bertaraf	TL	2023	Fixed	9,50 - 11,65%	2.786.273	2.786.273
Secured loan	Mavi Bayrak Enerji	USD	2025	Floating	Libor + 5,95%	72.671.043	72.338.318
Secured loan	Mavi Bayrak Enerji	USD	2021	Revolving	-	21.874.690	22.687.302
Secured loan	Mavi Bayrak Enerji	TL	2021	Revolving	-	907.786	911.773
Secured loan	Doğal Enerji	USD	2024	Floating	Libor + 6,50%	26.651.660	27.289.329
Secured loan	Mavi Bayrak Doğu	USD	2026	Floating	Libor + 5,95 - 7,00%	96.162.334	94.759.088
Secured loan	Mavi Bayrak Doğu	USD	2021	Revolving	-	22.021.500	22.870.420
Secured loan	Mavi Bayrak Doğu	TL	2021	Fixed	9,50 - 12,10%	467.980	469.171
Secured loan	Port Operation Holding	EURO	2037	Fixed	2,32 - 7,61%	4.113.449	4.248.612
Secured loan	Global Menkul	TL	2021	Revolving	-	21.998.888	21.998.888
Bond issued	Global Menkul	TL	2021	Fixed	14,50 - 20%	68.635.095	70.081.934
Secured loan	Pera	TL	2021	Floating	TR Libor + 5,00%	2.425.132	2.465.896
Secured loan	Pera	TL	2021	Fixed	9,50 - 14,50%	3.097.492	3.110.114
Secured loan (xiv)	Global Ticari Emlak	USD	2025	Floating	Libor + 6,20%	164.530.832	171.645.436
						5.092.583.021	**5.166.406.417**
Finance Lease Obligations							
Leasing	Straton Maden	Euro	2023	Fixed	4,93 - 7%	2.026.530	2.026.530
Leasing (ix)	Tres Enerji	Euro	2022	Fixed	4,98%	2.270.396	2.270.396
Leasing (ix)	Tres Enerji	Euro	2024	Fixed	5,15%	28.497.189	28.497.189
Leasing (ix)	Tres Enerji	Euro	2022	Fixed	5,13 - 10,22%	17.585.593	17.585.593
Leasing (ix)	Tres Enerji	Euro	2023	Fixed	7,00%	11.909.384	11.909.384
Leasing (ix)	Tres Enerji	TL	2023	Fixed	19,50%	21.340.971	21.340.971
Leasing	Mavi Bayrak Doğu	Euro	2022	Fixed	5,25 - 7,50%	988.506	988.506
Leasing	Mavi Bayrak Doğu	TL	2023	Fixed	10,50%	1.181.362	1.181.362
Leasing	Port Operation Holding	Euro	2021	Fixed	1,96%	214.487	214.487
Leasing	Edusa Atık Bertaraf	Euro	2021	Floating	Libor + 6,00%	1.239.171	1.239.171
Leasing	Pera	TL	2021	Fixed	13,90%	6.198	6.198
						87.259.787	**87.259.787**
						5.179.842.808	**5.253.666.204**

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9 BORROWINGS *(continued)*

Loan Type	Company Name	Currency	Maturity	Interest Type	Nominal Interest Rate %	31 December 2019 Principal (TL)	31 December 2019 Carrying Value (TL)
Loans and issued debt securities used to finance							
Debt securities issued (i)	Holding	USD	2022	Fixed	8,00%	19.270.009	19.273.986
Bond issued (ii)	Holding	TL	2020	Fixed	28,00%	125.000.000	132.894.728
Bond issued (ii)	Holding	TL	2020	Floating	TR Libor + 4,50%	20.000.000	20.000.000
Bond issued (ii)	Holding	TL	2020	Floating	GDS + 4,25%	25.000.000	25.938.444
Secured loan (iii)	Holding	EURO	2020	Fixed	7,50%	31.257.820	31.817.322
Secured loan (iii)	Holding	EURO	2020	Floating	Euribor + 7,35%	31.424.085	32.460.952
Secured loan (xvi)	Antigua	USD	2026	Floating	Libor + 5,75%	95.663.559	90.278.132
Secured loan	Nassau	USD	2021	Fixed	4,50%	95.043.200	95.043.200
Secured loan (xii)	VCP	EURO	2026	Floating	Euribor+ 3%	54.418.445	54.418.490
Secured loan (xvii)	Global Ports Holding BV	EURO	2021	Floating	Euribor + 6,75%	314.475.867	317.027.217
Secured loan (xi)	Global Ports Europe BV	EURO	2020	Floating	Euribor+ 4,60%	32.255.410	32.323.750
Bond issued (iv)	Global Liman	USD	2021	Fixed	8,125%	1.485.050.000	1.490.925.571
Secured loan	Global Liman	TL	2020	Fixed	26,34%	16.000.000	16.045.930
Secured loan(xiii)	Port of Adria	EURO	2025	Floating	Euribor + 4,25%	133.012.000	133.956.750
Secured loan	Port of Adria	EURO	2020	Floating	Euribor + 3,85%	4.987.950	5.001.779
Secured loan	Bodrum Liman	TL	2020	Fixed	17,00 - 27,50%	3.040.000	3.528.844
Secured loan	Ege Liman	EURO	2020	Fixed	3,54%	14.120.810	14.475.440
Secured loan	Ege Liman	TL	2021	Fixed	15,84 - 30,60%	3.166.988	3.019.132
Secured loan	Ege Liman	USD	2020	Fixed	4,95%	8.910.300	8.978.200
Secured loan	Ortadoğu Liman	USD	2020	Fixed	3,48 - 5,16%	8.866.012	8.881.690
Secured loan	Ortadoğu Liman	EURO	2020	Fixed	3,00 - 4,56%	3.166.061	3.169.579
Secured loan	Ortadoğu Liman	USD	2020	Fixed	4,60 - 8,50%	60.574.871	61.692.643
Secured loan (xviii)	Ortadoğu Liman	EURO	2022	Fixed	2,40 - 5,75%	123.847.473	124.891.245
Secured loan	Ortadoğu Liman	TL	2020	Fixed	12,50 - 26,34%	3.900.000	3.904.688
Secured loan (v)	Naturelgaz	TL	2022	Floating	TR Libor + 2,50%	10.833.220	11.315.726
Secured loan (v)	Naturelgaz	USD	2022	Floating	USD Libor + 5,25%	72.819.434	74.479.945
Secured loan	Naturelgaz	TL	2020	Revolving	-	3.141.241	3.148.489
Secured loan	Straton Maden	TL	2021	Fixed	5,26 - 27,35%	12.988.984	13.034.011
Secured loan (vi)	Straton Maden	EURO	2021	Floating	Euribor + 0,65 - 3,00%	42.628.532	42.491.735
Secured loan	Straton Maden	EURO	2020	Fixed	5,40 - 6,50%	14.499.589	14.499.614
Secured loan	Güney Maden	TL	2020	Revolving	-	20.000.000	20.010.957
Secured loan (x)	BPI	EURO	2024	Floating	Euribor + 4%	124.203.865	122.877.258
Secured loan (x)	Malaga Cruise Port	EURO	2025	Floating	Euribor + 1,75%	27.016.135	25.784.975
Secured loan	Tres Enerji	TL	2020	Revolving	-	24.380.000	24.537.135
Secured loan	Tres Enerji	TL	2020	Fixed	16,08%	104.233	104.274
Secured loan	Tenera Enerji	TL	2020	Revolving	-	20.000.000	20.010.959
Secured loan	Tenera Enerji	TL	2020	Fixed	16%	104.233	104.274
Secured loan	Ra Güneş	USD	2029	Floating	Libor + 8,50%	50.598.624	52.767.744
Secured loan	Mavi Bayrak Enerji	USD	2025	Floating	Libor + 5,95%	71.579.456	71.173.230
Secured loan	Mavi Bayrak Enerji	USD	2020	Revolving	-	18.474.022	18.958.845
Secured loan	Doğal Enerji	USD	2024	Floating	Libor + 6,50%	26.959.372	27.780.569
Secured loan	Mavi Bayrak Doğu	USD	2026	Floating	Libor + 5,95 - 7,00%	106.923.600	105.897.120
Secured loan	Port Operation Holding	EURO	2037	Fixed	2,75%	3.007.165	3.349.555
Secured loan	Global Menkul	TL	2020	Revolving	-	4.550.000	4.550.000
Secured loan	Pera	TL	2021	Floating	TR Libor + 5,00%	4.157.370	4.180.727
Secured loan	Pera	TL	2021	Fixed	14,50%	4.279.000	4.238.944
Secured loan (xiv)	Global Ticari Emlak	USD	2025	Floating	Libor + 6,20%	133.367.974	135.810.153
						3.509.066.909	**3.531.053.951**
Finance Lease Obligations							
Leasing (vii)	Ortadoğu Liman	USD	2020	Fixed	7,35%	1.110.937	1.110.937
Leasing	Ege Liman	USD	2020	Fixed	5,50%	5.857	6.922
Leasing (viii)	Ege Liman	EURO	2020	Fixed	7,75%	2.288.179	2.290.812
Leasing	Straton maden	EURO	2023	Fixed	4,93 - 5,25%	2.292.645	2.292.645
Leasing (ix)	Tres Enerji	EURO	2022	Fixed	4,98%	2.720.972	2.720.972
Leasing (ix)	Tres Enerji	EURO	2024	Fixed	5,15%	27.307.404	27.307.404
Leasing (ix)	Tres Enerji	EURO	2022	Fixed	5,13%	10.758.067	10.758.067
Leasing (ix)	Tres Enerji	EURO	2023	Fixed	7,00%	11.653.431	11.653.431
Leasing	Mavi Bayrak Doğu	EURO	2022	Fixed	5,25 - 7,50%	3.510.884	3.510.884
Leasing	Port Operation Holding	EURO	2021	Fixed	1,96%	220.647	220.647
Leasing	Edusa Atık Bertaraf	EURO	2021	Floating	Libor + 6,00%	1.778.389	1.778.389
Leasing	Pera	TL	2020	Fixed	13,90%	451.743	451.743
						64.099.155	**64.102.853**
						3.573.166.064	**3.595.156.804**

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 2020, 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 (31 December 2019: USD 10.360.000). 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". These bonds are available in the accounts of the Group. 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 at 31 December 2020, the net nominal value (principal amount) of the issued new notes (presented as debt securities issued) is USD 3.384.000 (31 December 2019: USD 3.244.000).

(ii) The Company has issued bonds to qualified investors amounting to TL 25.000.000 with 735 days maturity and an interest rate of GDS + 4,25% on 5 January 2018. The interest is paid every three months. The loan amount was paid on maturity and the loan was closed on 10 January 2020.

The Company has issued bonds to qualified investors amounting to TL 125.000.000 with 186 days maturity and an interest rate of 28,00% on 8 July 2019. The interest is paid every three months. The loan amount was paid on maturity and the loan was closed on 10 January 2020.

The Company has issued bonds to qualified investors amounting to TL 20.000.000 with 364 days maturity and an interest rate of TRLIBOR + 4,50% on 8 July 2019. The interest is paid every three months. The loan amount was paid on maturity and the loan was closed on 6 July 2020.

The Company has issued bonds to qualified investors amounting to TL 124.620.000 with 270 days maturity and an interest rate of BIST TLREF + 4,00% on 10 January 2020. The interest is paid every three months. The loan amount was paid on maturity and the loan was closed on 6 October 2020.

The Company has issued bonds to qualified investors amounting to TL 125.380.000 with 452 days maturity and an interest rate of BIST TLREF + 4,75% on 10 January 2020. The interest is paid every three months.

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9 BORROWINGS *(continued)*

The Company has issued bonds to qualified investors amounting to TL 33.096.563 with 261 days maturity and an interest rate of 17% on 6 October 2020.

The Company has issued bonds to qualified investors amounting to TL 17.295.000 with 452 days maturity and an interest rate of 18,5% - BIST TLREF + 4,5% on 6 October 2020. The interest is paid every three months.

The Company has issued bonds to qualified investors amounting to TL 50.000.000 with 89 days maturity and an interest rate of BIST TLREF + 2,5% on 29 December 2020. The interest is paid every three months.

(iii) On 23 January 2017, the Company has borrowed a total of EURO 21.000.000, with an interest rate of Euribor + 7,35% and maturity on 23 January 2020. Interest and principal are paid every six months. The loan amount was paid on maturity and the loan was closed on 23 January 2020 (The remaining principal amount of the loan as at 31 December 2019 is EURO 4.725.000).

On 5 July 2019, the Company has borrowed a total of EURO 5.500.000, with an interest rate of 7,50%. The loan amount was paid on maturity and the loan was closed on 17 June 2020 (31 December 2019: EURO 4.700.000).

On 3 January 2020, the Company has borrowed a total of EURO 4.700.000, with an interest rate of 5,50% and maturity on 4 January 2021. Interest and principal are paid every six months. As at 31 December 2020 the loan amount was EURO 4.700.000 (TL 42.337.130) and paid on maturity.

On 3 January 2020, the Company has borrowed a total of TL 31.000.000, with an interest rate of 14,50% and maturity on 4 January 2021. Interest and principal are paid every six months. As at 31 December 2020 the loan amount was TL 31.000.000 and paid on maturity.

On 17 February 2020, the Company has borrowed a total of EURO 4.700.000, with an interest rate of 5,50% and maturity on 17 February 2021. Interest and principal are paid every six months. As at 31 December 2020 the loan amount was EURO 4.700.000 (TL 42.337.130) and paid on maturity.

On 18 June 2020, the Company has borrowed a total of EURO 5.300.000, with an interest rate of 3,50% and maturity on 17 June 2021. Interest and principal are paid every six months.

9 BORROWINGS *(continued)*

(iv) Global Liman has issued bonds by pricing resale gain to qualified investors amounting to USD 250.000.000 with 7 years maturity and 8,125% coupon rate based on 8,250% reoffer yield was completed on 14 November 2014. The bond is quoted on Irish Stock Exchange.

Eurobonds contains the certain following covenants;

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

- The consolidated leverage ratio would not exceed 5,0 to 1. Notwithstanding the foregoing clause (a), the Issuer and any Restricted Subsidiary will be entitled to incur any or all of the following indebtedness;

  (a) Indebtedness incurred by Global Liman ("the Issuer"), Ege Ports ("Guarantor") or Ortadoğu Liman ("Guarantor") pursuant to one or more credit facilities in an aggregate principal amount outstanding at any time not exceeding USD 5.000.000;

  (b) Purchase Money Indebtedness Incurred to finance the acquisition by the Issuer or a Restricted Subsidiary (all subsidiaries except Malaga Cruise Port and Lisbon Cruise Port) of assets in the ordinary course of business in an aggregate principal amount which, when added together with the amount of Indebtedness Incurred pursuant to this sub-clause and then outstanding, does not exceed USD 10.000.000;

  (c) Additional Indebtedness of the Issuer or any Guarantor (other than and in addition to Indebtedness permitted above) and (b) Port of Adria Indebtedness, provided, however, that the aggregate principal amount of Indebtedness outstanding at any time under sub-clauses (a) and (b) of this clause does not exceed USD 20.000.000; and provided further, that more than 50% in aggregate principal amount of any Port of Adria Indebtedness incurred pursuant to this clause is borrowed from the International Finance Corporation and/or the European Bank for Reconstruction and Development.

Group debt covenants are calculated based on applicable TFRS as of the time the lease obligations were initially recognized. Therefore, the group debt covenants as at period end have not been affected from the transition to TFRS 16. Management will assess in the future for any new transactions that will be entered into, depending on the nature of them, whether debt covenants' calculations are affected from the TFRS 16 implication.

9 BORROWINGS *(continued)*

(v) Naturelgaz has borrowed a total of TL 6.959.242 and USD 7.875.000, with a maturity date of 2022, with an interest rate of TR Libor+2,50% and USD Libor+5,25% respectively to finance investing activities (31 December 2019: TL 10.833.220 and USD 12.258.751). Interest and principal are paid every six months. Under this loan agreement, the shares of Naturelgaz amounting to TL 87.500.000 nominal value have been pledged (31 December 2019: TL 66.000.000). The Company is joint guarantor for the refinancing loans over the term of all commitments and liabilities arising from these loans. The principal payments will start 18 months later and will be paid every six months within a certain payment plan. These loans have financial commitments as defined specifically in relation to their respective debt agreements.

(vi) Straton Maden entered into a loan agreement with interest rates of Euribor + 0,60% and Euribor + 3% to finance investing activities. The remaining principal amount of the loan as at 31 December 2020 is EURO 5.572.273 (31 December 2019: EURO 6.409.727).

(vii) On 12 August 2014, Ortadoğu Liman has signed a finance lease agreement with the expiry date of 16 July 2020 and interest rate of 7,35% for the purchase of a port tugboat. The remaining amount was paid on maturity and the leasing was closed on 16 July 2020.

(viii) On 25 June 2014, Ege Liman has signed a finance lease agreement with an interest rate of 7,75% and expiry in 2020 to finance investments.

(ix) Finance lease agreements signed by Tres Enerji to finance investments.

(x) 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 2020 are EURO 14.655.007 (31 December 2019: EURO 18.675.588). There is a pledge on BPI shares amounting to EURO 19.640.360 (TL 176.918.399) (31 December 2019: EUR 19.640.360) and Creuers shares amounting to EURO 1.863.138 (TL 16.782.961) (31 December 2019: EUR 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 + 1,75% 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 2020 is EURO 3.271.133 (31 December 2019: EURO 4.062.210).

(xi) Global Ports Europe BV entered into a loan amounting to EURO 22.000.000, on 16 November 2015 with a six-year term, 12 months grace period and an interest rate of Euribor + 4,60%. Principal and interest is paid twice, in May and November each year. Under this loan agreement, in the event of default, the shares of Global Ports Europe BV are pledged in accordance with a share pledge agreement. The remaining principal amount of the loan as at 31 December 2020 is EURO 2.400.000 (31 December 2019: EURO 4.850.000).

(xii) Valletta Cruise Port's bank loans and overdraft facilities bear interest at Euribor + 3% per annum and are secured by a mortgage over tangible assets amounting to EURO 19.515.098 (TL 175.790.049 TL) (31 December 2019: EURO 19.828.200).

9 BORROWINGS *(continued)*

(xiii) 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 2020 are EURO 19.500.000 (31 December 2019: EURO 20.000.000). Under this loan agreement, there are pledges amounting to EURO 10.054.887 over property, plant and equipment. As at 31 December 2020, there are pledges amounting EUR 41.292.300 (TL 371.956.907) over the shares of Port of Adria owned by the Group.

(xiv) Global Ticari Emlak entered into a loan amounting to USD 34.640.000 with an interest rate of Libor + 6,20% 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 2020 is USD 22.414.118 (31 December 2019: USD 22.451.765).

(xv) Nassau Cruise Port has issued a bond amounting to USD 125.000.000 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. The bond is non-recourse to GPH or any other Group entity other than NCP.

(xvi) On 26 September 2019, GPH Antigua entered into a syndicated loan with 6 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.

(xvii) Global Ports Holding BV has borrowed a total of EURO 60.000.000 in two tranches to finance purchase of the 5% shares of GPH Plc held by EBRD. The loan has 3 years maturity and interest rate of Euribor + 6,75%. The remaining principal amount of the loan as at 31 December 2020 is EURO 38.427.338 (TL 346.149.616) (31 December 2019: EURO 47.285.338). The shares of GPH Plc amounting to GBP 39.250.601 nominal value (TL 390.300.126), including the shares subject to the purchase, has been pledged to provide security for the loan. The main financial covenant is net financial leverage ratio would not exceed 4,5 to 1 for the subsidiaries and associates operating in port operation segment, which are included in the calculation.

(xviii) As at 31 December 2019, Ortadoğu Liman entered into a loan agreement with interest rate of 2,40% - 5,75% and with a maturity date of 2022 on to finance operating activities. As at 31 December 2020 Ortadoğu Liman is classified as held for sale (Note 36).

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.

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10 TRADE RECEIVABLES AND PAYABLES

Current trade receivables

As at 31 December 2020 and 31 December 2019, current trade receivables other than related parties comprised the following:

	31 December 2020	31 December 2019
Receivables from customers	169.444.330	226.908.777
Doubtful receivables	32.025.524	23.443.431
Allowance for doubtful receivables	(32.025.524)	(23.443.431)
Other	3.244.350	2.389.197
Total	**172.688.680**	**229.297.974**

The movement of the allowance for doubtful trade receivables for the year ended 31 December 2020 and 2019 comprised the following:

	2020	2019
Balance at the beginning of the period (1 January)	(23.443.431)	(17.898.261)
Allowance for the period	(7.207.139)	(6.304.997)
Cancellation of allowances and collections	1.732.566	4.534.339
Classified as asset held for sale	664.760	-
Currency translation differences	(3.772.280)	(3.774.512)
Balance at the end of the period (31 December)	**(32.025.524)**	**(23.443.431)**

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 currency risk of the Group's current trade receivables are disclosed in Note 34.

Current trade payables

As at 31 December 2020 and 31 December 2019, current trade payables other than related parties comprised the following:

Current trade payables

	31 December 2020	31 December 2019
Payables to suppliers	234.390.058	155.321.001
Total	**234.390.058**	**155.321.001**

The details of liquidty risk and currency risk of the Group's current trade payables are disclosed in Note 34.

11 OTHER RECEIVABLES AND PAYABLES

Other current receivables

As at 31 December 2020 and 2019, current other receivables other than related parties comprised the following:

	31 December 2020	31 December 2019
Deposits and advances given	2.587.325	50.487.732
Receivables from subsidiaries' and joint ventures' other shareholders	4.942.690	4.259.014
Tax returns	8.758.207	4.474.073
Other	4.087.030	5.211.491
Total	**20.375.252**	**64.432.310**

Other current payables

As at 31 December 2020 and 2019, current other payables other than related parties comprised the following:

	31 December 2020	31 December 2019
Due to subsidiaries' and joint ventures' other shareholders	22.628.268	16.297.209
Taxes payable and others	57.303.108	46.912.559
Deposits and advances received	2.304.812	1.695.012
Other	9.236.690	5.639.518
Total	**91.472.878**	**70.544.298**

Other non-current payables

As at 31 December 2020 and 2019, non-current other payables other than related parties comprised the following:

	31 December 2020	31 December 2019
Non-current liabilities relating to the concession agreement (*)	53.098.317	1.679.428
Consideration payable	4.903.721	4.903.721
Deposits and advances received	3.992.453	9.193
Other	5.156.372	3.939.624
Total	**67.150.863**	**10.531.966**

(*) TL 51.173.694 of the amount is consisting of the payments to be made to concessionaire regarding to the new Pier construction in terms of concession agreement of Antigua.

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12 RECEIVABLES FROM AND PAYABLES TO OPERATIONS IN FINANCE SECTOR

Current receivables

As at 31 December 2020 and 31 December 2019, current receivables from operations in finance sector other than related parties comprised the following:

	31 December 2020	31 December 2019
Receivables from customers	115.062.245	62.166.653
Receivables from money market	118.187.000	161.034.136
Deposits and guarantee given	16.430.291	6.021.136
Doubtful receivables	1.203.962	1.227.875
Allowance for doubtful receivables	(1.203.962)	(1.227.875)
Other trade receivables	123.335	102.357
Total	**249.802.871**	**229.324.282**

Current trade payables

As at 31 December 2020 and 31 December 2019, current trade payables due to operations in finance sector other than related parties comprised the following:

	31 December 2020	31 December 2019
Payables to money market	118.183.638	186.996.701
Payables to customers	10.339.292	11.826.658
Payables to suppliers	8.059.394	6.209.718
Other	23.288	6.985.446
Total	**136.605.612**	**212.018.523**

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

13 INVENTORIES

As at 31 December 2020 and 31 December 2019, inventories comprised the following:

	31 December 2020	31 December 2019
Properties held for sale (*)	27.395.816	31.389.740
Raw materials (**)	48.411.211	29.317.042
Trading goods	8.210.607	11.447.107
Provision for impairment on inventories	(827.765)	(618.390)
Other	16.625.587	13.840.007
Total	**99.815.456**	**85.375.506**

Movements of properties held for sale for the year ended 31 December 2020 and 2019 are as follows:

	2020	2019
Balance at the beginning of the period (1 January)	31.389.740	36.423.060
Additions	84.451	96.996
Disposals (***)	(4.078.375)	(5.130.316)
Balance at the end of the period (31 December)	**27.395.816**	**31.389.740**

(*) 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 2020 disposals amounting to TL 4.078.375 include cost of sales related to Sky City Office (amounting to TL 3.885.386) and Sümerpark Residences (amounting to TL 192.989). As at 31 December 2019 disposals amounting to TL 5.130.316 include cost of sales related to Sky City Office (amounting to TL 3.634.006) and Sümerpark Residences (amounting to TL 1.496.310).

As at 31 December 2020 and 31 December 2019, the mortgage or pledge on the inventory of the Group is explained in Note 21.

14 PREPAID EXPENSES

Prepaid expenses-current

As at 31 December 2020 and 31 December 2019, current prepaid expenses comprised the following:

	31 December 2020	31 December 2019
Prepaid expenses (*)	30.288.314	25.433.361
Advances given (**)	46.622.139	75.026.847
Other	2.602.887	639.937
Total	**79.513.340**	**101.100.145**

Prepaid expenses-non current

As at 31 December 2020 and 31 December 2019, non-current prepaid expenses comprised the following:

	31 December 2020	31 December 2019
Advances given (**)	20.741.094	34.376.946
Prepaid expenses (*)	2.915.900	4.002.993
Other	91.935	310.237
Total	**23.748.929**	**38.690.176**

(*) As at 31 December 2020 and 31 December 2019, the major part of prepaid expenses comprises of prepaid expenses for energy, mining and port operation activities of the Group.

(**) As at 31 December 2020 and 31 December 2019, 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 2020 and 31 December 2019, investment properties comprised the following:

Investment Properties	1 January 2020	Valuation gain/(loss) (Note 29.1)	31 December 2020
Non-operating investment properties			
- Hospital land in Denizli	15.635.000	645.000	16.280.000
- Land in Bodrum	1.165.000	360.000	1.525.000
Operating investment properties			
- Sümerpark Shopping Mall ("Sümerpark AVM")	106.145.000	1.369.000	107.514.000
- Van Shopping Mall ("Van AVM")	363.255.000	40.415.000	403.670.000
- School building in Denizli	24.720.000	465.000	25.185.000
Total	**510.920.000**	**43.254.000**	**554.174.000**

Investment Properties	1 January 2019	Valuation gain/(loss) (Note 29.1)	31 December 2019
Non-operating investment properties			
- Hospital land in Denizli	15.045.000	590.000	15.635.000
- Land in Bodrum	1.150.000	15.000	1.165.000
Operating investment properties			
- Sümerpark Shopping Mall ("Sümerpark AVM")	106.440.000	(295.000)	106.145.000
- Van Shopping Mall ("Van AVM")	327.500.000	35.755.000	363.255.000
- School building in Denizli	23.260.000	1.460.000	24.720.000
Total	**473.395.000**	**37.525.000**	**510.920.000**

15 INVESTMENT PROPERTY *(continued)*

Denizli Sümerpark Shopping Mall ("Sümerpark AVM")

	2020		2019	
	Valuation Report Date	**Fair Value**	**Valuation Report Date**	**Fair Value**
Denizli Sümerpark AVM ("Sümerpark AVM")	31 December 2020	107.514.000	31 December 2019	106.145.000
		107.514.000		**106.145.000**

Sümerpark AVM, which is the property of Pera GYO, which has been officially opened on 12 March 2011.

As at 31 December 2020, there is an insurance amounting to TL 92.816.660 on Sümerpark AVM (31 December 2019: TL 92.816.660).

As at 31 December 2020 and 2019, Sümerpark AVM is first degree pledged as collateral in favor of a bank amounting to TL 35.000.000.

As of 31 December 2020, the supermarket within the shopping center is registered as the lessee in the land registry records for 12 years.

In accordance with the valuation report prepared by an independent real estate appraisal company, which has the authorization license of CMB, dated 31 December 2020, the fair value of the Sümerpark AVM has been determined as TL 107.514.000 by using the income approach method. The income approach method determines the present value of the real estate by capitalizing the future benefits and the net income it brings.

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:

	2020	2019
Discount rate (%)	17,0-12,5	15,0-12,0
Occupancy rate (%)	60 –80	64 – 75
Capitalization rate (%)	5	5
Rent increase rate (%)	11,5	9,7

Sensitivity analysis of the investment property is as follows:

		Changes in fair value	
		2020	**2019**
Discount rate			
	1% increase	(7.332.000)	(7.595.395)
	1% decrease	7.852.000	8.325.867
Rent increase rate			
	1% increase	8.188.000	8.493.426
	1% decrease	(7.743.000)	(7.870.329)
Occupancy rate			
	1% increase	1.306.000	1.436.136
	1% decrease	(1.448.000)	(1.436.136)

As at 31 December 2020, the fair value of investment properties is in the scope of level 3 based on the methods used for valuation (31 December 2019: level 3).

15 INVESTMENT PROPERTY *(continued)*

Van Shopping Mall ("Van AVM")

	2020		2019	
	Valuation Report Date	**Fair Value**	**Valuation Report Date**	**Fair Value**
Van AVM	29 January 2021	403.670.000	3 February 2020	363.255.000
		403.670.000		**363.255.000**

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 2020, there is an insurance amounting to TL 94.075.675 on Van AVM (31 December 2019: TL 95.317.000).

As at 31 December 2020 and 2019, 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 38.600.000.

In accordance with the valuation report prepared by an independent real estate appraisal company, which has the authorization license of CMB, dated 29 January 2021, the fair value of the Van AVM has been determined as TL 403.670.000 by using the income approach method. 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 3 February 2020, the fair value of Van AVM has been determined as TL 363.255.000 as at 31 December 2019.

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:

	2020	2019
Discount rate (%)	17,0	12,5-15,27
Occupancy rate (%)	85 –93	85 – 93
Capitalization rate (%)	9,25	7,85
Rent increase rate (%)	10,0	6,49 – 9,54

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15 INVESTMENT PROPERTY *(continued)*

Van Shopping Mall ("Van AVM")(continued)

Sensitivity analysis of the investment property is as follows:

		Changes in fair value	
		2020	**2019**
Discount rate			
	1% increase	(24.435.000)	(23.525.000)
	1% decrease	26.555.000	25.685.000
Rent increase rate			
	1% increase	24.165.000	28.935.000
	1% decrease	(22.685.000)	(27.095.000)
Occupancy rate			
	1% increase	1.945.000	4.645.000
	1% decrease	(1.945.000)	(4.750.000)

As at 31 December 2020, the fair value of investment properties is in the scope of level 3 based on the methods used for valuation. (31 December 2019: level 3)

School and Land

	2020		2019	
	Valuation Report Date	**Fair Value**	**Valuation Report Date**	**Fair Value**
Denizli Land (Hospital)	19 February 2021	16.280.000	3 February 2020	15.635.000
School building in Denizli	19 February 2021	25.185.000	3 February 2020	24.720.000
		41.465.000		**40.355.000**

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 2020, the fair values of these land plots have been determined by market approach method according to the valuation reports dated 19 February 2021 prepared by an independent real estate appraisal company, which has the authorization license of CMB.

As at 31 December 2019, the fair values of these land plots have been determined according to the valuation reports dated 3 February 2020 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 2020, the fair value of investment properties is in the scope of level 2 based on the methods used for valuation (31 December 2019: 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 2020 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 2020										
Cost	34.644.929	76.687.555	145.757.840	850.594.264	161.179.559	179.673.026	519.276.950	1.485.171	31.500.504	**2.000.799.798**
Accumulated depreciation	-	(6.256.376)	(23.276.837)	(230.070.286)	(87.558.133)	(70.756.947)	(123.612.799)	(1.345.067)	-	**(542.876.445)**
Carrying value	**34.644.929**	**70.431.179**	**122.481.003**	**620.523.978**	**73.621.426**	**108.916.079**	**395.664.151**	**140.104**	**31.500.504**	**1.457.923.353**
Additions	1.336.524	123.128	3.069.990	93.381.744	12.693.827	19.681.640	18.381.075	154.632	174.866.054	**323.688.614**
Current period depreciation	-	(3.723.244)	(5.538.109)	(83.296.711)	(26.495.375)	(13.734.532)	(30.818.937)	(278.659)	-	**(163.885.567)**
Disposals	(1.141.467)	-	-	(17.336.224)	(774.674)	(609.472)	-	-	(778.861)	**(20.640.698)**
Transfer (i)	-	(46.715)	-	4.127.253	5.002.854	9.373.143	(46.407.053)	664.243	20.618.849	**(6.667.426)**
Foreign currency translation differences	6.881.273	24.941.519	36.427.571	131.314.587	17.229.616	13.900.543	110.417.756	12.039	10.612.475	**351.737.379**
Additions to the scope of consolidation (ii)	-	1.149.110	3.482.726	65.785.012	72.000	2.361.296	3.450.670	-	-	**76.300.814**
Disposal from the scope of consolidation (iii)	-	-	-	(15.818)	-	(910)	-	-	-	**(16.728)**
Transfers to asset held for sale	-	-	-	(56.191.053)	(17.258.220)	(2.942.084)	(97.794.573)	-	(2.196.031)	**(176.381.961)**
Carrying value at the end of the period	**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**
31 December 2020										
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**

(i) The total amount is classified to rights under intangible assets.

(ii) Includes the property, plant and equipment of Socar LNG Turkey, Balearic Handling and Shore Handling included in the scope of consolidation by the Group (Note 3).

(iii) Actus Portföy has been merged under IPY and started to be consolidated as an equity accounted investee by the Group (Note 1).

As at 31 December 2020, the insurance amount on property, plant and equipment is TL 3.382.596.004 (31 December 2019: TL 2.179.579.661).

16 PROPERTY, PLANT AND EQUIPMENT *(continued)*

Movements of property, plant and equipment for the year ended 31 December 2019 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 2019										
Cost	31.234.659	52.202.839	133.827.587	621.264.781	141.388.362	150.635.045	421.144.927	5.414.171	137.754.553	**1.694.866.924**
Accumulated depreciation	-	(4.009.497)	(18.799.333)	(164.748.398)	(67.529.691)	(60.014.402)	(93.619.646)	(1.150.104)	-	**(409.871.071)**
Carrying value	**31.234.659**	**48.193.342**	**115.028.254**	**456.516.383**	**73.858.671**	**90.620.643**	**327.525.281**	**4.264.067**	**137.754.553**	**1.284.995.853**
Additions	537.196	488.782	221.376	43.808.400	13.203.941	15.269.134	17.707.631	83.897	77.375.924	**168.696.281**
Current period depreciation	-	(2.246.879)	(4.477.504)	(65.321.888)	(20.028.442)	(10.742.545)	(29.993.153)	(194.963)	-	**(133.005.374)**
Disposals	-	-	-	(14.996.950)	(2.681.939)	(94.869)	(8.739)	-	(12.098.002)	**(29.880.499)**
Transfer	-	19.151.933	1.895.289	144.633.168	31.351	10.887.018	4.672.510	(4.487.689)	(179.158.579)	**(2.374.999)**
Foreign currency translation differences	2.873.074	4.695.116	9.813.588	55.524.913	9.132.632	2.259.767	35.903.798	474.792	4.179.819	**124.857.499**
Additions to the scope of consolidation (ii)	-	148.885	-	359.952	105.212	716.931	39.856.823	-	3.446.789	**44.634.592**
Carrying value at the end of the period	**34.644.929**	**70.431.179**	**122.481.003**	**620.523.978**	**73.621.426**	**108.916.079**	**395.664.151**	**140.104**	**31.500.504**	**1.457.923.353**
31 December 2019										
Cost	34.644.929	76.687.555	145.757.840	850.594.264	161.179.559	179.673.026	519.276.950	1.485.171	31.500.504	**2.000.799.798**
Accumulated depreciation	-	(6.256.376)	(23.276.837)	(230.070.286)	(87.558.133)	(70.756.947)	(123.612.799)	(1.345.067)	-	**(542.876.445)**
Carrying value	**34.644.929**	**70.431.179**	**122.481.003**	**620.523.978**	**73.621.426**	**108.916.079**	**395.664.151**	**140.104**	**31.500.504**	**1.457.923.353**

(i) The total amount is classified to rights under intangible assets.

(ii) 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.
Mortgage and pledges related to property plant and equipment are 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 2020 and 2019, the carrying values of the leased assets in property, plant and equipment are as follows:

	31 December 2020	31 December 2019
Furniture and fixtures	-	32.910
Motor vehicles	3.323.273	64.571.545
Machinery, plant and equipment	160.662.245	105.171.198
Land improvements	3.999.543	3.999.543
	167.985.061	**173.775.196**

17 RIGHT OF USE ASSETS

Movements of righ of use assets for the year ended 31 December 2020 are as follows:

	Lease rights related to port concession agreements	Others	Total
Carrying value as at 1 January 2020	**491.093.892**	**11.369.003**	**502.462.895**
Additions	63.844.866	20.495.890	84.340.756
Transfers	(12.705.712)	12.705.712	-
Additions to the scope of consolidation	-	4.400.000	4.400.000
Current period depreciation	(22.770.669)	(12.131.690)	(34.902.359)
Currency translation differences	141.203.378	5.907.560	147.110.938
Carrying value as at 31 December 2020	**660.665.755**	**42.746.475**	**703.412.230**

As of 31 December 2020, the carrying amount of TL 660.665.755 comprised the right of use assets related to port concession agreements and the carrying amount of TL 42.746.475 are classified as right of use asset of office, vehicle, facility etc..

17 RIGHT OF USE ASSETS *(continued)*

Movements of righ of use assets for the year ended 31 December 2019 are as follows:

	Lease rights related to port concession agreements	Others	Total
Carrying value as at 1 January 2019	**317.374.303**	**19.347.750**	**336.722.053**
Additions	**27.394.302**	**1.168.929**	**28.563.231**
Additions to the scope of consolidation	124.744.200	-	124.744.200
Current period depreciation	(12.261.924)	(9.494.611)	(21.756.535)
Currency translation differences	33.843.011	346.935	34.189.946
Carrying value as at 31 December 2019	**491.093.892**	**11.369.003**	**502.462.895**

Group, as a lessee, has recognised right-of-use assets representing its rights to use the underlying assets and lease liabilities representing its obligation to make lease payments.

As of 31 December 2019, the carrying amount of TL 491.093.892 comprised the right of use assets related to port concession agreements and the carrying amount of TL 11.369.003 are classified as right of use asset of office, vehicle, facility etc..

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18 INTANGIBLE ASSETS AND GOODWILL

a) Other intangible assets:

Movements of other intangible assets for the year ended 31 December 2020 is as follows:

	Rights	Software	Port operation rights	Customer relationships	Royalty rights	Naturel gas licenses	Other intangible assets	Total
1 January 2020								
Cost	23.618.260	9.402.706	3.630.694.689	14.830.391	222.411.947	78.264.741	21.603.246	**4.000.825.980**
Accumulated amortization	(14.075.897)	(6.296.625)	(1.114.033.842)	(13.383.610)	(140.465.367)	(19.602.371)	(5.799.068)	**(1.313.656.780)**
Carrying value	**9.542.363**	**3.106.081**	**2.516.660.847**	**1.446.781**	**81.946.580**	**58.662.370**	**15.804.178**	**2.687.169.200**
Additions	3.773.712	1.617.658	358.361.984	-	-	23.300	3.572.262	**367.348.916**
Current period amortization	(2.580.188)	(1.470.036)	(232.033.685)	(2.607.372)	(30.016.599)	(3.030.970)	(3.719.625)	**(275.458.475)**
Transfers	-	43.049	4.262.977	-	-	-	2.361.400	**6.667.426**
Diposals	-	-	(2.737.420)	-	-	-	-	**(2.737.420)**
Foreign currency translation differences	1.609.102	645.519	714.403.565	2.910.506	25.323.039	-	4.986.727	**749.878.458**
Additions to the scope of consolidation (i)	-	-	-	10.621.289	-	301.476	-	**10.922.765**
Transfers to asset held for sale (Not 36)	-	(1.168.259)	(936.355.501)	-	-	-	-	**(937.523.760)**
Carrying value at the end of the period	**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**
31 December 2020								
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**

(i) Includes intangible assets of Socar LNG Turkey , Balearic Handling and Shore Handling included in the scope of consolidation by the Group (Note 3).

18 INTANGIBLE ASSETS AND GOODWILL *(continued)*

a) Other intangible assets *(continued)*

Movements of other intangible assets for the year ended 31 December 2019 is as follows:

	Rights	Software	Port operation rights	Customer relationships	Royalty rights	Naturel gas licenses	Other intangible assets	Total
1 January 2019								
Cost	13.523.590	8.487.412	3.114.486.169	16.269.876	199.608.124	78.264.741	15.528.394	**3.446.168.306**
Accumulated amortization	(7.401.410)	(4.861.766)	(1.058.065.141)	(13.262.734)	(102.816.593)	(16.570.919)	(1.802.959)	**(1.204.781.522)**
Carrying value	**6.122.180**	**3.625.646**	**2.056.421.028**	**3.007.142**	**96.791.531**	**61.693.822**	**13.725.435**	**2.241.386.784**
Additions	2.480.415	553.112	2.734.171	-	-	-	2.466.356	**8.234.054**
Current period amortization	(2.196.771)	(1.375.645)	(181.535.549)	(1.860.243)	(23.710.610)	(3.031.452)	(1.714.094)	**(215.424.364)**
Transfers	2.374.999	-	(1.847.227)	-	-	-	-	**527.772**
Diposals	-	-	-	-	-	-	(119)	**(119)**
Additions to the scope of consolidation (i)	-	74.514	412.932.344	-	-	-	-	**413.006.858**
Foreign currency translation differences	761.540	228.454	227.956.080	299.882	8.865.659	-	1.326.600	**239.438.215**
Carrying value at the end of the period	**9.542.363**	**3.106.081**	**2.516.660.847**	**1.446.781**	**81.946.580**	**58.662.370**	**15.804.178**	**2.687.169.200**
31 December 2019								
Cost	23.618.260	9.402.706	3.630.694.689	14.830.391	222.411.947	78.264.741	21.603.246	4.000.825.980
Accumulated amortization	(14.075.897)	(6.296.625)	(1.114.033.842)	(13.383.610)	(140.465.367)	(19.602.371)	(5.799.068)	(1.313.656.780)
Carrying value	**9.542.363**	**3.106.081**	**2.516.660.847**	**1.446.781**	**81.946.580**	**58.662.370**	**15.804.178**	**2.687.169.200**

(i) 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.

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

18 INTANGIBLE ASSETS AND GOODWILL

a) Other intangible assets *(continued)*

The details of port operation rights as at 31 December 2020, 31 December 2019 are as follows:

	31 December 2020		31 December 2019	
	Net book value	Remaining amortization period	Net book value	Remaining amortization period
Ortadoğu Liman (*)	--	--	856.564.960	104 months
Creuers del Port de Barcelona	728.927.667	114 months	596.087.262	126 months
Cruceros Malaga	84.371.105	140 months	67.718.280	152 months
Valletta Cruise Port	482.680.810	551 months	364.128.320	563 months
Port of Adria	151.303.538	276 months	116.564.545	288 months
Ege Port	76.338.544	147 months	66.767.848	159 months
Nassau Cruise Port	850.257.713	320 months	406.832.418	332 months
Cagliari Cruise Port	15.179.104	72 months	13.074.380	84 months
Catania Cruise Port	15.709.820	84 months	12.908.055	96 months
Bodrum Cruise Port	17.794.466	567 months	15.783.111	579 months
Ravenna Cruise Port (**)	--	--	231.668	12 months
	2.422.562.767		**2.516.660.847**	

(*) Ortadoğu Liman is classified as held for sale as at 31 December 2020.

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 46.850.542 (TL 343.906.404), short term financial liability of USD 1.224.052 (TL 8.985.153) has been created.

(**) After signing mutual agreement with the port authority, the term of the port operation right has been extended for additional one year (until 31 December 2021).

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.

18 INTANGIBLE ASSETS AND GOODWILL *(continued)*

Recoverability of intangible assets

Group management prepares estimation for its subsidiaries operations for the remaining concession periods, which are used to estimate their DCF and value in use determined by discounted future cash flows resulting from the continuous use of the CGU is compared with the net book value of the related CGU.

Management estimated recovery in the number of passangers for the following two years and minimum cash flow or sectoral growth for the remaining concession term of following seven years.

Commercial operations in port operations are partially affected and have begun to recover in second quarter of 2020 however since the beginning of the pandemic, cruise operations have stopped completely, and the starting dates of most cruise lines have been postponed to mid 2021. Therefore Group management did not estimate any cash inflow in cruise operations in 2020 and assumed only a limited cash inflow from the beginning of third quarter of 2021.

The key assumptions used in the estimation of the recoverable amount are as follows.

	31 December 2020
Average pre-tax discount rate used - EUR	6,40%
Average pre-tax discount rate used - USD	9,17%
Average annual growth, (year 2 – year 7) (number of passengers)	3,4%
Average annual growth, first 4 years (container)	11,1%

As a result of the calculations made by the group management for the value in use which has been determined by discounting the estimated future cash flows of each cash generating unit was founded to be higher than the carrying amount of respective cash generating unit.

Changing the assumptions determined by Group management discount rate and growth rate assumptions used in the cash flow projections, could significantly affect the assesment for impairment. Nevertheles, the Group has not identified any reasonable posible change in discount and growth rate and number of container cargo and passengers could cause the carrying amount of CGU to exceed the recoverable amount.

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

18 INTANGIBLE ASSETS AND GOODWILL *(continued)*

b) Goodwill:

During the years ended 31 December 2020 and 2019, movement of goodwill is as follows:

	2020	2019
Carrying value as at 1 January	**98.944.709**	**89.785.343**
Currency translation differences	18.881.000	9.159.366
Carrying value as at 31 December	**117.825.709**	**98.944.709**

During the years ended 31 December 2020 and 2019, the distribution of goodwill is as follows:

Distribution by segments	**31 December 2020**	**31 December 2019**
Port Operations	98.975.924	80.094.924
Finance	12.137.491	12.137.491
Real Estate	6.712.294	6.712.294
Total	**117.825.709**	**98.944.709**

Port operations

As at 31 December 2020, the Group has carried USD 13.483.540 (TL 98.975.924) goodwill related to the acquisition of Ege Liman in its consolidated financial statements (31 December 2019: TL 80.094.924).

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 10,22% was used for discounting future cash flows to the reporting date.

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.

12 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 14,07%.

As at 31 December 2020 the estimated recoverable amount of the CGU exceeded its carrying amount by approximately USD 38.000.000 (2019: USD 31.000.000). 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)*

b) Goodwill *(continued)*:

Finance operations

The Group tested impairment of assets of Global Menkul in order to test the goodwill as at 31 December 2020 and 2019 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. 22% discounted rate (2019: 21,8%) 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 2020 and 31 December 2019. 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 2020 and 2019, 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 14.507.000 (31 December 2019: TL 14.440.000) which is above the total investment of the Group in Maya recognized in the consolidated financial statements. As at 31 December 2020, since there is no indicator that the carried goodwill amount is less than the fair value determined by an independent real estate appraisal company, it is concluded that there is no impairment.

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

19 EQUITY ACCOUNTED INVESTEES

As at 31 December 2020 and 31 December 2019, the details of financial information related to equity accounted investees are as follows:

	Effective voting power	Effective ownership held	Carrying value 31 December 2020	Carrying value 31 December 2019
Assets				
Port of Singapore	40,00%	15,09%	50.689.522	43.374.916
Port of Lisbon	50,00%	28,12%	68.905.351	56.144.307
Venezia Investimenti Srl (**)	25,00%	15,22%	80.196.247	58.298.119
Axel Corporation Grupo Hotelero SL (***)	35,00%	35,00%	16.318.955	30.068.749
La Spezia	30,00%	17,35%	94.688	44.552
Pelican Peak Investment Inc. (****)	10,23%	10,23%	3.418.125	-
İstanbul Portföy Yönetimi A.Ş. (Not 1)	26,60%	26,60%	28.159.709	-
Goulette Cruise Holding (Note 1)	50,00%	30,43%	-	365.783
Total Assets			**247.782.597**	**188.296.426**
Liabilities				
IEG (*)	50,00%	37,50%	(774.853)	(657.739)
Goulette Cruise Holding (Not 1)	50,00%	30,43%	(4.131.389)	-
Total Liabilities			**(4.906.242)**	**(657.739)**
			242.876.355	**187.638.687**

(*) Since the Group will compensate the liabilities of IEG based on the its’ shareholding rates, the Group recognized a loss on IEG’s financial statements under liabilities related to the equity accounted investees.

(**) Venezia Investimenti Srl is an international consortium formed for investing in Venezia Terminal Passegeri S.p.A (VTP). The international consortium formed by Global Ports Holding (GPH), Costa Costa Crociere SpA, MSC Cruises SA and Royal Caribbean Cruises Ltd each having 25% share of the Company. As of reporting date the Group consolidates its financial statements as equity accounted investment method.

(***) Aristaeus Limited, a subsidiary of the Group, has acquired 15% shares of Axel Corporation Grupo Hotelero SL, operating in Spain, on 15 July 2016. As at 30 September 2016, the Group started to consolidate its financial statements as equity accounted investment method. As at 31 December 2020, the effective ownership held rate in the company by participating in the capital increase has risen to 35%. (31 December 2019: 30%).

(****) GP Med, a subsidiary of the Group, has acquired 10,23% shares of Pelican Peak Investments Inc (“Pelican Peak”) in 2020 in order to increase its ancillary revenues in the Caribbean region. The main business objective 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.

19 EQUITY ACCOUNTED INVESTEES *(continued)*

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 2020 and 31 December 2019 are as follows:

31 December 2020	Current Assets	Non Current Assets	Total Assets	Current Liabilities	Non-current Liabilities	Total Liabilities	Income	Expenses	Net Profit/Loss for the period
IEG	657.934	8.875	666.809	(2.216.515)	-	(2.216.515)	27.192	(89.628)	(62.436)
Port of Lisbon	31.083.164	231.909.638	262.992.802	(21.970.061)	(103.212.038)	(125.182.099)	14.925.352	(27.379.847)	(12.454.495)
Port of Singapore	139.106.134	86.728.224	225.834.358	(41.109.710)	(58.000.844)	(99.110.554)	96.210.102	(74.857.815)	21.352.287
Venezia Investimenti Srl	27.563.619	294.065.483	321.629.102	(242.736)	(601.378)	(844.114)	5.972.531	(1.046.756)	4.925.775
Axel Corporation Grupo Hotelero SL	86.526.632	856.003.644	942.530.276	(167.078.726)	(728.825.964)	(895.904.690)	87.742.221	(169.903.813)	(82.161.592)
La Spezia	315.626	-	315.626	-	-	-	-	-	-
Goulette Cruise Holding	18.033.816	161.956.547	179.990.363	(36.211.758)	(152.041.384)	(188.253.142)	-	(8.830.580)	(8.830.580)
İstanbul Portföy Yönetimi A.Ş.	43.573.331	89.598.610	133.171.941	(25.273.517)	(2.034.860)	(27.308.377)	49.680.183	(44.768.186)	4.911.997
Pelican Peak Investment Inc.	66.139	38.094.066	38.160.205	(2.529.919)	(2.217.528)	(4.747.447)	-	(10.023.613)	(10.023.613)

31 December 2019	Current Assets	Non Current Assets	Total Assets	Current Liabilities	Non-current Liabilities	Total Liabilities	Income	Expense	Net Profit/Loss for the period
IEG	593.592	8.875	602.467	(1.917.945)	-	(1.917.945)	4.305	(19.519)	(15.214)
Port of Lisbon	38.514.035	175.027.874	213.541.909	(20.649.354)	(80.603.942)	(101.253.296)	44.412.052	(35.954.055)	8.457.997
Port of Singapore	114.479.876	42.418.805	156.898.681	(31.553.250)	(16.908.142)	(48.461.392)	161.560.602	(100.573.585)	60.987.017
Venezia Investimenti	29.819.386	203.595.096	233.414.482	(222.007)	-	(222.007)	17.315.180	(5.246.501)	12.068.679
Axel Corporation Grupo Hotelero SL	57.994.631	101.904.220	159.898.851	(52.090.524)	(14.049.721)	(66.140.245)	140.963.150	(162.529.337)	(21.566.187)
La Spezia	148.505	-	148.505	-	-	-	-	-	-
Goulette Cruise Holding	81.868.886	-	81.868.886	-	(81.137.320)	(81.137.320)	-	-	-

For the year ended at 31 December 2020 and 2019, the movement of the Group's investments accounted for using the equity method is as follows:

	2020	2019
Balance at the beginning of the period (1 January)	**187.638.687**	**150.123.993**
Shares in profit / (loss) of associates and joint ventures	(29.791.137)	29.780.093
Currency translation difference	46.907.471	(11.731.899)
Subsidiary recognized as associates due to merger transaction (Note 24.8)	28.159.709	-
Capital increase	6.543.500	19.466.500
Equity accounted investee included scope of consolidation	3.418.125	-
Balance at the end of the period (31 December)	**242.876.355**	**187.638.687**

20 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

20.1 Other provisions

As at 31 December 2020 and 31 December 2019, the details of other provisions are as follows:

Other Current Provisions

	31 December 2020	31 December 2019
Provision for lawsuits	5.037.439	12.448.844
Provisions for the purchase of Nassau (*)	15.430.252	-
Other current provisions	3.572.446	3.452.781
	24.040.137	**15.901.625**

Other Non-current Provisions

	31 December 2020	31 December 2019
Provisions for the purchase of Port of Barcelona (**)	63.043.037	41.138.487
Provisions for the purchase of Port Operation Holding (***)	5.836.280	5.044.827
Provisions for the purchase of Nassau (*)	75.185.453	61.945.372
	144.064.770	**108.128.686**

(*) 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 2020, these provisions have been recognized as current and non-current.

(**) 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 140.000 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 2027. CCP is obliged to pay a concession fee to the Port Authority of EURO 46.027 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.

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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 Constitutional Court passed a decision on 6 June 2013 governing the cancellation of the phrase "…except for specific arrangements…" included in the Provisional Article 8 that has been added to the Law No: 4706 amending the contractual terms of agreements regarding easement rights or utilization rights concerning the immovable that are fully owned by the state or private properties of the Treasury, the terms of which are shorter than 49 years, to be extended to 49 years starting from the validity of the relevant agreements.

Ortadoğu Antalya Liman İşletmeleri A.Ş. ("Port Akdeniz") filed its applications regarding extension of the operation period of the port in accordance with the cancellation decision of the Constitutional Court and the applicable legislation, to the relevant authorities. However, each application was rejected by the authorities. Port Akdeniz filed lawsuit at the competent administrative court.

The case taken to the court by Port Akdeniz had been rejected and the Group lawyers appealed the rejection decision.

The Council of State rejected Port Akdeniz' appeal and upheld the judgment of the lower court relating to Port Akdeniz-Antalya. The Group lawyers applied for rectification of this judgment.

20 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES *(continued)*

20.2 Legal issues *(continued)*

(ii) 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 4 January 2008 a trustee had been appointed for the subsidiary's management and the subsidiary was therefore excluded from the consolidated accounts. On 2 March 2010, the court decided on return of shares on a free of charge basis to the former owners and that the trustee, previously appointed by the Court, shall remain in charge until the final decision. The Group lawyers appealed the decision on 28 April 2010 upon the notification of the justified decision. Although the decision was overruled the first instance court decision was against the Group and the judgment became final on 3 March 2016. The shares that are subject matter of the case was transferred to a foreign company in the course of 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 and the other one is still pending. Group lawyers succeeded in their application to take and impose an interim injunction on company shares of one of the debtors.

(iii) 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.

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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 has exhausted Group lawyers lodged an individual application to the Constitutional Court.

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.

(iv) 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 file is now under the review of Court of Cassation.

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.

On the other hand, the Municipality filed a lawsuit against the Company and Enerya before 4th Ankara Commercial Court on the date of 26 March 2013 in request for the compensation for unlawful preliminary injunction. The requested compensation amount is USD 10.000.000, save for the rights to surplus related to lawsuit, request and other damages especially interest income loss of the municipality and damages arising from forced loan, with accruing commercial interest as from 31 December 2008. The lawsuit petition and interim decision related to the lawsuit have been received on 7 May 2013. In the rebuttal petition dated 15 May 2013, the Group's lawyers claimed for nonsuit and requested for awaiting the finalization of the decision of the superior court by reason of the fact that the compensation lawsuit was filed before giving ruling on the primal lawsuits conducted before 4th Ankara Commercial Court numbered 2010/308 E. and the Thirteenth Chamber of Council of State numbered 2010/920 E. Besides, the Group's lawyers requested for evidencing of tangible damages of plaintiff and determining of the scope of compensation in accordance with the Code of Obligation Article 51. The Court has decided to pend the filing until the decision of the file before the same Court with the file number of 2016/37 detailed above.The lawyers of the Municipality did not attend the hearing on 10 April 2019 and the Group's and Enerya's lawyers requested the court file to be cancelled until renewed by the Municipality. The court accepted such request and cancelled the court file until renewed. The Municipality did not submit a renewal statement within the legal time period. Consequently, the Group's lawyers requested the court to declare the court claim as not filed and to revoke the preliminary injunction decision on the collateral of the Group. The court decided the court claim as not filed as requested by the Group lawyers, however rejected to revoke the preliminary injunction decision. The Group's Lawyers appealed the unfavorable part of the court decision. The Regional Court accepted the appeal and ordered to revoke the preliminary injunction decision on the collateral of the Group. The Municipality appealed the Regional Court's decision before the Court of Cassation. The Group Lawyers have submitted reply statements against the Municipality's appeal statement. The Court of Appeal has reversed the Regional Court's decision with procedural reasons grounding plaintiff's Regional Court appeal should also be taken into consideration. The file has returned to the Regional Court. Regional Court by also reviewing plaintiff's regional court appeal, rejected the plaintiff's application and accepted Group's appeal. The Municipality appealed the Regional Court's decision before the Court of Cassation. The Group Lawyers have submitted reply statements against the Municipality's appeal statement. The file is now under the review of Court of Cassation. The Group has not accounted any provision related to the case explained above in its consolidated financial statements in accordance with its legal advisors' opinion.

20 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES *(continued)*

20.2 Legal issues *(continued)*

(v) 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 an 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 13 February 2020, mentioning the case file (2010/308E.) sent by the Ankara 4th Commercial Court to their court was missing, the Court decided to wait the full case file to be received from the Ankara 4th Commercial Court and to decide afterwards whether to send the file to expert commission. The next hearing will be held on 8 April 2021.

(vi) 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.

20 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES *(continued)*

20.2 Legal issues *(continued)*

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 20.04.2020 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 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 ruled that the file should relitigated following the separation of tax claim. Group Lawyers relitigated the case after separating the tax claim and filed a full remedy action for the expenses and lost profit before 23th Administrative Court of Ankara.

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.

(vii) 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 02 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 05 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.

20 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES *(continued)*

20.2 Legal issues *(continued)*

(viii) On 29 April 2019, the Competition Authority notified Ortadoğu Liman, that it has commenced an investigation into Ortadoğu Liman due to an alleged breach of Article 6 of the Law on the Protection of Competition, Law No. 4054 due to excessive pricing concerns on certain services. The Competition Authority experts evaluated Ortadoğu Liman's defenses that were submitted by its legal representatives on 28 May 2019 and other matters, the investigation report of the experts was received on 15 April 2020. Verbal defense meeting was held on November 3rd 2020 before The Competition Authority following the Ortadoğu Liman's legal representative's second and third defense statement which submitted in line with the applicable laws. Though the reasoned decision has not been served to the parties, The Competition Authority briefs; Ortadoğu Liman breached the Article 6 of the Law on the Protection of Competition, Law No. 4054 on container handling service market and issued an administrative fine against Ortadoğu Liman amounting 12.145.321,40,-TL (approximately 1.490.000 USD according to today's exchange rates) on the basis of Ortadoğu Limans's 2019 financial turnover.

The reasoned decision is expected to be received within 2021 and Global Liman will file a lawsuit against unjustified decision and baseless administrative fine before the administrative courts. Group lawyers considers The Competition Authority's decision may be cancelled due to legal precedents. It is evaluated that the process may take up to 18 to 24 months including receiving the reasoned decision and filing lawsuit before the administrative courts for the cancellation of the fine.

20.3 Contingent liabilities

The details related to the Group's guarantees, pledges and mortgages given 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.

20 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES *(continued)*

20.3 Contingent liabilities *(continued)*

Ortadoğu Liman

The details of the TOORA dated 31 August 1998, executed by and between Ortadoğu Liman and PA together with TDI are stated below:

Ortadoğu Liman will be performing services such as sheltering, installing, charging, discharging, shifting, terminal services, pilotage, towing, moorings, water quenching, waste reception, operating, maintaining and repairing of cruise terminals, in Antalya Port for an operational period of 30 years. Ortadoğu Liman is liable for the maintenance of Antalya Port together with the port equipment in good repair and in operating condition throughout its operating right period. After the expiry of the contractual period, the real estate and the integral parts of it shall be surrendered to the TDI, while the movable properties stay with Ortadoğu Liman. As at 31 December 2020 Ortadoğu Liman is classified as asset held for sale (Note 36).

Bodrum Liman

The details of the BOT 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.

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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.

Ravenna Passenger Terminal

On 19 December 2009, Ravenna Terminal Passeggeri S.r.l ("RTP") signed a deed with the Ravenna Port Authority by virtue of which the Port Authority granted a 10-year concession over the passenger terminal area situated within Ravenna Port. RTP will perform operation and management of a cruise passenger terminal in the area.

A fixed rent is payable by RTP to the Port Authority in the sum of EURO 895.541,67 during the concession period. The repayment of the total amount is presented as EURO 3.000 for the year 2009, EURO 28.791,67 for the year 2010 and the remaining EURO 863.750 overall for the years 2011 to 2020.

Catania Cruise Terminal

On 18 October 2011, Catania Cruise Terminal SRL ("CCT") signed a deed with the Catania Port Authority by virtue of which the Port Authority granted a 15-year concession over the passenger terminal area situated on Catania City 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 135.000 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 44.316 for each year during the concession period.

20 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES *(continued)*

20.3 Contingent liabilities *(continued)*

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.

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 will be between USD 45-50 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.

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20 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES *(continued)*

20.3 Contingent liabilities *(continued)*

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

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

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

Ortadoğu Liman filed lawsuits against Privatization Administration and the General Directorate of Turkey Maritime Organization requesting cancellation with respect to rejection of the extension applications. The Court dismissed the case and the Group lawyers appealed the Court decision to the Council of State. The Counsel of State rejected the appeal of Ortadoğu Liman and approved the decision of the Court. The Group lawyers have applied to the Council of State for reversal of this judgement and the case is still pending. As at 31 December 2020 Ortadoğu Liman is classified as asset held for sale.

Ege Liman filed lawsuits against Privatization Administration and General Directorate of Turkey Maritime Organization requesting cancellation with respect to rejection of the extension applications. The Court dismissed the case and the Group lawyers appealed the Court decision to the Council of State. The Counsel of State accepted the appeal and reversed the Court's judgement against to Ege Liman. The Privatization Administration applied to the Council of State for reversal of this judgement and this time, the Council of State has changed its standpoint and approved the Court's decision against Ege Liman.

In this regard, Ege Liman has submitted an individual application to the Constitutional Court. Constitutional Court has rendered its decision against Ege Liman and the judicial process for the extension of the concession period has been concluded against Ege Liman. Accordingly, upon expiration of the concession period in 2033, Ege Liman will need to participate in the tender for new concession term.

As at and for the year ended 31 December 2020 consolidated financial statements have been prepared assuming the current concession length.

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 2020 and 2019, operating lease rentals are payable as follows:

	2020	2019
Less than one year	781.397	1.132.593
Between one and five years	742.167	1.678.065
More than five years	-	34.513
Total	**1.523.564**	**2.845.170**

For the year ended 31 December 2020, payments recognized as rent expense are TL 2.691.314 (2019: TL 1.411.890).

Group as lessor

As at 31 December 2020 and 2019, the future lease receivables under operating leases are as follows:

	2020	2019
Less than one year	20.136.921	19.282.846
Between one and five years	21.007.049	43.621.172
More than five years	10.772.247	40.097.133
	51.916.217	**103.001.151**

The Group's main operating lease agreements as lessor are the rent agreements of Pera with the lessees of Sümerpark AVM and 6. Vakıf Han, the marina lease agreement of Ortadoğu Liman until 2028 and various shopping center rent agreements of Ege Liman, Bodrum Liman, VCP, Barcelona Port, Malaga Cruise Port, ZIPO and Antigua.

During the year ended 31 December 2020, TL 29.546.436 (2019: TL 68.390.468) have been recognized as rent income in the consolidated financial statements.

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21 COMMITMENTS

As at 31 December 2020 and 31 December 2019 guarantees, pledges and mortgages (GPMs) given by the Group are presented below:

31 December 2020

		Original Amount		
	TL Equivalent	**TL**	**USD**	**EURO**
A Total amount of GPMs given in the name of its own legal personality	610.122.503	346.083.503	10.200.000	21.000.000
B Total amount of GPMs given in the name of the consolidated subsidiaries and joint ventures	7.000.367.170	2.064.065.575	372.974.074	244.061.924
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 and C	-	-	-	-
- Total amount of GPMs given in the name of third parties except for C	-	-	-	-
Total	**7.610.489.673**	**2.410.149.078**	**383.174.074**	**265.061.924**

31 December 2019

		Original Amount		
	TL Equivalent	**TL**	**USD**	**EURO**
A Total amount of GPMs given in the name of its own legal personality	476.977.774	276.725.134	10.200.000	21.000.000
B Total amount of GPMs given in the name of the consolidated subsidiaries and joint ventures	4.516.250.055	1.343.093.926	247.754.037	255.833.699
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 and C	-	-	-	-
- Total amount of GPMs given in the name of third parties except for C	-	-	-	-
Total	**4.993.227.829**	**1.619.819.060**	**257.954.037**	**276.833.699**

As at 31 December 2020 the ratio of other GPMs given to the Group's equity is 0% (31 December 2019: 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 2020	31 December 2019
Given to Energy Market Regulatory Authority (1)	6.069.880	5.869.880
Given for tenders	13.909.765	17.973.217
Given as a guarantee for commercial contracts	54.297.400	40.422.100
Given to Borsa Istanbul	2.012.500	2.012.500
Given to banks	90.079.000	42.619.964
Given to Takasbank	30.525.000	30.525.000
Given to Privatization Administration	4.627.848	33.040.762
Given to supply for natural gas	85.410.827	57.199.613
Given to courts, ministries, Tax Administration	26.580.150	2.570.153
Given to Capital Markets Board	4.576	4.576
Other	102.152.995	83.999.633
Total letters of guarantee	**415.669.941**	**316.237.398**
Mortgages and pledges on inventory, property plant and equipment and investment property (2)	4.891.624.729	2.854.909.041
Pledges on equity securities (3)	1.432.515.353	1.107.741.947
Sureties given (4)	870.679.650	714.339.443
Total contingent liabilities	**7.610.489.673**	**4.993.227.829**

(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 2020, there is a mortgage amounting to TL 120.000.000 and EURO 15.000.000 (TL 135.118.500) over one of the buildings of the Group (which is classified as property, plant and equipment) with respect to the loans obtained (31 December 2019: TL 120.000.000 and EURO 15.000.000).

As at 31 December 2020, there is mortgage on the land of the Group located in Denizli, as collateral of the Group's bank loans amounting to TL 48.500.000 (31 December 2019: TL 48.500.000). Additionally, as at 31 December 2020, 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 367.025.000) (31 December 2019: USD 50.000.000 (TL 297.010.000)).

As at 31 December 2020, 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 123.850.000 (TL 909.120.925), EURO 104.365.250 (TL 940.111.735) and TL 510.000.000 with respect to the loans utilized by those subsidiaries.

As at 31 December 2019, there is mortgage over the property, plant and equipment of the Group's subsidiaries which are operating in energy generation sector amounting to USD 100.000.000 (TL 594.020.000), EURO 117.515.250 (TL 781.546.922) and TL 545.400.000 with respect to the loans utilized by those subsidiaries.

As at 31 December 2020, 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 820.088.001), EURO 70.000 (TL 630.553) and TL 630.000.000 (31 December 2019: TL 61.484.205).

21 COMMITMENTS *(continued)*

As at 31 December 2020, there is a mortgage over the property, plant and equipment of Barcelona Port, Ortadoğu Liman, VCP and Port of Adria amounting to EURO 13.493.042 (TL 121.543.973), USD 3.150.000 (TL 23.122.575), EURO 19.515.098 (TL 175.790.049) and EURO 10.054.887 (TL 90.573.417) respectively due to the loans utilized by those companies.

As at 31 December 2019, there is a mortgage over the property, plant and equipment of Barcelona Port, Ortadoğu Liman, VCP and Port of Adria amounting to EURO 13.493.042 (TL 89.736.825), USD 3.150.000 (TL 18.711.630), EURO 19.828.200 (TL 131.869.427) and EURO 10.054.887 (TL 66.871.032) respectively due to the loans utilized by those companies.

(3) Pledges on equity securities:

As at 31 December 2020, the Group gave marketable securities with a nominal value of USD 10.200.000 (TL 74.873.100) and equity shares amounting to TL 9.402 as collateral with respect to ongoing legal proceedings. There are pledges on shares of the subsidiaries which operating in port operations amounting to TL 959.832.622, on shares of the subsidiaries which operating in natural gas, mining, energy generation amounting to TL 226.500.000 and on shares of the subsidiaries which operating in real estate development amounting to TL 171.223.505 with respect to the loans obtained by the Group.

As at 31 December 2019, the Group gave marketable securities with a nominal value of USD 10.200.000 (TL 60.590.040) and equity shares amounting to TL 9.402 as collateral with respect to ongoing legal proceedings. There are pledges on shares of the subsidiaries which operating in port operations amounting to TL 713.474.675, on shares of the subsidiaries which operating in natural gas, mining, energy generation amounting to TL 101.000.000 and on shares of the subsidiaries which operating in real estate development amounting to TL 38.600.000 with respect to the loans obtained by the Group.

As at 31 December 2019, treasury shares amounting to nominal value of TL 39.820.000 (31 December 2020: none) as mentioned in Note 24.1 has been pledged for loans and debt securities. As at 31 December 2020, there is a blockage of financial investments with a carrying value of TL 76.724 (31 December 2019: TL 144.430) in Takasbank.

(4) Securities given:

As at 31 December 2020, the Group provided surety amounting to EURO 15.338.417, USD 77.678.761 and TL 162.311.779, a total of amounting to TL 870.679.650 (31 December 2019: TL 714.339.443) with respect to loans and lease agreements of subsidiaries of the Group.

22 EMPLOYEE BENEFITS

Payables related to employee benefits

As at 31 December 2020 and 31 December 2019, payables related to employee benefits comprised the following:

	31 December 2020	31 December 2019
Payables to personnel	13.810.335	3.996.802
Social security premiums payable	10.366.955	5.420.186
Other	2.350.621	782.371
Total	**26.527.911**	**10.199.359**

Provisions for employee benefits

As at 31 December 2020 and 31 December 2019, current and non-current provisions for employee benefits comprised the following:

Current provisions

	31 December 2020	31 December 2019
Provision for notice pay and vacations	6.451.304	5.851.009
Other	41.055	212.055
	6.492.359	**6.063.064**

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 2020	31 December 2019
Provision for employment termination indemnity	13.915.592	14.374.643
	13.915.592	**14.374.643**

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 7.117 for each period of service as of 31 December 2020 (31 December 2019: TL 6.380).

Provisions for employment termination indemnity are not subject to any statutory funding.

For the year ended 31 December 2020 and 2019, the movement of the provision for employment termination indemnity as follows:

	2020	2019
Opening balance (1 January)	14.374.643	10.296.326
Interest for the period	860.750	1.097.019
Service costs	1.626.786	3.213.954
Payments within the period	(1.502.057)	(1.423.633)
Liabilities included in disposal groups classified as held for sale	(4.297.356)	-
Currency translation differences	1.512.135	223.374
Actuarial gain/losses	1.340.691	967.603
Closing balance (31 December)	**13.915.592**	**14.374.643**

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23 OTHER ASSETS AND LIABILITIES

a) Other current assets

As at 31 December 2020 and 31 December 2019, other current assets comprised the following:

	31 December 2020	31 December 2019
Deferred value added tax (*)	36.343.073	31.912.056
Job and salary advances given to personnel	10.695.043	9.779.128
Income accruals	8.729.529	11.224.406
Other	1.656.230	1.281.683
Total	**57.423.875**	**54.197.273**

(*) 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 2020 and 31 December 2019, other non-current assets comprised the following:

	31 December 2020	31 December 2019
Deferred value added tax (*)	2.292.935	2.359.388
Job and salary advances given to personnel (**)	18.270.352	14.326.014
Total	**20.563.287**	**16.685.402**

(*) 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 2020 and 31 December 2019, other current liabilities comprised the following:

	31 December 2020	31 December 2019
Liabilities related with real estate (*)	3.668.000	3.668.000
Expense accruals	36.879.411	17.292.597
Other	11.208.236	2.762.861
Total	**51.755.647**	**23.723.458**

(*) Includes liabilities based on the protocol between the Group and Van Municipality.

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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 2020 the Company's statutory nominal value of paid-in share capital consists of 32.588.840.993 registered shares with a par value of TL 0,01 each. As at 31 December 2019 the Company's statutory nominal value of paid-in share capital consists of 32.588.840.993 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 issued capital of the Company is TL 325.888.410 and the authorized capital ceiling is TL 650.000.000. The authorized capital ceiling permit given by the Capital Markets Board is valid for the years 2018-2022 (5 years). The shareholder structure of the Company is as follows:

	31 December 2020		31 December 2019	
	Proportion of share %	Value of share	Proportion of share %	Value of share
Mehmet Kutman (*)	24,24%	78.996.525	26,04%	84.875.163
Centricus Holdings Malta Limited	31,25%	101.826.967	31,25%	101.826.967
Erol Göker	0,15%	488.707	0,15%	488.707
Publicly traded other shares (**)	44,36%	144.576.211	42,56%	138.697.573
Total	**100 %**	**325.888.410**	**100 %**	**325.888.410**
Adjustment related to inflation		34.659.630		34.659.630
Inflation adjusted capital		**360.548.040**		**360.548.040**

(*) Disclosed together with the shares of Turkcom Turizm Enerji İnşaat Gıda Yatırımlar A.Ş. which is owned by Mehmet Kutman.

(**) Comprised the nominal number of the repurchased shares 395.077 (31 December 2019: 43.126.651 shares).

The Company, as per CMB's approval dated 14 April 2017, the application regarding the capital increase has been approved, and, in line with CMB's same dated resolution, the Board of Directors of the Company has resolved to issue up to 100.000.000 new shares to existing new shareholders, that increase the issued capital of TL 193.500.000 considering the authorized capital ceiling which is TL 650.000.000. Following the completion of the rights issue, with a nominal value of TL 32.388.410 shares have been issued to and subscribed by existing shareholders and unused preemptive rights amounting to TL 67.611.590 have been cancelled.

Following the completion of the rights issue in The Wholesale Market of Borsa Istanbul, 100.000.000 new shares has been issued to and subscribed by Centricus Holdings Malta Limited (F.A.B. Partners LP) on 14 June 2017.

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.

24 CAPITAL, RESERVES AND OTHER EQUITY ITEMS *(continued)*

24.1 Share capital / Capital adjustments due to cross ownership/ Treasury shares *(continued)*

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 andcapital adjustments due to cross-ownership. Amounts related to these transactions are presented under "Treasury shares owned by the Company" in the consolidated statement of changes in equity. As at 31 December 2020, the Company and the subsidiaries of the Group held 395.077 shares of Global Yatırım Holding A.Ş (31 December 2019: 43.126.651 shares), with the cost of TL 1.439.473 (31 December 2019: TL 137.398.773). Those shares have been reclassified as "Treasury shares owned by the Company" and "Capital adjustments due to cross-ownership" under equity.

In accordance with Article 520 of the Turkish Commercial Code no 6102, reserve provision is made for the treasury shares owned by the Company as the amount allocated to meet the acquisition value. As at 31 December 2020, the Group made provision for the shares owned by the Group amounting to TL 1.439.473 accounted under restricted reserves in the consolidated financial statements (31 December 2019: TL 137.398.773).

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 2020 TL 2.433.128 (31 December 2019: TL 6.510.528) has been classified as "Special Reserve" in the consolidated financial statements.

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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 176.503.972 in other comprehensive income and equity in its consolidated financial statements for the year ended 31 December 2020 (31 December 2019: TL 85.337.453 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 1.561.295 loss (31 December 2019: TL 1.989.967 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 1.304.351 (31 December 2019: TL 1.461.289) accounted under finance expense in profit or loss.

24.5 Restricted reserves

As at 31 December 2020, the Group's restricted reserves are total of TL 7.979.263 (31 December 2019: TL 144.105.529).

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 Company as the amount allocated to meet the acquisition value. As at 31 December 2020, the Group made provision for the shares owned by the Group amounting to TL 1.439.473 accounted under restricted reserves in the consolidated financial statements (31 December 2019: TL 137.398.773).

24 CAPITAL, RESERVES AND OTHER EQUITY ITEMS *(continued)*

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 2020 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 decreased to 8,39% (31 December 2019: 22,45%)

For the year ended 31 December 2020 the Group entered into purchase transactions of shares in Global Ports Holding Plc, operating in port operations. As a result of the purchase of Global Ports Holding Plc shares by the Group, the effective shareholding rate of the Group in Global Ports Holding Plc increased to 62,54% (31 December 2019: 60,86%).

On 24 January 2020, Creuers Del Port de Barcelona SA ("Creuers"), subsidiary of Global Ports Holding Plc, completed the purchase of Autoridad Portuaria de Malagas's (Malaga Port Authority) 20,0% holding in the Malaga cruise port concession for EURO 1,5 million.

Port Operation Holding S.r.l, a subsidiary of the Group, has been the only shareholder throughout the participation in the capital increase of Ravenna Passenger Terminal with EURO 20.000 as required by legal obligation and the ownership rate and concentrations has been increased to 100% as of 5 July 2020.

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 loss amounting to TL 164.982.899 for the period 1 January-31 December 2020 (1 January-31 December 2019: TL 45.673.635 net loss) in its stand-alone statutory financial statements prepared in accordance with Tax regulation and TCC.

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24 CAPITAL, RESERVES AND OTHER EQUITY ITEMS *(continued)*

24.8 Transactions with owners of the Company, recognized directly in equity

Global Enerji Hizmetleri ve İşletmeciliği A.Ş, Galata Enerji Üretim Sanayi ve Ticaret A.Ş. and Ege Global Madencilik Sanayi ve Ticaret A.Ş., wholly owned subsidiaries of the Group, have merged with the Company. Related merge transactions were registered on 27 January 2020 and the transactions were completed.

Doğaldan Enerji Üretim A.Ş., Biyotek Enerji Üretim A.Ş. and KNY Enerji Üretim A.Ş., wholly owned subsidiaries of the Group, have merged with Global Biyokütle Enerji. Related merge transactions were registired on 7 August 2020 and the transactions were completed.

Evergas Doğalgaz İthalat ve Tic. A.Ş., Edusa 1 Enerji San. Ve Tic. A.Ş., Salıpazarı İnşaat Taahhüt Bina Yönetim ve Servis Hizmetleri Sanayi ve Ticaret A.Ş. and Neptune Denizcilik Yatırımları ve İşletmeciliği A.Ş., wholly owned subsidiaries of the Group, have merged with Consus Enerji. Related merge transactions were registired on 12 August 2020 and the transactions were completed.

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 merger regarding the shares had no effect on the comparative consolidated financial statements.

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.

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

25 REVENUE AND COST OF SALES

For the years ended 31 December 2020 and 2019, the Group’s gross profit on the basis of operations comprised the following:

Revenue	1 January- 31 December 2020	1 January- 31 December 2019
Natural gas revenue	452.098.612	428.354.179
Port operating revenue	694.702.708	668.498.598
Mining revenue	88.671.142	95.951.436
Real estate rent and service revenue	29.371.281	42.460.371
Energy generation and sales revenue	261.827.380	148.525.697
Other	1.135.719	3.658.387
Total	**1.527.806.842**	**1.387.448.668**
Cost of sales		
Cost of natural gas sales and services	(335.692.725)	(313.775.771)
Cost of port operations	(776.805.100)	(453.170.686)
Cost of mining operations	(80.805.417)	(65.759.169)
Cost of energy generation and sales	(200.898.843)	(145.002.276)
Cost of real estate service	(8.019.196)	(10.317.272)
Other	(13.544.188)	(10.684.165)
Total	**(1.415.765.469)**	**(998.709.339)**
Gross Profit from Non-finance Operations	**112.041.373**	**388.739.329**

Revenues from Finance Operations	1 January- 31 December 2020	1 January- 31 December 2019
Agency commissions	66.007.984	27.117.992
Interest received from customers	20.292.545	11.846.216
Portfolio management fees	5.259.341	4.539.066
Gain on sale of marketable securities, net	1.119.765	1.329.122
Other revenue	8.669.169	8.693.231
Total	**101.348.804**	**53.525.627**
Cost of Revenues from Finance operations (-)		
Commission charges	(3.656.857)	(800.389)
Interest charges from loans delivered to customers	(3.713.345)	(4.374.654)
Total	**(7.370.202)**	**(5.175.043)**
Gross Profit from Finance Operations	**93.978.602**	**48.350.584**
GROSS PROFIT	**206.019.975**	**437.089.913**

26 GENERAL ADMINISTRATIVE EXPENSES AND MARKETING EXPENSES

26.1 Marketing expenses

For the years ended 31 December 2020 and 2019, marketing expenses comprised the following:

	1 January- 31 December 2020	1 January- 31 December 2019
Personnel expenses	15.583.560	10.892.655
Depreciation and amortization expenses (Note 16-18)	14.880.201	11.825.256
Export expenses of mining operations	18.521.022	23.522.541
Advertising and promotion expenses	3.868.445	8.089.445
Taxes and duties	5.982.871	6.038.801
Commission expenses of derivative exchange market	2.587.937	1.359.294
Representation expenses	3.778.076	4.355.198
Stock market participation share	5.469.242	2.753.408
Money market settlement and custody expenses	2.051.374	793.942
Vehicle expenses	660.719	669.657
Building management expenses	1.280.879	1.010.029
Commission expenes	4.494.746	3.158.038
Travel expenses	666.098	1.624.131
Communication expenses	572.526	488.012
Insurance Expenses	507.574	555.791
Other	8.304.870	5.451.049
	89.210.140	**82.587.247**

26.2 General administrative expenses

For the years ended 31 December 2020 and 2019, general administrative expenses comprised the following:

	1 January- 31 December 2020	1 January- 31 December 2019
Personnel expenses	132.185.042	115.100.770
Consultancy expenses	95.189.292	25.924.651
Travelling expenses	6.799.525	9.378.895
Taxes and duties other than on income	7.814.204	8.674.011
Depreciation and amortization expenses (Note 16-18)	25.226.779	17.088.532
IT expenses	13.100.859	10.050.878
Communication expenses	3.034.401	2.463.459
Building management expenses	4.509.962	3.370.243
Vehicle expenses	4.200.367	4.741.593
Repair and maintenance expenses	1.683.287	1.732.285
Other expenses	13.710.287	15.192.962
	307.454.005	**213.718.279**

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

27 EXPENSES BY NATURE

For the years ended 31 December 2020 and 2019, the breakdown of personnel, depreciation and amortization expenses comprised the following:

Personnel expenses	1 January- 31 December 2020	1 January- 31 December 2019
Cost of sales	101.996.982	93.167.346
Marketing expenses	15.583.560	10.892.655
General administrative expenses	132.185.042	115.100.770
	249.765.584	**219.160.771**

Depreciation and amortization expenses	1 January- 31 December 2020	1 January- 31 December 2019
Cost of sales	434.139.421	341.272.485
Marketing expenses	14.880.201	11.825.256
General administrative expenses	25.226.779	17.088.532
	474.246.401	**370.186.273**

28 OTHER OPERATING INCOME / EXPENSES

28.1 Other operating income

For the years ended 31 December 2020 and 2019, other operating income comprised the following:

	1 January- 31 December 2020	1 January- 31 December 2019
Gain on bargain purchase (Note 3)	54.923.267	-
Other revenue based on the agreement (Note 20)	12.293.159	44.929.820
Foreign currency exchange gain on trade operations, net	9.108.249	14.298.159
Reversal gain/(loss) of provisions	1.746.686	2.907.293
Gain on sale of subsidiary (*)	23.014.688	-
Other income	39.823.726	27.393.124
Total	**140.909.775**	**89.528.396**

(*) As dislcosed in Note 1, it includes the difference between fair value and book value arising during the merger of Actus Portföy under İPY, which is an equity accounted investee.

28 OTHER OPERATING INCOME / EXPENSES *(continued)*

28.2 Other operating expenses

For the years ended 31 December 2020 and 2019, other operating expense comprised the following:

	1 January- 31 December 2020	1 January- 31 December 2019
Donations	5.212.365	2.435.806
Project expenses (*)	71.852.788	30.123.440
Other expense based on the agreement (Note 20)	-	8.410.402
Impairment loss (**)	-	15.951.180
Concession fee expense	2.290.621	4.753.551
Other miscalleneous expenses	44.313.598	26.163.780
Total	**123.669.372**	**87.838.159**

(*) ACP has paid 500 thousand USD to the "YES Foundation" within the scope of the concession agreement signed with the Government of Antigua and Barbuda for the concession right of St John's cruise terminal in Antigua.

(**) The major part of project expenses comprises of uncapitalized project expenses related to port investments of the Group.

(***) As at 31 December 2019, the Group has accounted impairment loss related to subsidiaries operating in energy segment amounting to TL 15.951.180 as a result of stock losses caused by fire and flood.

29 INCOME AND EXPENSE FROM INVESTING ACTIVITIES

29.1 Income from investing activities

For the years ended 31 December 2020 and 2019, income from investing activities comprised the following:

	1 January- 31 December 2020	1 January- 31 December 2019
Investment property valuation gain (Note 15)	43.254.000	37.820.000
Gain on sale of financial assets	-	806.831
Gain on sale of fixed assets	25.671.808	8.002.566
Other	1.328.534	860.671
Total	**70.254.342**	**47.490.068**

29.2 Expense from investing activities

For the years ended 31 December 2020 and 2019, expense from investing activities comprised the following:

	1 January- 31 December 2020	1 January- 31 December 2019
Investment property valuation loss (Note 15)	-	295.000
Loss on sale of financial assets	2.122.831	65.084
Other	283.940	6.767
Total	**2.406.771**	**366.851**

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

30 FINANCE INCOME

For the years ended 31 December 2020 and 2019, finance income of the Group comprised the following:

	1 January- 31 December 2020	1 January- 31 December 2019
Foreign currency gain	112.714.791	39.482.975
Interest income	10.330.002	21.347.362
Other interest income (Note 6)	4.249.830	18.236.646
Other	986.909	1.070.850
Total	**128.281.532**	**80.137.833**

31 FINANCE COSTS

For the years ended 31 December 2020 and 2019, finance costs of the Group comprised the following:

Recognized in profit or loss	1 January- 31 December 2020	1 January- 31 December 2019
Foreign currency loss	306.046.600	115.441.407
Interest expense on borrowings	329.381.992	275.262.050
Letter of guarantee commissions	4.562.663	5.002.222
Comission expenses	20.427.995	11.486.754
Interest expense on lease liabilities (TFRS 16)	25.195.998	14.976.113
Other	23.198.903	5.451.677
Total	**708.814.151**	**427.620.223**

Recognized in other comprehensive income	1 January- 31 December 2020	1 January- 31 December 2019
Gain/(losses) from net investment hedges (Note 24.4)	(176.503.972)	(85.337.453)
	(176.503.972)	**(85.337.453)**

32 TAX ASSETS AND LIABILITIES

Corporate tax:

Provision is made in the accompanying consolidated financial statements for the estimated charge based on the each of the Group entities’ results for the year.

Corporate tax is applied on taxable corporate income, which is calculated from the statutory accounting profit by adding back non-deductible expenses, and by deducting dividends received from resident companies, other exempt income and investment incentives utilized.

In Turkey, advance tax returns are measured and accrued on a quarterly basis. The advance corporate income tax rate for each quarter and as at 31 December 2020 is 22% (31 December 2019: 22%).

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

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns between 1-25 April (between private accounting periods with the period in which the fourth month following the closing date 1-25) following the close of the accounting year to which they relate. Tax authorities may, however, examine such returns and the underlying accounting records and may revise assessments within five years.

The corporate tax rate in Spain for the 2020 year is determined at 25% (2019: 25%). The corporate tax rates in Netherlands, Italy, Malta and Montenegro are 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.

“Law Regarding Amendments on Certain Tax Laws and Other Laws” No.7061 was published in the Official Gazette dated 5 December 2017 and numbered 30261. Article 5 entitled "Exceptions" of the Corporate Tax Law has been amended in Article 89 of the aforementioned Law. In accordance with (a) clause in the first paragraph of the Article, the exemption of 75% applied to gains from the sales of lands and buildings held by the entities for two full years has been reduced to rate of 50%. This regulation has been effective from 5 December 2017. As per the Article 91 of the aforementioned law as well as the provisional Article 10, the corporate tax rate will be increased from the current 20% rate to 22% for tax years 2018, 2019, and 2020 (and for accounting periods started during the relevant year for the entities appointed with special accounting periods). This rate will be applied for the first time in the first temporary tax period of 2018.

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

32 TAX ASSETS AND LIABILITIES *(continued)*

Transfer pricing

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

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.

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.

In addition to corporate taxes, companies should also calculate income withholding taxes on any dividends distributed, except for companies receiving dividends who are resident companies in Turkey and Turkish branches of foreign companies. The rate of income withholding tax is 10% starting from 24 April 2003. This rate was changed to 15% with the code numbered 5520 article 15 commencing from 21 September 2006. After the resolution, declared in Official Gazette on 23 July 2006, this rate was changed to 15% thereafter. Undistributed dividends incorporated in share capital are not subject to income withholding taxes.

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.

32 TAX ASSETS AND LIABILITIES *(continued)*

Current tax income assets

As at 31 December 2020 and 2019, current tax income assets of the Group comprised the following:

	31 December 2020	31 December 2019
Prepaid taxes and funds	11.863.476	15.947.090
Other	761.342	839.523
Total	**12.624.818**	**16.786.613**

Tax expenses:

For the years ended 31 December 2020 and 2019, tax income/ (expense) comprised the following:

	1 January- 31 December 2020	1 January- 31 December 2019
Current tax income / (expense)	(6.069.120)	(45.306.686)
Deferred tax benefit	231.702.969	22.039.695
Total	**225.633.849**	**(23.266.991)**

As at 31 December 2020 and 2019, current tax liability for the period comprised the following:

	31 December 2020	31 December 2019
Current tax charge	(6.069.120)	(45.306.686)
Taxes paid during period	20.774.246	36.538.646
Total	**14.705.126**	**(8.768.040)**
Changes in prepaid taxes	(4.083.614)	7.000.997
Income tax payable	**10.621.512**	**(1.767.043)**

As of 31 December 2020, the tax payable amounting to TL 1.241.964 (31 December 2019: TL 17.714.133) and the prepaid tax amounting to TL 11.863.476 (31 December 2019: TL 15.947.090) have not been offset since they are subject to different tax legislation.

The tax reconciliation for the years ended 31 December 2020 and 2019 is as follows:

	%	2020	%	2019
Loss before income tax		(723.087.091)		(134.409.453)
Corporate tax using domestic rate	22,00	159.079.160	22,00	29.570.080
Disallowable expenses	(2,58)	(18.683.073)	(6,78)	(9.109.714)
Effect of unrecognized tax losses	(0,87)	(6.305.915)	(28,08)	(37.744.845)
Effect of tax exemption on maritime operations	0,15	1.083.238	2,83	3.799.436
Effect of change in tax rates	(1,00)	(7.259.225)	(12,58)	(16.906.522)
Unused tax loss	7,82	56.568.680	2,97	3.988.676
Business combinations	2,48	17.961.029	-	-
Other	3,21	23.189.955	2,33	3.135.898
		225.633.849		**(23.266.991)**

(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 22% over the temporary differences expected to reverse in 2018, 2019 and 2020, and 20% over the temporary differences expected to reverse after 2021.

As at 31 December 2020 and 31 December 2019, the deferred tax assets and liabilities reflected to the consolidated financial statements are as follows:

	31 December 2020	**31 December 2019**
Deferred tax assets	278.174.854	131.264.565
Deferred tax liabilities	(421.595.509)	(549.636.268)
Total	**(143.420.655)**	**(418.371.703)**

For the years ending 31 December 2020 and 31 December 2019, the movement of deferred tax assets and liabilities is as follows:

	31 December 2020	**31 December 2019**
Balance at the beginning of the year	(418.371.703)	(387.175.929)
Deferred tax income	231.702.969	22.039.695
Foreign currency translation differences	(138.223.646)	(53.424.152)
Liabilities included in disposal groups classified as held for sale (Note 36)	189.255.772	-
Tax effect from business combinations	(8.052.185)	-
Recognized in equity	268.138	188.683
	(143.420.655)	**(418.371.703)**

32 TAX ASSETS AND LIABILITIES *(continued)*

Deferred tax assets and deferred tax liabilities as at 31 December 2020 and 31 December 2019 are attributable to the items presented in the table below:

	2020		**2019**	
	Temporary differences	**Deferred tax assets / (liabilities)**	**Temporary differences**	**Deferred tax assets / (liabilities)**
Accumulated tax losses	1.191.370.720	238.274.144	396.517.130	79.303.426
Receivables	51.040.255	10.208.051	99.832.455	19.966.491
Valuation differences of marketable securities	3.083.385	616.677	2.553.075	510.615
Provisions	5.796.275	1.159.255	10.745.510	2.149.102
Provision for employement termination indemnity	1.474.760	294.952	15.812.105	3.162.421
Valuation of derivative instruments	8.200.649	1.640.130	3.598.835	719.767
Property, plant and equipment, intangible assets and concession intangible assets and right of use of assets	(1.935.398.690)	(387.079.738)	(2.502.461.635)	(500.492.327)
Loans and prepaid commissions of the loans	20.057.975	4.011.595	(7.161.465)	(1.432.293)
Valuation of investment property	(156.865.300)	(31.373.060)	(116.450.300)	(23.290.060)
Other	94.136.696	18.827.339	5.155.775	1.031.155
		(143.420.655)		**(418.371.703)**

As at 31 December 2020 and 31 December 2019, the breakdown of the accumulated tax losses carried forward in terms of their final years of utilization is as follows:

	31 December 2020		**31 December 2019**	
Expiry years of the tax losses carried forward	**Recognized**	**Unrecognized**	**Recognized**	**Unrecognized**
2020	-	-	6.515.858	2.790.574
2021	15.911.540	2.772.048	16.882.807	2.191.719
2022	10.606.415	3.897.212	8.407.433	3.057.986
2023	23.921.543	5.301.497	35.780.942	4.469.113
2024	79.488.174	6.291.543	11.716.386	59.855.290
2025	108.346.472	58.446.437	-	-
	238.274.144	**76.708.737**	**79.303.426**	**72.364.682**

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 2025. 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 2020 and 2019, 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 2020	1 January- 31 December 2019
Net loss for the period	(298.607.810)	(130.966.969)
Net profit/(loss) from continuing operations for the period	(298.607.810)	(130.966.969)
Weighted average number of shares	292.011.067	287.637.196
Weighted average number of ordinary shares	292.011.067	287.637.196
Number of shares held by the Group (Note 22.1)	(395.077)	(43.126.651)
Weighted average number of shares	291.615.990	244.510.545
Loss per share with par value of TL 1 (TL full)	(1,0240)	(0,5356)
Loss per share of continuing operations with par value of TL 1 (TL full)	(1,0240)	(0,5356)

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 2020 and 2019, 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.

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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 2020 and 2019 maximum credit risk exposure is as follows:

31 December 2020	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	172.688.680	116.292.591	249.802.871	75.529.834	984.895.438	6.425.760	78.058.276	**1.683.693.450**
Portion of maximum risk covered by guarantee	22.044.997	-	-	-	-	-	-	**22.044.997**
A. Net book value of financial assets neither past due nor impaired	144.313.606	116.292.591	249.802.871	75.529.834	984.895.438	6.425.760	78.058.276	**1.655.318.376**
B. Net book value of financial assets past due but not impaired whose terms have been renegotiated	28.375.074	-	-	-	-	-	-	**28.375.074**
Portion of maximum risk covered by guarantee	5.349.014	-	-	-	-	-	-	**5.349.014**
C. Net book value of assets past due and impaired	-	-	-	-	-	-	-	-
-Past due (gross book value)	32.025.524	-	1.203.962	-	-	-	-	**33.229.486**
-Impairment (-)	(32.025.524)	-	(1.203.962)	-	-	-	-	**(33.229.486)**
-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	16.695.983	-	-	-	-	-	-	**16.695.983**
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 2019	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	229.297.974	138.294.977	229.324.282	77.449.291	463.387.932	563.227	119.182.921	**1.257.500.604**
Portion of maximum risk covered by guarantee	15.838.895	-	-	-	-	-	-	**15.838.895**
A. Net book value of financial assets neither past due nor impaired	218.598.274	138.294.977	229.324.282	77.449.291	463.387.932	563.227	119.182.921	**1.246.800.904**
B. Net book value of financial assets past due but not impaired whose terms have been renegotiated	10.699.700	-	-	-	-	-	-	**10.699.700**
Portion of maximum risk covered by guarantee	1.031.565	-	-	-	-	-	-	**1.031.565**
C. Net book value of assets past due and impaired	-	-	-	-	-	-	-	**-**
-Past due (gross book value)	23.443.431	-	1.227.875	-	-	-	-	**24.671.306**
-Impairment (-)	(23.443.431)	-	(1.227.875)	-	-	-	-	**(24.671.306)**
-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	14.807.331	-	-	-	-	-	-	**14.807.331**
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".

During the impairment tests of the financial assets, the Group considered the factors which show that the amounts to be collected are not collectible.

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 2020 Trade Receivables	31 December 2019 Trade Receivables
1 to 30 days overdue	18.409.689	4.235.207
1 to 3 months overdue	3.339.807	2.760.222
3 to 12 months overdue	6.625.577	2.994.984
1 to 5 years overdue	-	709.288
Total	**28.375.073**	**10.699.701**
Portion of assets secured by guarantee etc.	5.349.014	1.031.565

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 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.

Current and future loan needs of the Group are supplied by continuous accessibility of sufficient number of high quality creditors for each segment of the Group.

34 NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS *(continued)*

34.2 Liquidity risk *(continued)*

31 December 2020

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	2.038.834.504	2.040.501.793	418.116.203	295.841.251	(591.376.923)	1.917.921.262
Debt securities issued	3.127.571.910	4.480.429.587	325.331.353	2.440.990.479	1.714.107.755	-
Liabilities due to operations in finance sector	136.605.612	136.605.612	-	136.605.612	-	-
Finance lease obligations	610.292.409	965.324.657	12.982.241	64.435.199	887.907.217	-
Trade payables	234.390.058	234.390.058	2.623.624	231.766.434	-	-
Other payables	167.546.774	167.546.774	154.142.081	8.248.321	5.156.372	-
Derivative Financial Liabilities						
Interest rate swap	10.908.822	13.789.279	-	3.284.352	13.789.279	-

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34 NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS *(continued)*

34.2 Liquidity risk *(continued)*

31 December 2019

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	1.842.021.222	1.942.049.257	246.967.214	372.094.695	1.134.019.711	188.967.637
Debt securities issued	1.689.032.728	1.711.248.762	161.153.250	147.028.816	1.403.066.696	-
Liabilities due to operations in finance sector	212.018.523	212.018.523	-	212.018.523	-	-
Finance lease obligations	457.085.875	507.631.447	39.009.578	4.060.770	464.561.099	-
Trade payables	155.321.001	146.154.280	27.785.071	118.369.209	-	-
Other payables	94.553.137	94.553.137	75.794.657	8.226.514	10.531.966	-
Derivative Financial Liabilities						
Interest rate swap	2.879.070	3.503.759	-	-	3.503.759	-

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.

As at 31 December 2020, the Group had outstanding foreign-currency denominated borrowing designated as a hedge of net foreign investment of USD 251.811.248 (31 December 2019: USD 250.404.940). The results of hedges of the Group's net investment in foreign operations included in hedging reserves was a net loss of USD 40.266.191 after tax for the period ended 31 December 2020 (net loss of USD 23.603.730 after tax for the period ended 31 December 2019). In the years ended 31 December 2020 and 2019, USD 9.680.307, USD 5.222.213 respectively was recognized in profit or loss due to hedge ineffectiveness.

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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 2020 and 31 December 2019, foreign currency risk exposures of the Group comprised the following:

	31 December 2020				
	TL Equivalent	**USD**	**EURO**	**GBP**	**TL**
1.Trade Receivables	17.765.618	1.010.845	172.029	-	8.795.890
2.a Monetary Financial Assets	289.201.184	6.219.549	17.015.926	30.338	89.967.150
2.b Non-monetary Financial assets	-	-	-	-	-
3. Other	-	-	-	-	-
4. Current assets (1+2+3)	**306.966.802**	**7.230.394**	**17.187.955**	**30.338**	**98.763.040**
5.Trade receivables	-	-	-	-	-
6.a. Monetary Financial Assets	58.344.789	1.500.000	5.128.383	-	1.138.078
6.b. Non-monetary Financial Assets	-	-	-	-	-
7. Other	-	-	-	-	-
8. Non-current assets (5+6+7)	**58.344.789**	**1.500.000**	**5.128.383**	**-**	**1.138.078**
9. Total Assets (4+8)	**365.311.591**	**8.730.394**	**22.316.338**	**30.338**	**99.901.118**
10. Trade Payables	34.470.373	836.750	166.963	47.387	26.353.017
11. Financial Liabilities	2.175.033.611	271.265.469	19.598.662	-	7.266.648
12.a. Other Monetary Liabilities	20.200.104	2.024.983	38.052	5.154	4.941.697
12.b. Other Non-monetary Liabilities	-	-	-	-	-
13. Current liabilities (10+11+12)	**2.229.704.088**	**274.127.202**	**19.803.677**	**52.541**	**38.561.362**
14. Trade Payables	-	-	-	-	-
15. Financial Liabilities	215.261.887	19.941.390	5.631.519	-	18.153.954
16.a. Other Monetary Liabilities	4.862.984	-	-	-	4.862.984
16.b. Other Non-monetary Liabilities	-	-	-	-	-
17. Non-current Liabilities (14+15+16)	**220.124.871**	**19.941.390**	**5.631.519**	**-**	**23.016.938**
18. Total Liabilities (13+17)	**2.449.828.959**	**294.068.592**	**25.435.196**	**52.541**	**61.578.300**
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)	**(2.084.517.368)**	**(285.338.198)**	**(3.118.858)**	**(22.203)**	**38.322.818**
21. Net Foreign Currency Position of monetary items (TFRS 7.B23) (=1+2a+5+6a-10-11-12a-14-15-16a)	**(2.084.517.368)**	**(285.338.198)**	**(3.118.858)**	**(22.203)**	**38.322.818**
22. Fair Value of Derivative Instruments Held for Hedging	**1.479.452.955**	**201.546.619**	-	-	-
23. Derivative Assets Held for Hedging	**1.479.452.955**	**201.546.619**	-	-	-
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 2019	TL Equivalent	USD	EURO	GBP	TL
1.Trade Receivables	52.395.539	3.337.896	291.067	-	30.631.999
2.a Monetary Financial Assets	261.845.409	2.763.971	17.245.364	3.306.203	105.024.163
2.b Non-monetary Financial assets	-	-	-	-	-
3. Other	-	-	-	-	-
4. Current assets (1+2+3)	**314.240.948**	**6.101.867**	**17.536.431**	**3.306.203**	**135.656.162**
5.Trade receivables	-	-	-	-	-
6.a. Monetary Financial Assets	15.439.931	1.771.015	299.142	-	2.930.274
6.b. Non-monetary Financial Assets	-	-	-	-	-
7. Other	-	-	-	-	-
8. Non-current assets (5+6+7)	**15.439.931**	**1.771.015**	**299.142**	**-**	**2.930.274**
9. Total Assets (4+8)	**329.680.879**	**7.872.882**	**17.835.573**	**3.306.203**	**138.586.436**
10. Trade Payables	51.891.257	495.648	2.569.019	580	31.856.981
11. Financial Liabilities	323.592.617	29.426.366	21.682.986	-	4.589.251
12.a. Other Monetary Liabilities	25.347.902	768.763	41.112	27.527	20.293.813
12.b. Other Non-monetary Liabilities	-	-	-	-	-
13. Current liabilities (10+11+12)	**400.831.776**	**30.690.777**	**24.293.117**	**28.107**	**56.740.045**
14. Trade Payables	-	-	-	-	-
15. Financial Liabilities	1.707.017.640	260.208.604	21.071.711	-	21.186.969
16.a. Other Monetary Liabilities	6.339.178	-	-	-	6.339.178
16.b. Other Non-monetary Liabilities	-	-	-	-	-
17. Non-current Liabilities (14+15+16)	**1.713.356.818**	**260.208.604**	**21.071.711**	**-**	**27.526.147**
18. Total Liabilities (13+17)	**2.114.188.594**	**290.899.381**	**45.364.828**	**28.107**	**84.266.192**
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)	**(1.784.507.715)**	**(283.026.499)**	**(27.529.255)**	**3.278.096**	**54.320.244**
21. Net Foreign Currency Position of monetary items (TFRS 7.B23) (=1+2a+5+6a-10-11-12a-14-15-16a)	**(1.784.507.715)**	**(283.026.499)**	**(27.529.255)**	**3.278.096**	**54.320.244**
22. Fair Value of Derivative Instruments Held for Hedging	**1.226.086.625**	**206.404.940**	**-**	**-**	**-**
23. Derivative Assets Held for Hedging	**1.226.086.625**	**206.404.940**	**-**	**-**	**-**
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.

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 2020 and 31 December 2019 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 2020	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	(209.452.504)	209.452.504	-	-
2- Hedged portion against USD risk (-)	147.945.296	(147.945.296)	-	-
3- Net effect of USD (1+2)	**(61.507.208)**	**61.507.208**	-	-
	A 10 percent change in Euro against Turkish Lira:			
4- Net Euro asset/liability	(2.809.436)	2.809.436	-	-
5- Hedged portion against Euro risk (-)	-	-	-	-
6- Net effect of Euro (4+5)	**(2.809.436)**	**2.809.436**	-	-
	A 10 percent change in other currencies against Turkish Lira:			
7- Net other currencies asset/liability	(22.078)	22.078	-	-
8- Hedged portion against other currencies risk (-)	-	-	-	-
9- Net effect of other currencies (7+8)	**(22.078)**	**22.078**	-	-
TOTAL (3+6+9)	**(64.338.722)**	**64.338.722**	-	-

(*) 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)

31 December 2019	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	(168.123.401)	168.123.401	-	-
2- Hedged portion against USD risk (-)	122.608.662	(122.608.662)	-	-
3- Net effect of USD (1+2)	**(45.514.739)**	**45.514.739**	-	-
	A 10 percent change in Euro against Turkish Lira:			
4- Net Euro asset/liability	(18.308.606)	18.308.606	-	-
5- Hedged portion against Euro risk (-)	-	-	-	-
6- Net effect of Euro (4+5)	**(18.308.606)**	**18.308.606**	-	-
	A 10 percent change in other currencies against Turkish Lira:			
7- Net other currencies asset/liability	2.549.211	(2.549.211)	-	-
8- Hedged portion against other currencies risk (-)	-	-	-	-
9- Net effect of other currencies (7+8)	**2.549.211**	**(2.549.211)**	-	-
TOTAL (3+6+9)	**(61.274.134)**	**61.274.134**	-	-

(*) Profit and loss excluded.

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 2020	31 December 2019
Financial Instruments with fixed interest		**(2.967.948.704)**	**(2.063.902.510)**
Financial Assets	Financial assets held for trading	5.980.581	144.428
	Due from related parties	21.559.829	4.300.734
	Receivables from money markets	108.548.195	46.906.595
	Bank deposits	331.257.527	139.104.130
Financial Liabilities	Loans and borrowings	(3.296.650.834)	(2.116.197.334)
	Liabilities due to operations in finance sector	3.362	(25.962.565)
	Interest rate swap effect	(138.647.364)	(112.198.498)
Financial Instruments with variable interest		**(1.643.970.839)**	**(1.179.956.029)**
Financial Assets	Loans granted to the key management	17.622.162	75.588.558
Financial Liabilities	Loans and borrowings	(1.800.240.365)	(1.367.743.085)
	Interest rate swap effect (*)	138.647.364	112.198.498

(*) 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 2020, 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 51.664.064 (31 December 2019: profit before tax lower by TL 35.951.568), the net profit attributable to the owners of the Company would have been lower by TL 40.297.970 (31 December 2019: lower by TL 28.042.223) and total equity attributable to equity holders of the Company would have been lower by TL 26.342.576 (31 December 2019: lower by TL 19.957.400). 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 77% as of 31 December 2020 (2019: 72%).

(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 2020		31 December 2019	
Financial Assets	**Notes**	**Carrying Value**	**Fair value**	**Carrying Value**	**Fair value**
Cash and Cash Equivalents	7	991.689.962	991.689.962	474.710.252	474.710.252
Financial Investments	8	15.230.146	15.230.146	16.676.592	16.676.592
Trade Receivables	10	172.688.680	172.688.680	229.297.974	229.297.974
Receivables from Operations in Finance Sector	12, 6	271.362.700	271.362.700	233.625.016	233.625.016
Other Receivables	11, 6	170.262.596	170.262.596	211.443.534	211.443.534
Other Current and Non-current assets	23	77.987.162	77.987.162	70.882.675	70.882.675
Total		**1.699.221.246**	**1.699.221.246**	**1.236.636.043**	**1.236.636.043**
Financial Liabilities					
Borrowings	9	6.135.737.511	6.099.092.417	4.308.526.774	4.271.881.680
Trade Payables	10	234.390.058	234.390.058	155.321.001	155.321.001
Liabilities due to Operations in Finance Sector	12, 6	136.605.612	136.605.612	212.018.523	212.018.523
Other Payables	11, 6	167.546.774	167.546.774	94.553.137	94.553.137
Other Liabilities	23	51.092.097	51.092.097	21.847.199	21.847.199
Total		**6.725.372.052**	**6.688.726.958**	**4.792.266.634**	**4.755.621.540**

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 2020	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets mandatorily at fair value through profit or loss	6.638.720	-	-	6.638.720
Financial assets at fair value through other comprehensive income-equity instruments	-	-	8.146.247	8.146.247
Derivative financial liabilities	-	10.908.822	-	10.908.822
	6.638.720	**10.908.822**	**8.146.247**	**25.693.789**

31 December 2019	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets mandatorily at fair value through profit or loss	8.085.225	-	-	8.085.225
Financial assets at fair value through profit or loss (*)	-	-	-	-
Financial assets at fair value through other comprehensive income-equity instruments	-	-	8.172.568	8.172.568
Derivative financial liabilities	-	2.879.070	-	2.879.070
	8.085.225	**2.879.070**	**8.172.568**	**19.136.863**

36 ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

As at 31 December 2020 and 31 December 2019, the detail of assets held for sale is as below:

	31 December 2020	**31 December 2019**
Real Estates	862.751	862.751
	862.751	**862.751**

The Group's real estate's held for sale amounting to TL 862.751 (31 December 2019: TL 862.751) can be summarized as land in the Bozüyük district of the Bilecik province, with a total area of 29.500 m2 and land in the Bodrum district of the Muğla province, with a total area of 3.000 m2 which is owned by the Group.

36 ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS *(continued)*

Ortadoğu Liman classified as held for sale

After the following developments, the Group classified Ortadoğu Liman, one of its subsidiaries operating in the port operations segment, as assets and liabilities held for sale as of 31 December 2020.

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 of 31 December 2020, before consolidation adjustments and pre-eliminations, summary of assets and liabilities and profit / (loss) related to the Ortadoğu Liman classified as held for sale are as follows:

Assets	31 December 2020
Cash and cash equivalents	8.809.986
Other receivables	9.881.295
Other receivables from related parties	314.523.491
Other current assets	7.928.693
Tangible assets	184.730.341
Intangible assets	937.523.760
Other non-current assets	95.961
	1.463.493.527

Liabilities	31 December 2020
Financial liabilities	206.800.216
Trade payables	6.980.395
Other payables	28.947.262
Other payables to related parties	2.127.986
Current tax liabilities	2.856.672
Other current liabilities	35.811.277
Deferred tax liabilities	189.255.772
	472.779.580

Global Yatırım Holding A.Ş. And its Subsidiaries
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(Currency: Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

36 ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS *(continued)*

Ortadoğu Liman classified as held for sale (*continued)*

Profit or loss of the subsidiary classified as held for sale	1 January- 31 December 2020
Revenue	233.806.644
Cost of revenues (-)	(218.625.419)
Gross profit	**15.181.225**
Marketing expenses (-)	(2.142.279)
General administrative expenses (-)	(16.928.572)
Other income from operating activities	6.734.183
Other expense from operating activities (-)	(17.181.017)
Operating loss	**(14.336.460)**
Income from investing activities	1.085.987
Expense from investing activities (-)	(215.119)
Loss before finance income/(costs)	**(13.465.592)**
Finance income	48.970.628
Finance costs (-)	(231.006.463)
Loss before tax	**(195.501.427)**
Tax income/(expense)	39.587.302
-Current tax income/(expense)	*(4.919.366)*
-Deferred tax income/(expense)	*44.506.668*
Loss for the period	**(155.914.125)**

37 GOVERNMENT GRANTS

As explained in detail in Note 32, the Group benefits from investment allowance and miscellaneous tax exemptions.

38 OTHER MATTERS THAT SIGNIFICANTLY AFFECT THE CONSOLIDATED FINANCIAL STATEMENTS OR MAKE THE CONSOLIDATED FINANCIAL STATEMENTS CLEAR, INTERPRETABLE AND UNDERSTANDABLE

Covid-19 outbreak was declared as a pandemic by the World Health Organization (WHO) on 11 March 2020 and precautions taken against the pandemic continue to cause unfavourable results in operations and negatively affect economic conditions in all countries which are exposed to the epidemic. As a result of pandemic, asset prices, liquidity, foreign exchange rates, interest rates and many other subjects have been affected, and the ultimate severity of the outbreak is uncertain at this time.

Group closely keeps monitoring all developments and takes necessary measures in order to effectively manage the negative impact of the Covid-19 outbreak on its consolidated financial position, consolidated financial performance and consolidated cash flows. The several significant actions and assesment made by the Group on the basis of operating segments are as follows:

Port operations:

The uncertainities in the economy globally cause unfavourable results and risks on the port operations, which is one of the main operation segment of the Group, such as significant reductions in the numbers of passengers and ships. The Group has taken several measures to reduce the negative impact of the outbreak such as; cancellation/suspension of dividend payments, suspension of board members' salaries, reduction of consultancy expenses, suspention of marketing activities and travels unless necessary, and suspension of all but essential renewal port investments.

The Group has benefited from various incentives and exceptions announced by the governments of the operating countries, to eliminate the negative impact of the Covid-19 outbreak. These incentives and exceptions include supportive programs such as paying a certain part of the personnel salaries and related tax liabilities by the government and deferral of liabilities to the government or banks. Exceptions and delays regarding concession fees, which are the most important expense item of the port business line, were utilized.

38 OTHER MATTERS THAT SIGNIFICANTLY AFFECT THE CONSOLIDATED FINANCIAL STATEMENTS OR MAKE THE CONSOLIDATED FINANCIAL STATEMENTS CLEAR, INTERPRETABLE AND UNDERSTANDABLE *(continued)*

Within the incentives announced due to Covid-19, Group has applied for short-term work allowances and taken advantage of opportunities such as suspension of payments for social security cuts. Due to these incentives, personnel expenses have been reduced, and the cash flow balance has been maintained through the deferral of tax payments regarding personnel salaries.

Additionally, the financial commitments related to the loans have been suspended until 2022 for Port of Adria.

The latest developments performed by the Group regarding the refinancing of eurobond issued by Global Liman and cash generated from sale of Ortadoğu Liman which is completed on 25 January 2021, as explained in detail in Note 36, will make a significant contribution to the liquidity reserves of the port operations segment.

Additionally, as of 31 December 2020, the Group reviewed the future cash flow projections of Group companies operating in the cruise and commercial port management and have a reasonable expectation that the Group will have adequate resources to continue in operation for at least 12 months from the signing date of the consolidated financial statements.

Energy generation and natural gas operations:

The Group management has a reasonable expectation that the relevant impact will be limited as the supply services must continue without interruption in order to prevent disruptions in the operations of customers who are provided with CNG and energy supply services. For this reason, the Group expects that the overall impact on the activities of the Group companies that provide energy production and CNG supply services will be limited at both the sectoral and the relevant company level.

With the completion of initial public offering ongoing process in the natural gas business line in a short time, the Group will significantly increase its liquidity reserves with the growth in this business line and with cash which will be generated from additional share sales pursuant to an over-allotment option.

Real estate:

In the investment properties owned by the subsidiaries operating in the real estate segment of the Group, it is expected that the reduction in revenue from Covid-19 will be at a limited level. However, partially or wholly closure of shopping malls for a while in the second quarter of 2020, negatively affected the cash flows of companies operating in the real estate sector. With the normalization and the gradual removal of the prevention, a rapid recovery process is expected, especially in the performance of shopping centers.

38 OTHER MATTERS THAT SIGNIFICANTLY AFFECT THE CONSOLIDATED FINANCIAL STATEMENTS OR MAKE THE CONSOLIDATED FINANCIAL STATEMENTS CLEAR, INTERPRETABLE AND UNDERSTANDABLE *(continued)*

Mining:

The operations of the Group's subsidiary operating in the mining segment has contracted due to the demand shrinkage in foreign markets as a result of pandemic effect. The activities of the related subsidiary have entered into a rapid recovery after normalization period in the second half of the year. The Group continues its diversification efforts in this operating segment by utilizing opportunities in new export markets in the near future. The Group also completed the permission process in the Aydın region and started production under a new mining license. With the new license it is expected to increase the Group's total feldspat reserves, as well as support the product quality of ongoing operations. The Group continues its works on completion of the permission process for an additional 3 mining licenses, which aims to start production before June 2021.

Brokerage and asset management:

There was no adverse effect on the gross profits and profits for the period from continuing operations for the year ended 31 December 2020, of the Group companies operating in this segment due to the pandemi effect, on the contrary, due to the increase in transaction volumes, performs better than the expectations before pandemic. For this reason, the Group management does not have negative expectations for this business segment due to the Covid-19.

Since the duration and spread of Covid-19 impact in the World and in Turkey has not been clearly estimated, as the severity and duration of the impact become more clear, a more distinct and healthy assessment can be made by the Group management for medium and long term. The Group management believes that the Group will successfully manage its commercial risks and liquidity reserves, despite the current uncertain economic outlook.

39 EVENTS AFTER THE REPORTING PERIOD

i) 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.

39 EVENTS AFTER THE REPORTING PERIOD *(continued)*

ii) The Group management resolved to approve the Initial Public Offering of Naturelgaz, 95.5% subsidiary of the Company. The planned offering will comprise from issuance of new ordinary shares and sale of existing shares. The Company will issue 14.981.406 new shares with a nominal value of TL 14.981.406, increasing the total number of shares issued from 100.018.594 to 115.000.000. In addition, the Company plans to sell 16.146.097 existing shares with a nominal value of TL 16.146.097 and shall also make additional 3.136.363 shares with a nominal value of TL 3.136.363 available pursuant to an over-allotment option. Pursuant to CMB's Communiqué on Shares (VII-128.1), the application for the approval for the initial public offering of Naturelgaz shares has been submitted to the Capital Markets Board of Turkey on February 5th 2021.

iii) Naturelgaz, 95.5% subsidiary of the Group signed an agreement with Petrol Ofisi to create synergies in the auto-CNG business. Such co-operation will further strengthen the position of Naturelgaz in the auto-CNG business through expansion of geographical coverage and volume increases while also contributing to the development of the auto-CNG market in Turkey. Furthermore, this co-operation is a perfect fit for Naturelgaz's strategy to establish an auto-CNG station network on routes critical to heavy-duty vehicle transportation in Turkey. As per the agreement, the parties will act together to establish new auto-CNG stations in Petrol Ofisi's or its dealers' stations with Naturelgaz' licences, while revenue generation will be shared between the two parties. Currently, the infrastructure of Naturelgaz consists of 9 auto-CNG stations, while the agreement with Petrol Ofisi envisages the establishment of 12 new auto-CNG stations within two years.

iv) The process is ongoing related to to scheme of arrangement in connection with the refinancing of eurobond amounting to USD 250.000.000 due 14 November 2021 issued by Global Liman İşletmeleri A.Ş., a subsidiary of the Group:

- Extension of due date from 14 November 2021 to 14 May 2024,
- Determining the interest rate at a lower rate than the current bond's interest rate,
- The net cash proceeds from Port Akdeniz sale being used to fund a cash option to noteholders pursuant to the proposal

The conference call open to all Noteholders will be held on 26 March 2021 at 16.00 London time.

v) The head office address of the Group has been moved from Rıhtım Caddesi NO: 51 Karaköy Beyoğlu / İstanbul to Esentepe Mahallesi Büyükdere Caddesi 193 Apt Blok NO: 193/2 Şişli / İstanbul. There has been no change in the company's telephone and fax numbers. The company's current contact information is as follows;

Adress: Esentepe Mahallesi Büyükdere Caddesi 193 Apt Blok NO: 193 İç Kapı NO: 2 34394 Şişli/İstanbul

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