GLOBAL
INVESTMENT HOLDINGS

ANNUAL REPORT 2021

THE POWER OF PROGRESS

Contents

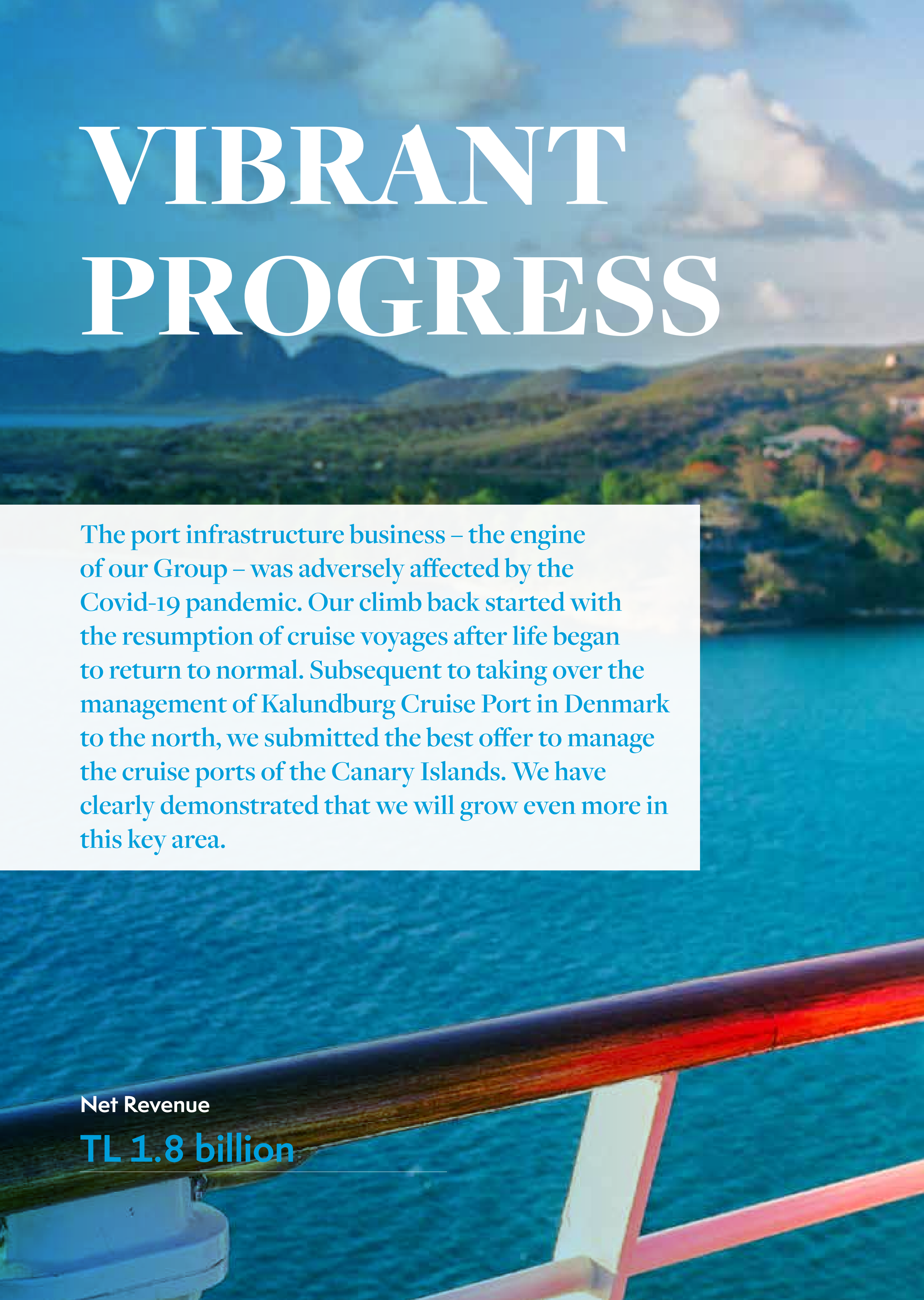
Blue skies are ahead, keep moving forward!

Normalization steps are underway in our post-pandemic world, and the dark clouds are rapidly parting.

Global Investment Holdings, operating in 13 countries on four continents with investments in various business lines, has managed to move forward even in difficult conditions with its accurate forecasts and strategic initiatives. In 2021, we completed our capital increase successfully.

We recorded major growth moves in our port infrastructure business. Our consolidated revenues increased significantly, driven by the strong performance of our gas, power generation, mining, securities and asset management businesses.

As a result of new acquisitions, investments, and the normalization of everyday life, we believe that our development will continue in 2022, and especially in 2023, as we take confident steps forward toward a productive future.



VIBRANT PROGRESS

The port infrastructure business – the engine of our Group – was adversely affected by the Covid-19 pandemic. Our climb back started with the resumption of cruise voyages after life began to return to normal. Subsequent to taking over the management of Kalundburg Cruise Port in Denmark to the north, we submitted the best offer to manage the cruise ports of the Canary Islands. We have clearly demonstrated that we will grow even more in this key area.

Net Revenue

TL 1.8 billion

Net Revenue

64% annual increase

ENERGIZING PROGRESS

In the non-piped natural gas market, Naturelgaz took a big step forward by going public. Further empowered by its successful public offering, Naturelgaz bolstered its leadership in this market by boosting its sales with its unique business model and operational capability, and engaging in new business development efforts.

Operating EBITDA

TL 425 million

Operating EBITDA

153% annual increase

ECO-FRIENDLY PROGRESS

Consus Energy is an industry standout in renewable energy with its investments in biomass and solar power plants. This energy services company implements distributed power systems with the build-operate model and boasts the largest installed capacity in Turkey in the industry.

Total Assets

TL 15.1 billion

VALUE-CREATING PROGRESS

We sustained strong progress in our mining, real estate, and finance businesses, which represent diversification of our investments. In mining, we achieved sales of 531,728 tons with an annual volume increase of 45% due to stronger demand in export markets. As a result, our mining revenues have more than doubled. We further contribute to both our balance sheet and the national economy with our strategic moves in the mining business.

Equity

TL 2.5 billion

FAST PROGRESS

We are actively capitalizing on opportunities in securities and asset management. Our securities and asset management business boosted its revenues by 124% and increased its EBITDA by 177% year-on-year. In addition to our higher trading volume, we achieved these exceptional results with effective cost management.

Decrease in Holding standalone gross debt (US$ terms)

46%

Chairman's Message

IN 2021, ALL OUR BUSINESS LINES MOUNTED A STRONG RECOVERY FROM THE MIXED PERFORMANCE CAUSED BY THE COVID PANDEMIC IN 2020.

Total Assets

TL 15.1 Billion

Dear Friends,

2021 was a year when we collectively and gradually recovered, and 2022 was supposed to be the year when everything returned to normal. But change is the currency of life, and not all changes happen as we would like them.

Covid situation

In 2021, all our business lines mounted a strong recovery from the mixed performance caused by the Covid pandemic in 2020. Though as you will see they were still affected to varying degrees. Obviously, the effects of the pandemic are not wholly over yet, but 2021 did live up to its promise that we would all be vaccinated and therefore protected. From December 2020 through the end of December 2021, nearly 9.2 billion vaccines were administered to 4.6 billion people worldwide. This unparalleled achievement hides many disparities – for example, vaccination penetration in Africa remains low – but has provided most of us with the means to contemplate a return to normal life. And while the penetration of vaccines in Africa presented a problem prior to emergence of the Omicron variant, the lopsided age-related impact of Covid means the urgency is not quite the same. Italy has a median age of 48 years; Niger's is 15. While those are outliers, demographics look likely to save Africa for once.

Unfortunately, the vaccines that were developed all proved to be of short-term efficacy. Some, like the inactivated vaccines, proved incapable of dealing with the new variants that arose. We should not dismiss the fact that the world is no longer immunologically naïve to Covid. However, our reading of the situation still suggests bi-annual vaccinations will be advisable in 2022 and 2023. While the latest strain has fortunately been milder yet more infectious at the same time, the test of our ability to react to any more serious variants in the future will be in October 2022, when we expect news of updated mRNA vaccines.

We believe that China, where an ageing population and limited critical care facilities almost require a zero-Covid strategy, despite its relative vaccination success, will contribute most to global economic instability, however transient, as Omicron periodically flares up and causes major lockdowns. Our current assumption is that we may never be able to move to a Covid-free world. Herd immunity appears impossible given the current transmission level of the virus and fleeting vaccine immunity. But, everything considered, the pandemic has progressed from being a massive disruption to a lower intensity problem where we believe we can manage the risks and possible negative effects.

Our ports business was obviously the one most affected by the pandemic. However, today the global cruise industry is operating more or less normally and booking activity is continuously improving. By the end of January 2022, booking levels had almost returned to pre-Omicron levels. Most cruise lines expect close to full fleet deployment by summer 2022, in time for the peak season.

OUR PERFORMANCE ACROSS ALL BUSINESS LINES RELATIVE TO 2020 WAS GOOD, THERE IS ROOM FOR FURTHER GROWTH AND NORMALISATION BEFORE 2023.

Mehmet Kutman
Chairman

Chairman's Message

WE WITNESSED AN ACCELERATED IMPROVEMENT NOT ONLY IN OUR PORTS BUSINESS BUT ALSO PRETTY MUCH ACROSS OUR ENTIRE GROUP FROM THE MIDDLE OF 2021.

Equity

TL 2.5 Billion

In line with the gradual lessening of the impact of Covid, we witnessed an accelerated improvement not only in our ports business but also pretty much across our entire Group from the middle of 2021.

War in Ukraine

As Covid leaves centre stage for the role of a shadowy presence lurking at the back, we now must grapple with the effects of the Russian invasion of Ukraine and its global economic impact, especially its effect on Turkey's economy and our businesses there.

The Turkish context is one of sharply rising prices following a major monetary loosening in late 2021 accompanied by a sharp depreciation of the currency. This situation is now followed by administrative measures to limit further currency depreciation, plus an attempt to use the currency as a quasi-anchor for inflationary expectations. The current approach does not appear to be working.

The invasion of Ukraine has created immediate and major complications. Two supply shocks, one in energy and another in food prices, are currently working their way through the global economy. Combined with a loose monetary policy in most major economies for the past decade, further enhanced during the Covid pandemic, we believe this will directly translate into higher inflation than currently expected, as governments scramble (much like in the 1970s) to offset the substantial welfare losses. There will be other supply dislocations. In today's globalized world, of which both Russia and Ukraine were integral parts, supply chains habitually extend beyond borders. All of this will act as irritants in the wheels of global commerce and production. As a result, major problems may arise occasionally.

End of the Goldilocks years

In the wake of the 2008-2010 crash and the Great Recession that followed, monetary expansion helped keep most of the developed world afloat. This was possible without too many negative side effects because inflation had been beaten out of the system in the 1980s. Inflationary expectations remained low, especially as economic growth was precarious, and wage increases were controlled. Just as discussions of rolling back the monetary expansion were being held, a further large fiscal and monetary stimulus became necessary to counteract the effects of Covid, particularly in 2020. With the near-normalisation of economic activity in the second half of 2021, the accumulated stimulus of a decade fed a veritable mini-boom, which itself inevitably fed into inflation.

Combined with the effects of the war in Ukraine, we are now seeing the highest inflation rates since the 1970s. That the US inflation rate is currently around 8% is not a surprise; that the German one is over 7% is exceptional. Inevitably – and unlike in Turkey – this will lead to higher interest rates.

Unfortunately, at least part of the issue is a (thankfully still relatively minor) supply shock. Unlike "normal" inflation, which is caused by a combination of sticky production and rising demand, supply shocks imply steady demand and reduced production. Therefore, monetary measures taken to combat inflation tend to be more painful. They start to bite when the economy is already in a stagnant state. Fortunately, the degree of the supply shocks today – the war in Ukraine (there is a non-negligible possibility of an interruption in gas supplies) and the zero-Covid lockdowns in China notwithstanding – is nowhere near as serious as the energy-induced shocks of the 1970s and 1980s. Nonetheless, more pain may be necessary than people have become accustomed to since that time. The alternative is stagflation.

A shift in the financial or even economic paradigm?

Few people today still working realise the primitive nature of global financial markets prior to the 1980s. First, currencies were not always truly fully convertible prior or subsequent to the US abandonment of the Bretton Woods system in 1971. For example, the last vestige of the exchange controls instituted in 1947 in the United Kingdom, the reviled GBP 50 foreign travel allowance, was not abolished until 1979. Second, the size of financial markets to the overall economy was much lower. Not only did most emerging markets not have a stock market (except perhaps for show) but bond markets had been overwhelmed by the high and volatile inflation of the 1970s. The sharp reduction in inflation in the early 1980s led to a secular boom in bond issuance, which has still not ended.

The surge in bond financing and the development of markets to digest this flow and derive additional value from it arose from the reduction in inflation and the lessening of volatility. Similarly, the continued growth in the financial services industry, as well as the overall economy, is dependent on this paradigm: growth may not be strong, but inflation at least will be low and stable. Growth of pension funds, life insurance, ever-higher mortgages all depend on this paradigm. So does every instrument created off the back of this flood of debt. A sustained substantial increase in inflation or interest rates would destroy the legacy value of these (though new entrants will benefit), destroy wealth, and require a change in economic policy.

Over the past 30 years, developed countries have counted on low inflation and low interest rates to keep asset prices high. Securitisation and monetisation of these assets permitted economic activity in sectors not yet assaulted by emerging markets, which tended to focus on the real economy. That is why countries with the largest or most developed financial sectors must

Consolidated Revenue

TL 1.8 Billion

reduce inflation before long term inflationary expectations start to rise. Populism, Covid and supply chain issues have all helped shatter the myth of globalism's inevitability. However, the prospect of restarting industrial production in post-industrial societies would be a wrenching change for most.

A change in the global political order

The notion that Russia was or would soon be embedded in the western-oriented world was always only in the minds of ideologues and a fantasy for everyone else. Still, the changes since February 2022 mark a turning point in the overall trend since the re-unification of Germany and the break-up of the Soviet Union.

Regardless how the Russian invasion of Ukraine concludes, this conflict has certainly breathed new life into NATO. It has also strengthened the system of alliances formed after the Second World War. Beyond North America and Europe however, while the invasion and the brutality of this war have created nearly uniform revulsion, the practical response has been muted. The British may ban caviar imports, the Germans contemplate the more serious step of switching off Russian gas, and the US may "sanction" Russia every which way. Meanwhile, India is happy to buy extra oil, China is officially neutral, and even Mexico continues to trade with Russia. This conflict will likely improve the European security infrastructure. However, one fails to see how sanctions imposed by only one group of nations will have a massive effect on Russia beyond 2022.

A new Iron Curtain appears to have come down, one drawn further east than the old one, and this one imposed by the West. Unlike the Cold War period, the world today has more poles than before and the former obvious divides no longer hold. This new Iron Curtain may in effect be more like Half an Iron Drape.

Chairman's Message

IN ADDITION TO STRENGTHENING GPH'S BALANCE SHEET AND FINANCIAL POSITION, WE HAVE CONTINUOUSLY MONITORED POTENTIAL PUBLIC AND PRIVATE ACQUISITIONS AROUND THE WORLD.

Global Investment Holdings

2021 was a year of repeated false starts, and setbacks, though always to a better position than before. The situation finally began to normalise in the second half of the year. Normalisation gained traction once it became clear that the vaccines worked, however temporarily, and the latest variant, though highly infectious, was not nearly as serious in its global impact as the original strain had been with a naïve population. I am therefore happy to say the rebound which began earlier in 2021 continued to accelerate in the final quarter.

Our performance across all business lines relative to 2020 was good, and the larger divisions performed very well.

The fact that our total consolidated revenues (excluding IFRIC-12 construction revenues) rose from TL 626 million in the first six months to TL 1,794 million for the full year shows the swiftness of the growth and recovery. The improvement in EBITDA was even more impressive: from TL 107 million in the first six months to TL 425 million for the full year. This exceptional performance was due to positive changes at all our companies, for which I would like to thank all management and employees.

More good news: There is room for further growth and normalisation before 2023.

Ports

The ports division, the most affected by Covid, returned to positive EBITDA in the third quarter of 2021. This improvement continued in the final quarter of the year. The uptrend was extended into 2022, so that by the end of January 2022, booking levels almost returned to pre-Omicron levels, suggesting that the recovery should accelerate as the variant subsides. Most cruise lines expect close to 100% fleet deployment in the summer of 2022. Although the return to positive EBITDA was welcome, it will be a few months yet before the ports division is likely to recover its full earnings potential.

2021 was unusual in the degree of strategic activity within our ports division. We divested our concession at Port Akdeniz, the commercial port in Antalya. An agreement had been reached in October 2020; this was finalised in January 2021, with the sale to QTerminals of Qatar. The sale's successful closing was an essential element of the Group's refinancing strategy for the USD 250mn 8.125% Senior Unsecured Notes due 2021 (Eurobond) issued by GPH's wholly-owned subsidiary Global Liman Isletmeleri. This refinancing occurred at a substantially lower coupon – 5.5% – and will have a positive impact on our cash flow for years to come.

In addition to strengthening GPH's balance sheet and financial position, we have continuously monitored potential public and private acquisitions around the world. As always, we moved forward with our growth plans: Kalundborg (Denmark) and Tarragona (Spain) were added to our portfolio. Kalundborg is Global Ports Holding's first port in Northern Europe; it marks an important milestone in the ongoing, combined growth and diversification of the company. Discussions regarding the ports of Las Palmas, Arrecife, and Puerto del Rosario (all in Spain) are underway. We are also actively seeking out further opportunities.

Gas
In our second core business area, the distribution of compressed natural gas, our company Naturelgaz took a significant step towards bolstering its growth strategy. In April 2021, Naturelgaz was listed on Borsa Istanbul following the completion of exceptionally successful IPO. The IPO received overwhelming investor demand: 75.3 times domestic individual investor oversubscription, 28.8 times domestic institutional investor oversubscription, and 3.5 times international institutional investor oversubscription. Total demand exceeded TL 15.5 billion. Global Investment Holdings received proceeds of over TL 127 million from the offering.

In February 2021, Naturelgaz signed an agreement with Petrol Ofisi to create synergies in the auto CNG business. This development will further strengthen Naturelgaz's position in LNG, bulk CNG, and auto CNG – increasing volume and geographic coverage while diversifying the product portfolio. The Petrol Ofisi agreement and the other corporate activity related to the SOCAR LNG acquisition involve some short-term expenditure and expenses. We are confident that these outlays are for good long-term purpose.

Power
In terms of operations, the Power division was never much affected by the pandemic. Volumes sold increased by 17% in 2021, while revenues were up by 53%. We remain positive on the outlook for 2022.

I cannot say much about our renewable energy generation and distributed power company, since it was very recently listed on the Borsa Istanbul. Sales rose 41% in 2021 and EBITDA improved by 54%. The IPO was aimed at retail investors. We are pleased to welcome over 170,000 new shareholders to the company, whose shares began to be traded on Borsa Istanbul on 20 April 2022.

Financial and other
In our fourth core business line, we exercised our option and increased our stake in Istanbul Asset Management. Through the exercise of the option, Global Investment Holdings acquired 40% of the share capital of Istanbul Asset Management for TL 77 million, raising our stake to 66.6%. I am very pleased that we have successfully completed this transaction to become the majority shareholder in such a robust company. This transaction is in line with our strategy to grow in the non-bank financial services and asset management business. Thanks to a smooth merger and synergies created by the two companies, Istanbul Asset Management has boosted its AUM from TL 6.4 billion at end-2020 to TL 23.9 billion at end-2021.

Every other division – mining, real estate and brokerage – similarly contributed their share to the sharp improvement in our operational and financial results. For this solid performance, they are to be congratulated. The post-Covid headwinds affecting commercial real estate, for example, were far from over. Still, the division managed a 13% improvement in EBITDA during the year. The brokerage business, which we had expected would return to normal from the heady performance in 2020, nearly tripled its EBITDA. The mining division more than doubled its EBITDA as a result of a recovery in export markets.

I would like to thank our shareholders for their support, our employees for their hard work, and our business partners for their engagement. We are looking forward to an even better 2022.

Mehmet Kutman
Chairman

Global Investment Holdings Group in Summary

GOING FORWARD, THE GROUP'S STRATEGY IS TO DEVELOP REGIONAL AND GLOBAL ENTERPRISES IN SELECTED CORE BUSINESSES.

GIH AT A GLANCE

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

Over the past 16 years, GIH has grown its total assets by 63-fold and total equity by 18-fold, transforming from a brokerage firm into a diversified conglomerate. As of end-2021, GIH reported total assets of TL 15.1 billion and total equity of TL 2.5 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 1 October 2004.) Currently, 99.99% of GIH's shares are traded on BIST. GIH completed its first IPO abroad, on the London Stock Exchange, in May 2017 with its ports subsidiary Global Ports Holding Plc. Additionally, among the Group companies, Pera REIT, a real estate subsidiary; Global Securities, a brokerage subsidiary; and Naturelgaz, non-piped natural gas subsidiary are listed on Borsa Istanbul, trading under the tickers PEGYO, GLBMD and NTGAZ, respectively. Furthermore, GIH's power generation subsidiary Consus Enerji, operating in renewables and distributed power, has completed its initial public offering and started trading on Borsa İstanbul on 20 April 2022 under the ticker CONSE.

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

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

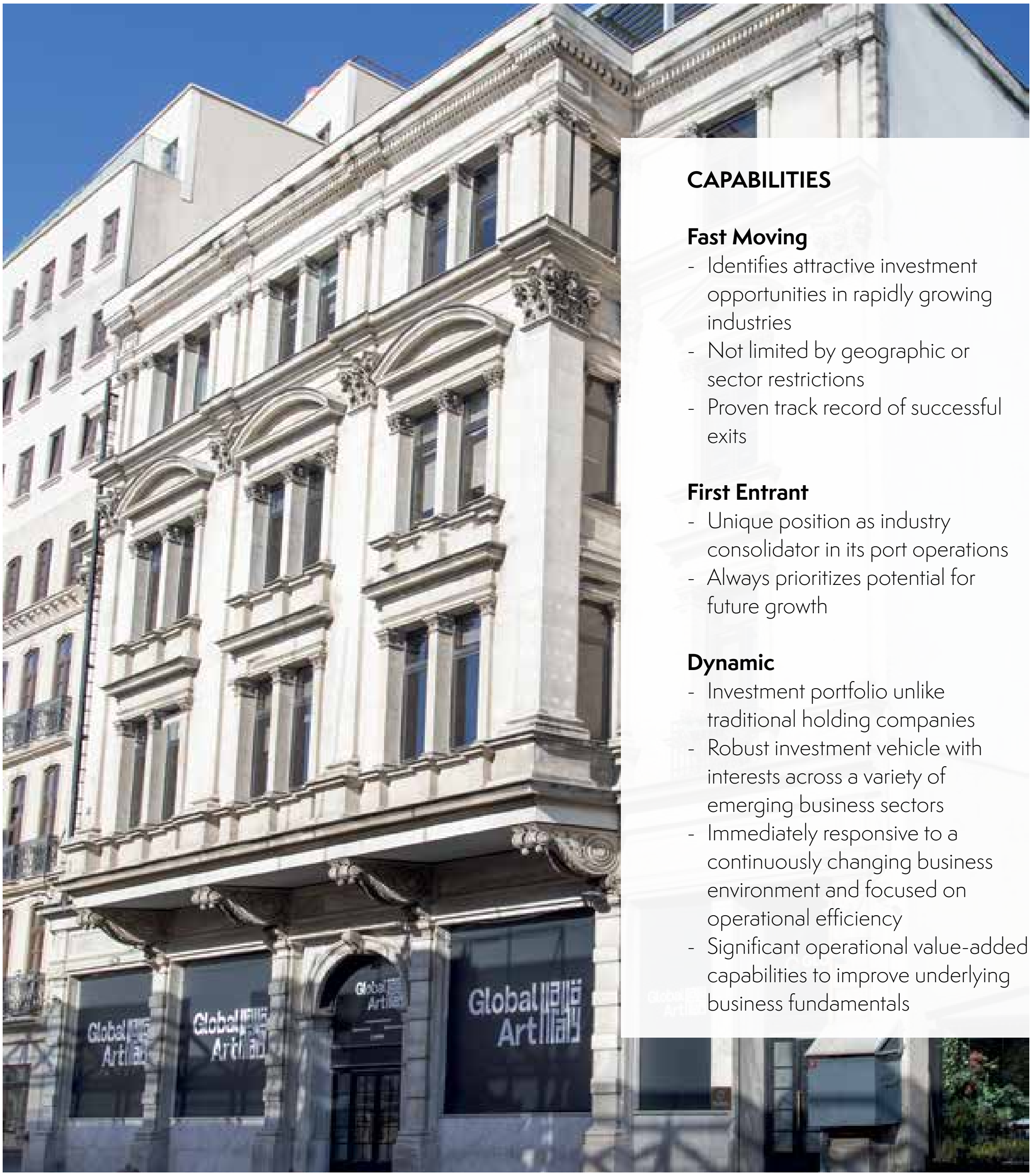
STRATEGIC FOCUS: PORT INFRASTRUCTURE, GAS, POWER GENERATION, MINING AND ASSET MANAGEMENT

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

- **Port Infrastructure:** Make acquisitions in high-value regions of the Americas and Med, consolidate the market further while seeking horizontal growth in port/passenger related businesses;
- **Gas:** Maintain the leadership position in the Turkish non-piped natural gas market and expand to international markets;
- **Power Generation:** Develop green energy projects with attractive long-term feed-in tariffs and innovative energy efficiency solutions;

- **Mining:** Grow the current mining business with acquisitions in Turkey and abroad;
- **Asset Management:** Grow and create Turkey's largest independent asset manager.

With its robust and diversified portfolio and capable management team, GIH always aims to contribute to the development of the countries where it operates through responsible investment. GIH is committed to providing sustainable returns to its shareholders by putting sustainability at the centre of all its operations. The core of GIH's sustainability approach is maintaining and developing its corporate reputation and the trust of its all stakeholders – GIH's most valuable asset. The Group also believes that financial returns alone are not sufficient. GIH aims for its enterprises to also generate social benefits and contribute to sustainable development in the regions where it operates.



CAPABILITIES

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

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

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

Global Investment Holdings Group in Summary

VISION

GLOBAL INVESTMENT HOLDINGS AIMS TO BECOME A LEADER IN ITS OPERATIONS, TO INITIATE NEW AND INNOVATIVE PROJECTS WITH GROWTH POTENTIAL AND TO BECOME A PIONEER IN DEVELOPING AND EVOLVING THE BUSINESS ENVIRONMENT AROUND THE WORLD.

MISSION

THE HOLDING IS COMMITTED TO DEVELOPING A PORTFOLIO OF COMPETITIVE COMPANIES, WITHIN THE SECTORS IN WHICH IT OPERATES, WITH STRONG AND HEALTHY GROWTH PROSPECTS IN CONFORMITY WITH GLOBAL STANDARDS. THE HOLDING IS ALSO RESPONSIBLE FOR UPDATING STRATEGIES FOR ITS SUBSIDIARIES, ALONG THE LINES OF THE CHANGING LOCAL AND GLOBAL ENVIRONMENT, AS TO ENSURE THEIR QUICK ADAPTATIONS TO CHANGING BUSINESS CONDITIONS AND HELP THEIR CONTINUOUS GROWTH.

Global Investment Holdings Group in Summary

Our Key Investment Principles

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

Our Strategy

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

GLOBAL INVESTMENT HOLDINGS' SHAREHOLDING STRUCTURE

As of 31 December 2021, GIH's issued capital amounted to TL 650,000,000 with an authorized capital ceiling of TL 650,000,000. The authorized capital ceiling permit granted by the Capital Markets Board was valid for five years, expiring at end-2022. Accordingly, GIH's Board of Directors resolved on 24 March 2022 to make the necessary amendments to the Articles of Association to extend the ceiling for another five years and to increase the ceiling to TL 9 billion; as a result, GIH applied to the Capital Markets Board and the Ministry of Trade to obtain the necessary approvals. As the approvals are obtained, amendments to the Articles of Association will be presented to the first Annual General Assembly's approval. Global Investment Holdings' shareholder structure as of 31 December 2021 is as follows:

THE CAPITAL INCREASE PROCESS WAS SUCCESSFULLY COMPLETED WITH A TOTAL CASH INJECTION OF TL 487,180,209 TO GIH.

Strong and Committed Shareholder Structure

	31 December 2021	
	Shares (TL)	(%)
Turkcom Turizm Enerji İnşaat Gıda Yatırımlar A.Ş.*	163,500,128	25.15%
Mehmet Kutman	29,861,474	4.59%
Other	456,638,398	70.25%
Total	**650,000,000**	**100.00%**

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

Global Investment Holdings increased its issued share capital in cash

The GIH Board of Directors resolved to issue 324,111,590.07 new ordinary shares in April 2021, and hence increase the issued share capital of the company from TL 325,888,409.93 to TL 650,000,000 to be paid in cash.

In August 2021:
- 99.6% of the offer was exercised by the existing shareholders as pre-emptive rights;
- The remaining 1,268,029.303 shares were sold on Borsa İstanbul.

As a result, the capital increase process was successfully completed with a total cash injection of TL 487,180,209.05 to GIH. The total proceeds from the capital increase were used to reduce indebtedness in accordance with the fund utilization report.

Global Investment Holdings Group

Port Infrastructure

World's largest independent cruise port operator with 22 ports, including one commercial port, in 13 different countries across 4 continents

Normally c.15 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
Tarragona Cruise Port
Taranto Cruise Port
Crotone Cruise Port
Valletta Cruise Port
Málaga Cruise Port
Vigo Cruise Port

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

North Europe
Kalundborg Cruise Port

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

Asia
Singapore Cruise Port
Ha Long Cruise Port

Power Generation

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

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

Aydın
12 MW biomass power plant

Şanlıurfa
5.2 MW biomass power plant

Mardin
12 MW biomass power plant
10.8 MWp solar power plant

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

Gas

Non-piped Natural Gas (CNG & LNG) Sales and Distribution
Turkey 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.27% 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

Nationwide CNG plant infrastructure in Turkey with 12 bulk CNG plants and 9 Auto CNG stations

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

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

In terms of LNG product, 6 LNG road tankers, 31 LNG storage tanks and 94 ambient air heated vaporizers

Mining

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

Total feldspar sales
531,728 tons

Export volume
480,204 tons

Real Estate

Developing and operating real estate projects

Consolidated total gross leasable area
84,797 m²

Retail sector gross leasable area
63,502 m²

Other sectors gross leasable area
21,295 m²

- **Sümerpark Shopping Centre:** Denizli's 3rd largest shopping centre with 35,836 m² GLA
- **Van Shopping Centre:** Van's first shopping centre with 26,047 m² GLA
- **Denizli SkyCity Office Project:** Denizli's first and largest modern office development with a construction area of 33,055 m²
- **Sümerpark Residences:** First modern mass-housing project in Denizli with 8 apartment blocks over 105,000 m² construction area
- **Vakıf Han No. VI:** 1,619 m² ROT type office re-development
- **Salıpazarı Global Building:** 2nd degree listed building with 5,230 m² area
- **Denizli Hospital Land:** 10,745 m²
- **Denizli Final Schools:** 11,565 m² GLA
- **Cyprus Aqua Dolce Hotel Project:** 260,177 m² land with 48,756 m² hotel and residential development area
- **Bilecik Industrial Zone Land:** 29,500 m²
- **Bodrum Land:** 3,000 m²

Finance

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

Brokerage
Ranking among 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 23.9 billion

Global MD Portfolio Management
Assets Under Management
TL 305 million

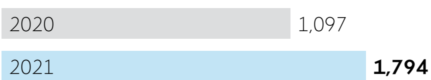
Global Securities
Trading volume of TL 248 billion

Consolidated Financial Highlights

GLOBAL INVESTMENT HOLDINGS REPORTED TL 1.8 BILLION CONSOLIDATED NET REVENUES IN SPITE OF TOUGH CONDITIONS DURING 2021.

Net Revenue[1]

TL Million

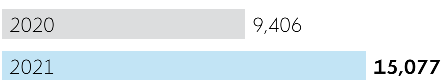


Operating EBITDA[1]

TL Million

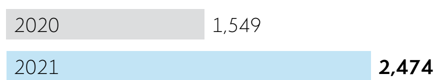
Total Assets

TL Million



Equity

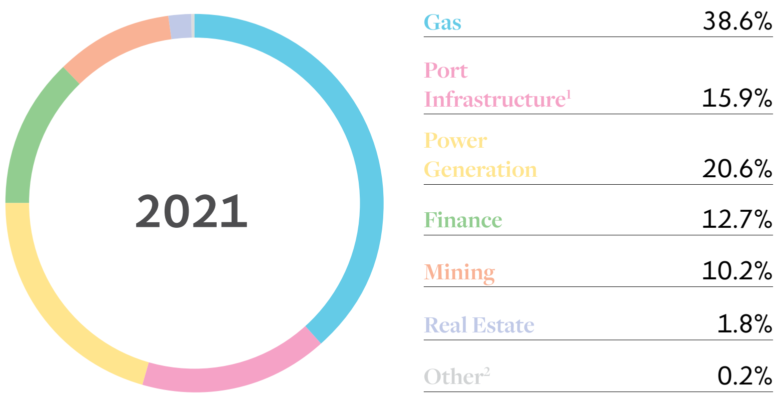
TL Million



[1] Revenues exclude the impact of IFRIC 12 on Nassau Cruise Port amounting 791.1mn TL for FY 2021 and 298.8mn TL for FY 2020. Without the contribution from Port Akdeniz, which the sale process has been completed in January 2021.

Gross Turnover

TL Million



[1]Revenues exclude the impact of IFRIC 12 on Nassau Cruise Port amounting 791.1mn TL
[2] Includes Global Investment Holdings' solo operations

Key Financial Indicators

IN 2021, GLOBAL INVESTMENT HOLDINGS HAS ENHANCED ITS TOTAL ASSET SIZE TO TL 15.1 BILLION WITH AN INCREASE OF 60%.

Consolidated Balance Sheet (TL million)	2020	2021
Current Assets	2,889	3,640
Non-Current Assets	6,517	11,437
Total Assets	9,406	15,077
Short term liabilities	4,526	3,447
Long term liabilities	3,331	9,156
Total Shareholders' Equity	1,549	2,474
Total Liabilities and Shareholders' Equity	9,406	15,077

Consolidated Income Statement (TL million)	2020	2021
Net Revenues[1]	1,097	1,794
Gross Profit	206	478
Operating EBITDA[1]	168	425
Profit/(Loss) Before Tax	(723)	(204)
Net Profit/(Loss) for the Period	(299)	(111)

[1] *Revenues exclude the impact of IFRIC 12 on Nassau Cruise Port amounting 791.1mn TL for FY 2021 and 298.8mn TL for FY 2020. Without the contribution from Port Akdeniz, which the sale process has been completed in January 2021.*

Milestones

GIH INCREASED ITS SHARE CAPITAL IN CASH, FROM TL 325.9 MILLION TO TL 650.0 MILLION RESULTING IN TOTAL PROCEEDS OF TL 487.2 MILLION WHICH IS USED TO REDUCE INDEBTEDNESS.

1990
- GIH was established (as Global Securities)

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

2006
- Acquired 40% stake in Port Akdeniz, Antalya

2007
- Acquired Yeşil Energy at USD 33.7 million valuation

2008
- Acquired 60% stake in Bodrum Cruise Port

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

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

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

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

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

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

2015
- Acquired 55.6% stake in Valletta Cruise Port
- European Bank for Reconstruction and Development (EBRD) acquired 10.84% stake in GPH
- GIH decided to enter the Biomass business in 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
- Signed a concession agreement for Zadar Cruise Port, Croatia
- Extended Bodrum Cruise Port concession to 2067
- Operational biomass portfolio increased to 29.2 MW
- Construction of 10.8 MWp solar power plant started (Mardin/Turkey)

2019
- Started operating Nassau Cruise Port, the Bahamas for a 25-year term
- Commenced cruise port operations in Antigua & Barbuda for a 30-year term
- Reached merger agreement with 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

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

2021
- Completed the sale of Port Akdeniz for an EV of 1,033,158,000 TL (140mn USD)
- Refinanced the USD250mn Eurobond at interest costs lower than the Eurobond with a 5 year maturity
- Completed a 5-year loan agreement for up to 261.3mn USD with a leading global investment firm
- Increased its issued share capital in cash, from TL325,888,409.93 to TL650,000,000, resulting in total proceeds of TL 487,180,209.05, which is used to reduce indebtedness
- Signed a 20-year lease agreement with the Port of Authority of Kalundborg to manage the cruise services in Kalundborg Cruise Port, Denmark
- Preferred bidder status (in a joint venture with a local partner) for Las Palmas, Fuerteventura, Lanzarote Cruise Ports
- Signed an agreement with Petrol Ofisi to create synergies in the Auto CNG business
- Following an exceptionally Successful IPO, Naturelgaz shares started to float on Borsa İstanbul as of 1 April 2021 with a free float of 30%
- Applied to the Capital Markets Board to get approval to amend the Articles of Association for the purpose of the IPO of Consus Enerji
- Exercised its option to buy additional 40% stake in İstanbul Asset Management in September 2021, increasing its stake in the company from 26.6% to 66.6%
- Established GYH Danışmanlık ve Yönetim Hizmetleri A.Ş., 100% subsidiary to collect the Group's financial services companies under one roof

Port Infrastructure

GPH OPERATES 22 PORTS IN 13 COUNTRIES ACROSS 4 CONTINENTS...

Global Ports Holding at a Glance

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.

22 Ports In

13 Countries

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 22 ports in 13 countries across 4 continents and continues to grow steadily.

GPH normally provides services for c.15 million passengers reaching a market share of 24% in the Mediterranean annually. The group also manages a commercial port operation specializing in container and general cargo handling. We offer our customers and their passengers leading levels of service tailored to their needs, delivered with leading standards of safety, security and performance worldwide.

Our Cruise Port Business

GPH's cruise business model focuses on generating both organic and inorganic growth. Our organic growth strategy focuses on increasing passenger volumes over the medium term and utilizing our portfolio of services to provide ancillary services to cruise lines and services and goods direct to cruise passengers, thereby growing our revenue yield per PAX. Our inorganic strategy focuses on expanding our network through either investment into or management of carefully chosen cruise ports. We then enable 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. Cruise Services Revenue: revenue mainly derived from handling cruise ships and their passengers and crew through terminal and marine services.

These revenues are generated primarily 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:
- Port services;
- Destination services; and
- Area management.

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

All three of these key ancillary services areas provide 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. We also serve ferries and super- and mega yachts in some ports.

Key Inputs & Drivers

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

Typically, cruise ships sail with occupancy levels of over 100%, which provides good visibility on our business's most important driver. However, occupancy levels are currently materially below 100%. As cruise activity recovers over the next year, occupancy levels are expected to normalise. The long-term outlook for passenger volumes continues to be supported by the rising number 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 port services, area management services and destination services.

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

Global Ports Holding at a Glance

WE UNDERSTAND ALL STAKEHOLDERS' NEEDS AND BRING A MINDFUL "ALL STAKEHOLDER" APPROACH TO DEVELOPING DESTINATIONS.

Competitive advantage

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

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

Creating value and delivering for our customers and stakeholders

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

Size and scale

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

Operational excellence

We have demonstrated an ability to operate our ports professionally and safely. We understand all stakeholders' needs and bring a mindful "all stakeholder" approach to developing destinations. This includes our proprietary GPH security code and rigorous health and safety procedures.

Modern infrastructure

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

Marketing and influential strength

As an integrated cruise port network, our local management teams leverage our centralized marketing capability to promote and present a superior branded value proposition for all stakeholders.

360° view
Our 360° view of the sector, and a sharp focus on the overall guest journey, positions us to develop services for even better customer experiences at every GPH port.

Our Commercial Business
Our Commercial business generates the majority of its revenue from handling goods for export and import through our dedicated commercial port. We 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 the business mix further.

WHAT WE DO
Our Commercial ports handles cargo from two distinct categories:

1. **Containers:** The shipping industry standardized intermodal containers used to store and move materials and products. They are loaded and sealed intact onto container ships—for example, marble, aluminium, cigarettes, fertilizer and furniture.
2. **General bulk:** this cargo requires special handling at the port and is typically transported in bags, boxes or crates.

We offer a range of other complementary services, including stuffing and un-stuffing containers, warehouse services and cargo weighing.

Key inputs & drivers

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

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

Our commercial port contends with monthly, weekly and daily changes in resourcing needs. Therefore, our cost base is structured to be inherently flexible. Staff utilization is a key focus and we use third parties and contractors to best match the ports' staffing needs day-to-day.

Competitive advantage
The location of our port provides a competitive advantage. The port has strong rail links to land-locked neighbour Serbia, particularly the industrial area around Belgrade. It also has significant storage capacity, which allows it to act as a distribution centre for the region. The cost of transporting goods by road to and from alternative ports can be prohibitive.

Our USPs

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

Modern infrastructure
We significantly invest in our physical infrastructure, with state of the art plant, equipment and optimization 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.

Cargo diversification and growth
We work 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.

Global Ports Holding at a Glance

OWNERSHIP

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

ITALY	11.2%*	VENICE CRUISE PORT
ITALY	63.2%	CATANIA CRUISE PORT
ITALY	70.9%	CAGLIARI CRUISE PORT
ITALY	100.0%	TARANTO CRUISE PORT
ITALY	100.0%	CROTONE CRUISE PORT
SPAIN	62.0%	BARCELONA CRUISE PORT
SPAIN	62.0%	MÁLAGA CRUISE PORT
SPAIN	100.0%	TARRAGONA CRUISE PORT
SPAIN	50.0%	VIGO CRUISE PORT
TURKEY	72.5%	EGE PORT, KUŞADASI
TURKEY	60.0%	BODRUM CRUISE PORT
MONTENEGRO	63.2%	PORT OF ADRIA, BAR
MONTENEGRO	63.2%	BAR CRUISE PORT
PORTUGAL	46.2%*	LISBON CRUISE PORT
MALTA	55.6%	VALLETTA CRUISE PORT
SINGAPORE	24.8%*	SINGAPORE CRUISE PORT, SATS CREURS
CROATIA	100.0%	ZADAR CRUISE PORT
VIETNAM	MANAGEMENT AGREEMENT	HA LONG CRUISE PORT
TUNISIA	50.0%*	LA GOULETTE CRUISE PORT
BAHAMAS	49.0%	NASSAU CRUISE PORT
ANTIGUA & BARBUDA	100.0%	ANTIGUA CRUISE PORT
DENMARK	100.0%	KALUNDBORG-CRUISE PORT

Cruise Port

Commercial Port

*Equity accounted investee

2021: HIGHLIGHTS

Global Ports Holding's reporting year runs from April to March. The first half of the 12 months to March 2022 remained a challenging period for GPH. While there was significantly more cruise activity in this period than the year before, widespread travel restrictions and Covid-19 protocols meant activity levels were significantly below pre-pandemic levels.

In the second half of the Reporting Period, the recovery in the cruise industry accelerated, with GPH's passenger volumes reaching 45% of pre-pandemic volumes, driven by a strong performance from our Caribbean ports.

We continued to deliver our inorganic growth strategy, adding Kalundborg Cruise Port, Denmark during the year.

Group highlights

- FY revenue of USD 32.2 million up from the USD 22.9* million, excluding the contribution from Port Akdeniz
- Adjusted EBITDA of USD 2.3 million compared to a USD 4.5 million EBITDA loss in 2020, excluding the contribution from Port Akdeniz
- During the year, GPH signed a five-year, senior secured loan agreement for up to $261.3m with Sixth Street, a leading global investment firm. As well as this agreement enabling the early repayment in July 2021 of the $250m 8.125% senior secured Eurobond due November 2021, the growth facility will be key to the continued success of our growth strategy
- GPH sold Port Akdeniz for USD 140m Enterprise Value to QTerminals in Q1 2021

Cruise highlights

- Consolidated and managed portfolio passenger volumes of 1.5m were up from the 1.3m reported in 2020. It is, however, important to note that 2020 passenger volumes included the largely pre-pandemic Q1 2020 and, in particular, the strong contribution from GPH's Caribbean cruise ports in this period
- Cruise EBITDA of USD 6.1 million
- We began cruise port operation at Taranto Cruise Port, Italy
- Signed a 20-year concession for Kalundborg Cruise Port, Denmark, GPH's first cruise port in North Europe
- In November 2021, GPH announced that its joint venture with a local partner had been awarded preferred bidder status for Las Palmas Cruise Ports, which covers three cruise port concessions in the Canary Islands
- After the year-end we also added Tarragona Cruise Port, Spain, Vigo Cruise Port, Spain and Crotone Cruise Port, Italy to the network
- We invested USD 146.1 million into Nassau Cruise Port in the period, continuing our commitment to transform this cruise port into a must-see cruise destination

Commercial highlights

- Container volumes fell by close to 10% and General Cargo rose by nearly 250%, driven by volumes in certain low margin cargo items
- Underlying trading slowed as a result of Covid-19 related travel restrictions and lockdowns
- Nevertheless, strong increase of Commercial EBITDA to USD 3.4 million

Current trading and outlook

The outlook for the cruise industry continues to improve.

- The world's major cruise lines expect to have returned their entire fleets to sailing by 2022 summer cruise season.
- Occupancy rates, which have remained low at the start of the 2022 cruise season, are expected to build towards pre-Covid 19 levels by the end of calendar year 2022.
- Looking beyond the next 12 months, the cruise ship order book remains strong and implies continued growth in the industry's capacity for many years to come, while demand for cruising is expected to continue to grow.
- We remain confident of further delivery of our inorganic growth story in the years ahead.

** Ex IFRIC 12*

Global Ports Holding at a Glance

WE WELCOMED KALUNDBORG CRUISE PORT, DENMARK, TO THE PORTFOLIO AND WERE AWARDED PREFERRED BIDDER STATUS TO OPERATE THREE CRUISE PORT CONCESSIONS IN THE CANARY ISLANDS FOR LAS PALMAS CRUISE PORTS.

A TRULY GLOBAL NETWORK

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

The Covid-19 pandemic has significantly impacted the cruise industry over the last two years. Despite this impact, we have continued to grow the number of cruise ports in our network successfully. We welcomed Kalundborg Cruise Port, Denmark and Taranto Cruise Port, Italy to the portfolio during the year and were awarded preferred bidder status to operate three cruise port concessions in the Canary Islands for Las Palmas Cruise Ports.

Elsewhere our investment plans in the Caribbean continued, with the project to transform Nassau Cruise Port into one of the leading cruise ports in the world making considerable progress during the year.

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

A Portfolio Mapped for Success

GPH OWNS AND OPERATES THE WORLD'S LARGEST INDEPENDENT CRUISE PORT NETWORK.

CARIBBEAN
Nassau
Antigua

WESTERN MEDITERRANEAN
Lisbon
Málaga
Barcelona
Valletta
Catania
Cagliari
La Goulette
Tarragona
Crotone
Vigo

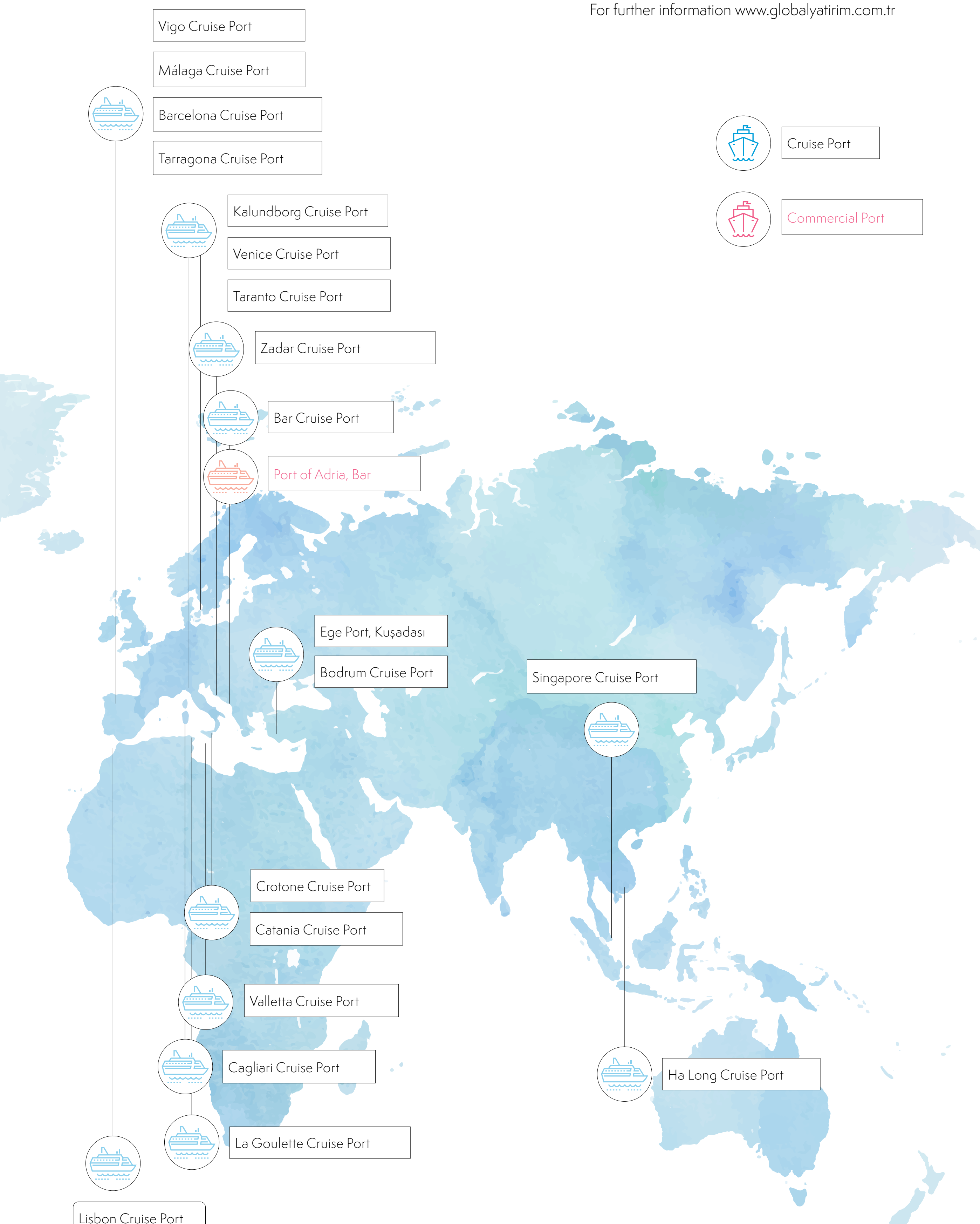
NORTH EUROPE
Kalundborg

ADRIATIC
Bar
Taranto
Venice
Zadar

EASTERN MEDITERRANEAN
Kuşadası
Bodrum

ASIA
Singapore
Ha Long

For further information www.globalyatirim.com.tr



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

Industry Sector Report and Outlook

IN THE FIRST HALF OF 2021, WE WELCOMED LESS THAN 70K CRUISE PASSENGERS AT OUR CONSOLIDATED MEDITERRANEAN PORTS, WHILE IN THE SECOND HALF OF THE YEAR, WE WELCOMED OVER 700K CRUISE PASSENGERS.

CRUISE INDUSTRY REPORT

While there was always a high level of uncertainty over the timing and speed of the ramp-up in cruise operations, as the year progressed, it became clear that the industry was not going to see the level of improvement in 2021 that had been initially expected.

In the Mediterranean, cruise activity, which had restarted in Q3 2020, remained subdued for much of the year. Ongoing and frequently changing travel restrictions meant that cruise activity remained low during the first half of the year. Those cruises that did set sail also experienced much lower than normal occupancy levels due to onboard Covid-19 protocols reducing the ship's passenger capacity.

There was a marked improvement in the second half of the year, with the easing of travel restrictions resulting in a significant pickup in activity levels. GPH was a beneficiary of this trend, in the first half of 2021, we welcomed less than 70,000 cruise passengers at our consolidated Mediterranean ports, while in the second half of the year, we welcomed over 700k cruise passengers.

In North America, Transport Canada's extension of its cruise ship ban until 2022 remained in place throughout the year. In the critical US market, the cruise industry was at loggerheads with the US Centres for Disease and Control Prevention (CDC) for much of the year. The CDC's Framework for Conditional Sailing Order (CSO), which was first issued in October 2020, was updated numerous times during the year. However, the complexity of the CSO and the restrictions within it meant that the no sail order effectively remained in place until the second half of the year.

While many of the CDC's restrictions remained in place, the Caribbean market benefitted from a change in stance and welcomed the return of meaningful cruise activity in the second half of the year. This was evident at GPH's ports in the Caribbean, where having welcomed less than 2,000 cruise passengers in the first half of the year, over 500k cruise passengers were welcomed in the second half.

Positive outlook for 2022

At the start of 2022, according to the Cruise Industry News Annual Report 2022, more than 90 ships were sailing in the Caribbean and Mexico, with more cruise ships scheduled to enter service in this region as we progress through the year. The current deployment schedule of the major cruise lines indicates that they expect to have fully deployed their fleets in North America by the summer. A similar trend is expected elsewhere, with the global cruise industry expecting to achieve full ship deployment during the summer.

The cruise industry is forecast to have an annual passenger capacity of 30 million in 2022, based on the capacity of the ships in the global cruise fleet. However, actual passenger volumes are expected to be significantly lower due to the staggered restart plans of the cruise lines and the continued uncertainty around occupancy levels in light of onboard Covid-19 protocols.

While this means a level of uncertainty remains over the near-term outlook, the outlook for 2022 is undoubtedly a positive one.

An industry poised for significant growth

Looking beyond the short term, the cruise industry is poised for a period of significant growth. Long-established demand and supply trends that have driven growth in the industry for decades are expected to re-establish themselves as key drivers of cruise industry growth.

On the demand side, in the near term, all the major cruise lines continue to report forward bookings at levels ahead of 2019 in terms of the number of passengers and ticket prices. In the medium to long term, the growing middle classes and the increasing appetite for leisure travel means that demographics are supportive of the industry. At the same time, the industry's near-constant reinvention of "the cruise," with new ships, brands and concepts, is expected to continue to attract new passengers to the industry.

As well as growth in the number of ships, the ships are generally getting larger. In March 2022, Wonder of the Seas, Royal Caribbean's newest ship, is expected to set sail on its maiden voyage and will be the largest cruise ship in the world. In gross tonnage terms, Wonder of the Seas is over 50% larger than Liberty of the Seas, the largest ship in the world just 15 years ago.

This growth in the number of ships and the size of ships means that many cruise ports need to invest in their infrastructure in order to be able to accommodate these new ships. There is no better example of this type of investment than GPH's significant investment into Antigua Cruise Port and Nassau Cruise Port. Our investment to transform the capacity of these ports has continued throughout the Covid-19 pandemic.

	2022	2023	2024	2025	2026	2027
Market Capacity	29,733,288	34,180,677	36,880523	38,418,107	39,604,161	40,133,463

On the supply side, the strength of the cruise ship order book is very supportive of industry growth over the medium term. In 2023, the planned introduction of new cruise ships is expected to increase the passenger capacity of the cruise industry by 15%, from just under 30 million in 2022 to 34.2 million in 2023.

With 75 cruise ships on the order book out to 2027, cruise market capacity is expected to grow to 40.1 million passengers, a 45% increase in market capacity over 2019. These new ships will support growth in the core cruise markets of North America, Europe and Asia, and smaller regions such as Australia and developing markets such as the Middle East and Eastern Europe.

A greener future for the industry

The cruise industry has often been criticized for its attitude towards the environment and sustainability in the past. However, the industry is taking significant steps to reduce its environmental impact. In 2021, the Cruise Lines Industry Association members agreed to reduce carbon emissions by 40% by 2030 compared to 2008 and target net carbon neutral cruising by 2050.

One of the challenges for the industry is the service life of its ships, which is decades rather than years. This means that while action can be taken to improve the environmental impact of new ships, action must also be taken to retrofit technologies to improve the environmental impact of older ships.

Industry Sector Report and Outlook

THE INDUSTRY'S FOCUS ON THE ENVIRONMENT AND SUSTAINABILITY GOES BEYOND JUST EMISSIONS. 74% OF GLOBAL CRUISE SHIP CAPACITY UTILIZES ADVANCED WASTEWATER TREATMENT SYSTEMS TO TREAT EFFLUENT DISCHARGES.

This challenge is evidenced by the industry's apparent slow adoption of LNG powered ships. LNG emits virtually zero sulphur emissions, reduces particulate emissions by 95-100%, greenhouse gases by up to 20% and nitrogen oxides emissions by 85%. Despite this, just four cruise ships operating today are powered by LNG.

However, the industry has made significant LNG commitments, with 52% of new cruise ship capacity committed to using LNG for primary propulsion. It will, of course, take time for these new ships to enter the market.

In the meantime, the industry is retrofitting exhaust cleaning systems to ships to reduce their emissions. These systems can have a materially positive impact on emissions, reducing sulphur oxide emissions by as much as 98% and nitrogen oxide by up to 12%.

The industry's focus on the environment and sustainability goes beyond just emissions. 74% of global cruise ship capacity utilizes Advanced Wastewater Treatment Systems to treat effluent discharges. With this figure rising to 100% for planned new capacity.

Shoreside power is another area of focus for the industry. Today 35% of global capacity is capable of using shoreside electricity. However, 82% of new-build capacity is to be either fitted with shoreside power capability or built-in such a way as to allow the capability to be added later.

A barrier to the widespread adoption of shoreside power is the significant investment in power infrastructure required by local governments or Port Authorities before it can be provided. As well as being expensive, such works require close collaboration amongst stakeholders. In 2021 and 2022, at Valletta Cruise Port, GPH worked closely with Infrastructure Malta and Transport Malta to finalize plans and start the work required to provide shore power.

Expected improvement in sustainability credentials of global cruise fleet

	No. LNG Powered Ships	Advanced Waste Water Treatment Systems (% of fleet)	Shoreside Power Connectivity (% of fleet)	Exhaust Gas Cleaning Systems (% of fleet)
2021	4	74%	35%	76%
2027	26	81%	66%	81%

A growing and sustainable future

As the industry looks to the future, it is poised for significant growth over the medium term and, more important than ever, is the fact that this growth will be delivered in an ever-increasingly sustainable manner.

Antigua

THE EXPANSION OF THE FIFTH PIER SIGNIFICANTLY INCREASES THE PORT'S CAPACITY, ENABLING THE PORT TO HANDLE 1 MILLION CRUISE PASSENGERS PER YEAR.

GPH began operations at Antigua Cruise Port in Q4 2019. While Covid-19 has restricted cruise operations since the end of Q1 2020, 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.

The expansion of the fifth pier significantly increases the port's capacity on a given day and means the port is now capable of handling 1 million cruise passengers per year. The dredging by the pier has been completed and the dredging of the turning basin is expected to complete in Q1 2022. Once completed, the port will be capable of handling the largest ships in the world. The new pier and the wider planned redevelopment are expected to generate significant economic and other benefits for the tourism sector and the country. In Q1 2022, the port hosted seven cruise ships simultaneously, the highest single-day arrival in the port's history.

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 buses
(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.*

GPH Ownership

100.0%

Bar

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

With Covid-19 travel restrictions continuing throughout most of 2021, we continued to put on hold our plans to invest in a small cruise terminal and retail area at Bar Cruise Port.

We 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: No

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

GPH Ownership

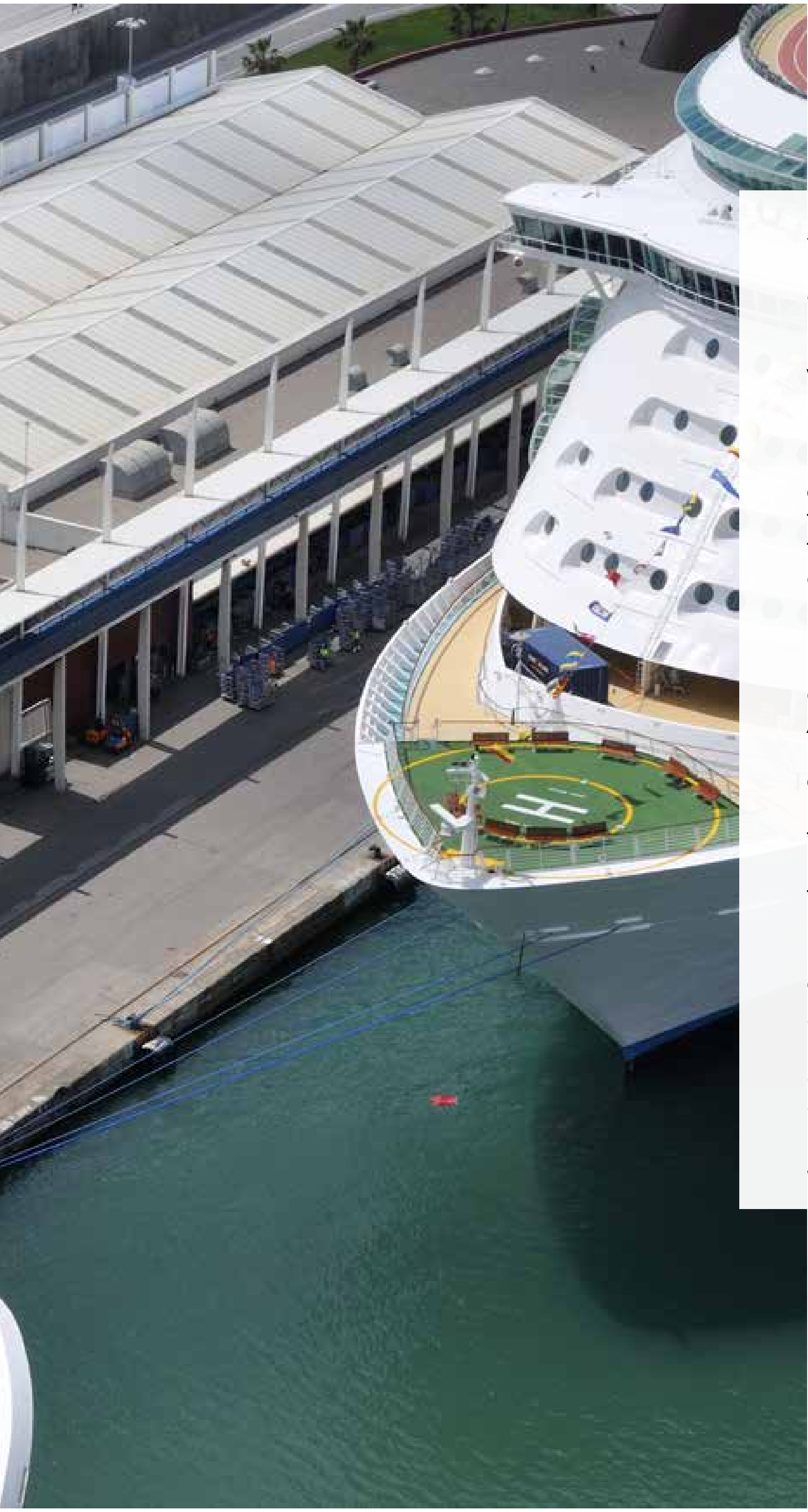
63.2%

Barcelona

TOGETHER WITH THE LEADING CRUISE COMPANIES OPERATING AT BARCELONA CRUISE PORT, BARCELONA CRUISE PORT HAS SIGNED A JOINT STATEMENT TO IMPLEMENT OF ONSHORE POWER SUPPLY ACTIVELY.

Cruise activity remained subdued during the year, although activity levels increased significantly in the second half. We started work to transform the World Trade Centre South Terminal into a "boutique" terminal to accommodate and service luxury cruise ships and their passengers during the year. The work is scheduled to be completed later this year, ahead of the high season.

Together with the leading cruise companies operating at the Port of Barcelona, Barcelona Cruise Port has signed a joint statement to collaborate in the implementation of onshore power supply actively. This project is led by the Port Authority with the aim to complete it by 2030. This collaboration agreement between the public and private sectors will accelerate the process to reduce emissions while ships are at berth and meet the proposed European requirements to use shore power connection by 2030.



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.*

GPH Ownership

62.0%

Bodrum

WE NOW LOOK FORWARD TO WELCOMING A SIGNIFICANT INCREASE IN PASSENGERS TO OUR RECENTLY RENOVATED TERMINAL AND IMPROVED DUTY-FREE SHOPPING EXPERIENCE.

Due to Greek sea border restrictions, cruise activity remained subdued at Bodrum throughout 2021. The decision to lift all restrictions in February 2022 means that the outlook for 2022 has materially improved. We now look forward to welcoming a significant increase in passengers to our recently renovated terminal and improved duty-free shopping experience.

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: 20
Turnaround Port: Yes

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

GPH Ownership

60.0%

Cagliari

NORMAL CRUISE ACTIVITIES HAVE NOW RECOMMENCED AND THE PORT WELCOMED ITS FIRST CRUISE CALL OF THE 2022 SEASON IN FEBRUARY 2022.

We welcomed the return of cruise passengers throughout much of 2021, albeit activity remained far below normal levels. Actions taken to adhere to Covid-19 protocols meant that our retail facilities remained closed throughout 2021. Normal cruise activities have now recommenced and the port welcomed its first cruise call of the 2022 season in February 2022. Later in the year, we plan an educational tour for cruise line executives and tour operators to showcase the port and the surrounding area.

CAGLIARI
CRUISE PORT

Italy/Cagliari

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

Quays/Berths
Total Berth: 3
Total Berthing Lines Length: 1,040 m
Quays depth: 8 m - 11 m

Distances/Transportation
City Centre: 800 m
Airport: 6 km

General Information
Region: Western Mediterranean
Terminal: 1
Bus Capacity: 75
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.*

GPH Ownership

70.9%

Catania

IN 2022 WE EXPECT TO PRESENT OUR PLANS FOR A NEW ECO-FRIENDLY CRUISE TERMINAL TO THE PORT AUTHORITY.

While cruise activity remains subdued, the work we carried out to renovate the commercial area at the port meant we were able to rent our facilities for events not related to the cruise sector. In 2022 we expect to present our plans for a new eco-friendly cruise terminal to the Port Authority, with an expectation that the new terminal will be ready in time for the 2023 cruise season. The investment into the new terminal is expected to result in an extension to the concession.

CATANIA
CRUISE PORT

Italy/Catania

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

Quays/Berths
Total Berth: 6
Total Berthing Lines Length: 1,620 m
Quays Depth: 10 m -13 m

Distances/Transportation
City Centre: 700 m
Airport: 5.3 km

General Information
Region: Central East Med
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*

GPH Ownership

63.2%

Tarragona

GPH WILL INVEST IN BUILDING A NEW STATE OF THE ART SUSTAINABLE AND MODULAR CRUISE TERMINAL, WHICH WILL UTILISE SOLAR POWER TO ENSURE THE SUSTAINABLE PROVISION OF THE TERMINAL'S ENERGY NEEDS.

In January 2022, GPH was awarded a 12-year concession with a 6-year extension option to manage the services for cruise passengers in Tarragona, Spain. A World Heritage Site, the city of Tarragona, is situated less than an hour's drive from Barcelona airport.

The port infrastructure at Tarragona recently underwent a €30m investment by the Port Authority, including a doubling of berth capacity through the building of a new cruise pier capable of handling the world's largest cruise ships. The investment also included the provision of shore power, which will significantly reduce the Co_2 emissions from cruise ships while they are in port.

Under the agreement terms, GPH will invest up to €5.5m into building a new state of the art sustainable and modular cruise terminal, which will utilise solar power to ensure the sustainable provision of the terminal's energy needs. The new terminal will provide cruise passengers with an improved port experience, including retail and F&B opportunities, while new coach and car parking facilities will significantly improve the port's transport infrastructure.

Maximum Ship Dimensions for Berth
Length: No limit
Width: No limit
Draught: 16m

Quays/Berths
Total Number of Berths: 4
Total Berthing Line Length: 1800m
Quay Depth: 16m

Bus Capacity: 45

Anchorage
Available: No
Ship Tender Allowed: No
Tugs Available: Yes
Tidal Movement/Range: <1m

Tarragona Cruise Port
GPH Acquisition Date: 2022
End of Concession: 2034

GPH Ownership

100.0%

Crotone

CROTONE CRUISE PORT MANAGES THE CRUISE TERMINAL OF CROTONE, LOCATED ON THE RIVA QUAY, OFFERING TRANSIT, INTER-PORTING AND HOMEPORTING OPERATIONS TO SMALL TO MEDIUM-SIZED CRUISE SHIPS.

In Q1 2022, GPH signed a four-year renewable concession for Crotone Cruise Port, Italy. Crotone is located in one of the most fascinating territories of the Calabria region, in the southern tip of the Italian boot. This location means it fits perfectly into Central-Med itineraries.

Crotone Cruise Port manages the cruise terminal of Crotone, located on the Riva quay, offering transit, inter-porting and homeporting operations to small to medium-sized cruise ships and an increasingly wide range of ancillary services.

As part of the concession, GPH will invest in improving systems, equipment, and technology to improve the cruise port's operational performance and ensure environmental protections and safety and security programs.

Crotone Cruise Port
GPH Acquisition Date: 2022
End of Concession: 2026 Four year renewable concession

GPH Ownership

100.0%

Vigo

GPH WILL INVEST IN IMPROVING SYSTEMS, EQUIPMENT, AND TECHNOLOGY TO IMPROVE THE CRUISE PORT'S OPERATIONAL PERFORMANCE AND ENSURE ENVIRONMENTAL PROTECTIONS AND SAFETY AND SECURITY PROGRAMS.

GPH started cruise operations at Vigo Cruise Port in April 2022. Vigo is known as the "Gateway to the Atlantic" and sits on the West coast of Spain.

Vigo Cruise Port is capable of handling four small cruise ships or two large ships simultaneously and with GPH protocols and operational standards now in place, it is now in a position to host cruise ships for both transit and turnaround operations.

As part of the concession, GPH will invest in improving systems, equipment, and technology to improve the cruise port's operational performance and ensure environmental protections and safety and security programs.

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

Quays / Berths
Total Number of Berths: 2
Total Berthing Line Length: 702m
Quay Depth: 12m
Bus Capacity: n/a

Anchorage
Available: Yes
Ship Tender Allowed: No
Tugs Available: 5
Tidal Movement/Range: 4m

Vigo Cruise Port
End of Concession: 2024

GPH Ownership

50.0%

Ege Port Kuşadası

OUR PLANS TO INSTALL SOLAR ENERGY CAPABILITY AT THE PORT WILL SIGNIFICANTLY REDUCE THE PORT'S ENVIRONMENTAL FOOTPRINT AND ENERGY COSTS.

Due to Greek sea border restrictions, passenger movements in 2021 remained subdued. However, these restrictions were removed in Q4 2021 and the outlook for 2022 is much improved. The planned new local ferry service between Kuşadası and Samos, Patmos Island in Greece, is expected to start in April 2022. We continue to await approval of our plans to install solar energy capability at the port, which will significantly reduce the port's environmental footprint and energy costs.

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: 64 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

GPH Ownership

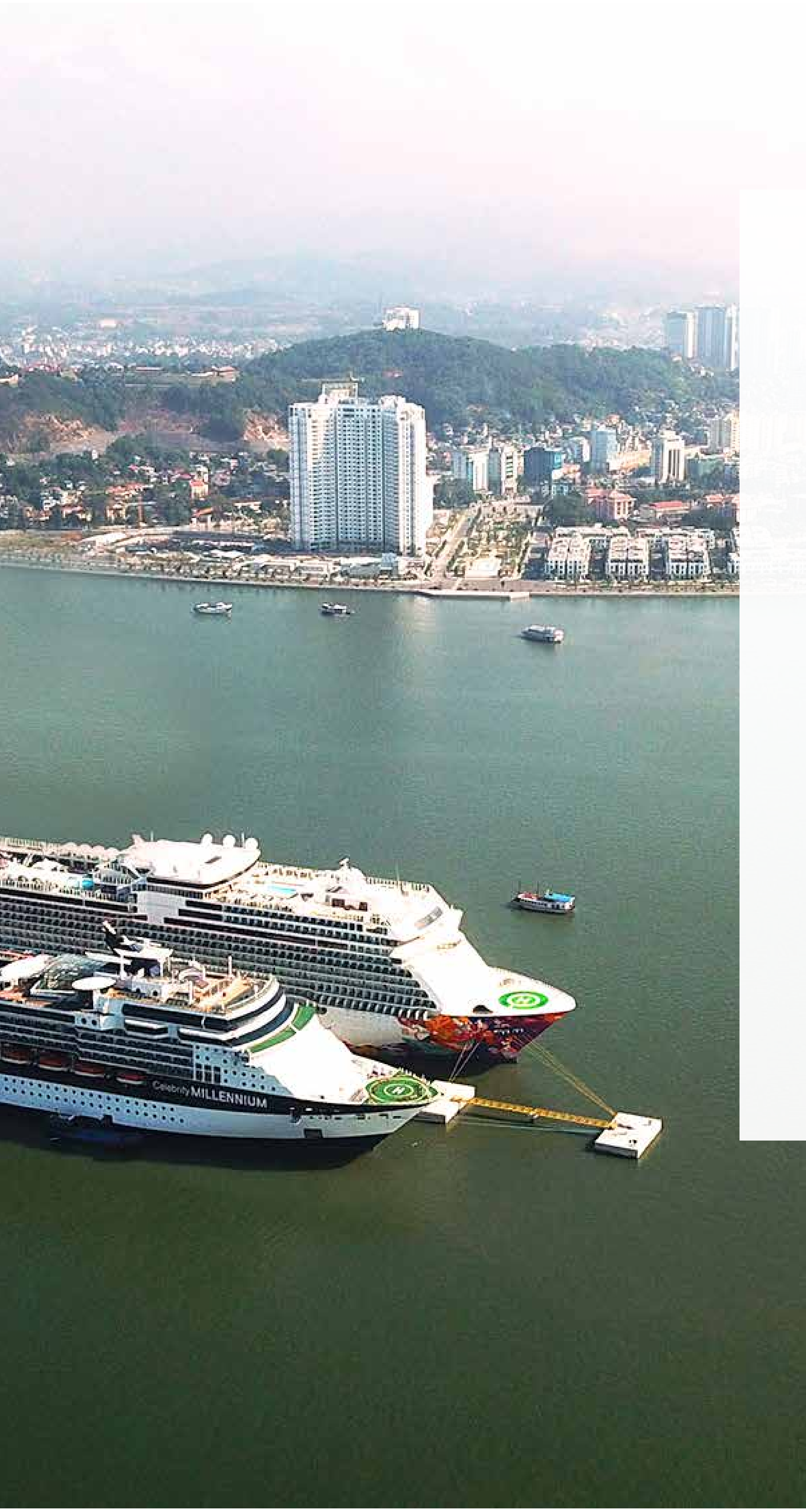
72.5%

Ha Long

VIETNAM IS PLANNING TO REOPEN TO TOURISM TOWARDS THE END OF Q1 2022 FULLY AND WE EXPECT CRUISE ACTIVITY TO START SHORTLY AFTER.

Our management agreement for Ha Long Bay Cruise Port began shortly before the outbreak of Covid-19 and cruise activity at the port has been severely limited since then. Vietnam is planning to reopen to tourism towards the end of Q1 2022 fully and we expect cruise activity to start shortly after.

Our plans to host familiarisation trips with cruise line itinerary planners in 2021 were postponed. However, with the country's resumption of tourism, we now plan to introduce and promote this fantastic destination to cruise lines in 2022.



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

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

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

MANAGEMENT AGREEMENT

Kalundborg

KALUNDBORG OFFERS CRUISE LINES A TIME SAVING AND FUEL-EFFICIENT ALTERNATIVE TO COPENHAGEN CRUISE PORT.

In Q4 2021, we signed a 20-year lease agreement with the Port Authority of Kalundborg to manage the cruise services in Kalundborg Port, Denmark. This is our first cruise port in North Europe, marking a milestone for GPH.

Kalundborg is a cruise destination that historically has only received a handful of cruise calls per season. However, its location means it offers cruise lines a time saving and fuel-efficient alternative to Copenhagen Cruise Port.

KALUNDBORG
CRUISE PORT

Denmark/Kalundborg

Maximum Ship Dimensions For Berth
Length: 330m - No limit
Width: 20m - 50m
Draught: 10m - 15m

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

Bus Capacity: 30

Anchorage
Available: Yes
Ship Tender Allowed: No
Tugs Available: Yes
Tidal Movement/Range: 0.3m

General Information
Region: N. Europe
Terminal: In progress
Bus Capacity: 30
Turnaround Port: Yes

Kalundborg Cruise Port
GPH Acquisition Date: 2021
End of Concession: 2041

GPH Ownership

100%

La Goulette

WE ARE CURRENTLY PREPARING THE INFRASTRUCTURE TO WELCOME THE FIRST CRUISE CALLS BACK.

Our plans for a gradual return to cruise activity during the 2021 cruise season, after an absence of several years, were postponed due to the continuation of Covid-19 restrictions. However, shortly before the end of the financial year, we were delighted to welcome the first cruise call at the port for seven years, a very welcome sight. Ahead of this call, our local team spent time preparing the infrastructure for the return of cruising, including refurbishing La Goulette village. We look forward to building on this success and steadily growing the number of cruise calls at La Goulette over the years ahead.

Tunisia/La Goulette

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

Quays/Berths
Total Number of Berths: 3
Total Berthing Line Length: 657 m
Quay Depth: 5.1 m - 10 m
Bus Capacity: 118

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

General Information
Region: West Med
Terminal: 1
Bus Capacity: 118
Turnaround Port: No

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

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

GPH Ownership

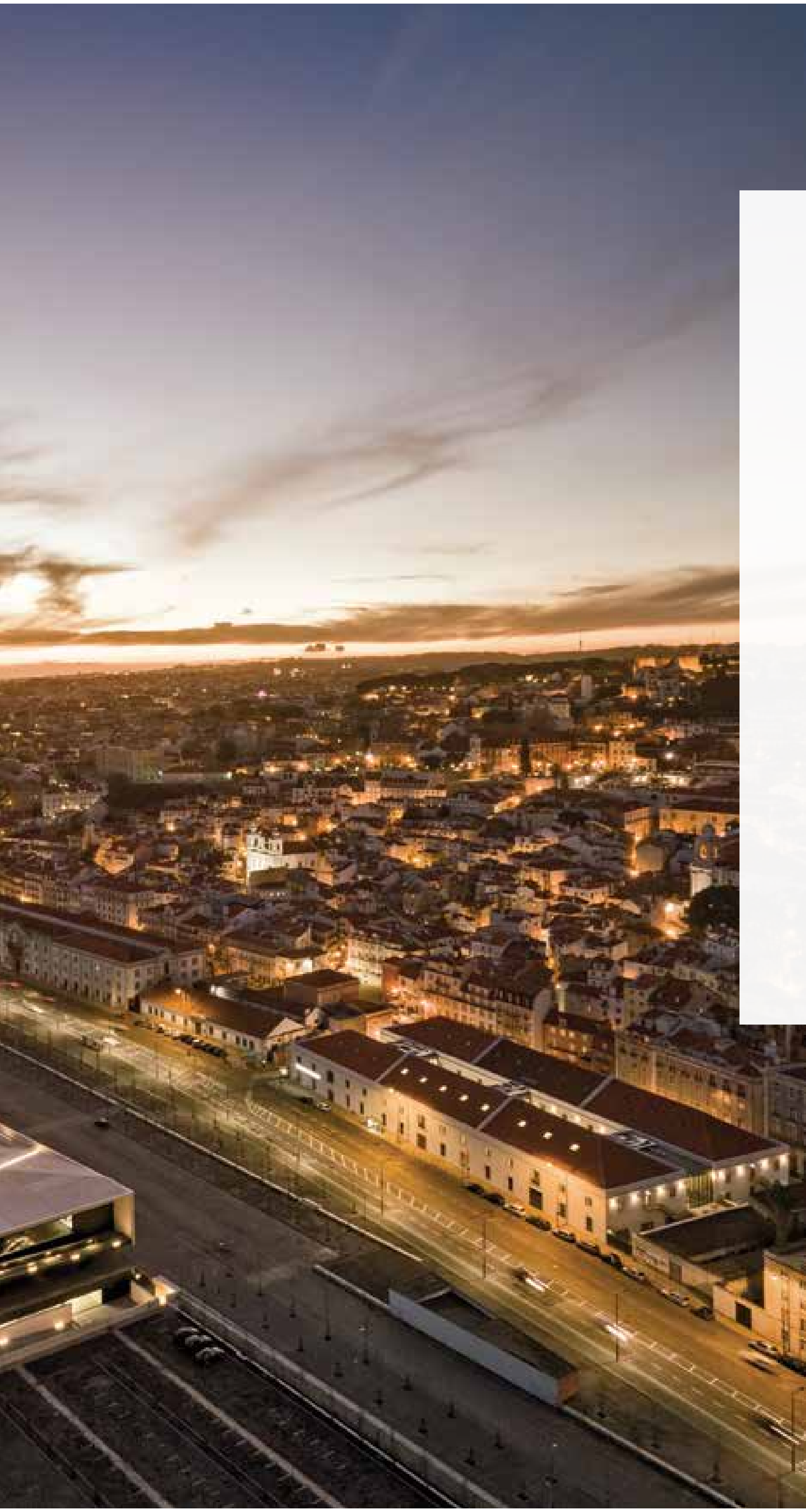
50.0%

Lisbon

LISBON CRUISE PORT RECEIVED FOR THE SEVENTH TIME AND SIXTH YEAR IN A ROW THE AWARD FOR "EUROPE'S LEADING CRUISE PORT" BY WORLD TRAVEL AWARDS.

During the year Lisbon Cruise Port reorganized the terminal flows to respond to current cruise ship safety protocols including new testing and isolation areas. We also intensified our efforts to grow our ancillary revenues by starting a project to consider the feasibility and benefits of adding new retail stores in the terminal. After the government lifted the cruise ship ban, cruise activity in Lisbon restarted in May 2021. However, activity levels did not meaningfully pick up until September.

Lisbon Cruise Port received for the seventh time and sixth year in a row the award for "Europe's Leading Cruise Port" by World Travel Awards.



LISBON
CRUISE PORT

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

GPH Ownership

46.2%

Málaga

IN 2023 WE PLAN TO OPEN A TENDER PROCESS FOR AN OPERATOR OF THE RETAIL AREA.

In 2020, we postponed planned work to refurbish the retail area at Malaga Cruise Port. While an interim solution is being considered, this refurbishment work will now commence in 2023. In 2023 we plan to open a tender process for an operator of the retail area. We are also currently considering a new Gourmet Delicatessen in the cafeteria corner of Terminal A. This module would help to enhance the F&B offering for passengers and crew.

MALAGA
CRUISE PORT

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), 2041 (Palmeral)

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

GPH Ownership

62.0%

Nassau

OUR INVESTMENT INTO THE INFRASTRUCTURE AT NASSAU CRUISE PORT CONTINUED THROUGHOUT THE YEAR. PHASE TWO OF THE WORKS IS EXPECTED TO FINISH IN JULY 2022.

As the year progressed, activity levels at Nassau Cruise Port increased and we are looking forward to a strong 2023 from this marquee port.

Our investment into the infrastructure at Nassau Cruise Port continued throughout the year. Phase two of the works, including the marine works that will expand the port's berthing capacity, is expected to finish in July 2022. Phase 3, including the landside works, is now expected to complete in Q1 2023. The completion of the landside works will see the opening of the new terminal and a wide range of retail and F&B opportunities for cruise passengers.

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: Yes

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

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

GPH Ownership

49.0%

Taranto

WE WELCOMED TARANTO INTO OUR CRUISE PORT NETWORK IN Q2 2021. WE WERE DELIGHTED TO WELCOME A CRUISE SHIP FOR PARTIAL TURNAROUND OPERATIONS SHORTLY AFTER TAKING OVER OPERATIONS.

We welcomed Taranto into our cruise port network in Q2 2021. We are excited about the potential for this port to be added to Mediterranean cruise schedules and the recent completion of the eastern quay by the Port Authority means the port can now berth two large cruise ships simultaneously. We were delighted to welcome a cruise ship for partial turnaround operations shortly after taking over operations.

Italy/Taranto

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

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

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

General Information
Region: West Med
Terminal: 2
Bus Capacity: 80
Turnaround Port: No

Catania Cruise Port
GPH Acquisition Date: 2021
End of Concession: 2041

GPH Ownership

100.0%

Singapore

THE PROTOCOLS PUT IN PLACE BY THE PORT AND LOCAL AUTHORITIES ALLOWED SINGAPORE TO RESTART CRUISE OPERATIONS SUCCESSFULLY.

The protocols put in place by the port and local authorities allowed Singapore to restart cruise operations successfully in November 2020. Swab testing, optimization of terminal areas, and a high standard of Covid procedures were key to the success of this restart.

The authorities recent change to Covid-19 rules mean that Singapore can now start to welcome the return of international guests. This is expected to drive a significant increase in passenger volumes in 2022.

SATS CREUERS

Singapore

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

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

GPH Ownership

24.8%

Valletta

THE WORK TO PROVIDE COLD IRONING TO CRUISE SHIPS AT VALLETTA MADE DECENT PROGRESS IN 2021.

Valletta welcomed a steady flow of cruise passengers throughout 2021, although cruise activity remained significantly below normal levels. During the year Valletta Cruise Port hosted two Viking cruise ships, the novelty was that through this collaboration with Viking, there were transatlantic flights from Newark to Malta for the first time.

During the year, the work to provide cold ironing or shore power to cruise ships at Valletta made significant progress. The cable infrastructure was laid on Quays 4/5 and similar works are now in progress for Pinto 1/2, while the construction of the sub-station is now also underway.

VALLETTA
CRUISE PORT

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

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

GPH Ownership

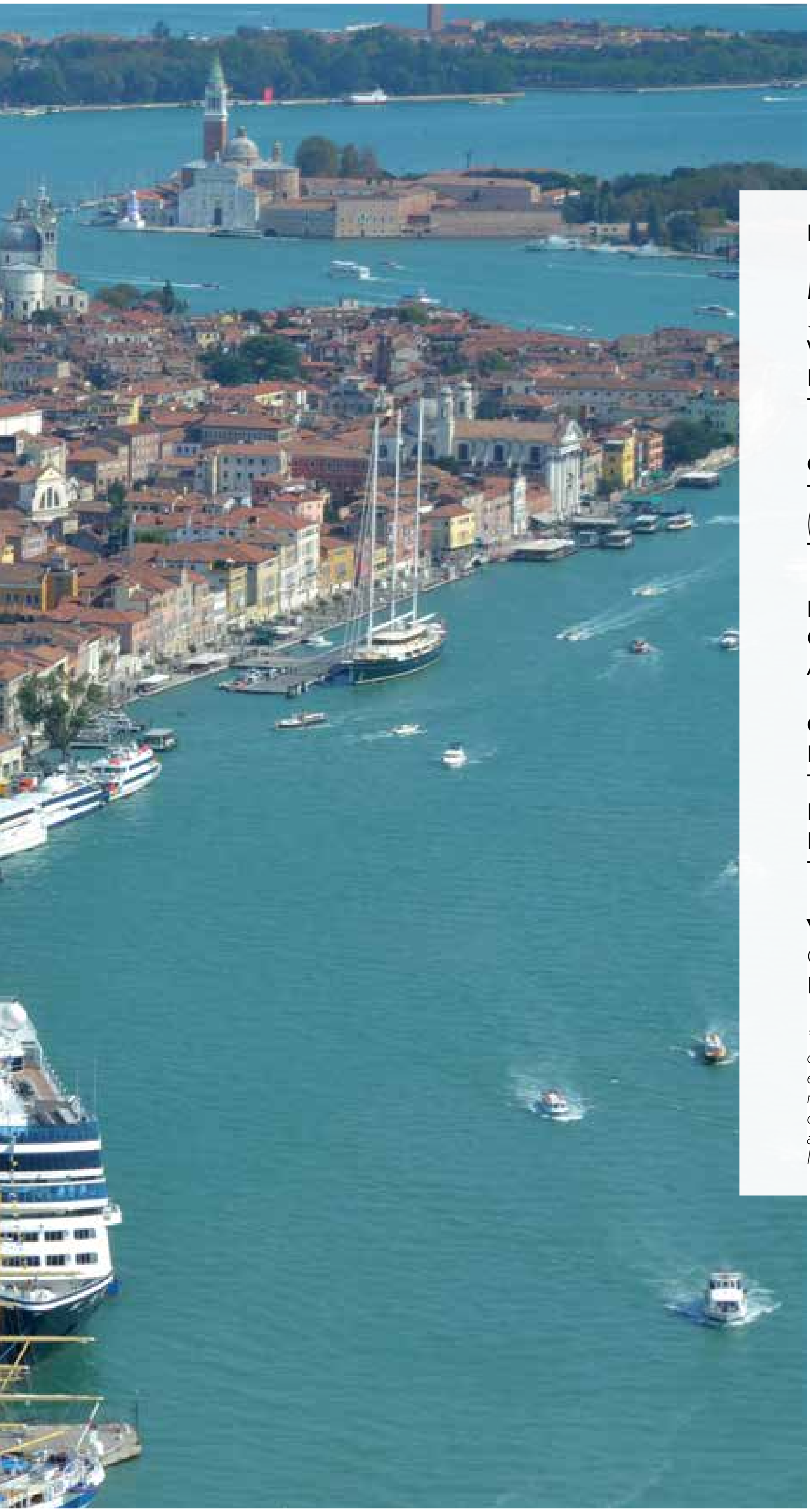
55.6%

Venice

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

Passenger numbers remain subdued in Venice throughout the year.

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.*

GPH Ownership

11.2%

Zadar

ZADAR WELCOMED THE RETURN OF CRUISE SHIPS IN 2021, BUT THE NUMBER OF CALLS REMAINED LOW.

Our plans to gradually increase the available services and retail opportunities for cruise passengers, crew and locals began to be adopted during 2021. We expanded our F&B offering at the terminal, which has been well received by passengers and crew. In the year ahead, we plan to further increase our services and retail opportunities by introducing a new retail offering.

Zadar welcomed the return of cruise ships during the year, but the number of calls remained low. The outlook for 2022 is much improved and we look forward to welcoming a sharp rise in cruise ships and passengers in 2022.

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)

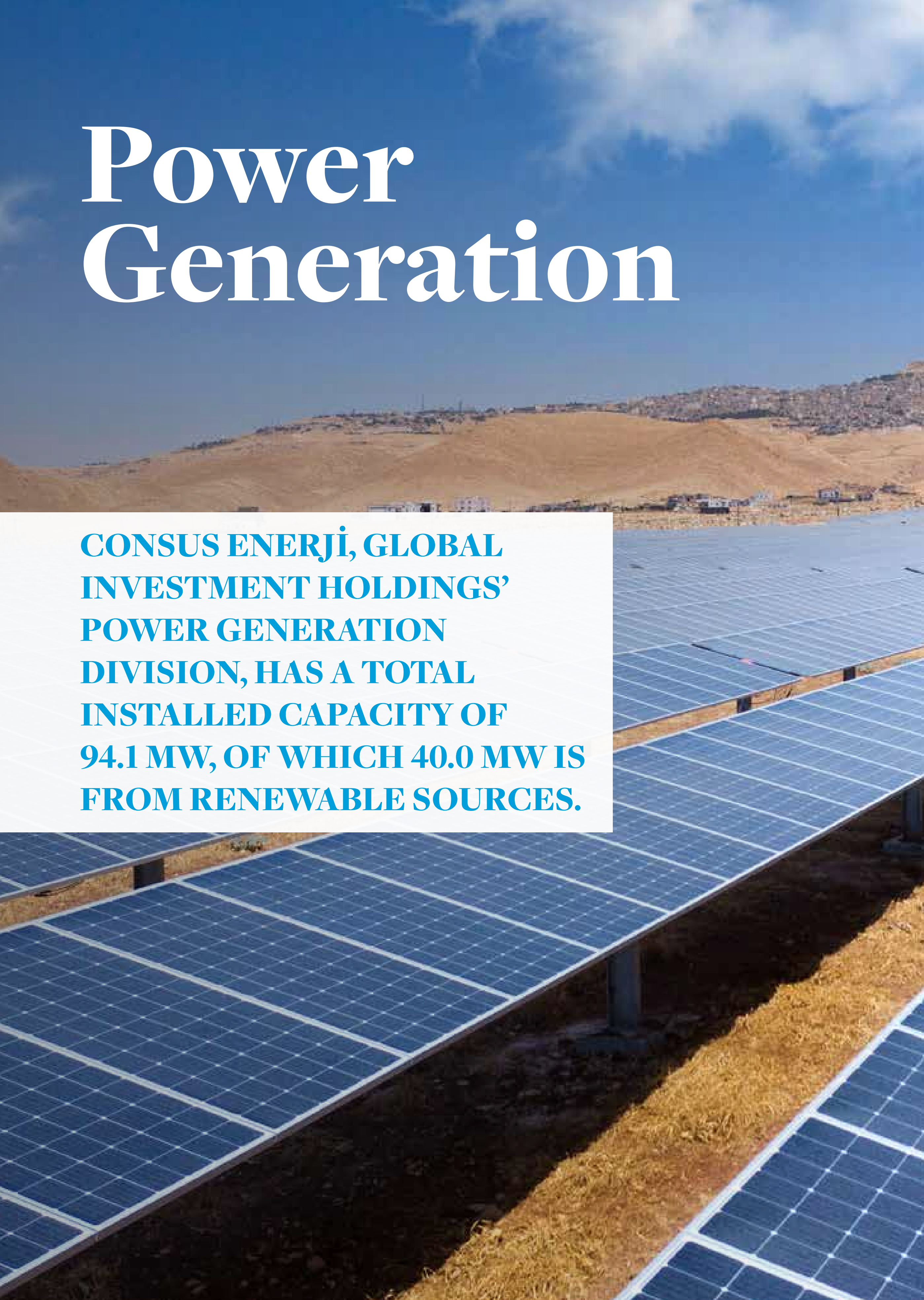
General Information
Region: Adriatic
Terminal: 1
Turnaround Port: Yes

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

GPH Ownership

100.0%

Power Generation



CONSUS ENERJİ, GLOBAL INVESTMENT HOLDINGS' POWER GENERATION DIVISION, HAS A TOTAL INSTALLED CAPACITY OF 94.1 MW, OF WHICH 40.0 MW IS FROM RENEWABLE SOURCES.

Power Generation

TURKEY IS WORKING TO DIVERSIFY ITS ENERGY RESOURCES.

General View on Energy Sector

In 2021, economic activity worldwide rebounded resulting in higher demand for energy and stimulated energy markets. Despite geographic differences, a strong growth trend has arisen in the world's manufacturing industry sectors, driving demand for primary energy and electricity. Demand is also up from households and the service sector. Severe drought in certain regions of the world due to the impact of climate change, effects of changes in climate on hydraulic production from time to time, and growing energy demand due to extreme hot-cold weather events all have boosted demand for fossil fuels.

Other challenging developments during the year included supply constrictions of some fossil fuels due to natural disasters (e.g. hurricanes in the USA), the effects of post-pandemic conditions, technical reasons (especially lack of new investment), and politically motivations (e.g. Russia's export preferences). An environment arose in which demand for primary energy sources has grown but supply is limited, resulting in abnormal and occasionally astronomical price spikes. The primary reason for energy price increases is no doubt the sudden jump in demand delayed from the earlier pandemic period. However, constraints in supply and unexpected supply declines have boosted energy prices even more. Increases in commodity prices in general terms – and specifically, oil, natural gas and coal prices – topped the global energy agenda in 2021. This environment of price volatility has led to the serious questioning of the fossil fuel use globally. Widespread discussions of this nature and searches for alternatives are expected to continue for a long time.

At present, Turkey is working to expand its natural gas storage capacity with great speed and diversify its energy resources. The country has few policy options to suppress sudden price jumps. The start of production at natural gas sites discovered in the Black Sea and the expansion of domestic supply capacity are alternative sources of energy security. Energy demand has emerged from its trough in 2020 and roared back in Turkey where delayed economic activity has grown stronger after the pandemic.

Turkish electricity consumption in 2021 totaled 331.5 TWh. This consumption level is 8.1% higher than the 306.7 TWh recorded in 2020. When compared to the period of 2017-2019 instead of 2020, average annual growth of 11.4% occurred in 2021.[1] Higher costs of primary energy sources caused electricity prices in Turkey to rise even if the increase is applied with graduated or delayed pricing. Electricity production from plants using imported coal and natural gas has expanded while hydraulic production has contracted. This situation has resulted in higher electricity production costs due to higher input costs. Since demand for electricity rises in the summer, power plants in the system with higher production costs are being operational more. As a result, electricity prices in the free market are balanced at higher levels.

[1] *Source: TEİAŞ Production-Consumption Reports*

Global Investment Holdings in the Industry, Consus Enerji
Consus Enerji, Global Investment Holdings' power generation division, has a total installed capacity of 94.1 MW, of which 40.0 MW is from renewable sources (biomass and solar, selling electricity at USD 0.133 per kWh). The remaining 54.1 MW consists of distributed power plants (cogeneration and trigeneration), with the largest installed capacity in Turkey under a build-operate model as an energy service company (EsCo).

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 distributed power and energy efficiency solutions. 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 triple its installed capacity and reach 300 MW installed capacity in renewable energy and focus on distributed power business in the medium term.

Biomass

BIOMASS CAN BE OBTAINED FROM A VARIETY OF AGRICULTURAL RESIDUES. THESE INCLUDE CORN STALK, COTTON STALK AND RICE HUSKS, ALL OF WHICH HAVE HIGH CALORIFIC VALUE.

Biomass Sector at a Glance
As a major agricultural producer, Turkey has non-food crops, farm residues and waste that 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 and grow in the near future. Significantly, the harnessing of this energy source will reduce Turkey'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 stalk, cotton stalk and rice husks, 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.

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 critical 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 originating from agricultural fields and forests. GIH has a total installed capacity of 29.2 MW at its power plants in Aydın-Söke (12 MW), Mardin-Derik (12 MW), and Şanlıurfa-Haliliye (5.2 MW). These facilities generate about 200 GWh of electricity per annum, meeting the electricity requirement of over 80 thousand households. GIH's biomass power plants are subject to the Renewable Energy Resources Support Mechanism (YEKDEM), selling electricity at USD 0.133 per kWh.

Each facility is located near 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 and forests into energy, Global Investment Holdings aims to reduce Turkey's dependence on energy imports, provide a significant support to farmers on their costs to remove residues and waste and on saving land richness by preventing farmers to burn those in lands, thereby contribute to the national economy. GIH'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, 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 plans to remain an industry pioneer, spearheading the development of biomass projects in various locations across Turkey to achieve a substantial installed biomass capacity.

Solar

AS OF END-2021, THE TOTAL INSTALLED CAPACITY OF SOLAR POWER PLANTS IN TURKEY IS 7,816 MW, WITH 6,908 MW UNLICENSED AND 908 MW LICENSED.

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.

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 future potential. Only about 4% of the country's total electricity generation originates from solar resources. As of end-2021, the total installed capacity of solar power plants in Turkey is 7,816 MW, with 6,908 MW unlicensed and 908 MW licensed.

Turkey has set certain targets to commemorate the nation's centennial in 2023. One target is to initiate a major renewable energy and energy efficiency program. Renewable energy policies contributed to increasing Turkey's renewable installed capacity from 12 GW in 2001 to 53.6 GW by 31 December 2021. By 2023, the state aims to reach an installed capacity of 59 GW. Although hydroelectric power facilities have accounted for 51 percent of the growth in output since 2001, Turkey is believed to meet the most of its present hydroelectric capacity. The future growth in renewable energy production is projected to come from wind and solar power plants.

Global Investment Holdings in the Industry
Global Investment Holdings' solar-based installed capacity stands at 10.8 MWp which was fully commissioned at end-2019.

Global Investment Holdings plans to establish a significant solar power generation capacity within the next few years. GIH is developing 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 efficiency.

SOLAR – RA SOLAR

Global Investment Holdings' first solar plant
Global Investment Holdings added its first solar power plant to its renewable energy portfolio in 2019.

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

Ra Solar is subject to the 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 requirements of more than 7.5 thousand households.

Hybrid solar farm investments
To support renewable power generation in Turkey, a hybrid mechanism was introduced in March 2020 and became effective in July 2020. Such a mechanism allows licenced power producers to build new production facilities on the sites of existing facilities and to support this new production facility with auxiliary resources, limited to the capacity specified in the license for their existing facilities. If the existing facility benefits from the YEKDEM incentive, electricity generated from the new facility can also be sold within the scope of the YEKDEM incentive.

This regulatory change paved the way to establish facilities based on multiple sources to generate electricity, leading to an increase in capacity utilization rates and efficiency. For instance, it is now possible to build solar farms on the sites of biomass power plants.

The Group is planning to complete hybrid solar farm investments with 3.6 MW capacity in H2 2022 on its biomass plant premises in parallel with the new hybrid generation regulation to improve generation performance as well as plant efficiency.

Bringing ESCO expertise to the distributed solar energy business
With the amendment to the electricity market regulation, electricity consumers are now allowed to build power plants for self-consumption purposes within their site areas and also in an area located in the same electricity distribution area. Consus Enerji has structured the build-operate model for distributed solar plants, aiming at self-consumption of the industrial facilities, business enterprises and public entities with high electricity consumption. Related engineering and feasibility processes are in progress. To create synergies with Tres Enerji's (distributed energy subsidiary) customer base, the Group is aiming to bring the ESCO (energy service company) expertise it gained through Tres Enerji (cogeneration/trigeneration) to the distributed solar business. Tres Enerji is close to signing a build-operate-transfer agreement with a potential customer in shopping mall business. The roof-top solar capacity is planned to be 2.4 MW and available ground-mounted solar power plant investment is planned to be up to 8 MW. Evaluation and analysis of Tres Enerji customer demand for solar investments are currently underway.

Global Investment Holdings' first international solar plant
In line with the strategy to create synergies with GPH's port network across 13 countries, an MoU was signed in Antigua with Antigua Public Utilities Authority for a 5MW build-operate solar project at feed-in-tariff for 30 years. Discussions are ongoing for the power purchase agreement.

Distributed Power

ESTABLISHED IN 2012 AND FULLY OWNED BY GLOBAL INVESTMENT HOLDINGS, TRES ENERGY DELIVERS DISTRIBUTED POWER AND ENERGY EFFICIENCY SOLUTIONS TO INDUSTRIAL AND COMMERCIAL CUSTOMERS.

COMBINED HEAT AND POWER (COGENERATION/TRIGENERATION)

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 fully owned by Global Investment Holdings, Tres Energy delivers distributed power 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 with competitive pricing. This is achieved by adapting a performance-boosting business model, tested worldwide, to fit Turkey's commercial and legal framework.

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 variety of different forms, such as electricity, heating 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 constructs 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.

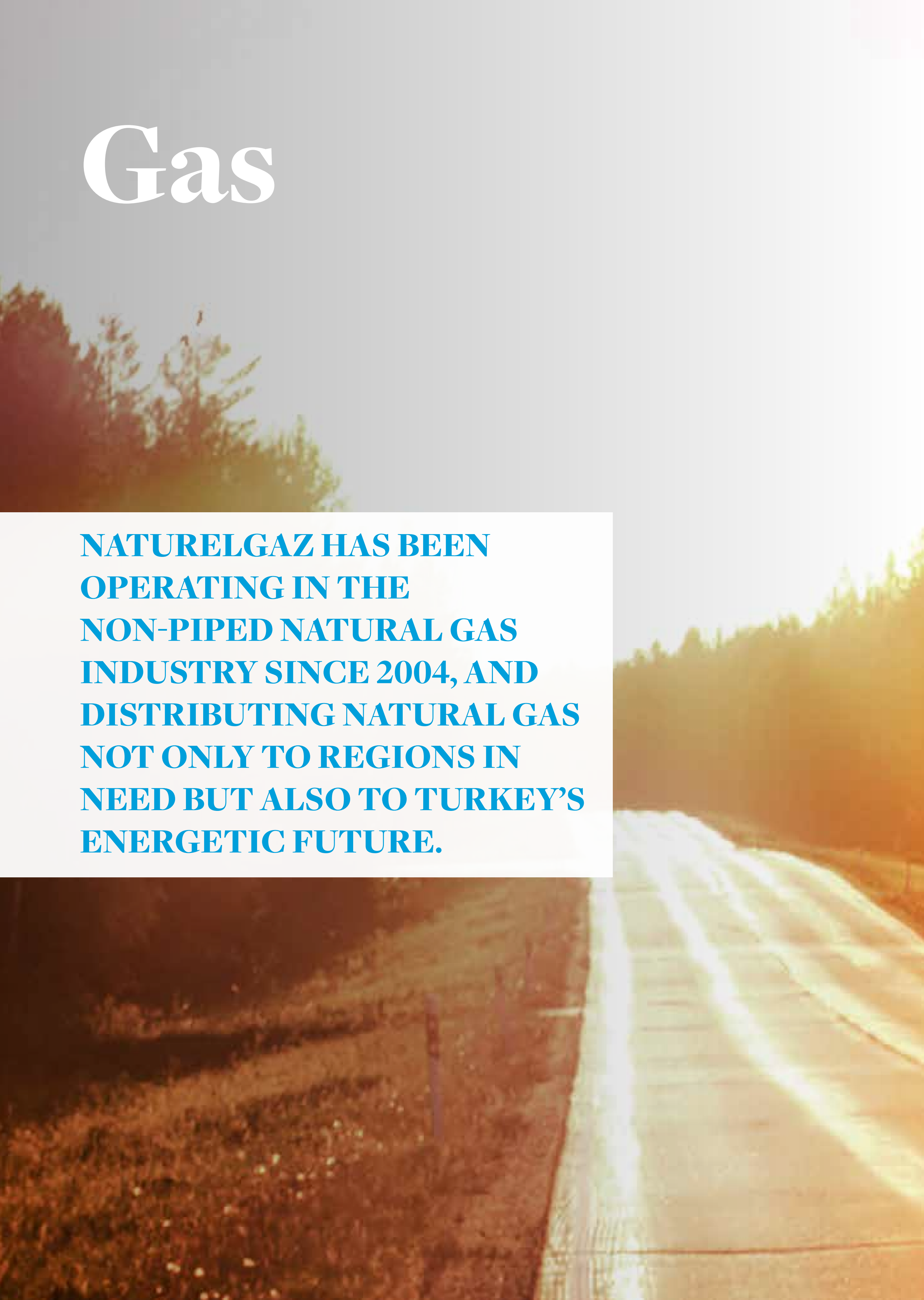
54.1 MW Generation Capacity

At present, Tres Energy has a total installed capacity of 54.1 MW. The company 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 projects in the pipeline include 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, expanding its cogeneration capacity across Turkey.

Gas



NATURELGAZ HAS BEEN OPERATING IN THE NON-PIPED NATURAL GAS INDUSTRY SINCE 2004, AND DISTRIBUTING NATURAL GAS NOT ONLY TO REGIONS IN NEED BUT ALSO TO TURKEY'S ENERGETIC FUTURE.


TEMİZ ENERJİ
TEMİZ ÇEVRE
www.naturelgaz.com
NATURELGAZ
CNG

Naturelgaz

IN 2021, NATURELGAZ BOOSTED ITS CITYGAS SALES VOLUME BY 92% AND SUPPLIED 80 DISTRICTS AND TOWNS ACROSS TURKEY.

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

The size of the non-piped natural gas market consisting of CNG and LNG products was 752 million Sm^3 in 2021. The CNG product comprises 32% of this market with 238 million Sm^3.[8]

Based on EMRA's Natural Gas Market Monthly Sector Report data, Naturelgaz's share in the total non-piped (CNG & LNG) natural gas market for 2021 is estimated at 27% by Naturelgaz management. For the same period, Naturelgaz has an estimated market share of 83% for CNG product. Based on these figures, Naturelgaz is the market leader in terms of both total non-piped natural gas market and CNG sales volume.

Naturelgaz owns a nationwide CNG plant infrastructure in Turkey with 12 bulk CNG plants and 9 Auto CNG stations.

- Bulk (Industrial) CNG Plants: Antalya, Bursa, Denizli, Elazığ, İzmir, Kayseri, Kırıkkale, Konya Lüleburgaz, Ordu, Osmaniye, Rize and Erzurum[9]
- Auto CNG Stations: Istanbul/Alibeyköy, Bolu, Kocaeli/Çayırova, Kocaeli/Şekerpınar, Bursa, Eskişehir, Konya, Aksaray, Mersin

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

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

MAIN BUSINESS LINES:

a) Bulk (Industrial) CNG and LNG

With its 12 bulk (industrial) CNG plants around 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.

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

In 2021, Naturelgaz generated a sales volume of 140.8 million Sm^3 of bulk CNG and 11.0 million Sm^3 of bulk LNG with its nationwide sales.

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

b) Citygas

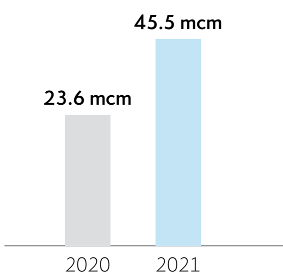
In City Gas business line, Naturelgaz supplies non-piped natural gas to distribution companies in order to meet the natural gas needs of districts and towns with no pipeline connection due to economic and geographic reasons. City Gas operations are carried out with CNG or LNG, depending on the distance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

As of the end of 2021, Naturelgaz supplies CNG to 80 districts and towns with no natural gas pipeline access due to economic and geographic limitations.

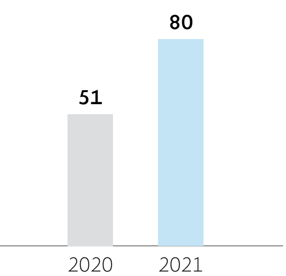
In 2021, Naturelgaz boosted its Citygas sales volume by 92% and supplied 45.5 million Sm^3 CNG to 80 districts and towns (2020: 51) across Turkey in cooperation with licensed district gas distributors.

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

Citygas sales volume



Districts and towns supplied by Naturelgaz



Naturelgaz

NATURELGAZ IPO RECEIVED A TOTAL DEMAND OF TL 15.8 BILLION FROM OVER 280 THOUSAND INVESTORS AND NATURELGAZ'S SHARES STARTED TO BE TRADED ON BORSA ISTANBUL WITH THE TICKER SYMBOL "NTGAZ" AS OF APRIL 1.

c) Auto CNG
In the Auto CNG business line, Naturelgaz targets heavy duty vehicle segments, such as logistics trucks, garbage trucks and buses, that are most suitable for Auto CNG use. As of 2021, the company operates nine strategically located Auto CNG stations in Turkey.

In February 2021, Naturelgaz signed an agreement with Petrol Ofisi to create synergies in the Auto CNG business. This cooperation is expected to strengthen the position of Naturelgaz in the Auto CNG market through wider geographical coverage and higher volume.

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

In 2021, Naturelgaz generated a sales volume of 5.6 million Sm^3 from its Auto CNG stations.

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

During 2021, Naturelgaz recorded a service revenue of TL 5.1 million from its well CNG operations.

WIDE COVERAGE AREA
- Naturelgaz has 21 CNG filling plants in total, including 12 for Industrial CNG and 9 for Auto CNG. In addition, it provides services to its customers at 22 plants in total, including 1 Industrial CNG Filling Plant under a cooperation agreement (Erzurum).
- For Industrial CNG, services are provided for a radius of approximately 200 km one-way to the filling stations; however, this distance can be extended in line with customer needs.
- Bulk CNG plants serve for both industrial sales and city gas.

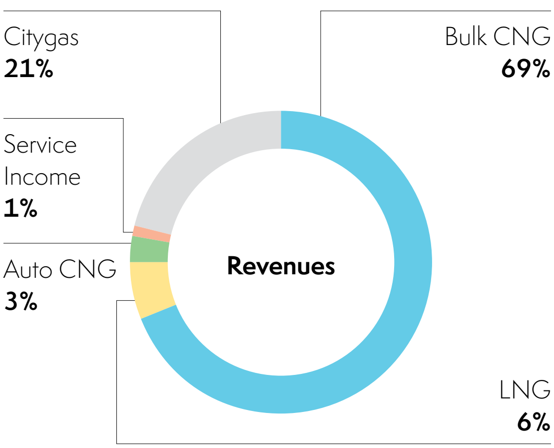
2021: HIGHLIGHTS

- As of 1 April 2021, Naturelgaz successfully completed its initial public offering and started trading on Borsa Istanbul under the ticker symbol NTGAZ. The IPO, priced at TL 8.50 per share, generated robust demand from investors: 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%). Total demand was nearly USD 2 billion. Based on the offer price, Naturelgaz's total market capitalisation at the start of trading was about TL 977.5 million.
- In 2021, Naturelgaz maintained its solid financial position thanks to its operational capabilities, efficient cost management structure, and defensive business model guarding against currency and tariff fluctuations.
- Capacity utilization and operational efficiency were increased by ensuring a balanced distribution of sales throughout the year.
- After acquiring SOCAR LNG at end-2020, Naturelgaz successfully completed the integration of this acquisition in 2021.
- Naturelgaz maintained its market leadership in 2021, controlling c.27% of the total nonpiped natural gas market and c.83% of the CNG market in Turkey.
- In February 2021, Naturelgaz signed an agreement with Petrol Ofisi to create synergies in the Auto CNG business. The parties agreed to jointly establish new auto-CNG stations at Petrol Ofisi or its dealer stations with Naturelgaz licenses.

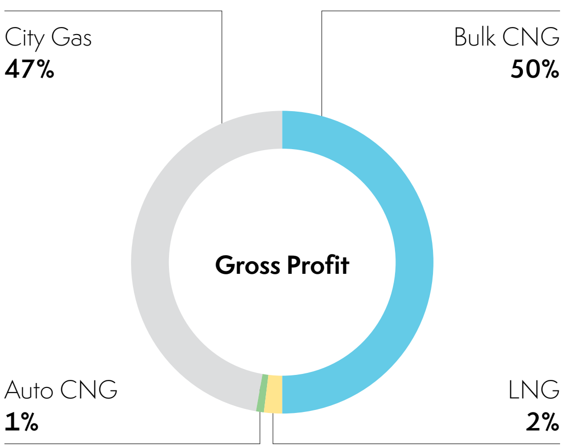
Financial highlights from the year included:

- The total sales volume increased by 17% YoY to over 200 million Sm^3, driven mainly by higher Citygas sales. Citygas sales volume surged by 92% as a result of winning new tenders and growing the subscriber base in towns already supplied by Naturelgaz.
- Total revenues increased by 53% to TL 692 million. In addition to higher sales volume, seasonality was significantly reduced by ensuring a more balanced distribution of sales throughout the year thanks to higher Citygas sales volume.
- EBITDA amounted to TL 98.9 million in 2021. Despite the 15% increase in gross profit for the year, EBITDA remained on par with 2020 mainly due to one-off expenses incurred as a result of public offering and integration expenses of additional CNG plants acquired via inorganic growth.

Distribution of Sales Revenues in 2021

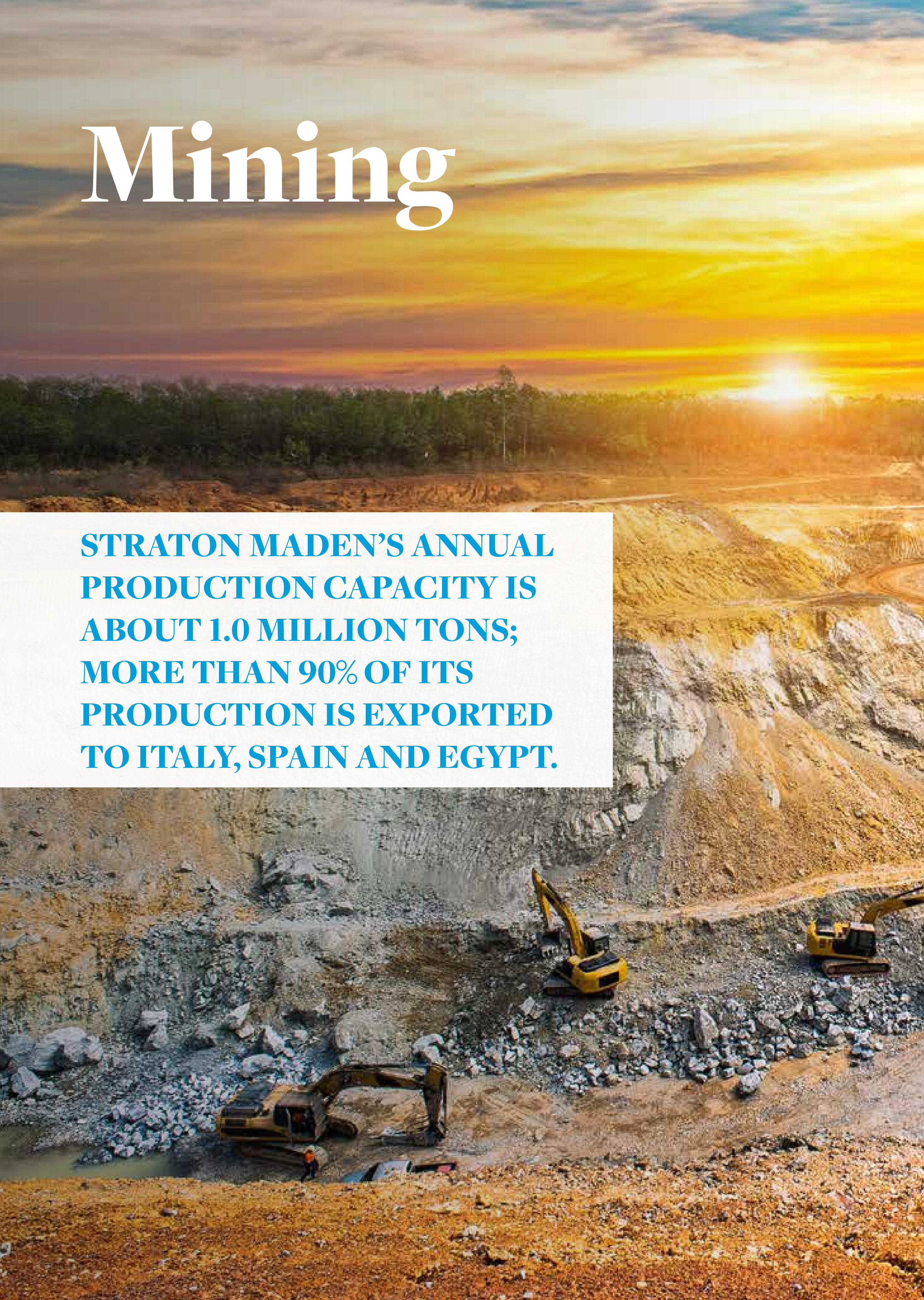


Distribution of Gross Profit in 2021



Mining

STRATON MADEN’S ANNUAL PRODUCTION CAPACITY IS ABOUT 1.0 MILLION TONS; MORE THAN 90% OF ITS PRODUCTION IS EXPORTED TO ITALY, SPAIN AND EGYPT.



Straton Maden

STRATON MADEN BOASTS A WELL-ESTABLISHED CUSTOMER BASE AND ENSURES THAT EACH PRODUCT OFFERED FULLY MEETS EUROPEAN MARKET QUALITY AND SERVICE STANDARDS.

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 9 million tons, around 80% of which is exported. Key export markets include Spain, Italy, Russia, USA, Bulgaria, Poland and Egypt.

In 2013, Global Investment Holdings Group invested in the feldspar sector with the acquisition of Straton Maden, in which 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. More than 90% of its production is exported to Italy, Spain and Egypt for use in the glass and ceramics industries.

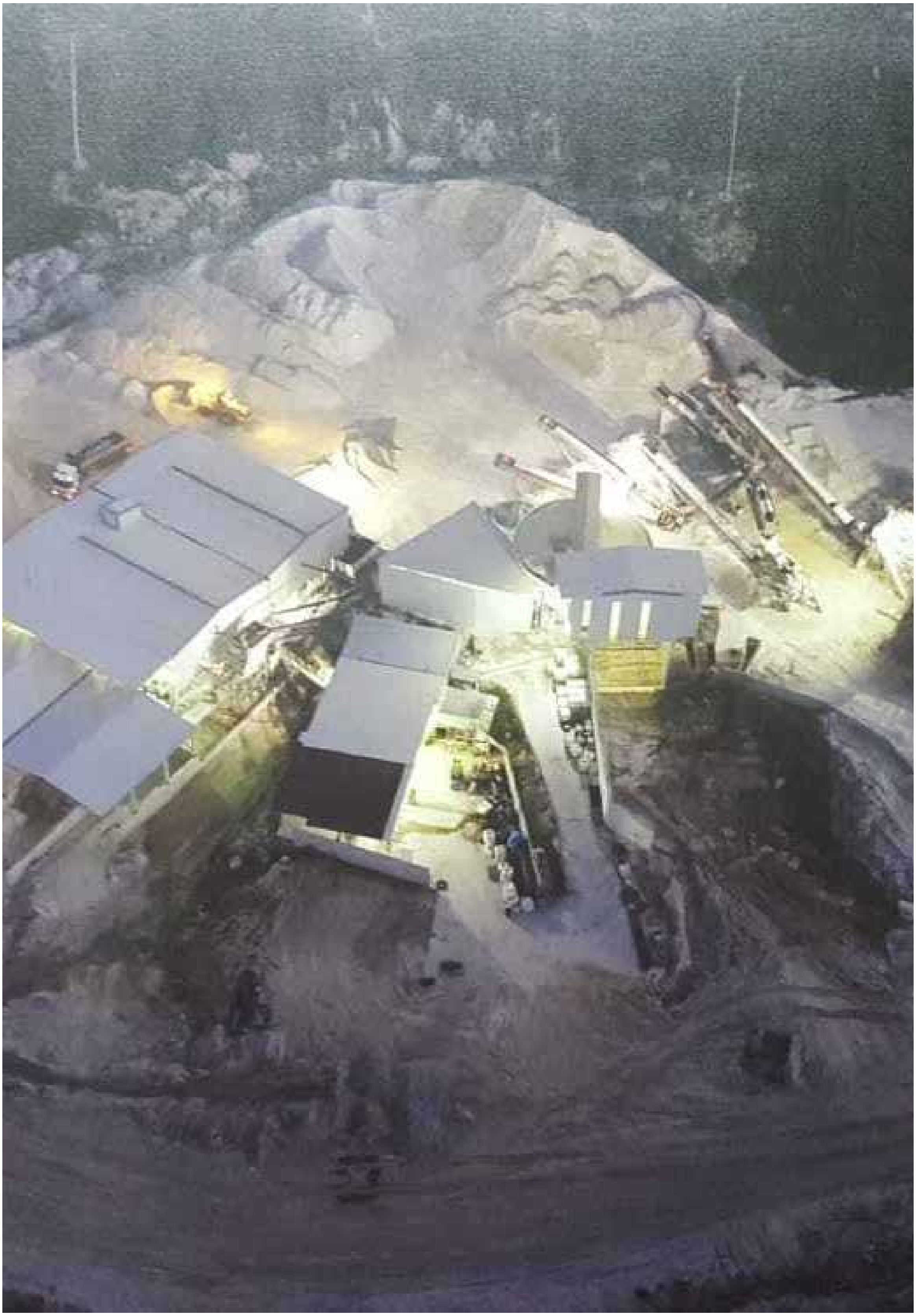
Straton Maden extracts feldspar in the most efficient and environmentally responsible manner while producing higher value feldspar products. To this end, the company has completed a capital investment program to establish new separation and enrichment facilities, while expanding its existing production capacity. Thanks to these new facilities, Straton Maden has substantially boosted 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.

The company has completed the permission process in two new mining licence regions and initiated production in one in the Aydın region. Besides increasing the Group's total feldspar reserves, the new licences are expected to supplement the product quality of ongoing operations. The Group aims to complete the permission process in additional mining licence regions and initiate production in 2022.

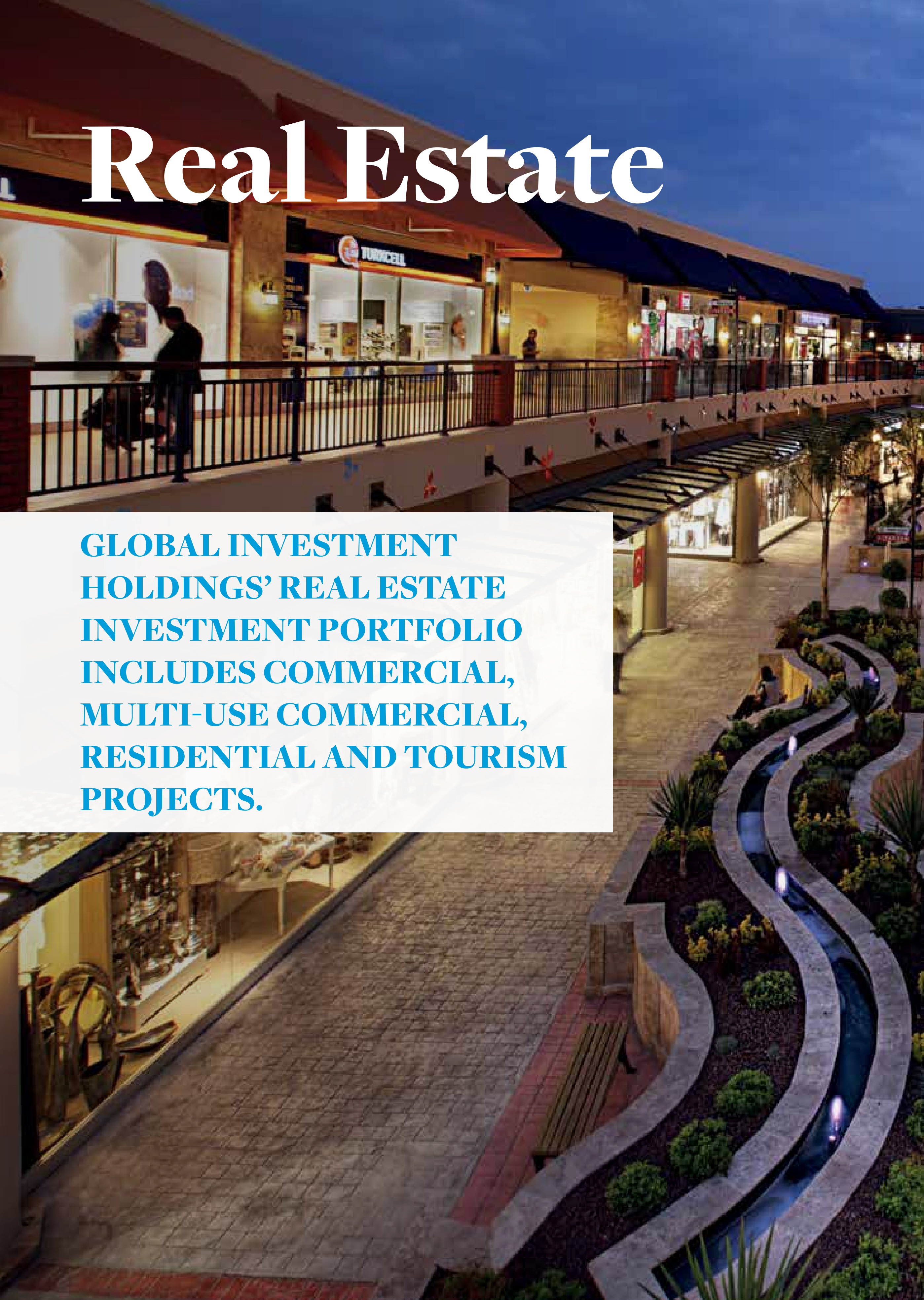
European Standards

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 Maden has continued to add significant value to the Turkish economy by exporting natural resources. Since completing a capital investment drive in 2016, Straton Maden has further boosted production, product quality and sales volumes by deploying world-class advanced technologies. Capacity increase and re-designing programmes were commenced in the floatation and dry-magnetic facilities which are scheduled for completion in H1 2022 to meet the quality and supply demands of new customers.

At present, demand for feldspar is growing 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



GLOBAL INVESTMENT HOLDINGS' REAL ESTATE INVESTMENT PORTFOLIO INCLUDES COMMERCIAL, MULTI-USE COMMERCIAL, RESIDENTIAL AND TOURISM PROJECTS.


ixora

Real Estate

2021 SECTOR HIGHLIGHTS

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

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

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

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

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

2021 Sector Highlights

The Retail Turnover Index, compiled by the Alışveriş Merkezi Yatırımcıları Derneği (Shopping Mall Investors Association) and Akademetre Research, rose by 80.2% in December 2021 compared to December 2020, up 564 points.

Turnover per leasable area (m^2) in Turkish shopping malls amounted to TL 3,434 in Istanbul and TL 1,873 in Anatolia in December 2021, while Turkey-wide square meter efficiency was TL 2,497 in December 2021.

Square meter productivity in the technology category jumped by 65.8% in December 2021 compared to the same period in 2020.

An analysis by shopping mall retail category showed the following productivity increases for December 2021 compared to November 2021: hypermarket: 25.6%; food & beverage: 16.7%; clothing: 16.7%; shoe & bag: 11.3%; technology: 6.2%; and other: 22.9%.

In 2021, total number of shopping mall visitors rose by 8.9% compared to 2020, up 61 points.

Home sales in Turkey dipped slightly by 0.5% in 2021 YoY to 1,491,856 units. İstanbul accounted for the largest portion of total home sales at 18.5% with 276,223 units sold. Ankara ranked second with a 9.7% share and 86,722 homes sold while İzmir placed third with 5.8% share. Provinces with the lowest home sales were Hakkari with 267 units sold, Ardahan with 377 units and Bayburt with 871 units.

On a monthly basis, home sales in Turkey jumped by 113.7% in December 2021 compared to December 2020, climbing to 226,503 units sold. İstanbul ranked first with 39,026 home sales and a 17.2% share, followed by Ankara with 21,481 home sales and 9.5% share.

New home sales in Turkey rose by 108% in December 2021 compared to December 2020, with 76,747 units sold. New home sales accounted for 30.9% of total home sales. Similarly, existing home sales in Turkey increased by 116.8% in December 2021 compared to December 2020, climbing to 149,756 units sold.

The REIDIN-GYODER New Home Price Index went up by 1.61% in December 2021 compared to November 2021. The index rose 5.54% in December 2021 compared to December 2020. The New Home Price Index was up by 115.1% in December 2021 compared to January 2010, when the index started.

In December 2021, the New Home Price Index increased by 1.92% YoY for 1+1 type homes. Meanwhile, the index increased 1.97% for 2+1 type homes and 1.25% for 3+1 type homes for the same period.

Ardus Real Estate Investments

STAFFED BY A DEDICATED TEAM OF PROFESSIONALS WITH EXTENSIVE REAL ESTATE DEVELOPMENT EXPERIENCE, ARDUS OVERSEES THE EXISTING GIH REAL ESTATE PORTFOLIO.

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 both focused on commercial real estate development.

PERA REIT

Pera REIT is staffed by a well-skilled team of professionals with wide-ranging experience in the tourism and real estate sectors who 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.

AS THE AREA'S SECOND-BIGGEST CITY AFTER IZMIR, DENIZLI FEATURES A STRONG ECONOMY AND AN EXPANDING POPULATION OF AROUND 1.1 MILLION.

Subject to the rigorous corporate governance regulations of Turkey's Capital Markets Board, Pera REIT as a publicly listed entity 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.

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 region'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.

Ardus Real Estate Investments

AS PART OF A MIXED-USE PROJECT, AN OFFICE COMPLEX - SKYCITY - WAS DEVELOPED ON A CONSTRUCTION AREA OF 33,055 M².

The Group's Denizli project is a mixed-use development on a 98,500 m² tract of land. When completed, the development will span a gross construction area of 228,000 m². 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 m² of gross leasable area and opened in March 2011. 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 about a 60% occupancy rate and houses fashion retailers as well as 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 on a construction area of 33,055 m². Construction commenced in early 2015. The first phase of the project, comprising 15,255 m² of gross sellable area and 151 office units, was completed in June 2017, of which 128 independent units had been sold. Sales of remaining units are ongoing.

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 m², was completed in August 2014. The school opened in the fall of 2014, under a 15-year lease contract signed with Final Schools.

The Denizli development project also includes construction of a hospital on another 10,745 m² 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 and trading 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, 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 IS THE FIRST MALL WITH A "LIFESTYLE CENTRE" CONCEPT IN THE CITY AND HAS A TOTAL GLA OF 26,047 M².

Van Shopping Centre opened its doors on 15 December 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 attracted 4.4 million visitors in 2021, while currently operating with a 98% 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 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. Each in turn have left its distinctive mark upon the island. An increasing number of tourists are discovering the rare beauty and peaceful settings that less developed Northern Cyprus has to offer.

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, sports centre, and swimming pools; cafes, restaurants, and 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.

BİLECİK INDUSTRIAL ZONE LAND TRACT

29,500 m² located in an industrial zone

BODRUM TORBA LAND TRACT

3,000 m² suitable for large-scale tourism investments

Finance

ISTANBUL ASSET MANAGEMENT IS THE LARGEST PORTFOLIO MANAGEMENT COMPANY WITH DOMESTIC CAPITAL AND THAT DOES NOT HAVE A BANK/BROKERAGE HOUSE/ INSURANCE COMPANY AS A PARENT.

Asset Management

ASSET MANAGEMENT SECTOR IN TURKEY HAVE RECORDED A CAGR OF 23% IN TL (5% IN USD) OVER THE PAST 10 YEARS.

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 2021, assets under management in Turkey's AM industry climbed to TL 653 billion (USD 49 billion), expanding 80% in TL (1% in USD), according to the Turkish Capital Markets Association (TCMA). AUM growth is predominantly driven by pension fund and other security mutual fund assets, which increased more than one-third over the prior year. Meanwhile, pension funds recorded solid growth of about 43% during the year.

Solid performance with room for further growth

Assets under management in the Turkish AM sector have 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 in the country.

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.

At present, the Turkish AM industry appears to be significantly underperforming other emerging markets, both in terms of AUM/GDP and AUM per capita. 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 244 billion (c. USD 18 billion, 38% of total AUM in Turkey) at 2021 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.

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

Private Pension System and Rethinking Auto-Enrolment

Participation rates in the private pension system, which was established to complement 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 into Turkish law with the Amendment Act of 25 August 2016. As a result, 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 1 January 2017, the regulation was applied gradually depending upon the number of employees working for an employer company. 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.

Reportedly, there are plans to convert the Automatic Enrolment of the private pension system into a Complementary Pension System. Arrangements will be made to modify 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.

Growth prospects

Global Investment Holdings is optimistic and sees further 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 1 January 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 distribute their assets among at least three asset managers going forward, which has already had an impact on the sector.

ISTANBUL ASSET MANAGEMENT

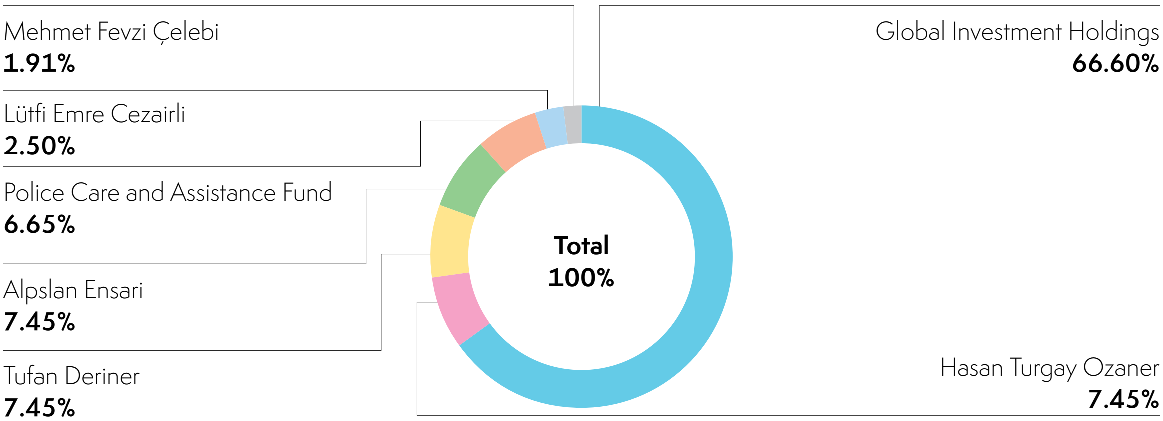
Global Investment Holdings' asset management subsidiary merged with Istanbul Asset Management under the name Istanbul Asset Management as of 25 September 2020. At that time, GIH held a 26.6% stake in the merged entity with an option to purchase an additional 40% of the shares on 3 September 2021. In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

Asset Management

MANAGING 40 FUNDS, ISTANBUL ASSET MANAGEMENT IS THE ONLY FULL-FLEDGED ASSET MANAGER IN TURKEY.

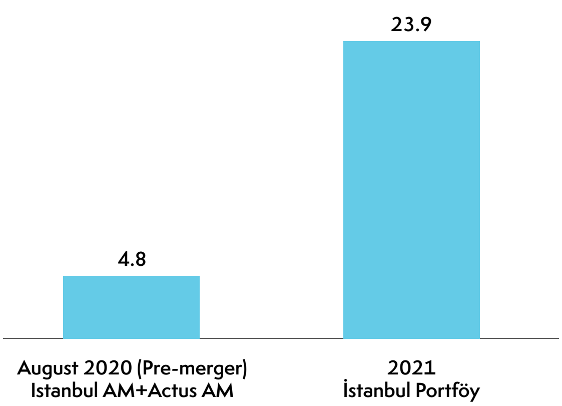
Shareholding Structure

Share %



Istanbul Asset Management is the largest portfolio management company with domestic capital and that does not have a bank/brokerage house /insurance company as a parent. Before the merger, Istanbul Asset Management and Actus Asset Management had a combined AUM of TL 4.8 billion as of end-August 2021. Since that time, İstanbul Asset Management (the merged entity) increased its total AUM five-fold to TL 23.9 billion AUM by end-2021.

(TL Billion)



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

GLOBAL MD PORTFOLIO MANAGEMENT

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

At end-2021, Global MD reported a total portfolio fund size of TL 304.8 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 2022 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.

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

PORTFOLIO VALUE (TL MILLION)

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

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

As of 31 December 2021	
Number of Asset Management Companies*	52
Total AUM	TL 653 billion
Total AUM/GDP	9%
Number of Independent AMs (excl. bank subsidiaries)	39
Market Share of Independent AMs	21%

**Companies that have a portfolio management licence.*

Brokerage

TOGETHER WITH THE CAPITAL INCREASES AND SECONDARY PUBLIC OFFERINGS, FINANCING RAISED IN 2021 TOTALLED TL 36.4 BILLION.

Borsa Istanbul in 2021

After the turmoil caused by the coronavirus epidemic that severely affected world markets in 2020, 2021 was a year of historic peaks in global equity markets. The BIST100 index, which was around 1,476 as of end-2020, climbed to a high of 2,406 before closing the year at 1,857, up 25.8%. However, the index retreated by 30.2% year-on-year in dollar terms. Borsa Istanbul's average daily trading volume increased by 15% in 2021 compared to the previous year and amounted to TL 30.2 billion. Borsa Istanbul's investor base expanded by 20% compared to the end of the previous year to 2 million 384 thousand 791, mainly driven by growth on the domestic side. Foreign investors represent only 0.6% of the total investor base on the Borsa Istanbul.

While the BIST100 index started 2021 with upward momentum, foreign investors saw the uptrend in the first quarter as an opportunity for profit-taking and realized total net sales of USD 1.9 billion in the first three months of the year. In the April – November period, a net foreign purchase of USD 1.34 billion was realized due to the volatility in the FX rates and the discount in the index. The pullback in USD/TL after the Currency Protected Deposit announced in December created a sales opportunity for foreign investors once again, with net foreign sales of USD 1.03 billion in December. Overall, net foreign sales totalled USD 1.6 billion in 2021 compared to USD 4.6 billion in 2020. Foreign investors on BIST declined from 49% at the start of the year to 40% by the end of 2021.

At end-2020, the number of companies trading on the BIST All Index was 402. This figure rose to 454 by end-2021 with 52 new public offerings during the year. The total size of public offerings was TL 21.6 billion in 2021, of which TL 10.7 billion was capital increase and TL 10.9 billion was joint sales. In 2020, total public offerings amounted to TL 1.1 billion with eight companies. Together with the capital increases and secondary public offerings, financing raised in 2021 totalled TL 36.4 billion, up from TL 21.5 billion in 2020. Corporate bond issues raised a total of TL 258 billion via 1,294 debt instruments.

GLOBAL SECURITIES

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

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

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

As of year-end 2021, Global Securities serves clients at three branch locations with 113 employees, including Global MD Portfolio Management.

Global Securities had a market share of 1.65% with an equity trading volume of TL 247.6 billion, ranking 20th among domestic brokerage houses in 2021.

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 over 100 corporations with their initial public offering (IPO)s on the Turkish capital markets.

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

Sustainability

WE SWIFTLY ADAPT TO THE CONTINUOUSLY CHANGING BUSINESS ENVIRONMENT AND MARKET CONDITIONS.

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.

Accordingly, the Sustainable Development Goals (SDGs) that we prioritize while conducting our activities are summarized below.

Fields	Purpose	Related SDG
Combating Climate Change and Energy Management	Contributing to the reduction of greenhouse gas emissions through our renewable energy investments.	7 AFFORDABLE AND CLEAN ENERGY; 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 13 CLIMATE ACTION
Waste Management	Ensuring sustainable use of natural resources, sustainable waste management (preventing waste generation, preventing, minimizing, reusing and recycling rates in cases where we cannot), to comply with the legislation related to the Zero Waste Management System in the areas where we operate.	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Supporting Biodiversity	Evaluating the effects of our activities on biodiversity, establishing and implementing the necessary policies for the protection of biodiversity.	14 LIFE BELOW WATER; 15 LIFE ON LAND; 17 PARTNERSHIPS FOR THE GOALS
Occupational Health and Safety	Creating the systems needed to eliminate death and injury risks in the areas we operate in, and providing the ideal working environments to protect physical and mental health of our employees.	8 DECENT WORK AND ECONOMIC GROWTH
Diversity and Equal Opportunity	Creating an inclusive corporate culture that respects differences and supports disadvantaged groups, and managing all business processes with an approach that aims to provide equal opportunities and does not make discrimination based on gender.	5 GENDER EQUALITY; 10 REDUCED INEQUALITIES

Sustainability

WE CONDUCT OUR ACTIVITIES TO ASSESS, REDUCE AND RECYCLE WASTE RESULTING FROM OUR ACTIVITIES AT THE SOURCE.

We carry out our activities in all fields, including port management, electricity generation, gas, mining, real estate and finance, in compliance with environmental legislation and international standards, while focusing on adding value to each ESG component during the execution of our operations. 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 are working to reduce and recycle the wastes generated as a result of our activities. 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 our country. 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, labor rights, environment and anti-corruption.

Sustainability Priorities

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 senior 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 investments.

BIST Sustainability Index

As GIH, we are included in the BIST Sustainability Index, which includes companies with high corporate sustainability performance and listed on Borsa Istanbul. The Company was included in the index thanks to its continued compliance with the index criteria.

We published our sustainability reports on our website to ensure stakeholder engagement and to contribute to our sustainability efforts in this context.

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 PRINCIPLES

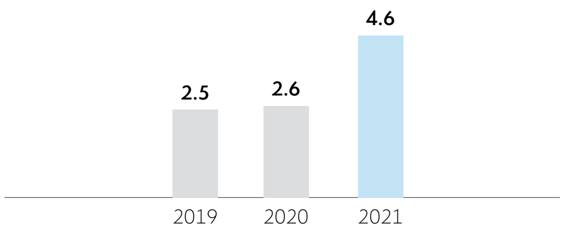
Global climate change, rapid population increase, and shortage of natural resources are causing pressure on global markets. The private sector players shoulder the main responsibility in solving the global issues that have increasingly made their presence felt, especially since the industrial revolution. 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.

In this context, we regularly monitor the environmental performance of both GIH and all of our subsidiaries and aim for effective management. Our Environment and Sustainability Policies form the framework of our work in the fields of climate change and energy management, water and waste management, biodiversity, and local employment.

As GIH, we attach importance to renewable energy investments in our portfolio and continue our investments in this field. 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.

We seek to further improve our performance regarding the environment with each passing year. Our environmental investments reached 4.6 million TL in 2021. There have been no environment-related non-compliance or environmental fines due to our operations within the last four years.

GIH Environmental Investments (TL Million)



Our Certificates

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. 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. The certificates of companies operating in the Port Management sector, which is among our fields of activity, are given in the table below.

Certifications of the Ports

Ports	ISO Standards			Other Standards			COVID 19 Certificates
	9001	14001	45001	Eco-Ports	Green-Ports	Service Quality	
Antigua							Safe Travels & Safe Tourism Certificate
Bar	✓	✓	✓				
Barcelona	in progress	in progress			✓		Safe Travels & Safe Tourism Certificate
Bodrum	✓	✓	✓	✓	✓		Safe Travels & Safe Tourism Certificate
Cagliari	✓	✓		in progress			Safe Travels & Safe Tourism Certificate
Catania	✓	✓		in progress			Safe Travels & Safe Tourism Certificate
Kusadasi	✓	✓	✓	✓	✓		Safe Travels & Safe Tourism Certificate
Lisbon	in progress	in progress					Safe Travels & Safe Tourism Certificate
Malaga	✓	✓		in progress		✓	Safe Travels & Safe Tourism Certificate
Nassau							
Taranto	✓	✓		in progress			
Valletta	in progress	in progress					Safe Travels & Safe Tourism Certificate
Zadar							Safe Travels & Safe Tourism Certificate

**Quality Service Certification is only eligible by Spanish Ports.*

Sustainability

IN 2021, WE INCREASED OUR ENERGY EFFICIENCY WITH THE IMPROVEMENTS WE MADE IN OUR BIOMASS FACILITIES OPERATING IN ELECTRICITY GENERATION.

Kuşadası and Bodrum ports in our Port Management portfolio are certified in the Green Port category granted by Turkish Authorities, and also Kuşadası, Bodrum and Barcelona ports are under the scope of Green Port Applications by ESPO (European Sea Ports Organization) EcoPorts.

The ISO certificates of our subsidiaries operating in the electricity generation and mining sectors are listed in the table below:

Name of the Plant	14001	45001	9001	50001
Mavi Bayrak Energy	✓	✓	✓	✓
Mavi Bayrak Doğu Energy	✓	✓	✓	✓
Doğal Energy	✓	✓	✓	✓
Tres Energy	✓	✓	✓	
Ra Solar Energy	✓	✓	✓	
Straton Mining	✓	✓	✓	
Edusa Atık	✓	✓	✓	
Consus Energy			✓	
Tenera Energy			✓	

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 move towards our corporate goals, we position it among our priorities to reduce energy consumption, to use energy more efficiently and to promote responsible consumption across GIH and its subsidiaries. For this purpose, we regularly monitor energy usage. In 2021, consumption in our facilities in the electricity generation and mining sectors, where electricity consumption is the most intense, was 32,970 MWh, 17,062 MWh in Naturelgaz, which operates in the gas sector, and 6,283 MWh in our shopping malls that we own in the real estate sector. Besides, in our Port Group, energy consumption is monitored by greenhouse gas emission calculations.

In this way, we have the opportunity to identify areas where we can improve by testing our performance on sustainability and environmental issues in line with the targets we have set.

For the upcoming period, we aim to increase energy savings with various developments such as improvements in systems we use, roof solar panel applications, changes in lighting systems, and the use of electric vehicles.

In 2021, we increased our energy efficiency with the improvements we made in our biomass facilities operating in electricity generation. We achieved efficiency by reducing the amount of energy we spend per unit of energy production. We have improved the conversion rate of biomass to energy, thus reducing the amount of resources we consume at the same production level.

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.

Biomass Plants

In addition to two biomass plants in Söke and Şanlıurfa 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. The energy we produce with this installed power corresponds to the electricity needs of approximately 80,000 households. In 2021, these three biomass power plants produced 195,353 MWh of electricity from a total of 317,575 tons of agricultural, forest and animal waste.

Energy Efficiency of Biomass Plants

	2020	2021
Consumed energy/Generated energy	0.10	0.11
Amount of biomass/Generated energy	1.67	1.63

GROWING OUR RENEWABLE ENERGY PORTFOLIO

In 2021, we certified VCS (Verified Carbon Standard) carbon credits for the 2018-2020 period of our renewable energy production facilities. By selling all of the 91,000 carbon credits in these three years, we provided opportunities for institutions that want to reduce their carbon footprint.

Mavibayrak Energy biomass Power Plant operating in Aydın/Söke within Consus Energy has an internationally valid VCS certificate. The carbon credits calculated and obtained according to the methodology in accordance with the VCS are included in the carbon trading market in order to erase the carbon footprint of the organizations that have high carbon emissions and want to reduce it.

While calculating the carbon reduction of Mavibayrak Energy, a "science-based approach" was adopted within the scope of our sustainability studies and calculations were made using IPCC* methodologies.

At our Mavibayrak Doğu Enerji facility, 162,000 I-REC** renewable energy certificates for the years 2020 and 2021 were credited.

At our Natural Energy facility, 22.00 I-REC renewable energy certificates for the years 2020 and 2021 were credited.

** The Intergovernmental Panel on Climate Change was established in 1988 by the two organizations of the United Nations, the World Meteorological Organization and the United Nations Environment Program, to assess the risks of climate change caused by human activities.*
***Renewable energy certificate system standard that keeps the record of electricity produced from renewable energy sources and ensures the registration of renewable energy rights on behalf of the end consumer.*

Solar Energy

The solar power plant investment with a capacity of 10.8 MWp, which was completed by our group company Ra Güneş in Mardin in 2019, started electricity generation in 2020. The Ra Solar Power Plant produced 20,098 MWh in 2020 and 22,099 MWh in 2021. 20,157 I-REC renewable energy certificates for 2020 were credited. Furthermore, as a result of our commitment to innovation, Ra Solar Power Plant is one of the first solar plants in Turkey that utilizes solar tracker.

As Global Investment Holdings' first international solar plant; an MoU was signed in Antigua with Antigua Public Utilities Authority for a 5MW build-operate solar project at feed-in-tariff for 30 years. Discussions are ongoing for the power purchase agreement.

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 main aim in cogeneration is to utilize the primary fuel energy at the highest rate. The activities within the group are carried out with natural gas engines, and the energy efficiency reaches 90% with the use of the heat generated in the engines that produce electricity from natural gas (the efficiency of natural gas cycle power plants in the market that only produces electricity from natural gas is 43%-45%).

In trigeneration systems, energy can be offered to businesses simultaneously in three different ways as electricity, heating and cooling.

Distributed Power systems (cogeneration and trigeneration) produce clean and environmentally friendly energy with low carbon emissions. In 2021, 338,706 MWh energy was produced with distributed power systems, including electricity, heating and cooling.

Sustainability

WITHIN THE SCOPE OF OUR WASTE MANAGEMENT EFFORTS, WE PLAN TO MONITOR OUR WASTE GENERATION MORE EFFECTIVELY.

GHG EMISSIONS

Port Infrastructure

In the period ending 31 March 2022, the sum of scope 1 and scope 2 emissions, calculated with a location-based approach according to the GHG Protocol, decreased by 15% compared to the previous year and amounted to 4,556 tons of CO_2 equivalent.

Table of the GHG Emissions of GPH (tons CO2e)*

	GPH's Previous Reporting	Reporting Period (1 April 2021 - 31 March 2022)
Scope 1	2,185.6	1,756.6
Scope 2 (Location based)	3,201.2	2,798.9
Scope 1 and 2 total Location-based	5,386.8	4,555.5
Per full-time employee	13.27	8.74
Per square meter area	0.0234	0.0045

** 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 2021, a total of 26,918 m^3 of water was recycled, by reusing the waste water from production in our biomass energy production facilities in the cooling tower units.

The total water consumption of the GIH including energy production companies, mining, gas, ports, real estate and asset management companies along with the Holding headquarters amounted to 1,166,835 m^3.

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.

TOTAL WASTE AMOUNT GENERATED AS A RESULT OF OUR OPERATIONS

	Company / Activity Name	Water Use			Wastewater Amount			Recycled Wastewater		
		2020	2021		2020	2021		2020	2021	
Water Management	Mavibayrak Energy Production	425,000	484,538	m^3	52,760	46,740	m^3		4,868	m^3
Water Management	Mavibayrak Doğu Energy Production	444,805	484,900	m^3	19,692	2,340	m^3			m^3
Water Management	Doğal Energy Services	9,571	76,720	m^3	650	480	m^3	17,000	22,050	m^3
	Ra Solar Power Plant	100	100	m^3	10	30	m^3			m^3
	Tres Energy Services	2,300	2,300	m^3	1,536	1,536	m^3			m^3
	Straton Mining	1,885	1,083	m^3	10,000	6,300	m^3			m^3
	Total	**883,661**	**1,049,641**	**m^3**	**84,648**	**57,426**	**m^3**	**17,000**	**26,918**	**m^3**
	Global Securities		493	m^3			m^3			m^3
	GPH		81,109	m^3		15,090	m^3			m^3
	Real Estate Activities		24,419	m^3		8,057	m^3		3,500	m^3
	Naturelgaz		11,173	m^3		2,793	m^3			m^3
	Total	**883,661**	**1,166,835**	**m^3**	**84,648**	**83,366**	**m^3**	**17,000**	**30,418**	**m^3**

** In the 2020 and 2021 water consumption data of our biomass energy production facilities, the water consumption used in production is also included on the basis of working hours. GPH water use amount includes water supply to ships.*

Sustainability

GIH ENVIRONMENTAL PERFORMANCE INDICATORS

	Company	Energy Generation (MWh)			Electricity Consumption (MWh)		
		2020	2021		2020	2021	
Environmental Management	Mavibayrak Energy Production	86,365	92,240	MWh	7,542	10,187	MWh
	Mavibayrak Doğu Energy Production	90,553	88,929	MWh	9,134	8,330	MWh
	Doğal Energy Services	13,629	14,184	MWh	2,494	3,511	MWh
	Biomass Total	190,548	195,353	MWh	19,170	22,028	MWh
	Ra Solar Power Plant	20,098	22,099	MWh	0	10	MWh
	Total Renewable Energy Produced	**210,645**	**217,452**	**MWh**	**19,170**	**22,038**	**MWh**
	Tres Energy	470,346	338,706	MWh		10,932	MWh
	Straton Mining			MWh			MWh
	Total Biomass+Solar+Ko/ Tri-Jen Energy Production	**680,991**	**556,158**	**MWh**	**680,991**	**32,970**	**MWh**
	Naturelgaz					17,062	MWh
	GPH				4,874	6,780	
	Total	**680,991**	**566,158**	**MWh**	**24,044**	**56,812**	**MWh**

		Total Hazardous Waste			Total Non-Hazardous Waste		
		2020	2021		2020	2021	
Waste and Packaging	Mavibayrak Energy Production	5	7	tons	263	686	tons
	Mavibayrak Doğu Energy Production	2	3	tons	3,210	324	tons
	Doğal Energy Services	2	1	tons	4,290	-	tons
	Ra Solar Power Plant	-	-	tons	1	1	tons
	Tres Energy Services	24	57	tons			tons
	Straton Mining	3	4	tons		10	tons
	Total	**36**	**72**	**tons**	**7,764**	**1,021**	**tons**
	Global Securities					12	
	GPH		389	tons		674	
	Real Estate Activities						
	Naturelgaz	0	2	tons	11	7	tons
	Total	36	463	tons	7,775	1,714	tons

In 2021, the total waste amount generated as a result of our operations was 2,177 tons. 79% of the waste is non-hazardous and 21% is hazardous waste. Additional information about waste is provided in the GIH Environmental Performance Indicators table above.

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 the waste obtained from ships at our ports (where the legislation allows) 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.

Wastewater recycling is carried out at Kuşadası Port, which is included in our Port Management portfolio; Wastewater collected from inbound passenger ships is separated and stored, and it is also recycled in a way that does not harm the environment, by undergoing the necessary processes.

In 2021, the total wastewater discharge of GIH including energy generation,gas, mining sector companies, ports and the real estate and the Holding Headquarters, amounted to 83,366 m^3. 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.

Sustainability

WE DESIGN OUR PERFORMANCE MANAGEMENT SYSTEM ACCORDINGLY TO ENSURE FAIR JUDGMENT OF EMPLOYEE COMPETENCIES AND PERFORMANCES.

One of GIH's facilities is located in Gökova Bay. Since 2015, we have been carrying out the Project for Conservation of the Breeding Area of Sand Sharks (Carcharhinus Plumbeus) in Boncuk Bay in cooperation with the Mediterranean Conservation Society. Bead Bay, which is very close to the Gökova Bay, has been declared as a Special Environmental Protection Area. Within the scope of this project, it contributes to the protection of sand sharks and their habitats. Sand sharks are in the sensitive category according to the International Union for Conservation of Nature's (IUCN) Red List, and in the "threatened" category for the Mediterranean region. Accordingly, we include and benefit from the knowledge of the local fisherman in the studies we conduct.

C. SOCIAL PRINCIPLES

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.

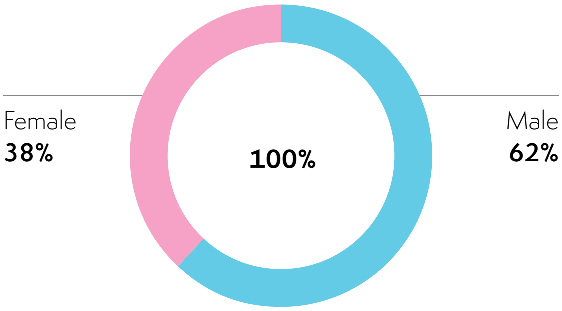
As a global group, we operate in different geographical areas and we expect our subsidiaries to manage their human resources in consideration of the requirements of these regions. We manage human resources within the scope of our Human Resources Regulation that identifies employee rights and the rules 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 Labor Organization (ILO).

We employ a total of 1,401 employees at Global Investment Holdings (GIH) and affiliates. 34% of our white-collar employees is female. The rate of female employees in the Holding's senior management is 38%. We aim to boost the percentage of women at all levels of our organization, including our board, in accordance with Sustainable Development Goals. Global Investment Holdings Board of Directors has adopted the policy of increasing the rate of female members in the Board of Directors to 25% within five years, monitoring the progress in this regard and reporting it annually. As of the end of 2021, GIH's Board of Directors is composed of seven members, one of which is female.

2021 GIH Senior Management Gender Distribution



II. EDUCATION

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.

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.

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, work has been carried out in accordance with all relevant guidelines published by the Ministry of Health since March 2020, when Covid-19 emerged.

An "Emergency and Business Continuity Plan" was drafted for the Covid-19 outbreak. The Procedures Combating Contagious Diseases and Adaptation have been prepared in accordance with the requirements of the Ministry of Health and provincial Governorships. The necessary 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.

PORTS

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.

Sustainability

IN 2021, WE PROVIDED A TOTAL OF 10,577 HOURS OF OHS TRAINING TO OUR EMPLOYEES AT THE HOLDING AND AFFILIATES.

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.

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

In 2021, we provided a total of 10,577 hours (number of personnel x training hours) of OHS training to our employees at the holding and affiliates.

	2020	2021
Number of Deaths	0	0
Number of Accidents	181	110
Total OHS Training Hours	10,030	10,577

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.

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. The Corporate Governance Committee is responsible for regularly reviewing the Company's Anti-Bribery and Anti-Corruption Policy and developing the policy content. The committee is also responsible for regularly monitoring practices, including those with bribery and corruption, and conducting risk assessments on an annual basis.

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.

All notifications regarding ethical rules and anti-bribery and anti-corruption policy can be sent to the Holding via the ethics line and the e-mail address below. In 2021, 3 reports/incidents were reported to the ethics hotline. The reports received were investigated and concluded that they were not related to our company. Therefore, they were closed.

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 2021 continued to support sports, educational, charitable, cultural and social causes, and related projects and events.

Sustainability

GLOBAL RUN HAS BEEN HELD IN BODRUM, TURKEY; VALLETTA, MALTA; BAR/KOTOR, MONTENEGRO, RAVENNA, ITALY AND BARCELONA, SPAIN.

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. Global Run has been held in Bodrum, Turkey; Valletta, Malta; Bar/Kotor, Montenegro, Ravenna, Italy and Barcelona, Spain. The goal is to host the Global Run wherever GPH has a growing portfolio worldwide. This event could not be held in 2021 due to the COVID-19 pandemic.

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. The Corporate Governance Principles compliance score of the Company, which was increased from 8.36 in 2011 to 9.12 in 2020, was revised upwards to 9.14 as of November 23, 2021, following its continuous improvement efforts. The company continues to be included in the Borsa Istanbul Corporate Governance Index as it is above the threshold of 7 points. Detailed information on corporate governance compliance is provided in the Corporate Governance Compliance Form (CGCF) and Corporate Governance Information Form (CGIF).

The final rating was evaluated in four sub-categories around the CMB's policy decision on the subject. The distribution of our corporate governance rating by category is presented below.

Subcategories	Weight (%)	Rating
Shareholders	25	89.28
Public Disclosure and Transparency	25	96.67
Stakeholders	15	92.95
Board of Directors	35	88.54
Total	100	91.42

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

The score of 9.14 given by Kobirate in the rating study based on the Corporate Governance Principles is an indication that the Company has largely complied with the CMB Corporate Governance Principles and has included the necessary policies and measures in practice.

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.

Investor Relations

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

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 2021, the Investor Relations Department held two teleconferences with multiple participants to inform analysts and portfolio managers on its quarterly financial results and operational developments. In addition to the investor conferences, investor & analyst meetings and quarterly results teleconferences, the Department responded to more than 900 investor requests via phone and email and communicated to over 400 institutional and retail investors.

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

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

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

Investor Relations Department Information:

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

Ratings

GLOBAL INVESTMENT HOLDINGS' CORPORATE GOVERNANCE RATING UPGRADED TO 9.14.

Global Investment Holdings' Corporate Governance Rating upgraded to 9.14

Pursuant to the Capital Markets Board (CMB)'s Communiqué on "Rating Activities and Rating Agencies in Capital Markets," Global Investment Holdings' Corporate Governance Rating was reviewed by Kobirate Uluslararası Kredi Derecelendirme ve Kurumsal Yönetim Hizmetleri A.S. (Kobirate International Credit and Corporate Governance Rating: Kobirate). Accordingly, Kobirate upgraded Global Investment Holdings' Corporate Governance Rating to 9.14 (out of 10.0), up from 9.12 a year earlier, indicating that GIH has achieved substantial compliance with CMB's Corporate Governance Principles.

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

	2021
Overall rating (out of 10.0)	9.14
Shareholders (25%)	89.28
Public Disclosure & Transparency (25%)	96.67
Stakeholders (15%)	92.95
Board of Directors (35%)	88.54

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

Credit Ratings

JCR Eurasia Rating revised the ratings of Global Investment Holdings as 'BBB (Trk)' and 'BB' on the long term national and international scale, respectively, 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 31 May 2021. The Holding's Long Term International Ratings, which were previously assigned as 'BB+' were downgraded by one notch to 'BB' and aligned with Turkey's sovereign rating. JCR Eurasia Rating assigned 'Stable' outlooks to GIH's international long and short term local currency rating given the Holding's foreign currency generation capacity.

In its periodic review, JCR Eurasia Rating evaluated Global Investment Holdings and its Ongoing Bond Issues in an investment-level category on the national scale. JCR Eurasia Rating revised down the ratings on the Long Term National Scale from 'BBB+ (Trk)' to 'BBB (Trk)' and the Long Term International Scale from 'BB+' to 'BB' with 'Stable' outlooks. Ratings for outstanding or prospective debt instrument issues were set as 'BBB (Trk)' for the long term and 'A-3 (Trk)' for the short term. GIH's Short Term National Rating was revised to 'A-3 (Trk) / Stable'. The rating revision was driven by the Covid-19 global pandemic that has caused unprecedented disruptions to both the world's economies and the global travel sector. GIH's resilience was also affirmed by JCR Eurasia Rating which assigned 'Stable' outlooks on the company's international long and short term local currency ratings given the Holding's foreign currency generation capacity.

Ratings

Global Investment Holdings' main shareholders are deemed adequate in terms of financial power and stability given the diversification of sectors involved and competitive advantage. GIH's major shareholders have adequate willingness and experience to ensure long-term liquidity and equity within their financial capability when required. Global Investment Holdings' Sponsor Support Grade was assessed as (2), which denotes adequate external support.

The Stand-Alone grade, denoting GIH's ability to fulfil its liabilities with its own resources, was assessed as (B), indicating that its capacity to utilize internal resources is adequate, given GIH's business activities in diversified sectors, income generation capacity, and equity and indebtedness levels.

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-3 (Trk) / (Stable Outlook)
Short Term National Issue Rating	:	A-3 (Trk)
Sponsor Support	:	2
Stand-Alone	:	B

Corporate Citizenship

GIH VALUES PHILANTHROPIC ENGAGEMENTS THAT PROMOTE TURKEY AND IMPROVE THE SOCIAL, CULTURAL AND ECONOMIC ENVIRONMENT.

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 2021 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 and Barcelona, Spain. The intention is to host a Global Run in all locations of GPH's growing portfolio around the world. In 2021, due to the Covid-19 pandemic, there was no such organization.

Global Run Bodrum

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

Education

Singling out contributions to education, the Group:

- Sponsored a nationwide Elementary Schools Study Books Support Campaign organized by a national newspaper in 2007, and contributed to a project run jointly by UNICEF and the Ministry of Education to construct two classrooms in Şanlıurfa-Harran.
- Completed the construction of dormitories at Erzincan University Refahiye Occupational High School in 2009. The İzzet Y. Akçal Refahiye Student Dormitories comprise 40 separate units in three blocks.
- Completed construction of Adnan Menderes University Tourism and Hotel Management College Group in collaboration with the Ministry of Education. The College, since opening its doors in 2009, has produced qualified human resources for the Turkish hospitality industry, while contributing to the cultural richness of Kuşadası and its environs.

Corporate Citizenship

GIH ESTABLISHED THE LIBRARY OF ŞIRNAK İPEKYOLU PRIMARY SCHOOL TO CONTRIBUTE TO CHILDREN'S PERSONAL AND EDUCATIONAL DEVELOPMENT.

- 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.

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Board of Directors

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

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

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

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

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

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

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

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

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.

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

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

Audit Committee

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

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

Its members are;
- 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 2021, 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 three times in 2021. It made assessments of the Company's corporate governance practices and the Corporate Governance Compliance Report in 2021 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 three times in 2021.

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

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 2021.

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

Corporate Governance

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

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

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

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

Global Investment Holdings Corporate Governance Principles Compliance Report

STATEMENT OF COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES
Global Investment Holdings accommodates and pays utmost attention to the execution of the Corporate Governance Principles published by the Capital Markets Board of 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%	89.28
Public Disclosure & Transparency - 25%	96.67
Stakeholders - 15%	92.95
Board of Directors - 35%	88.54
Overall (Out of 10)	9.14

The report, prepared by Kobirate and related to the corporate governance rating of 9.14, 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 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.

Global Investment Holdings Corporate Governance Principles Compliance Report

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

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

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

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

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

Pursuant to the amendments published in the Official Gazette dated October 2, 2020 and numbered 31262, "requirements to announce if the company implements sustainability principles, to provide reasoned explanations if they are not, description of the impact on environmental and social risk management due to partial or no compliance in the annual report" was incorporated into the Communiqué. Our activities within the scope of the "Sustainability Principles Compliance Framework" adopted by the Turkish Capital Markets Board are reported in a consolidated manner as part of our 2021 Annual Report.

Corporate Governance Compliance Report

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

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

Global Investment Holdings Corporate Governance Principles Compliance Report

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

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

Global Investment Holdings Corporate Governance Principles Compliance Report

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

4.2. ACTIVITIES OF THE BOARD OF DIRECTORS	Yes	Partial	No	Exempted	Not Applicable	Explanation
4.2.1-The board of directors documented its meetings and reported its activities to the shareholders.	X					
4.2.2-Duties and authorities of the members of the board of directors are disclosed in the annual report.	X					
4.2.3-The board has ensured the company has an internal control framework adequate for its activities, size and complexity.	X					
4.2.4-Information on the functioning and effectiveness of the internal control system is provided in the annual report.	X					
4.2.5 - The roles of the Chairman and Chief Executive Officer are separated and defined.			X			The roles of Chair of the Board and Chief Executive Officer are executed by Mehmet Kutman due to his proficiency and deep knowledge about investment banking and financial markets.
4.2.7 - The board of directors ensures that the Investor Relations department and the corporate governance committee work effectively. The board works closely with them when communicating and settling disputes with shareholders.	X					
4.2.8 - The company has subscribed to a Directors and Officers liability insurance covering more than 25% of the capital.		X				There is Directors & Officers Liability Insurance for the damages caused by the board members during their duties, limited to 5mn USD, which is equal to approximately 10% of our 650 million TL issued capital as of the end of 2021.

Global Investment Holdings Corporate Governance Principles Compliance Report

4.3. STRUCTURE OF THE BOARD OF DIRECTORS	Yes	Partial	No	Exempted	Not Applicable	Explanation
4.3.9-The board of directors has approved the policy on its own composition, setting a minimal target of 25% for female directors. The board annually evaluates its composition and nominates directors so as to be compliant with the policy.	X					
4.3.10-At least one member of the audit committee has 5 years of experience in audit/ accounting and finance.	X					
4.4. BOARD MEETING PROCEDURES						
4.4.1-Each board member attended the majority of the board meetings in person.	X					
4.4.2-The board has formally approved a minimum time by which information and documents relevant to the agenda items should be supplied to all board members.	X					

4.4.3 - The opinions of board members that could not attend the meeting, but did submit their opinion in written format, were presented to other members.					X	
4.4.4-Each member of the board has one vote.	X					
4.4.5-The board has a charter/written internal rules defining the meeting procedures of the board.	X					
4.4.6-Board minutes document that all items on the agenda are discussed, and board resolutions include director's dissenting opinions if any.	X					
4.4.7-There are limits to external commitments of board members. Shareholders are informed of board members' external commitments at the General Shareholders' Meeting.			X			There is no restriction for the Board members to assume any other duties outside the company. It should be taken into consideration that our Company is a holding company and that it is in the interest of our Company to be represented in the management of related companies. The Board Members' duties outside the Company were announced to the shareholders at the General Assembly Meeting.

Global Investment Holdings Corporate Governance Principles Compliance Report

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

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

Global Investment Holdings Corporate Governance Principles Compliance Report

Corporate Governance Information Form

1. SHAREHOLDERS	
1.1. Facilitating the Exercise of Shareholders Rights	
The number of investor meetings (conference, seminar/etc.) organised by the company during the year	Through the year more than 400 meetings, conference calls, phone calls have been materialized with corporate and retail investors, while more than 900 questions have been answered via e-mail and / or phone. In 2021, the Company has held 2 teleconferences with multiple participants to inform analysts and portfolio managers on its quarterly financial results and operational developments.
1.2. Right to Obtain and Examine Information	
The number of special audit request(s)	There were no requests for the appointment of a private auditor during the reporting period.
The number of special audit requests that were accepted at the General Shareholders' Meeting	There was no request for a special auditor at the General Assembly Meeting.
1.3. General Assembly	
Link to the PDP announcement that demonstrates the information requested by Principle 1.3.1. (a-d)	https://www.kap.org.tr/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 Investor Relations / Corporate Governance section on our corporate website
The relevant link to the PDP with minute of the General Shareholders' Meeting where the donation policy has been approved	https://www.kap.org.tr/tr/Bildirim/202746
The number of the provisions of the articles of association that discuss the participation of stakeholders to the General Shareholders' Meeting	None
Identified stakeholder groups that participated in the General Shareholders' Meeting, if any	Only the shareholders may attend the General Assembly meeting.

1.4. Voting Rights	
Whether the shares of the company have differential voting rights	Yes
In case that there are voting privileges, indicate the owner and percentage of the voting majority of shares.	In accordance with Article 6 of the Articles of Association, the shares representing the company's capital are divided into four groups. (A), (D) and (E) Group shares carry privileged voting rights, and Group (C) shares that are traded on the stock exchange have no privileges. **Group** **Number** **Percentage** A 20 0.00000003% D 1.000.000 0.0015385% E 1.500.000 0.0023077%
The percentage of ownership of the largest shareholder	29.75% (as of 31.12.2021)
1.5. Minority Rights	
Whether the scope of minority rights enlarged (in terms of content or the ratio) in the articles of the association	No
If yes, specify the relevant provision of the articles of association	-
1.6. Dividend Right	
The name of the section on the corporate website that describes the dividend distribution policy	Dividend Distribution Policy could be found under Investor Relations / Corporate Governance section on our corporate website
Minutes of the relevant agenda item in case the board of directors proposed to the general assembly not to distribute dividends, the reason for such proposal and information as to use of the dividend	Information could be found under Investor Relations / General Assembly / 2020 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 31.12.2020 - 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/954477

General Assembly Meetings

General Meeting Date	The number of information requests received by the company regarding the clarification of the agenda of the General Shareholders' Meeting	Shareholder participation rate to the General Shareholders' Meeting	Percentage of shares directly present at the GSM	Percentage of shares represented by proxy	Specify the name of the page of the corporate website that contains the General Shareholders' Meeting minutes, and also indicates for each resolution the voting levels for or against	Specify the name of the page of the corporate website that contains all questions asked in the general assembly meeting and all responses to them	The number of the relevant item or paragraph of General Shareholders' Meeting minutes in relation to related party transactions	The number of declarations by insiders received by the board of directors	The link to the related PDP general shareholder meeting notification
03.08.2021	0	%59,03	%0,92	%56,23	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/954477

Global Investment Holdings Corporate Governance Principles Compliance Report

2. DISCLOSURE AND TRANSPARENCY	
2.1. Corporate Website	
Specify the name of the sections of the website providing the information requested by the Principle 2.1.1.	The information can be found under Corporate Governance, Corporate Information, Reports, Presentations and General Assembly.
If applicable, specify the name of the sections of the website providing the list of shareholders (ultimate beneficiaries) who directly or indirectly own more than 5% of the shares.	Shareholding Structure could be found under Investor Relations / Corporate Information section on our corporate website
List of languages for which the website is available	Turkish, English
2.2. Annual Report	
The page numbers and/or name of the sections in the Annual Report that demonstrate the information requested by principle 2.2.2.	
a) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the duties of the members of the board of directors and executives conducted out of the company and declarations on independence of board members	"Managing Body, Senior Management and Personnel"
b) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on committees formed within the board structure	"Committees formed under Board of Directors and their Evaluations by the Board of Directors"
c) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the number of board meetings in a year and the attendance of the members to these meetings	"Number of meetings that Board of Directors had during the year and attendance rates of board members"
ç) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on amendments in the legislation which may significantly affect the activities of the corporation	"Information on some of the Legislative Amendments that can Affect the Company's Activities"
d) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on significant lawsuits filed against the corporation and the possible results 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 Investor Relations / Corporate Governance section on our corporate website
The number of definitive convictions the company was subject to in relation to breach of employee rights	0
The position of the person responsible for the alert mechanism (i.e. whistleblowing mechanism)	Internal Audit Unit
The contact detail of the company alert mechanism.	etik@global.com.tr
3.2. Supporting the Participation of the Stakeholders in the Corporation's Management	
Name of the section on the corporate website that demonstrates the internal regulation addressing the participation of employees on management bodies.	None
Corporate bodies where employees are actually represented	None
3.3. Human Resources Policy	
The role of the board on developing and ensuring that the company has a succession plan for the key management positions	Board of Directors performs the performance evaluation of the key managers at regular intervals as well as evaluating a succession plan for the key management.
The name of the section on the corporate website that demonstrates the human resource policy covering equal opportunities and hiring principles. Also provide a summary of relevant parts of the human resource policy.	The information could be found under Investor Relations / Sustainability / Work Life, also in Code of Ethics under Corporate Governance. In addition, personnel regulations are also available on our intranet site.
Whether the company provides an employee stock ownership programme	None
The name of the section on the corporate website that demonstrates the human resource policy covering discrimination and mistreatments and the measures to prevent them. Also provide a summary of relevant parts of the human resource policy.	The information could be found under Investor Relations / Sustainability / Work Life, also in Code of Ethics under Corporate Governance. In addition, personnel regulations are also available on our intranet site.
The number of definitive convictions the company is subject to in relation to health and safety measures	None
3.5. Ethical Rules and Social Responsibility	
The name of the section on the corporate website that demonstrates the code of ethics	The information could be found under Investor Relations / Corporate Governance / Code of Ethics.
The name of the section on the company website that demonstrates the corporate social responsibility report. If such a report does not exist, provide the information about any measures taken on environmental, social and corporate governance issues.	The information could be found under Investor Relations / Sustainability section.
Any measures combating any kind of corruption including embezzlement and bribery	Principles on these topics are covered in Code of Ethics and, The Anti-Bribery and Anti-Corruption Policy has been implemented as a requirement of this issue. Whistle-blower mail has been created for report violations of this Policy as well as any situations that could damage the Company's reputation or trustworthiness.

Global Investment Holdings Corporate Governance Principles Compliance Report

4. BOARD OF DIRECTORS-I	
4.2. Activity of the Board of Directors	
Date of the last board evaluation conducted	None
Whether the board evaluation was externally facilitated	No
Whether all board members released from their duties at the GSM	Yes
Name(s) of the board member(s) with specific delegated duties and authorities, and descriptions of such duties	There has been no delegation.
Number of reports presented by internal auditors to the audit committee or any relevant committee to the board	5
Specify the name of the section or page number of the annual report that provides the summary of the review of the effectiveness of internal controls	The information can be found at "Information about the risks, Internal Control System and Audit Activities and the opinion of the governing body on this matter" section
Name of the Chairman	Mehmet Kutman
Name of the CEO	Mehmet Kutman
If the CEO and Chair functions are combined: provide the link to the relevant PDP announcement providing the rationale for such combined roles	https://www.kap.org.tr/tr/Bildirim/917731
Link to the PDP notification stating that any damage that may be caused by the members of the board of directors during the discharge of their duties is insured for an amount exceeding 25% of the company's capital	There is a Directors & Officers Liability Policy for the damages caused by the board members during their duties limited to 5 million USD which is equal to approximately 10% of our TL 650 million issued capital as of the end of 2021.
The name of the section on the corporate website that demonstrates current diversity policy targeting women directors	It could be found under Investor Relations / Corporate Governance section on our corporate website.
The number and ratio of female directors within the Board of Directors	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/917731	Considered	No	No
DALINÇ ARIBURNU	Non-Executive	Not independent director	27.04.2018	-	-	-	Yes
SHAHROKH BADIE	Non-executive	Independent director	27.04.2018	https://www.kap.org.tr/tr/Bildirim/917731	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)	31
Director average attendance rate at board meetings	100%
Whether the board uses an electronic portal to support its work or not	No
Number of minimum days ahead of the board meeting to provide information to directors, as per the board charter	3 days
The name of the section on the corporate website that demonstrates information about the board charter	Working Principles of the Board of Directors could be found under Investor Relations / Corporate Governance section on our corporate website
Number of maximum external commitments for board members as per the policy covering the number of external duties held by directors	None
4.5. Board Committees	
Page numbers or section names of the annual report where information about the board committees are presented	Related information can be found at "Committees Formed Under the Board of Directors and Assessment of the Committees by Board of Directors" section.
Link(s) to the PDP announcement(s) with the board committee charters	Duties and Working Rules of the Committees could be found under Investor Relations / Corporate Governance / Committees section on our corporate website

Composition of Board Committees- I

Names Of The Board Committees	Name Of Committees Defined As "Other" In The First Column	Name-Surname of Committee Members	Whether Committee Chair Or Not	Whether Board Member Or Not
Audit Committee	-	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	-	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

Global Investment Holdings Corporate Governance Principles Compliance Report

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

Composition of Board Committees-II

Names Of The Board Committees	Name of committees defined as "Other" in the first column	The Percentage Of Non-executive Directors	The Percentage Of Independent Directors In The Committee	The Number Of Meetings Held In Person	The Number Of Reports On Its Activities Submitted To The Board
Audit Committee	-	100%	100%	4	4
Corporate Governance Committee	-	25%	25%	3	3
Nomination and Remuneration Committee	-	20%	20%	3	3
Early Risk Assessment Committee	-	25%	25%	6	6

Risk Management and Internal Audit Mechanism

Risk Management

"Risk Management and Surveillance Activities" are defined as the identification of ordinary or extraordinary risks that may arise during any operations performed by 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 management. The most significant risks from each business unit (based on materiality, or those which may have a significant effect across the business) are reviewed by the relevant Board Committees. Financial, strategic, operational and compliance risks of subsidiaries are also overseen and supervised by the relevant Group Head Officers and Head of Finance as well as the Internal Audit Unit at the Holding level.

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.

In addition, the Committee:

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

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

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

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.

Risk Management and Internal Audit Mechanism

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

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

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

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

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

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

Amendments to the Articles of Association in 2021

There has been no amendments to the Articles of Association in 2021.

Statement of Responsibility

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

Date: March 11, 2022
Number: 1063

STATEMENT OF RESPONSIBILITY AS PER ARTICLE 9 OF CAPITAL MARKETS BOARD COMMUNIQUĒ 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 01.01.2021 – 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, 2022
Oğuz SATICI | Chairman of Audit Committee
Shahrokh Badie | Member of Audit Committee
Mehmet Kutman | Chairman of Board of Directors

Financial Overview

Recovery speeds up across all business lines...

Global Investment Holdings (GIH), a diversified conglomerate operating in 13 different countries across four continents, announced its full year consolidated results which ended 31 December 2021, and commented on recent developments.

Full year figures for Global Investment Holdings reported Consolidated Net Revenues (excluding IFRIC 12 Construction Revenue and revenues from Port Akdeniz which was sold in January 2021) of TL 1,793.7m for the full year in 2021 with a 64% increase over 2020. Consolidated Operating EBITDA (excluding Port Akdeniz) rose 153% to TL 424.9m.

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

"2021 was a year in which all our business lines mounted a strong recovery from the mixed performance caused by the Covid pandemic in 2020, though they were still affected to varying degrees. Obviously, the effects of the pandemic are not wholly over; yet, the worst is over. Although we do not expect all business lines to be back to normal before 2023, we are pleased to see that the public health crisis appears to be coming under control. This especially affects our cruise business, Global Ports Holding, where we have seen higher demand from cruise lines, currently running at 73% of fleet deployment. Thankfully today, the global cruise industry is operating almost normally and booking activity is displaying a sequential improvement. By the end of January 2022, booking activity has almost returned to pre-Omicron levels, indicating that the recovery should accelerate as the variant subsides. Most cruise lines expect close to 100% fleet deployment by Summer 2021, in time for the peak summer season. In line with this backdrop, the improved performance has gained further momentum in Q4 2021 in our ports business and across our entire Group. Furthermore, in February 2022 standalone, the number of calls has almost caught up with February 2019 numbers (96% of Feb 2019 levels), with Nassau having received even more calls in February 2022 than it did in February 2019. I am pleased to say that our ports division returned to positive EBITDA in July-September and in October-December with an increased pace. Nonetheless, while the revenue and profit performance of the ports division was still lacking in 2021, it performed much better than the previous year, with passenger numbers ahead of our expectations. I am very happy to see that all our business divisions demonstrated a superior performance in the last quarter of 2021, with each and every of them contributing to revenue and EBITDA growth, confirming the gradual switch to normalization."

"We have continued our strategic expansion in the ports business. We signed a 20-year agreement with the Port of Kalundborg to provide services for cruise passengers in Kalundborg Port, Denmark. Kalundborg is Global Ports Holding's first port in Northern Europe; this marks an important milestone in the ongoing, combined growth and diversification of the company."

"Our other division that was most exposed to the Covid pandemic (albeit because of disruptions to trade) was mining, which I am pleased to say raised its EBITDA by nearly 2.5x. This was a direct result of international trade returning to a semblance of normality."

"The final division that was materially exposed to the effects of the pandemic, real estate, improved its performance, with an 11% increase in EBITDA. This performance, while less eye-catching than either the mining division or the ports, was as expected given that the Turkish vaccination program did not really take off until the middle of 2021."

"A combination of established and now practically universally available vaccines and new treatments, and if we are lucky a further diminution of Covid's virulence, should result in a still stronger 2022 for these divisions."

The Chairman continued:

"The performance of our energy division, much less sensitive to the pandemic, was of critical importance in 2021 as it had been in 2020. The performance of both Naturelgaz and Consus Enerji were as one would expect. Despite the pandemic, the Turkish economy performed well in 2020 and surged in 2021. In line with the country's economic performance, electricity market conditions were supportive. On the electricity generation side, all divisions contributed to the group's performance. This was partly a result of our ongoing efforts to improve engineering at our biomass facilities, but both the solar and co-generation facilities also performed strongly.
In 2021, Naturelgaz's EBITDA rose 3% to TL 98.9 million, while Consus's EBITDA rose 54% to TL 148.2 million."

The Chairman continued:

"Finally, both our financial subsidiaries demonstrated a strong performance in 2021. The merger of our asset management subsidiary with Istanbul Portföy Yönetimi in September 2020 created one of the leading firms operating in the AM sector in Turkey. We exercised our option to raise our stake in the new company to 66.6% in September 2021. I am pleased that assets under management rose from TL 6.4 billion at 2020 year-end to TL 23.9 billion at 2021 year-end. Our brokerage subsidiary, Global Menkul Değerler had another strong year in 2021. Trading volume rose 10% to TL 247.6 billion."

The Chairman concluded:

"Our company aims to further reduce its effective debt burden, a process we started with the listing of Naturelgaz. In addition, our sale of our commercial port in Antalya provided the company with a needed buffer while also allowing us to focus on our core ports business. We successfully completed GIH's capital increase process, which resulted in total proceeds of TL 487,180,209 to GIH. As promised, we have used the total amount of funds raised from the capital increase toward debt repayment, reducing the Holding's solo gross debt nearly by half YoY to TL 724.6 million (USD 55.8 million) at 2021YE. Through measures designed to limit cost increases, ongoing improvement at the ports, and also an eventual IPO at Consus, we believe that relative debt levels will be reduced further."

"With respect to the current unacceptable war in Ukraine, we extend our sympathies and condolences to the country and its people. Distasteful as it is to comment on the financial consequences of a war when there is so much suffering, we have to consider its impact on our businesses. Our current expectations are that natural gas prices may rise yet further. However, this is not projected to have a negative or positive net impact on our businesses in the energy division. With regard to the cruise division, the Black Sea was a far periphery. While some impact may perhaps be expected at our ports in Turkey, we do not see a material impact overall. We see very little or no impact on all our other business lines."

Commenting on the results, the Chief Financial Officer of Global Investment Holdings, Ferdağ Ildır, stated:
"Our Group has been taking solid effective steps to stabilise our liquidity position and manage long- and short-term debt obligations through: i) completion of the refinancing of the eurobond; ii) the successful IPO of the natural gas subsidiary, Naturelgaz, on Borsa Istanbul; iii) an equity injection via a rights issue in GIH; iv) completion of the sale of the Group's largest commercial port, Port Akdeniz; and v) the expected IPO of Consus Enerji. We have completed GIH's capital increase process, which resulted in total proceeds of just over TL 487.1 million to Global Investment Holdings. The total amount of funds from the capital increase was used in repayment of the TL bonds – amounting to a payment of TL 172.2 million in the first three quarters and an additional TL 17.3 million in October 2021 – and the EUR 31.3 million bank loan in accordance with the fund utilization report. This should significantly reduce GIH's net interest expenses in the following quarters."

Global Investment Holdings reported revenues of TL 1,793.7 million (excluding IFRIC-12 Construction Revenue and revenues from Port Akdeniz, which was sold in January 2021) in FY 2021, a robust 64% YoY growth with strong contribution from all business divisions. The sequential trend in FY 2021 compared to FY 2020 confirms that the improved performance has gained pace in Q4 2021 across the Group, in line with the ongoing deceleration in the impact of Covid-19 and strengthening activity in underlying businesses.

Financial Overview

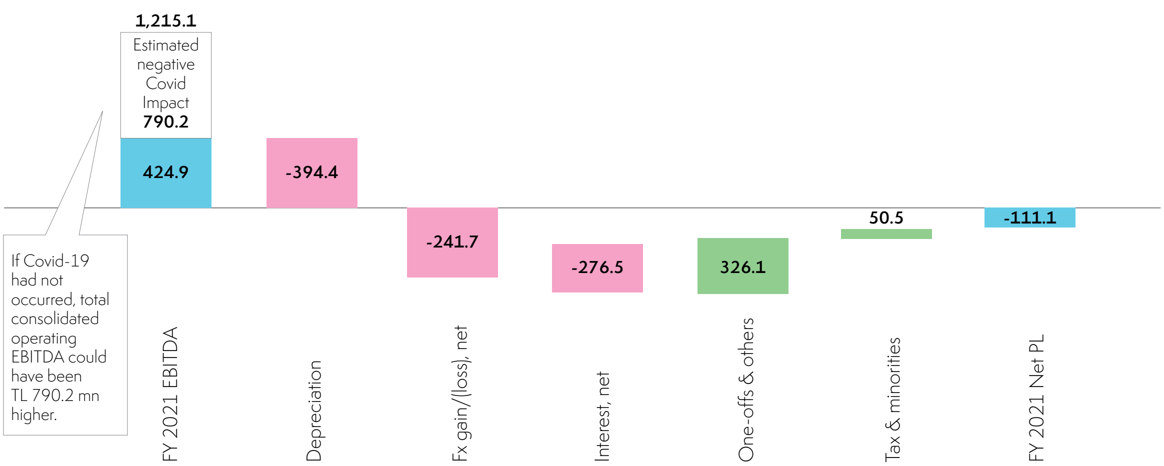
In FY 2021, Global Investment Holdings reported consolidated operating EBITDA of TL 424.9 million, up 153% YoY driven by a strong contribution from all business divisions. EBITDA generation, which began to gain pace in Q3 2021 was much stronger in Q4 across the Group, in line with the decelerating impact of the Covid-19 pandemic and strengthening activity in underlying businesses.

GIH reported a consolidated net loss of TL 111.1 million in FY 2021, compared to a net loss of TL 298.6 million in FY 2020. The net loss stemmed mainly from non-cash depreciation and foreign currency translation differences incurred on the Group's long-term borrowings. The bottom line incorporated TL 636.1 million of non-cash charges, of which TL 394.4 million were depreciation and amortization, and TL 241.7 million in net foreign exchange losses. Meanwhile, TL 326.1 million one-off income/(expenses) included IPO expenses, project expenses, and IFRS related adjustments such as a non-cash impairment provision which relate to Venezia and Adria impairment, non-cash valuation gain from investment properties and non-cash bargain purchase gain from the acquisition of İstanbul Portföy. Had the pandemic not occurred, GIH would have posted a profit despite the depreciation of TL against hard currencies.

Depreciation and amortization charges, despite the depreciation of the Turkish lira against hard currencies, decreased from TL 474.2 million in FY 2020 to TL 394.4 million in FY 2021, purely as a result of Port Akdeniz's sale (removal of Port Akdeniz's depreciation amounting to TL 154.9 million). If the FX rate had remained the same as the 2020 average, depreciation and amortization expenses would have been TL 83.3 million lower (excluding the amortization effect of Port Akdeniz). The Group also incurred TL 241.7 million in net non-cash foreign exchange losses, compared to TL 193.3 million in FY 2020.

The Group's net interest expenses amounted to TL 276.5 million in FY 2021, as opposed to TL 319.1 million the previous year. In 2021, the Group's net interest expense decreased by 30% in USD terms, yet the decrease in TL terms was 13% due to the depreciation of the TL against hard currencies.

Net Profit/(Loss) Breakdown in FY 2021 – mln TL



On a division basis:

Naturelgaz maintained its solid financial position despite the Covid-19 pandemic impact thanks to its operational capability, efficient cost management structure and expanded Citygas operations. In December 2021, performance has reached a historic record level in sales volume and revenue, with this upward momentum continuing into 2022. Naturelgaz reported net financial debt of TL 85.5 million at end-2020 which turned into a net cash position of TL 39.6 million as of end-2021. In addition, Naturelgaz paid a total of TL 32.5 million in gross dividends to its shareholders.

Sales volume reached 202.9mn Sm^3 in 2021, up 17% compared to 2020. The higher volume was mainly due to higher Citygas sales. Inorganic growth achieved by the acquisition of SOCAR Turkey's LNG and CNG operations at end-2020 also made a significant contribution to the increased LNG sales volume. Revenues increased by 53% YoY to TL 692.0m, reflecting higher sales volume especially of Citygas, the addition of LNG revenues as a result of the SOCAR LNG merger, and higher gas prices. Rising sales volume especially in the Citygas business and higher LNG revenues after the acquisition of SOCAR LNG coupled with higher natural gas prices all contributed significantly to the increase in total revenues. Operating EBITDA amounted to TL 98.9 million in 2021. Despite the 15% increase in gross profit YoY, Naturelgaz's EBITDA increase was limited to 3% in 2021 due to the rise in operating expenses stemming from the SOCAR LNG acquisition as well as one-off IPO related expenses.

On the ports side, consolidated and managed portfolio passenger numbers of 1.5 million in 2021 were up from the 1.3 million reported in 2020. Note that 2020 passenger numbers included the largely pre-pandemic Q1 2020 and, in particular, the strong contribution from GPH's Caribbean cruise ports. Thankfully, the global cruise industry is moving ever closer to operating almost normally. Booking activity is showing a sequential improvement. From mid-December 2021, the cruise industry, like other tourism sectors, was affected by the Omicron variant and the measures taken by many governments in response to the variant. From mid-December and into February, cruise ship occupancy rates fell; meanwhile, booking trends for 2022 also have been affected for a period. However, the peak of the variant seems to be behind us with most governments now well into the process of removing most Covid measures. By end-January 2022, booking activity has almost returned to pre-Omicron levels, indicating that the recovery should accelerate. Most cruise lines expect close to 100% fleet deployment in Summer 2021, in time for the peak season in the Mediterranean. In line with this backdrop, the improved performance has gained further momentum in Q4 2021. On a like-for-like basis, during Q4 2021, our cruise ports received 68% of the calls and 42% of the passengers received for the same period in 2019. Furthermore, in February 2022, the number of calls has almost reached that of February 2019 (96% of Feb 2019 levels). Nassau actually received more calls in February 2022 than in February 2019. This marks a key milestone in our ongoing recovery. Recent events in Ukraine may add some uncertainty, particularly concerning North American demand for tourism in Europe. However, currently, we have not seen any cancellations due to the situation in Ukraine. Meanwhile, the medium to long-term outlook is very positive, demand for cruising remains strong, and the industry expects cruise volumes to recover to pre-pandemic levels quickly.

Ports division revenues (excluding IFRIC-12 Construction Revenue and Port Akdeniz, Antalya which was sold in January 2021) increased by 76% in FY 2021 to TL 285.7 million. Operating consolidated adjusted EBITDA amounted to a positive TL 20.2 million in FY 2021 compared to a loss of TL 32.4 million in FY 2020. Revenues and EBITDA in 9M 2020 benefited from the pre-pandemic first time contribution from the Caribbean ports. In line with the reduced impact of the Covid pandemic due to the gradual easing of travel restrictions and the growing number of cruise ships returning to sailing, ports' revenue nearly quadrupled in Q4 2021 YoY to TL 134.6 million. Positive EBITDA generation accelerated in Q4 2021, with adjusted EBITDA amounting to TL 41.8 million in Q4 2021 compared to TL -25.1 million in Q4 2020.

Power division revenues, which includes distributed energy facilities (co-generation /tri-generation), biomass and solar based energy production, rose 41% YoY to TL 368.6 million, mainly driven by the solid performance of the operational plants. The division posted EBITDA of TL 148.2 million in 2021, up 54% YoY. EBITDA growth was mainly attributable to solid operational performance in power plants.

Financial Overview

The mining division realized 531,728 tons of product sales in 2021, up 45% YoY, mainly due to strong feldspar demand from export markets. Export-related sales volume climbed to 480,204 tons while domestic sales volume came in at 51,524. The division reported revenues of TL 182.6 million in 2021, more than doubling YoY. Operating EBITDA was TL 66.5 million, surging 137% YoY and delivering a 35.2% operating EBITDA margin, a significant improvement compared to the same period last year (2020: 30.5%). Volume growth primarily driven by growing demand in export markets as well as hard currency denominated revenues were factors supporting the improvement in profitability during the period.

Real estate division revenues increased by 11% YoY to TL 32.7 million in FY 2021, thanks to higher rental revenues in line with the easing of the pandemic impact starting from the second half of the year. The division reported operating EBITDA of TL 13.4 million, compared to TL 11.9 million a year earlier, a 13% increase. The improvement is mainly attributable to the increasing contribution from higher EBITDA generating rental operations and is sign of a slow post-Covid turnaround.

Brokerage and asset management division revenues climbed to TL 227.5 million, registering a robust 124% increase YoY. Operating EBITDA nearly tripled to TL 87.9 million, driven by the increase in trading volumes and İstanbul Portföy's first time full consolidation effect.

Indebtedness:
Holding standalone gross debt decreased by 46% in USD terms to USD 55.8 million by 2021YE, down from USD 103.6 million at 2020YE. On the other hand, the Group's consolidated net debt rose to USD 556.6 million, up from USD 521.1 million as of 30 September 2021. However, this increase was driven by the Nassau debt where major construction is underway; when Nassau debt is excluded, net debt would see a USD 25.4 million decrease at 2021YE (compared to 30 September 2021).

For 2021, we had intended to further reduce our indebtedness rapidly and have made good progress towards this goal. In line with this focus, we completed the capital increase process of GIH in the third quarter, with total proceeds of TL 487.1 million to GIH. The total amount of the funds raised from the capital increase were used in repayment of the TL Bonds (TL 172.2 million in the first three quarters with an additional TL 17.3 million in October 2021) and the EUR 31.3 million bank loan in accordance with the fund utilization report.

Major operational developments and corporate activity
On the operational front, developments are on track, in line with the growth strategy by means of new acquisitions and investments mainly in core businesses – namely ports infrastructure, renewable energy and asset management. During 2021, the strategic focus remained on the core businesses and how to best insulate the Group from the impact of Covid-19.

A major development on the ports side during the reporting period was the divestment of our concession in Port Akdeniz in order to position Global Ports Holding Plc (GPH) as a pure-play global cruise port operator. Agreed in October 2020, this divestment was finalised in January 2021 with the sale to QTerminals of Qatar. The sale's successful closing was also an essential element of the Group's refinancing strategy for the USD 250 million 8.125% Senior Unsecured Notes due 2021 (Eurobond) issued by GPH's wholly-owned subsidiary Global Liman Isletmeleri A.S. On 7 April 2021, an offer was launched for up to USD 75 million of the Eurobond, which expired on 16 April 2021. Following the unmodified Dutch auction conducted in connection with the offer, 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 completion of the tender offer, USD 200.3 million of the Eurobond remained outstanding. Furthermore, GPH completed its five-year loan agreement for up to USD 261.3 million with a leading global investment firm. As a result, GPH has concluded the early repayment of the USD 200.3 million Eurobond outstanding amount plus accrued interest. This new investment 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.

Global Ports Holding continuously monitors potential public and private acquisitions around the world. This proactive approach led, for example, to GPH signing a 20-year concession agreement to manage the cruise passenger terminal of the Port of Taranto, Italy on 30 April 2021. This agreement enhanced and further strengthened GPH's presence in the cruise sector's core markets. Another recent development on the ports side was the signing of a 20-year lease agreement with the Port Authority of Kalundborg in October 2021 to manage the cruise services in Kalundborg Port, Denmark. Kalundborg Port is GPH's first cruise port in North Europe, marking an important milestone in the ongoing development and growth of the Group. In addition, following a public tender process, the Port Authority of Las Palmas has awarded preferred bidder status to Global Ports Canary Islands S.L. ("GPCI"), an 80:20 joint venture between GPH and Sepcan S.L., to operate cruise port concessions for Las Palmas Cruise Ports. The concessions cover the port of Las Palmas de gran Canaria, "Port" of Arrecife (Lanzarote) and Puerto del Rosario (Fuerteventura), which have tenures of 40 years, 20 years, and 20 years, respectively. The Group, GPCI and the Port Authority of Las Palmas are working toward agreeing on the terms of the concession agreements. The concessions are expected to commence before the end of the current financial year, although there is no certainty as to the timing or that the final conditions will be satisfied. Furthermore, GPH has been awarded a 12-year concession to manage the cruise services in Tarragona, Spain. In Q3 2021, a EUR 30 million investment in the port infrastructure in Tarragona Port was completed. This investment programme included a new cruise pier in the "Moll de Balears" which can now handle the world's largest cruise ships. Meanwhile, berth capacity has been doubled to accommodate four ships at any one time. Under the terms of the agreement, GPH will invest up to EUR 5.5m in building a new state of the art modular cruise terminal, which will utilise solar power to ensure the sustainable provision of the terminal's energy needs. In 2019, prior to the expansion in berth capacity, Tarragona cruise port welcomed c130k cruise passengers. Tarragona is situated less than an hour's drive from Barcelona airport. The recently completed investment in the port infrastructure and the planned new terminal will significantly improve the port's attractiveness for turnaround operations in the region.

In GIH's second core business area, Naturelgaz, the non-pipeline natural gas subsidiary, took a significant step forward and listed on Borsa Istanbul on 1 April 2021 following completion of an exceptionally successful IPO. The IPO received overwhelming investor demand: 75.3 times domestic retail investor oversubscription; 28.8 times domestic institutional investor oversubscription; and 3.5 times international institutional investor oversubscription. Total demand exceeded TL 15.5 billion. Norway-based Norges Bank Investment Management acquired 8.3% of the total shares offered in the IPO. Naturelgaz received gross proceeds of TL 127 million which will be used to develop and expand its business. The company, while improving its leadership position in Turkey, also envisages expanding its operations to sub-Saharan countries where the lack of pipeline infrastructure creates an opportunity to transport natural gas to power and industrial plants. Moreover, on 10 February 2021, Naturelgaz signed an agreement with Petrol Ofisi to create synergies in the Auto CNG business. This major development will further bolster Naturelgaz's position of in LNG, bulk CNG, and auto CNG, increasing volume and expanding geographical coverage while diversifying the product portfolio.

Furthermore, Consus Enerji, the fully owned subsidiary of Global Investment Holdings operating in renewable energy generation and energy efficiency, applied to the Capital Markets Board (CMB) for approval to amend its Articles of Association for the purpose of an IPO. Following CMB approval, Consus Enerji fulfilled all the requirements and procedures to amend its Articles of Association for IPO purposes. Meanwhile, the application for approval of the draft Domestic Prospectus prepared for the initial public offering of Consus Enerji shares was submitted to the Capital Markets Board of Turkey on 18 February 2022.

In 2021, GIH increased its issued share capital in cash from TL 325,888,409.93 to TL 650,000,000. The capital increase resulted in total proceeds of TL 487,180,209.05 to GIH. The total amount of the funds from the capital increase were used to repay the TL Bonds and the EUR bank loan in accordance with the fund utilization report. This repayment should significantly reduce GIH's net interest expenses in the following quarters.

Financial Overview

In the third core business line, pursuant to Capital Markets Board's approval to exercise its option to buy an additional 40% of Istanbul Asset Management in September 2021, GIH exercised its option and increased its stake in Istanbul Asset Management from 26.6% to 66.6%, hence paving the way for full consolidation. Through the exercise of the option, Global Investment Holdings acquired 5,673,600 shares with a nominal value of TL 1 each corresponding to 40% of the share capital of Istanbul Asset Management for a consideration of TL 77,352,322, which was fully paid in cash. Meanwhile, the stakes of the existing managing partners – Hasan Turgay Ozaner, Tufan Deriner and Alpaslan Ensari – stood at 22.3% after the transaction.

More on the finance front: GYH Danışmanlık ve Yönetim Hizmetleri A.S. was established as a 100% subsidiary of GIH to collect the Group's financial services companies under one roof. All the shares corresponding to 66.6% of Istanbul Portföy Yönetimi A.S. and 75% of the capital of Global Menkul Değerler A.S. were transferred to this new subsidiary.

As for ratings, GIH's Corporate Governance Rating was upgraded to 9.14, up from 9.12, by Kobirate in the last quarter of 2021. Also in Q4 2021, JCR Eurasia Rating evaluated the consolidated structure of GIH and the Outstanding Bond Issues in an investment grade on the national scale and assigned a LT rating of 'BBB (Trk)' and LT International rating of 'BB', both with 'Stable' outlooks.

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 2020:
At the 2020 Ordinary General Assembly Meeting on 03.08.2021, 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 31.12.2020 had both losses, there would be no distribution of dividend.

Developments after the Reporting Period

Awarded preferred bidder status for Las Palmas Cruise Ports
Global Ports Holding Plc ("GPH" or "Group"), the world's largest independent cruise port operator, is pleased to announce that, following a public tender process, the Port Authority of Las Palmas has awarded preferred bidder status to Global Ports Canary Islands S.L. ("GPCI"), an 80:20 joint venture between GPH and Sepcan S.L. ("Sepcan"), to operate cruise port concessions for Las Palmas Cruise Ports.

The concessions cover the port of Las Palmas de Gran Canaria, Port of Arrecife (Lanzarote) and Puerto del Rosario (Fuerteventura), which have tenures of 40 years, 20 years, and 20 years, respectively. Following successful execution of the concession agreements, GPH, as part of GPCI, will use its global expertise and operating model to manage the cruise port operations in Gran Canaria, Lanzarote, and Fuerteventura.

The Group, GPCI and the Port Authority of Las Palmas will now work towards agreeing on the terms of the concession agreements. The concessions are expected to commence before the end of the current financial year, although there is no certainty as to the timing or that the final conditions will be satisfied. A further announcement will be made when appropriate.

GPH owns 80% of GPCI and Sepcan S.L. owns 20%. Sepcan is a Canary Island family-owned company that has been providing services to the port of Las Palmas since 1936. Since 1998, Sepcan has focused on mooring/unmooring, luggage handling, ship's provisioning. and passenger services. Sepcan also specialises in environmental services and maritime pollution prevention.

Global Menkul Degerler and İstanbul Portföy Yönetimi shares have been transferred to GYH Danışmanlık ve Yönetim Hizmetleri A.Ş.

As previously announced, GYH Danışmanlık ve Yönetim Hizmetleri A.Ş. was established as a 100% subsidiary of GIH to collect the Group's financial services companies under one roof. Accordingly, all the shares corresponding to 66.6% of Istanbul Portföy Yönetimi A.Ş. and 75% of the capital of Global Menkul Değerler A.Ş. were transferred to this new subsidiary.

Tarragona Cruise Port agreement
Global Ports Holding Plc ("GPH" or "Group"), the world's largest independent cruise port operator, is pleased to announce that the Tarragona Port Authority ("Port Authority") has awarded Global Ports Holding a 12-year concession, with a 6-year extension option, to manage the services for cruise passengers in Tarragona, Spain.

In Q3 2021, a EUR 30 million investment in the port infrastructure in Tarragona Port was completed. This investment programme included a new cruise pier in the "Moll de Balears" which can now handle the world's largest cruise ships. Meanwhile, berth capacity was doubled to accommodate four ships at any one time. In addition, as well as expanding the general area available for cruise operations, the Port Authority has invested in the provision of shore power, which will significantly reduce Co_2 emissions from cruise ships while they are in port.

Under the terms of the agreement, GPH will invest up to EUR 5.5 million in building a new state of the art modular cruise terminal that will capital solar power to ensure the sustainable provision of the terminal's energy needs. The new terminal will provide cruise passengers with an improved port experience, including retail and F&B opportunities. New coach and car parking facilities will also significantly improve the port's transport infrastructure. The terminal's innovative modular design will provide maximum flexibility to adapt the facility to meet future capacity needs and deliver a vibrant and exciting event space in Tarragona.

In 2019, prior to the expansion in berth capacity, Tarragona cruise port welcomed c130k cruise passengers. Tarragona is situated less than an hour's drive from Barcelona airport. The recently completed investment in the port infrastructure and the planned new terminal will significantly improve the port's attractiveness for turnaround operations in the region.

The addition of Tarragona to GPH's cruise port network means than upon successful conclusion of all outstanding and previously announced concession agreements, GPH will operate and manage a total of 23 cruise ports worldwide.

Passenger Statistics

Global Ports Holding and Global Investment Holdings started to release passenger statistics on a monthly basis which will allow investors to better track the ongoing recovery in passenger numbers from the Covid-19 pandemic.

The outlook for the cruise industry continues to improve at an increasing pace. Based on the latest March 2022 statistics, the number of calls at GPH ports in March 2022 was 14% higher than March 2019 (pre-pandemic) levels. Meanwhile, the number of passengers visiting GPH ports in March 2022 reached 62% of March 2019 levels. (This same figure was 35% in January 2022 and 47% in February 2022.) Key indicators for GPH's Caribbean ports, Nassau and Antigua (high season), show that March 2022 numbers reached and even exceeded March 2019 numbers. The number of calls in Nassau in March 2022 was 20% higher than March 2019 levels, while the number of passengers reached 72% of March 2019 levels. Similarly, the number of calls in Antigua in March 2022 was 19% above March 2019 levels, and the number of passengers reached 56% of March 2019 levels.

On a cumulative basis during January-March 2022, the total consolidated number of calls completely caught up with March 2019 numbers, while total consolidated passenger numbers reached 48% of March 2019 levels.

Consus Enerji successfully completed its IPO with 30% of its shares to commence trading on Borsa Istanbul on 20 April...

Global Investment Holdings' ("GIH") power generation subsidiary, Consus Enerji ("Consus" or "The Group") operating in renewables and distributed power had applied to the Capital Markets Board of Turkey for the purpose of an initial public offering (IPO). In April 2022, Consus Enerji successfully completed the IPO process.

Consus Enerji has a total installed capacity of 94.1 MW. Of this total, 40.0 MW is from renewable sources (biomass and solar) with electricity sold at USD 0.133 per kWh. The remaining 54.1 MW consists of distributed power plants (cogeneration and trigeneration). Consus Enerji boasts the largest installed capacity in Turkey with a build-operate model (energy service company: EsCo).

The IPO, priced at TL 4.50 per share and executed with fixed price-equal allocation and direct sale from the stock exchange, generated significant interest with TL 550.9 million demand from 173,974 retail investors. Accordingly, 115,500,000 shares subject to the offering, including the over-allotment option, were entirely subscribed, marking a 30% free float for the company. Based on the offer price, Consus Enerji's total market capitalisation at the start of trading was about TL 1.8 billion. Consus shares commenced trading on Borsa Istanbul 20 April 2022 under the ticker CONSE.IS. Half of the offering size was reserved to maintain price stability, while such transactions could be implemented for one month from the start of trading.

The offering was comprised of the issuance of new ordinary shares and the sale of existing shares. Consus Enerji issued 52,500,000 new shares, increasing the total number of shares from 333,000,000 to 385,500,000. In addition, GIH sold 52,500,000 existing shares. An additional 10,500,000 shares were made available pursuant to an over-allotment option, leaving GIH with net offered shares of 63,000,000. As a result, GIH will receive gross proceeds of about TL 283,500,000 pursuant to the offer (excluding fees and expenses), which will predominantly be used to pay off debt at the Holding level. After the IPO, GIH remains the largest individual shareholder of Consus Enerji with a 70% stake.

Developments after the Reporting Period

Consus Energy Post-IPO Shareholding Structure		
	# of Shares	%
Global Investment Holdings	270,000,000	70.0%
Free Float	115,500,000	30.0%
Total	**385,500,000**	**100.0%**

Consus Enerji received net proceeds of about USD 15 million. Half of this amount will be used to develop and expand the business as well as for working capital needs. The other half will be used to reduce indebtedness. The company aims to further improve its pioneering position in renewables and distributed power in Turkey. Consus Enerji also envisages expanding its operations to international markets via our ports division's network across 13 countries, especially the Caribbean. As of 31 December 2021, Consus Enerji's net debt stood at USD 47 million and Net Debt/EBITDA was 3.2x. Taking into account net proceeds from the IPO (c. USD 15 million), Net Debt/EBITDA as of 31 December 2021 decreases to approximately 2x levels, well below BIST Utilities Index companies' average Net Debt/EBITDA of 3.3x. A lock up period will be in place for GIH for a period of 180 days from admission to the BIST, prohibiting further sale of shares.

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, 2021. The terms "current" and "currently," respectively, denote the status of the related information as of the time this Annual Report goes to print.

The currency of the Republic of 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 2021 TOGETHER WITH INDEPENDENT AUDITOR'S REPORT (ORIGINALLY ISSUED IN TURKISH)

11 MARCH 2022

THIS REPORT INCLUDES 7 PAGES OF
INDEPENDENT AUDITOR'S REPORT AND
175 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 General Assembly 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 2021, 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 2021, 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 *(including Independence Standards)* ("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.

KPMG

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. 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 challenged the appropriateness of management's assumptions with regards to the decline in the Group's commercial port revenues and passenger and ancillary revenues from cruise ports operations. - 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 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. - 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.

KPMG

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 2021, the Group has recognised goodwill in the amount of TL 193.832.424 (31 December 2020: TL 117.825.709) and port operation rights in the amount of TL 5.163.913.603 (31 December 2020: TL 2.422.562.767). The amount of goodwill and port operation rights constitutes 35% of the Group's total assets (31 December 2020: 27%). 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 2021, the Group's investment property amount is TL 802.956.000 (31 December 2020: TL 554.174.000). The amount of investment properties constitutes 7% of the Group's total non-current assets (31 December 2020: 8,5%) 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 2021, on consolidated financial statements, TL 20.967.000 fair value increase is recognized for Sümerpark AVM (31 December 2020: TL 1.369.000 impairment) and TL 202.005.000 fair value increase (31 December 2020: TL 40.415.000 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 non-current 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 according to TFRS.

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.

KPMG

- 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.

- 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, actions taken to eliminate threats or safeguards applied.

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

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B) Other 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 11 March 2022.

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 2021 and 31 December 2021, 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 2022
İstanbul, Türkiye

Global Yatırım Holding A.Ş. and its Subsidiaries

Consolidated Financial Statements for the Period Ended 31 December 2021

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Global Yatırım Holding A.Ş. and its Subsidiaries

Consolidated Statement of Financial Position as at 31 December 2021

(Currency: Amounts Expressed in Turkish Lira ("Tl") Unless Otherwise Stated)

	Notes	Audited 31 December 2021	Audited 31 December 2020
ASSETS			
Current assets		**3.640.176.472**	**2.889.490.742**
Cash and cash equivalents	7	1.535.926.457	991.689.962
Financial investments	8	176.296.409	7.083.899
Trade receivables		470.513.321	172.688.680
- Due from third parties	*10*	*470.513.321*	*172.688.680*
Other receivables		442.624.694	55.526.870
- Due from related parties	*6*	*15.793.760*	*35.151.618*
- Due from third parties	*11*	*426.830.934*	*20.375.252*
Receivables from operations in finance sector		342.009.539	271.362.700
- Due from related parties	*6*	*10.599.256*	*21.559.829*
- Due from third parties	*12*	*331.410.283*	*249.802.871*
Inventories	13	140.150.144	99.815.456
Prepaid expenses	14	454.969.270	79.513.340
Current tax assets	32	15.460.791	12.624.818
Other current assets	23	62.225.847	57.423.875
Subtotal		*3.640.176.472*	*1.747.729.600*
Non-current assets or disposal groups classified as held for sale	36	-	1.141.761.142
Non-current assets		**11.437.134.670**	**6.516.888.469**
Other receivables		122.856.227	114.735.726
- Due from related parties	*6*	*105.186.938*	*59.581.144*
- Due from third parties		*17.669.289*	*55.154.582*
Financial investments	8	4.379.573	8.146.247
Investments accounted for using equity method	19	181.831.423	247.782.597
Investment property	15	802.956.000	554.174.000
Property, plant and equipment	16	2.873.410.322	1.842.057.780
Right of use assets	17	1.157.663.507	703.412.230
Intangible assets and goodwill		6.005.166.900	2.724.092.819
- Goodwill	*18*	*193.832.424*	*117.825.709*
- Other intangible assets	*18*	*5.811.334.476*	*2.606.267.110*
Prepaid expenses	14	65.218.128	23.748.929
Deferred tax asset	32	196.278.076	278.174.854
Other non-current assets	23	27.374.514	20.563.287
TOTAL ASSETS		**15.077.311.142**	**9.406.379.211**

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 2021

(Currency: Amounts Expressed in Turkish Lira ("Tl") Unless Otherwise Stated)

	Notes	Audited 31 December 2021	Audited 31 December 2020
LIABILITIES			
Current liabilities		**3.447.267.622**	**4.525.955.684**
Current borrowings	9	1.312.653.598	648.213.253
Current portion of non-current borrowings	9	1.010.029.934	2.822.017.458
Trade payables		364.515.363	234.390.058
- Due to third parties	*10*	*364.515.363*	*234.390.058*
Payables related to employee benefits	22	94.318.642	26.527.911
Other payables		112.229.669	100.395.911
- Due to related parties	*6*	*3.729.694*	*8.923.033*
- Due to third parties	*11*	*108.499.975*	*91.472.878*
Payables on financial sector operations		197.491.199	136.605.612
- Due to third parties	*12*	*197.491.199*	*136.605.612*
Deferred income		10.368.691	3.623.780
Current tax liabilities	32	20.771.177	1.241.964
Current provisions		125.841.462	30.532.496
- Current provisions for employee benefits	*22*	*11.538.270*	*6.492.359*
- Other current provisions	*20*	*114.303.192*	*24.040.137*
Other current liabilities	23	199.047.887	51.755.647
Subtotal		*3.447.267.622*	*4.055.304.090*
Liabilities included in disposal groups classified as held for sale	36	-	470.651.594
Non-current liabilities		**9.156.097.636**	**3.331.240.957**
Non-current borrowings	9	7.998.440.594	2.665.506.800
Other payables		88.063.182	67.150.863
- Due to third parties	11	*88.063.182*	*67.150.863*
Liabilites due to investments accounted for using equity method	19	845.470	4.906.242
Deferred income		12.240.369	3.192.359
Derivative financial instruments		18.327.935	10.908.822
Non-current provisions		217.852.618	157.980.362
- Non-current provisions for employee benefits	*22*	*17.892.837*	*13.915.592*
- Other non-current provisions	*20*	*199.959.781*	*144.064.770*
Deferred tax liabilities	32	820.327.468	421.595.509
EQUITY		**2.473.945.884**	**1.549.182.570**
Equity attributable to equity holders of the Group		**1.889.164.327**	**1.088.285.190**
Paid-in capital	24	650.000.000	325.888.410
Adjustments to share capital	24	34.659.630	34.659.630
Treasury shares owned by the company (-)	24	-	(1.439.473)
Share premium (discount)		519.656.862	281.223.459
Other comprehensive income that will not be reclassified in profit or loss		(1.580.691)	(2.205.310)
- Other gains / (losses)	*24*	*3.584.428*	*2.433.128*
- Losses on remeasurements of defined benefit plans	*24*	*(5.165.119)*	*(4.638.438)*
Other comprehensive income that will be reclassified in profit or loss		824.177.947	655.441.600
- Currency translation differences	*24*	*1.017.162.385*	*1.388.012.616*
- Hedging reserve	*24*	*(192.984.438)*	*(732.571.016)*
Restricted reserves appropriated from profits	24	3.743.204	7.979.263
Prior years' profits / (losses)	*24*	(30.345.570)	85.345.421
Net loss for the period		(111.147.055)	(298.607.810)
Non-controlling interests		**584.781.557**	**460.897.380**
TOTAL EQUITY AND LIABILITIES		**15.077.311.142**	**9.406.379.211**

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 2021

(Currency: Amounts Expressed in Turkish Lira ("Tl") Unless Otherwise Stated)

	Notes	Audited 1 January- 31 December 2021	Audited 1 January- 31 December 2020
PROFIT OR LOSS			
Revenue	25	2.357.260.922	1.527.806.842
Cost of revenues (-)	25	(2.100.218.113)	(1.415.765.469)
Gross profit from trade operations		**257.042.809**	**112.041.373**
Revenues from finance operations	25	227.486.634	101.348.804
Cost of revenues from finance operations (-)	25	(6.679.546)	(7.370.202)
Gross profit from operations in finance sector		**220.807.088**	**93.978.602**
GROSS PROFIT		**477.849.897**	**206.019.975**
Marketing expenses (-)	26	(126.603.714)	(89.210.140)
General administrative expenses (-)	26	(378.162.437)	(307.454.005)
Other income from operating activities	28	449.153.157	140.909.775
Other expense from operating activities (-)	28	(316.361.085)	(123.669.372)
OPERATING PROFIT / (LOSS)		**105.875.818**	**(173.403.767)**
Income from investing activities	29	346.036.596	70.254.342
Expense from investing activities (-)	29	(52.559)	(2.406.771)
Share of profit/(loss) of equity accounted investees	19	(85.523.524)	(29.791.137)
Impairment gain/(loss) and reversal of impairment losses determined in accordance with TFRS 9	10	(9.785.522)	(7.207.139)
PROFIT/(LOSS) BEFORE FINANCE INCOME/(COSTS)		**356.550.809**	**(142.554.472)**
Finance income	30	172.605.386	128.281.532
Finance costs (-)	31	(733.222.514)	(708.814.151)
LOSS BEFORE TAX		**(204.066.319)**	**(723.087.091)**
Tax income/(expense)		**(181.864.798)**	**225.633.849**
- Current tax income/(expense)	32	(28.342.574)	(6.069.120)
- Deferred tax income/(expense)	32	(153.522.224)	231.702.969
LOSS FROM CONTINUING OPERATIONS		**(385.931.117)**	**(497.453.242)**
LOSS FOR THE PERIOD		**(385.931.117)**	**(497.453.242)**
Loss for the period attributable to		**(385.931.117)**	**(497.453.242)**
-Non controlling interests		(274.784.062)	(198.845.432)
-Owners of the company	33	(111.147.055)	(298.607.810)
Loss per share from continuing operations	33	**(0,3385)**	**(1,0240)**
Diluted loss per share from continuing operations	33	**(0,3385)**	**(1,0240)**
OTHER COMPREHENSIVE INCOME/(EXPENSE)			
Items not to be reclassified to profit or loss		**(404.604)**	**(1.072.553)**
Losses on remeasurements of defined benefit plans		(404.604)	(1.072.553)
Items to be reclassified to profit or loss		**228.674.386**	**353.823.519**
Currency translation differences		328.945.621	530.327.491
Other components of other comprehensive income to be reclassified to other profit or loss	24	(100.271.235)	(176.503.972)
OTHER COMPREHENSIVE INCOME / (EXPENSE)		**228.269.782**	**352.750.966**
TOTAL COMPREHENSIVE EXPENSE		**(157.661.335)**	**(144.702.276)**
Total comprehensive expense attributable to		**(157.661.335)**	**(144.702.276)**
Non-controlling interests		(149.766.595)	(82.224.547)
Owners of the Company		(7.894.740)	(62.477.729)

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 2021

(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		Other accumulated comprehensive income/expense to be reclassified to profit or loss		Restricted reserves appropriated from profits	Retained earnings		Equity attributable to the owners of the Company	Non-controlling interest	Total
					Gains (Losses) on remeasurements of defined benefit plans	Other reserves of other gains (losses)	Hedging reserve	Currency translation differences		Net profit / (loss) for the period	Prior years' profits or losses			
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**
Balance at 1 January 2021	**325.888.410**	**34.659.630**	**(1.439.473)**	**281.223.459**	**(4.638.438)**	**2.433.128**	**(732.571.016)**	**1.388.012.616**	**7.979.263**	**(298.607.810)**	**85.345.421**	**1.088.285.190**	**460.897.380**	**1.549.182.570**
Other comprehensive income/(expense)	-	-	-	-	(404.604)	-	(100.271.235)	203.928.154	-	-	-	**103.252.315**	125.017.467	**228.269.782**
Capital Increase	324.111.590	-	-	163.068.619	-	-	-	-	-	-	-	**487.180.209**	-	**487.180.209**
Increase (decrease) due to treasury share transactions	-	-	1.439.473	-	-	-	-	-	(1.439.473)	-	1.439.473	**1.439.473**	-	**1.439.473**
Profit (loss) for the period	-	-	-	-	-	-	-	-	-	(111.147.055)	-	**(111.147.055)**	(274.784.062)	**(385.931.117)**
Acquisition or disposal of a subsidiary	-	-	-	-	(122.077)	-	639.857.813	(576.443.801)	(7.809.659)	-	35.308.342	**90.790.618**	(34.088.032)	**56.702.586**
Increase (decrease) through other changes (*)	-	-	-	-	-	-	-	1.665.416	-	-	-	**1.665.416**	210.857.686	**212.523.102**
Increase (decrease) due to changes in ownership interests in subsidiaries without change in control	-	-	-	75.364.784	-	1.151.300	-	-	(324.812)	-	151.506.889	**227.698.161**	106.631.118	**334.329.279**
Dividends paid	-	-	-	-	-	-	-	-	5.337.885	-	(5.337.885)	-	(9.750.000)	**(9.750.000)**
Transfers	-	-	-	-	-	-	-	-	-	298.607.810	(298.607.810)	-	-	-
Balance at 31 December 2021	**650.000.000**	**34.659.630**	**-**	**519.656.862**	**(5.165.119)**	**3.584.428**	**(192.984.438)**	**1.017.162.385**	**3.743.204**	**(111.147.055)**	**(30.345.570)**	**1.889.164.327**	**584.781.557**	**2.473.945.884**

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

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 2021

(Currency: Amounts Expressed in Turkish Lira ("Tl") Unless Otherwise Stated)

	Notes	Audited 1 January- 31 December 2021	Audited 1 January- 31 December 2020
Loss for the period		**(385.931.117)**	**(497.453.242)**
Loss from Continuing Operations		(385.931.117)	(497.453.242)
Adjustments for depreciation and amortisation expense	27	394.408.171	474.246.401
Adjustments for / (reversal of) provisions related with employee benefits		4.824.513	2.487.536
Adjustments for losses (gains) on disposal of subsidiaries or joint operations	28	(131.421.437)	(23.014.688)
Adjustments for / (reversal of) other provisions		88.725.238	30.739.504
Adjustments for undistributed profits / (loss) of investments accounted for using equity method	19	85.523.524	29.791.137
Adjustments for interest income		(127.489.201)	(34.872.377)
Adjustments for interest expense		349.433.888	358.291.335
Adjustments for fair value (gains) / losses on derivative financial instruments		(2.597.429)	(9.472.262)
Adjustments for tax (income) / expenses	32	181.864.798	(225.633.849)
Adjustments for unrealised foreign exchange losses / (gains)		679.073.049	197.137.289
Adjustments for losses / (gains) on disposal of property, plant and equipment		-	(25.671.808)
Adjustments for impairment loss / (reversal of impairment loss)	28	31.985.263	-
Adjustments for bargain purchase gain	28	(270.994.797)	(54.923.267)
Adjustments for fair value losses / (gains) of investment property	29	(247.919.250)	(43.254.000)
Financial assets valuation gain		(90.782.395)	-
Other adjustments to reconcile profit (loss) / gain		147.550.147	40.743.433
Adjustments to reconcile profit / (loss) for the period		**706.252.965**	**219.141.142**
Decrease / (increase) in financial sector receivables		(81.607.412)	(20.478.589)
Decrease / (increase) in other receivables from third parties related with operations		(247.176.231)	74.764.448
Adjustments for decrease in inventories		(40.334.688)	(12.358.917)
Increase in trade payables to third parties		123.532.387	77.437.062
Increase / (decrease) in payables to finance sector operations		60.885.587	(75.412.911)
Increase in employee benefit liabilities		24.440.608	21.167.815
Increase / (decrease) in deferred income		163.085.161	27.709.259
Decrease / (increase) in other assets related with operations		(441.854.259)	(97.806.874)
Increase / (decrease) in other liabilities related with operations		23.475.484	102.669.276
Interest paid		(2.995.518)	(3.713.345)
Interest received		51.590.017	20.292.545
Payments related with provisions for employee benefits	22	(1.972.906)	(1.502.057)
Income taxes refund / (payments)		(11.554.433)	(18.457.675)
Cash Flows from Operating Activities		**325.766.762**	**313.451.179**
Proceeds from sales of property, plant and equipment		9.128.003	46.312.506
Proceeds from sales of intangible assets		85.901	-
Acquisition of property, plant and equipment	16	(171.158.767)	(323.688.614)
Acquisition of intangible assets	18	(925.284.444)	(367.348.916)
Dividends received		13.312.679	14.579.832
Other payments from cash advances and payables		(74.624.067)	42.040.560
Cash outflows from purchase of additional shares of subsidiaries		(11.960.327)	(52.093.674)
Cash flows used in obtaining control of subsidiaries or other businesses	3	(77.352.322)	-
Cash inflows from sale of shares of subsidiaries that doesn't cause loss of control		254.969.532	(3.509.291)
Cash outflows arising from purchase of shares or capital increase of associates and/or joint ventures		-	(6.559.600)
Cash inflows from losing control of subsidiaries or other businesses		986.474.184	-
Other inflows (outflows) of cash		(136.701.185)	4.183.866
Cash flows used in investing activities		**(133.110.813)**	**(646.083.331)**
Cash (outflows) / inflows from acquisition / sale of treasury shares		1.439.473	174.553.419
Proceeds from borrowings	9	5.150.265.795	1.870.742.454
Proceeds from issue of debt instruments	9	720.302.637	351.151.563
Repayment of borrowings	9	(2.291.547.085)	(985.076.957)
Payments of issued debt instruments	9	(2.893.307.624)	(294.620.000)
Increase/ decrease in other payables to related parties		(331.762.515)	16.424.353
Proceeds from issuing shares		487.180.209	-
Proceeds from issuing other equity instruments		50.560.152	-
Dividends paid		(9.750.000)	(1.548.139)
Interest received		35.600.380	10.330.002
Interest paid		(493.525.121)	(242.292.217)
Payments of lease liabilities	9	(43.270.268)	(34.698.370)
Other cash inflows / (outflows)		(311.504.981)	(153.979.557)
Cash flows from financing activities		**70.681.052**	**710.986.551**
Net increase / (decrease) in cash and cash equivalents before the effects of foreign currency differences		263.337.001	378.354.399
Effects of foreign currency differences on cash and cash equivalents		116.944.660	45.461.705
Net increase / (decrease) in cash and cash equivalents		380.281.661	423.816.104
Cash and cash equivalents at the beginning of the period	7	852.417.162	428.601.058
Cash and cash equivalents at the end of the period	7	1.232.698.823	852.417.162

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 2021

(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 2021, the number of employees of the Group is 1.401 (31 December 2020: 1.534).

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

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

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

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

Global Yatırım Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2021

(Currency: Amounts Expressed in Turkish Lira ("Tl") Unless Otherwise Stated)

1 ORGANIZATION AND NATURE OF BUSINESS *(continued)*

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

(a) Subsidiaries

Subsidiaries	Location	Operations
Global Ports Holding B.V. (1)	Netherlands	Port Investments
Global Ports Holding Plc (1)	United Kingdom	Port Investments
Global Ports Europe B.V. ("Global BV")	Netherlands	Port Investments
Global Ports Netherlands B.V.	Netherlands	Port Investments
Global Liman İşletmeleri A.Ş. ("Global Liman")	Turkey	Port Investments
Ege Liman İşletmeleri A.Ş. ("Ege Liman") (2)	Turkey	Port Operations
Bodrum Yolcu Limanı İşletmeleri A.Ş. ("Bodrum Liman") (2)	Turkey	Port Operations
Port of Adria ("Bar Limanı") (2)	Montenegro	Port Operations
Cruceros Malaga, S.A ("Malaga Cruise Port") (3)	Spain	Port Operations
Global Ports Melita Ltd. ("GP Melita")	Malta	Port Operations
Valetta Cruise Port PLC ("VCP") (4)	Malta	Port Operations
Creuers del Port de Barcelona, S.A. ("Barselona Port") (3)	Spain	Port Operations
Barcelona Port Investments, S.L ("BPI") (3)	Spain	Port Operations
Port Operation Holding S.r.l (5)(2)	Italy	Port Operations
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") (12)	Croatia	Port Operations
Travel Shopping Limited	Malta	Tourism Operations
Global Ports Mediterranean S.L. ("GP Med")	Spain	Tourism Operations
GPH Antigua Ltd. ("Antigua") (19)	Antigua and Barbuda	Port Operations
Nassau Cruise Port Ltd. ("NCP") (20)	Bahamas	Port Operations
GPH Americas Ltd.	Bahamas	Port Investments
GPH Bahamas Ltd. ("GPH Bahamas")	Bahamas	Port Investments
Global Ports Destination Services Ltd.	United Kingdom	Port Services
Global Depolama A.Ş. (2)	Turkey	Storage
Balearic Handling S.L.A.	Spain	Port Services
Shore Handling S.L.A.	Spain	Port Services
Port Management Services S.L.	Spain	Port Operations
Port Finance Investments Limited	United Kingdom	General Corporate Transaction
Taranto Cruise Port S.r.l	Italy	Port Services
Global Ports Canary Islands S.L.	Spain	Port Services
Port Operations Services Ltd.	Cyprus	Port Operations
GPH Barbados Ltd.	Barbados	Port Management
GPH Cruise Port Finance Ltd. ("GPH CPF")	United Kingdom	Port Investments
GPH Kalundborg ApS	Denmark	Port Operations
Global Ports Tarragona S.L.	Spain	Port Operations
Global Gemicilik ve Nakliyat Hizmetleri A.Ş. ("Global Gemicilik") (18)	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
Mavibayrak Enerji Üretim. A.Ş. ("Mavi Bayrak") (7)	Turkey	Energy Generation
Mavibayrak Doğu Enerji Üretim A.Ş. (7) (8)	Turkey	Energy Generation
Doğal Enerji Hizmetleri ve San.Tic. A.Ş. ("Doğal Enerji") (7)	Turkey	Electricity Generation
Global Biyokütle Yatırımları A.Ş. ("Global Biyokütle") (7) (22)	Turkey	Energy Investments
Consus Energy Europe B.V.	Netherlands	Energy Investments
Global Africa Power Investments (9)	Mauritius	Energy Generation
Glowi Energy Investments Limited (9)	Malavi	Energy Investments
Glozania Energy Investments Limited (9)	Tanzania	Energy Investments
Barsolar D.O.O. (7)	Montenegro	Energy Generation
Ra Güneş Enerjisi Üretim San. ve Tic. A.Ş. ("Ra Güneş") (6) (7)	Turkey	Electricity Generation
Naturelgaz Sanayi ve Tic. A.Ş. ("Naturelgaz") (21)	Turkey	Compressed Natural Gas Sales
Straton Maden Yatırımları ve İşletmeciliği A.Ş. ("Straton")	Turkey	Mining
Tenera Enerji Tic. A.Ş. ("Tenera") (7)	Turkey	Electricity and Natural Gas Trade

Global Yatırım Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2021
(Currency: Amounts Expressed in Turkish Lira ("Tl") Unless Otherwise Stated)

1 ORGANIZATION AND NATURE OF BUSINESS *(continued)*

(a) Subsidiaries: *(continued)*

Subsidiaries	Location	Operations
Edusa Atık Bertaraf Geri Kazanım ve Depolama San. ve Tic. A.Ş. ("Edusa Atık") (9)	Turkey	Energy Generation
Dağören Enerji A.Ş. ("Dağören") (7)	Turkey	Electricity Generation
Ardus Gayrimenkul Yatırımları A.Ş. (10)	Turkey	Real Estate Investments
Global Ticari Emlak Yatırımları A.Ş. (11)	Turkey	Real Estate Investments
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") (13)	Turkey	Brokerage
Global MD Portföy Yönetimi A.Ş. (14)	Turkey	Portfolio Management
İstanbul Portföy Yönetimi A.Ş. (23)	Turkey	Portfolio Management
Global Sigorta Aracılık Hizmetleri A.Ş. ("Global Sigorta")	Turkey	Insurance Agency
Güney Maden İşletmeleri A.Ş. ("Güney")	Turkey	Mining
Tora Yayıncılık A.Ş. ("Tora")	Turkey	Publishing
Sem Yayıncılık A.Ş. ("Sem") (15)	Turkey	Publishing
Maya Turizm Ltd. ("Maya Turizm") (16)	Cyprus	Tourism Investments
Randa Denizcilik San. ve Tic. Ltd. Şti. ("Randa") (17)	Turkey	Marine Vehicle Trade
Adonia Shipping Limited	Malta	Ship Management
Vinte Nova	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
GYH Danışmanlık ve Yönetim Hizmetleri A.Ş.	Turkey	Administrative Consultancy
Sümerpark Gıda İşletmeciliği A.Ş. (24)	Turkey	Food Management
Rainbow Tech Ventures Limited	Malta	Technology Investments
Rainbow Holdings Worldwide Limited	United Kingdom	Technology Investments

(1) On 11 May 2017, the Group has completed the initial public offering ("IPO") of its ordinary shares and is trading on the main market of the London Stock Exchange. Global Ports Holding Plc, the company which shares is started to be trading on the London Stock Exchange is owned by Global Ports Holding B.V (89,16% ownership and 49.038.000 shares) (a wholly subsidiary of the Global Yatırım Holding) and European Bank for Reconstruction and Development ("EBRD") (10,84% ownership and 5.962.000 shares). Together with the additional shares sale option, 10.967.532 shares have been sold by the Group in IPO and continue to own 60,60% of shares. As at 31 December 2021 the Company continue to own 62,54% of shares of Global Ports Holding Plc indirectly (31 December 2020: 62,54%).

(2) These companies are consolidated under Global Liman.

Global Yatırım Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2021

(Currency: Amounts Expressed in Turkish Lira ("Tl") Unless Otherwise Stated)

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

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

Global Yatırım Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2021

(Currency: Amounts Expressed in Turkish Lira ("Tl") Unless Otherwise Stated)

1 ORGANIZATION AND NATURE OF BUSINESS *(continued)*

(a) Subsidiaries *(continued):*

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

(13) The Group's effective ownership rate in this company decreased to 76,85% as at 31 December 2011 as a result of the sale of its shares in 2011 through an initial public offering and direct sale and subsequent purchase of some of its publicly traded shares. As at 31 December 2021, the Group's effective ownership rate in this company is 75% (31 December 2020: 75%).

(14) 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.

(15) This company is consolidated to Tora.

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

(17) 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 2021 and 31 December 2020 it is excluded from the scope of consolidation (Note 2.1.f).

(18) This company was established in 13 May 2014 and shares transferred from Global Liman to the Company on 31 December 2020.

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

Global Yatırım Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2021

(Currency: Amounts Expressed in Turkish Lira ("Tl") Unless Otherwise Stated)

1 ORGANIZATION AND NATURE OF BUSINESS *(continued)*

(a) Subsidiaries *(continued):*

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

(21) 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.

The application for initial public offering ("IPO") of Naturelgaz, subsidiary of the Company, was approved by Capital Markets Board on 18 March 2021. Naturelgaz has successfully completed the IPO process on 31 March 2021. The offering comprised from issuance of new ordinary shares and sale of existing shares. Naturelgaz issued 14.981.406 new shares, increasing the total number of shares issued from 100.018.594 to 115.000.000. In addition, GYH sold 19.518.594 existing shares. After the IPO, GYH remains the largest shareholder of Naturelgaz with 70% (31 December 2020: 95,5%). Detailed information related to IPO is presented in Note 24.8.

(22) As explained in Note 24, Global Biyokütle Enerji Üretim A.Ş., a wholly owned subsidiary of the Group, has merged with Consus Enerji İşletmeciliği A.Ş. and divested. The merger transaction was completed with registering by İstanbul Trade Registry on 30 June 2021.

Global Yatırım Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2021

(Currency: Amounts Expressed in Turkish Lira ("Tl") Unless Otherwise Stated)

1 ORGANIZATION AND NATURE OF BUSINESS *(continued)*

(a) Subsidiaries *(continued):*

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

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

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

(24) Sümerpark Gıda İşletmeciliği A.Ş., a wholly owned subsidiary of the Group, has merged with Ardus Gayrimenkul Yatırımları A.Ş. and divested. The merger transaction has been registered on 30 December 2021 on the Trade Registry and the merger process has been completed as explained in Note 24.

Global Yatırım Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2021

(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 ("Lizbon Limanı") (2)	Portugal	Port Operations
SATS-Creuers Cruise Services Pte. Ltd. ("Singapur Limanı") (3)	Singapore	Port Operations
Venezia Investimenti Srl (4)	Italy	Port Operations
Axel Corporation Grupo Hotelero, S.L. (5)	Spain	Tourism Investments
La Spezia Cruise Facility S.c.a.r.l (6)	Italy	Port Operations
Goulette Cruise Holding Ltd. (UK) ("Goulette") (7)	United Kingdom	Port Investments
Pelican Peak Investment Inc (8)	Canada	Tourism Investments
1121438 B.C. LTD	Canada	Tourism Investments

(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.

Global Yatırım Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2021

(Currency: Amounts Expressed in Turkish Lira ("Tl") Unless Otherwise Stated)

1 ORGANIZATION AND NATURE OF BUSINESS *(continued)*

(b) Equity Accounted Investees *(continued)*

(5) The Company has sold its shares in Axel Corporation Grupo Hotelero SL ("Axel"), corresponding 35% of share capital of Axel, on 2 November 2021. Axel is operating in Spain, was owned by Aristaeus Limited, subsidiary of the Group, and was consolidated as an investment accounted for using equity method. The gain on sale amounting to TL 57.605.449 from the sale of shares has accounted under other operating income in consolidated financial statements (Note 28.1).

(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) 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, NCP and Global Ports Holding Plc which have a fiscal year starting on 1 April, to 31 March next year.

Global Yatırım Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2021

(Currency: Amounts Expressed in Turkish Lira ("Tl") Unless Otherwise Stated)

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 2022. The General Assembly of the Company has the right to amend and relevant regulatory bodies have the right to request the amendment of these consolidated financial statements.

Additional paragraph for convenience translation to English:

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

(b) Preparation of Financial Statements in Hyperinflationary Economies

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

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

(c) Basis of measurement

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

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

Global Yatırım Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2021

(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, GPH Antigua, GPH Americas, GPH Bahamas, GPH Cruise Port Finance LTD, NCP and has a significant effect on the operations. Therefore, US Dollar has been determined as the functional currency of these companies in line with TAS 21 - The Effects of Changes in Foreign Exchange Rates.

EURO is significantly used in the operations of the subsidiaries; Port of Adria, Adonia Shipping, Straton Maden, Barsolar, BPI, VCP, Global BV, Port Operation Holding S.r.l., Ravenna Terminali Passeggeri S.r.l., Cagliari Terminali Passeggeri S.r.l., Catania Terminali Passeggeri S.r.l., Taranto Cruise Port S.r.l., Global Ports Canary Islands S.L., Port Operations Services Ltd., Aristaeus, Barcelona, ZIPO, Malaga 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.

Global Yatırım Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2021

(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

As at 31 December 2021 and 2020, 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.

Global Yatırım Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2021

(Currency: Amounts Expressed in Turkish Lira ("Tl") Unless Otherwise Stated)

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

2.1 Basis of Preparation *(continued)*

(f) Basis of Consolidation *(continued)*

(ii) Subsidiaries

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.

Global Yatırım Holding A.Ş. and its Subsidiaries

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2021

(Currency: Amounts Expressed in Turkish Lira ("Tl") Unless Otherwise Stated)

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 2021 and 2020 for all subsidiaries directly or indirectly controlled by the Group:

	Effective ownership rates		Voting power held	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Global Liman İşletmeleri A.Ş.	62,54	62,54	62,54	62,54
Ege Liman İşletmeleri A.Ş.	45,34	45,34	45,34	45,34
Bodrum Yolcu Limanı İşletmeleri A.Ş.	37,52	37,52	37,52	37,52
Ortadoğu Antalya Liman İşletmeleri A.Ş.	-	62,53	-	62,53
Port of Adria	39,51	39,51	39,51	39,51
Cruceros Malaga, S.A. ("Malaga Limanı")	38,77	38,77	38,77	38,77
Global Ports Holding B.V.	100,00	100,00	100,00	100,00
Global Ports Holding Plc	62,54	62,54	62,54	62,54
Global Ports Europe B.V ("Global BV")	62,54	62,54	62,54	62,54
Global Ports Melita Ltd.	62,54	62,53	62,54	62,53
Valetta Cruise Port PLC ("VCP")	34,77	34,77	34,77	34,77
Creuers del Port de Barcelona, S.A. ("Creuers")	38,77	38,77	38,77	38,77
Barcelona Port Investments, S.L ("BPI")	38,77	38,77	38,77	38,77
Port Operation Holding S.r.l	62,54	62,54	62,54	62,54
Ravenna Terminal Passeggeri S.r.l.	62,54	62,54	62,54	62,54
Cagliari Cruise Port S.r.l.	44,34	44,34	44,34	44,34
Catania Terminali Passeggeri S.r.l.	39,50	38,90	39,50	38,90
Global Ports Netherlands B.V.	62,54	62,54	62,54	62,54
Zadar International Ports Operations d.o.o.	62,54	62,54	62,54	62,54
Travel Shopping Limited	31,30	31,30	31,30	31,30
Global Depolama A.Ş.	62,53	62,53	62,53	62,53
Consus Enerji İşletmeciliği ve Hizmetleri A.Ş.	100,00	100,00	100,00	100,00
Tres Enerji Hizmetleri Sanayi ve Ticaret A.Ş.	100,00	95,83	100,00	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
Consus Energy Europe BV	100,00	100,00	100,00	100,00
Global Africa Power Investments	100,00	100,00	100,00	100,00
Glowi Energy Investments Limited	100,00	100,00	100,00	100,00
Glozania Energy Investments Limited	100,00	100,00	100,00	100,00
Barsolar D.O.O.	51,00	51,00	51,00	51,00
Ra Güneş Enerjisi Üretim San. ve Tic. A.Ş.	100,00	100,00	100,00	100,00
Naturelgaz San. ve Tic. A.Ş.	70,00	95,50	70,00	95,50
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 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.	12,36	8,39	12,36	8,39
Rıhtım51 Gayrimenkul Yatırımları A.Ş.	100,00	100,00	100,00	100,00
Global Menkul Değerler A.Ş.	75,00	75,00	75,00	75,00
Global MD Portföy Yönetimi A.Ş.	75,00	75,00	75,00	75,00
İstanbul Portföy Yönetimi A.Ş.	66,60	-	66,60	-
Global Sigorta Aracılık Hizmetleri A.Ş.	100,00	100,00	100,00	100,00
Güney Maden İşletmeleri A.Ş.	100,00	100,00	100,00	100,00
Tora Yayıncılık A.Ş.	100,00	100,00	100,00	100,00
Sem Yayıncılık A.Ş.	65,00	65,00	65,00	65,00
Maya Turizm Ltd.	56,18	54,20	56,18	54,20
Randa Denizcilik San. ve Tic. Ltd. Şti.	62,53	62,53	62,53	62,53
Adonia Shipping Limited	99,93	99,93	99,93	99,93
Global Gemicilik ve Nakliyat Hizmetleri A.Ş.	90,00	90,00	90,00	90,00
Global Ports Mediterranean S.L.	62,54	62,54	62,54	62,54
GPH Antigua Ltd.	62,54	62,54	62,54	62,54
Nassau Cruise Port Ltd.	30,64	30,64	30,64	30,64
GPH Americas Ltd.	62,54	62,54	62,54	62,54
GPH Bahamas Ltd.	62,54	62,54	62,54	62,54
Global Ports Destination Services Ltd (UK)	62,54	62,54	62,54	62,54
Port Finance Investments Limited	62,54	62,54	62,54	62,54
Balearic Handling S.L.A.	31,90	31,90	31,90	31,90
Shore Handling S.L.A.	31,90	31,90	31,90	31,90
Port Management Services S.L.	62,54	62,54	62,54	62,54
Taranto Cruise Port S.r.l	62,54	-	62,54	-
Global Ports Canary Islands S.L.	50,03	-	50,03	-
Port Operations Services Ltd.	59,41	-	59,41	-
GPH Barbados Ltd.	62,54	-	62,54	-
GPH Cruise Port Finance LTD.	62,54	-	62,54	-
GPH Kalundborg ApS	62,54	-	62,54	-
Global Ports Tarragona S.L.	62,53	-	62,53	-
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
GYH Danışmanlık ve Yönetim Hizmetleri A.Ş.	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

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Notes to the Consolidated Financial Statements for the Year Ended 31 December 2021

(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)*

(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.

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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)*

(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 2021 and 2020 for the associates:

	Effective ownership rates		Voting power held	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Lisbon Cruise Terminals ("Lizbon Limanı")	28,89	28,89	28,89	28,89
Singapur Limanı	15,51	15,51	15,51	15,51
Venezia Investimenti SRL	15,64	15,64	15,64	15,64
La Spezia Cruise Facility S.c.a.r.l	17,82	17,82	17,82	17,82
Axel Corporation Grupo Hotelero, S.L. (Not 1.b.5)	-	35,00	-	35,00
IEG Global Kurumsal Finansman Danışmanlık A.Ş. (IEG)	37,50	37,50	37,50	37,50
Goulette Cruise Holding Ltd. (UK) ("Goulette") (Not 1)	31,27	31,27	31,27	31,27
Pelican Peak Investment Inc	6,40	6,40	6,40	6,40
1121438 B.C. LTD	7,75	7,75	7,75	7,75
İstanbul Portföy Yönetimi A.Ş. (Not 1.a.23)	-	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 2021 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%, GPH Barbados Ltd in which the Group has effective ownership interest of 62,54%, Global Ports Tarragona S.L. in which the Group has effective ownership interest of 62,53%, 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 2020: 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.

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(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

(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 in the natural course of its activities.

Covid-19 pandemic has negative effect on cruise operations of Group's port operations division in 2021 less than 2020 as explained more detail in Note 33.

The financial results of the port division of the Group show a rapid recovery in cruise operations as of the 3rd quarter of 2021 with the effect of vaccination, and developments after the reporting date also support the prediction that the sector will recover in 2022 with an acceleration above the previous expectations.

The port division 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 suspentions regarding concession fees, which are the most important expense item of the port business line, were utilized after the negotiations with the governments of the operating countries evaluating the negative effects of the Covid-19 outbreak.

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 and measures, personnel expenses have been reduced, and the cash flow balance has been maintained through the deferral of tax payments regarding personnel salaries.

USD 49,7 million of USD 250 million Eurobond was repurchased and cancelled by Global Liman through the cash obtained from sale of Port Akdeniz in January 2021. In addition, Global Ports Holding Plc, subsidiary of the Group, signed a five-year loan agreement up to USD 261,3 million with Sixth Street, an international investment company with a portfolio size of more than USD 50 billion, in line with the debt reduction strategy. The loan agreement provides for two-term loan facilities, an initial five-year term facility of USD 186,3 million and an additional five-year growth facility of up to USD 75 million. USD 186,3 million portion of loan, together with existing cash resources, were used to redeem the outstanding amount Eurobond in full. In parallel, the bonds issued abroad by Global Liman, 100% subsidiary of Global Ports Holding Plc, amounting to USD 200.3 million with a maturity date of November 2021 was amortised before maturity at a reasonable market conditions.

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

2.1 Basis of Preparation

(g) Going concern *(continued)*

The fund obtained from initial public offering of Naturelgaz was one of the most important steps taken during the period to reduce Group's interest and debt burden.

In addition, the prospectus of the Company regarding increasing the issued share capital of the Company by TL 324.111.590,07, from TL 325.888.409,93 to TL 650.000.000, which is the upper limit of its registered Capital and will be paid in cash has been approved by CMB on 29 July 2021. 324.111.590.07 new shares were offered to the existing shareholders, between 4th – 18th August 2021. While the remaining 1.268.029,30 shares were offered to the public on the Stock Exchange at the price to be set on Borsa Istanbul, which is not lower than the price for the exercise of pre-emptive rights of TL1,50 per share, for 2 business days starting from 23rd August 2021 and and all shares have been sold. Total fund amounting to TL 487.180.209,05 was realised of which TL 484.265.422,30 from existing shareholders pre-emptive rights and TL 2.914.786,75 from sale of shares in BIST. Accordingly, the capital increase process has been completed. Total cash injection obtained from the capital increase has been used to reduce the Group's debt burden in accordance with the fund utilization report.

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.

With the gradual decrease of uncertainty around the world due to Covid-19, that is, the beginning of the transition to normal, the improvement in sectors that are partially or fully affected by Covid-19 (for example, the recovery in the real estate and mining sectors, where it is limitedly affected, and the cruise line business where it is completely affected), the Group's commercial risks and liquidity reserves are positively affected by these developments. As in the past, the Group believes that it will manage its liquidity and reserves with the same success in the period the gradual recovery started. As a result, management has a reasonable expectation that the Group has the resources available to maintain its operational existence and has sufficient liquidity reserves over the next twelve months. Therefore, management continues to adopt the going concern basis of accounting while preparing the consolidated financial statements.

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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 2021

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.

COVID-19-Related Rent Concessions beyond 30 June 2021 (the 2021 amendment)

IASB has extended the practical expedient by 12 months – permitting lessees to apply it to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022. The original amendment was issued in May 2020 to make it easier for lessees to account for covid-19-related rent concessions, such as rent holidays and temporary rent reductions, while continuing to provide useful information about their leases to investors.

The amendment is effective for annual reporting periods beginning on or after 1 April 2021. Lessees are permitted to apply it early, including in financial statements not authorised for issue as of 31 March 2021 the date of publication of this amendment,. In other words, if the financial statements for the accounting periods before the date of publication of the amendment have not yet been issued, it is possible to apply this amendment for the relevant financial statements. The 2021 amendments are applied retrospectively with the cumulative effect of initially applying it being recognised in opening retained earnings.

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 2021 *(continued)*

Standards issued but not yet effective and not early adopted *(continued)*

The original version of the practical expedient was, and remains, optional. However, the 2021 amendments are, in effect, not optional. This is because a lessee that chose to apply the practical expedient introduced by the 2020 amendments has to consistently apply the extension to eligible contracts with similar characteristics and in similar circumstances.

This means that lessees will need to reverse previous lease modification accounting if a rent concession was ineligible for the original practical expedient under the 2020 amendments but becomes eligible as a result of the extension.

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.

The Group shall apply these amendments for annual periods beginning on or after 1 January 2022 with earlier application permitted.

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.

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. The amendments apply retrospectively, but only to items of Property, Plant and Equipment made available for use on or after the beginning of the earliest period presented in the financial statements in which the company first applies the amendments.

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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 2021 *(continued)*

Standards issued but not yet effective and not early adopted *(continued)*

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.

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. At the date of initial application, the cumulative effect of applying the amendments is recognised as an opening balance adjustment to retained earnings or other component of equity, as appropriate. The comparatives are not restated.

TFRS 17 Insurance Contracts

On 18 May 2017, IASB issued TFRS 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.

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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 2021 *(continued)*

Standards issued but not yet effective and not early adopted *(continued)*

Initial Application of TFRS 17 and TFRS 9—Comparative Information (Amendment to TFRS 17)

In December 2021, IASB issued Initial Application of TFRS 17 and TFRS 9—Comparative Information (Amendment to TFRS 17). The amendment is a transition option relating to comparative information about financial assets presented on initial application of TFRS 17.

The amendment is aimed at helping entities to avoid temporary accounting mismatches between financial assets and insurance contract liabilities, and therefore improve the usefulness of comparative information for users of financial statements. TFRS 17 incorporating the amendment is effective for annual reporting periods beginning on or after 1 January 2023.

The Group is assessing the potential impact on its consolidated financial statements resulting from the application of the amendments to TFRS 17.

Amendments to TFRS 4: Applying TFRS 9 Financial Instruments with TFRS 4 Insurance Contracts

TFRS 4 has been amended by IASB 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.

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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 2021 *(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 TAS 1 Presentation of Financial Statements to clarify its requirements for the presentation of liabilities in the statement of financial position.

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.

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, according to the amendment published on 15 July 2020, IASB decided to defer the effective date of TAS 1 until 1 January 2023.

The Group is assessing the potential impact on its consolidated financial statements resulting from the application of the amendments to TAS 1.

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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 2021 *(continued)*

Standards issued but not yet effective and not early adopted *(continued)*

Disclosure of Accounting Policies (Amendments to TAS 1 and TFRS Practice Statement 2)

IASB has issued amendments to TAS 1 Presentation of Financial Statements and an update to TFRS Practice Statement 2 Making Materiality Judgements to help companies provide useful accounting policy disclosures on 12 February 2021.

The key amendments to TAS 1 include:

• Requiring companies to disclose their material accounting policies rather than their significant accounting policies.

• Clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed.

• Clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

IASB also amended TFRS Practice Statement 2 to include guidance and two additional examples on the application of materiality to accounting policy disclosures.

The amendments are consistent with the refined definition of material previously:

"Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements".

The amendments are effective from 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 the amendments to Amendments to TAS 1 and TFRS Practice Statement 2).

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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 2021 *(continued)*

Standards issued but not yet effective and not early adopted *(continued)*

Definition of Accounting Estimates (Amendments to TAS 8)

The amendments introduce a new definition for accounting estimates: clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty which is issued by IASB on 12 February 2021.

The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy.

Developing an accounting estimate includes both:

• Selecting a measurement technique (estimation or valuation technique) – e.g. an estimation technique used to measure a loss allowance for expected credit losses when applying TFRS 9 Financial Instruments; and

• Choosing the inputs to be used when applying the chosen measurement technique – e.g. the expected cash outflows for determining a provision for warranty obligations when applying TAS 37 Provisions, Contingent Liabilities and Contingent Assets.

The effects of changes in such inputs or measurement techniques are changes in accounting estimates. The definition of accounting policies remains unchanged.

The amendments are effective for periods beginning on or after 1 January 2023, with earlier application permitted, and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the company applies the amendments.

The Group is assessing the potential impact on its consolidated financial statements resulting from the application of the amendments.

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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 2021 (continued)

Standards issued but not yet effective and not early adopted *(continued)*

Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction – Amendments to TAS 12 Income Taxes

In May 2021 IASB issued Deferred Tax related to Assets and Liabilities arising from a Single Transaction, which amended TAS 12 Income Taxes.

The amendments to TAS 12 Income Taxes clarify how companies should account for deferred tax on certain transactions – e.g. leases and decommissioning provisions.

The amendments narrow the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision.

The amendments clarify that the exemption does not apply to transactions such as leases and decommissioning obligations. These transactions give rise to equal and offsetting temporary differences.

For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognised from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. If a company previously accounted for deferred tax on leases and decommissioning liabilities under the net approach, then the impact on transition is likely to be limited to the separate presentation of the deferred tax asset and the deferred tax liability.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023. Earlier application is permitted.

The Group is assessing the potential impact on its consolidated financial statements resulting from the application of the amendments to Amendments to TAS 12.

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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 2021 (continued)

Standards issued but not yet effective and not early adopted *(continued)*

Annual Improvements to TFRS Standards

IASB issued Annual Improvements to TFRSs - 2018–2020 Cycle for applicable standards in May 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 TFRS 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.

TFRS 16 Leases, Illustrative Example 13

The amendment removes the illustration of payments from the lessor relating to leasehold improvements. As currently drafted, this example is not clear as to why such payments are not a lease incentive. It will help to remove the potential for confusion in identifying lease incentives in a common real estate fact pattern.

TAS 41 Agriculture

This amendment removes the requirement to exclude cash flows for taxation when measuring fair value, thereby aligning the fair value measurement requirements in TAS 41 with those in TFRS 13 Fair Value Measurement. The amendments provide the flexibility to use either, as appropriate, in line with TFRS 13.

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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 2021 (continued)

Standards issued but not yet effective and not early adopted *(continued)*

Amendments are effective on 1 January 2021

Interest Rate Benchmark Reform – Phase 2 – Amendments to TFRS 9 Financial Instruments, TAS 39 Financial Instruments: Recognition and Measurement, TFRS 7 Financial Instruments: Disclosures, TFRS 4 Insurance Contracts and TFRS 16 Leases.

2.3 Summary of significant accounting policies

(a) Revenues

General model for accounting of revenue

In accordance with TFRS 15, a five-stage approach is followed in recognizing revenue for all contracts with customers.

Step 1: Identify the contract with a customer

A contract with a customer is in the scope of TFRS 15 when the contract is legally enforceable, the collection of the consideration is probable, the rights to goods and services and payment terms can be identified, the contract has commercial substance; and the contract is approved and the parties are committed to their obligations.

If either contracts were negotiated as a single commercial package, or consideration in one contract depends on the other contract or goods or services (or some of the goods or services) are a single performance obligation the Company accounts the contracts as a single contract.

Step 2: Identify the performance obligations in the contract

The Group defines 'performance obligation' as a unit of account for revenue recognition. The Company assesses the goods or services promised in a contract with a customer and identifies as a performance obligation either :

(a) Good or service (or a bundle of goods or services) that is distinct; or

(b) series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

The Group may define a contract or a service separately from other contractual obligations and define it as a different commodity or service if the customer makes use of such goods or services alone or in combination with other resources available for use. A single contract may contain promises to deliver to the customer more than one good or service. At contract inception, an entity evaluates the promised goods or services to determine which goods or services (or bundle of goods or services) are distinct and therefore constitute performance obligations.

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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.

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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)

For each performance obligation that is satisfied over time, an entity applies a single method of measuring progress toward complete satisfaction of the obligation. The objective is to depict the transfer of control of the goods or services to the customer. To do this, an entity selects an appropriate output or input method. It then applies that method consistently to similar performance obligations and in similar circumstances.

If a performance obligation is not fulfilled in time, then the Company recognizes revenue when the control of goods or services is transferred to the customer.

In cases where the costs to be incurred by the Company to fulfill the contractual obligations exceeds the expected economic benefit, the Company provides a provision in accordance with TAS 37 Provisions, Contingent Liabilities and Contingent Assets.

Contract modifications

The Company recognizes a contract modification as a separate contract if the modification results in a promise to deliver additional goods or services. If the goods or services are distinct, then the entity accounts for the modification as if it were a termination of the existing contract and the creation of a new contract. If the modification to the contract does not add distinct goods or services, then the entity accounts for it on a combined basis with the original contract, as if the additional goods or services were part of the initial contract.

The details of significant accounting policies and revenue recognition methods of the Group's various goods and services are explained as below.

(i) Service and commission revenue

The Group receives commissions for providing services with brokerage services and asset management services, and recognizes in profit or loss by taking into account the completion stage at the end of the reporting period. Other service and commission revenues comprised of interest received from customers, portfolio management commissions and other commissions and consultancy services and recognizes in profit or loss by taking into account the completion stage at the end of the reporting period.

(ii) Portfolio management fees

Fees charged for management of customer portfolios at capital markets are recognized as income at the end of each month.

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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)*

(iii) Gain on trading of securities

Gains / losses on trading of securities are recognized in profit or loss at the date of the related purchase/sale order.

(iv) Natural gas sales

Revenues from the sales of compressed natural gas comprise the revenues from the sales to individual and corporate subscribers. Revenue is recognized when the significant risks and rewards of ownership have been transferred to the subscribers and natural gas has been consumed by the related subscriber. The Group also obtains tube rental revenues in addition to compressed natural gas sales. Tube rental income is recognized in profit or loss on a straight-line basis over the lease term. Discount on sales are recognized as a reduction in gross sales.

(v) Port administration revenues and port rent income

Container revenues

Container cargo revenues relate to services provided for container cargo handling including sea and land services. Revenue is recognized at the point in time services are completed, as the services are usually provided over a very short period of time.

Port service revenues

Port service revenues relate to services provided to ships and motorboats (pilotage, towage, tugboat rents, etc.). Revenue is recognized at the point in time services are completed, as the services are usually provided over a very short period of time. Payments in Turkish Ports are made in advance, in European ports increased up to 45 days.

Cargo revenues

Cargo revenues relate to services provided for general and bulk cargo handling including sea and land services. Revenue is recognized at the point in time services are completed, as the services are usually provided over a very short period of time. Payments in Turkish Ports are mainly made in advance, in other cases payment terms are up to 30 days.

Landing fees

Landing fees relate to services provided to cruise ships including passenger landing, luggage handling, security fees, etc. Revenue is recognized at the point in time services are completed, as the services are usually provided over a very short period of time. Payments in Turkish Ports are made in advance, in European ports increased up to 45 days.

Rental income

Rental income is generated from the leasing of marina and shopping centers. Revenue is recognized over time as the services are provided. Revenue is recognized on a straight-line basis over the term of the lease. Invoices are issued on a monthly basis and are usually payable within 30 days. Guarantees are taken up to 6 months' rent.

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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)

(v) Port administration revenues and port rent income (continued)

Income from duty free operations

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

Revenues obtained from port management agreements

Revenue including performance bonuses obtained by the Group in relation to management agreements 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.

Construction income is generated on accounting of service concession arrangements per TFRS Interpretation 12. Revenue is recognised over time based on progress towards completion of construction. This revenue is created through IFRS application, no invoices are issued, neither any payments made by Nassau Port Authority.

(vi) Electricity sales

The Group sells electricity as a result of electricity generation from renewable energy sources and since electricity is not a storable stock sales and costs is realized simultaneously.

(vii) Other service revenues

Rent income is accounted for on accrual basis, interest income is accounted for using effective interest method and dividend income is recognized on the date the Group's right to receive the payment is established.

(viii) Mining revenues

Revenues from mining are measured by fair value after deducting received payment or repayments and discounts of receivable. Mining sales are recognized by fair value of received or possible payment on accrual basis in the situation that delivery of product or service of product, transfer of risk and benefit of product, reliably determination of income of product and transfer of economical use of product to the Group are possible.

(ix) Other revenues

Other service revenues and other sales are transferred to the consolidated statement of profit or loss and comprehensive income on accrual basis.

Revenues from the sale of real estates and the expenses related to the investment properties are recognized in the consolidated statement of profit or loss and other comprehensive income as part of the real estate lease and service income.

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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.

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(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)

(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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(Currency: Amounts Expressed in Turkish Lira ("Tl") Unless Otherwise Stated)

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

2.3 Summary of significant accounting policies (continued)

(e) Property, Plant and Equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the following:

- The cost of materials and direct labor;
- Any other costs directly attributable to bringing the assets to a working condition for their intended use;
- When the Group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located;
- Capitalized borrowing costs.

Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognized in profit or loss.

Property, plant and equipment of the subsidiaries and joint ventures that operate in Turkey and acquired before 1 January 2005 are stated at restated cost until 31 December 2004 less accumulated depreciation and permanent impairment losses. Property, plant and equipment of such entities acquired after 1 January 2005 are stated at cost, less accumulated depreciation and permanent impairment losses.

Property, plant and equipment of companies, whose functional currencies are not TL, are denominated in the original currencies, stated at cost, less accumulated depreciation and accumulated impairment losses and are translated to TL by using the exchange rate ruling at the reporting date. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

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(Currency: Amounts Expressed in Turkish Lira ("Tl") Unless Otherwise Stated)

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

2.3 Summary of significant accounting policies (continued)

(e) Property, Plant and Equipment (continued)

(ii) Subsequent costs

Subsequent expenditure is capitalized only when it is probable that the future economic benefits associated with the expenditure will flow to the Group. Ongoing repairs and maintenance are expensed as incurred.

(iii) Depreciation

Items of property, plant and equipment are depreciated from the date they are available for use or, in respect of self-constructed assets, from the date that the asset is completed and ready for use. Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line basis over their estimated useful lives. Depreciation is generally recognized in profit or loss, unless the amount is included in the carrying amount of another asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated. The depreciation rates used by the Group are as follows:

Buildings	2%-5%
Land improvements	3,38%-4,49%
Machinery and equipment	5%-25%
Motor vehicles	25%
Furniture and fixtures	33,33%
Leasehold improvements	3,33%-33,33%

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

(f) Intangible Assets

(i) Recognition and measurement

Intangible assets comprise port operation rights, royalty and natural gas selling and transmission licenses, contract-based customer relationships, development costs, computer software, 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.

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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.

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

2.3 Summary of significant accounting policies (continued)

(f) Intangible Assets (continued)

(iii) Amortization

Amortization is recognized in profit or loss on a straight line basis over the estimated useful lives of intangible assets.

The amortization rates applied by the Group are as follows:

Port operation rights (*)	2-25 %
Customer relationship (**)	5 % - 8,33 %
Rights	2,22 %-33,33 %
Software	10 %-33,33 %
Natural gas selling and transmission license (***)	3,33 %
Royalty license (****)	10 %

(*) Port operation rights will expire by 2033 for Ege Liman, by 2067 for Bodrum Liman, by 2038 for ZIPO, by 2043 for Port of Adria, by 2030 for Barcelona Port, by 2067 for Malta Port, by 2038 for Malaga Port, by 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 useful life for the customer relations of İPY, which has started to be consolidated using the full consolidation method and whose purchase accounting has been provisionally accounted, has been determined as 20 years.

(***) The licenses of Naturelgaz include the compressed natural gas (CNG) sales licenses in İzmir, Bursa, Bursa-2, Antalya, Konya, Bolu, Osmaniye, Kayseri, Rize, Elazığ, İstanbul, Kırıkkale, Kocaeli, Kırklareli, 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 and Antalya and have been obtained by Naturelgaz in 2005 whereas the CNG sales license in İzmir has been obtained in 2006, Bolu in 2012, in Konya, Osmaniye, Kocaeli in 2013, in Rize and Denizli CNG sales licenses 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.

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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.

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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

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.

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(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)

(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.

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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 – 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.

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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)

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.

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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)*

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 2021 and 2020, 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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(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)*

(h) Financial Instruments *(continued)*

v) Derivative financial instruments and hedge accounting *(continued)*

Net investment hedges

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

vi) Impairment of financial assets

a. Non-derivative financial assets

Financial instruments and contract assets

The Group recognizes loss allowances for the expected credit losses of the following items under TFRS 9:

- financial assets measured at amortized cost;
- debt investments measured at FVOCI

The Group measures loss allowances at an amount equal to lifetime expected credit losses ("ECL"), except for the following, which are measured as 12-month expected credit losses:

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

The Group measures loss allowances for trade receivables and contract assets at an amount equal to lifetime expected credit losses.

Loss allowances for trade receivables, other receivables, other assets and contract assets are always measured at an amount equal to lifetime expected credit losses.

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

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 90-120 days past due.

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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)*

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.

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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)*

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 goodwill, intangible assets with an indefinite useful life and intangible assets which are not yet available for use, the recoverable amount is estimated at the same time each year. The recoverable amount of the asset or cash-generating unit is the higher of its net selling price and its value in use. Value in use is assessed by discounting future cash flows to present value using a pre-tax discount rate that reflects the specific risk in the asset and the time value of money. For impairment testing, assets are grouped together into the smallest group of assets that 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. An impairment loss may only be reversed if there has been a change in the estimates used to determine the asset's recoverable amount. The impairment loss may be reversed only after the depreciation and amortization are netted up to the extent that it does not exceed the determined carrying value of the asset, if there is no impairment.

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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 24 as at 31 December 2021 and 2020. 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 24.

(j) TFRS 2 – Share-based payment arrangements

On 1 January 2020 and 1 January 2021, 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 2020 and 1 January 2021, the Group granted 206.000 and 228.000 Restricted Stock Units ("RSUs") to employees that entitle them to a share issued after three years of service. The RSUs will be granted at the end of three-year vesting period and issued after 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.

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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 2021 and 2020, foreign currency buying exchange rates of the Central Bank of Republic of Turkey ("CBRT") comprised the following:

	31 December 2021	**31 December 2020**
US Dollar / TL	12,9775	7,3405
Euro / TL	14,6823	9,0079

The average foreign currency buying exchange rates of the CBRT in 2021 and 2020 comprised the following:

	2021	**2020**
US Dollar / TL	8,8854	7,0090
Euro / TL	10,4687	8,0278

(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.

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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.

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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.

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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.

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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);

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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.

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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.

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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 2020.

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 3 Business Combinations: Assets and liabilities whose fair value is measured at their provisional value
- Note 10 Impairment losses on trade receivables
- Note 12 Impairment losses on receivables from finance sector operations
- Note 15 Fair value of investment properties
- Note 18 Impairment of goodwill
- Note 20 Provisions, contingent assets and liabilities
- Note 22 Assumptions for provision of employment termination benefit
- Note 32 Tax assets and liabilities

Changes and Errors in Accounting Estimates

Changes in accounting estimates are applied in the current period if the change is related with only one period. They are applied in the current period and prospectively if they are related to current and to the future periods. Significant accounting errors are applied retrospectively and prior period financial statements are restated.

The accounting judgements, estimates and assumptions used in preparing the accompanying consolidated financial statements, are consistent with the accounting judgements, estimates and assumptions used in preparing the consolidated financial statements as at 31 December 2020.

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Notes to the Consolidated Financial Statements for the Year Ended 31 December 2021

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3 BUSINESS COMBINATIONS

The details of acquisitions, which are accounted at the consolidated financial statements for the year ended as at 31 December 2021 and 2020 are presented below.

The detailed information about acquisitions and sales of non-controlling interests for the year ended as at 31 December 2021 and 2020 are disclosed in Note 24.6.

Business combinations

With the Group's Board of Directors decision dated on 21 December 2021, Sümerpark Gıda İşletmeciliği A.Ş., wholly owned subsidiary of the Group, have merged with Ardus Gayrimenkul Yatırımları A.Ş.. The merger transaction has been registered on 4 January 2022 on the Trade Registry and the merger process has been completed.

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.

Acquisition of Subsidiary

İstanbul Portföy Yönetimi A.Ş.

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

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

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3 BUSINESS COMBINATIONS *(continued)*

İstanbul Portföy Yönetimi A.Ş*. (continued)*

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

As of the acquisition date, the net asset value of İPY in its financial statements is TL 21.467.399. The Group has accounted TL 270.994.797 which is the difference between the net assets acquired and the fair value of the net identifiable assets owned before the acquisition and the consideration paid, under other operating income in its financial statements (Note 28.1).

Consideration paid	77.352.322
Non-controlling interests are based on their proportionate share of the recognized amounts of net identifiable assets. (%33,4)	7.170.111
Fair value of total net identifiable assets (%100)	(383.154.352)
Value of net identifiable assets previously held by the Group (%26,6)	27.637.121
Fair value difference related to previously held shares	**(74.281.936)**
Bargain purchase gain (negative goodwill)	**(196.712.861)**

The Group remeasured its 26,6% ownership, which held before, at its fair value at the merger date, and the resulting gain of TL 74.281.936 was accounted under other operating income (Note 28.1).

Consideration paid	77.352.322
Cash associated with purchased assets	(170.780)
Net cash out flow	**77.181.542**

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3 BUSINESS COMBINATIONS *(continued)*

İstanbul Portföy Yönetimi A.Ş. *(continued)*

	Book value before purchase	Fair value adjustments	Purchased value
Cash and cash equivalents	170.780	--	170.780
Trade and other receivables	7.664.936	--	7.664.936
Financial investments	14.533.430	--	14.533.430
Prepaid expenses	538.929	--	538.929
Other assets	866.596	--	866.596
Tangible assets	1.325.178	--	1.325.178
Intangible assets	70.454	452.108.692	452.179.146
Right of use assets	1.831.125	--	1.831.125
Deferred tax assets	139.045	(139.045)	--
Financial liabilities	(412.644)	--	(412.644)
Finance lease obligations	(1.386.363)	--	(1.386.363)
Trade and other payables	(1.389.988)	--	(1.389.988)
Provision for employee benefits	(930.448)	--	(930.448)
Deferred tax liabilities	--	(90.282.693)	(90.282.693)
Other liabilities	(1.553.631)	--	(1.553.631)
Net assets	**21.467.399**	**361.686.953**	**383.154.352**

There are inputs (managed funds, securities and customer relationships) and an organized workforce among the identifiable assets and liabilities acquired on the date of purchase of İPY. The Group has determined that inputs and processes obtained provide significant contribution to its ability to generate income together. The group concluded that the purchased set is a business.

Based on this acquisition, the Group has accounted İPY as a subsidiary within the scope of acquisition accounting in accordance with TFRS 3, "Business Combinations". However, as permitted in TFRS 3, the Group has accounted acquisition transaction provisionally in its financial statements, as the allocation of the purchase price has not yet been completed in the initial recognition of the business combination at the end of the reporting period in which the combination takes place.

İPY contributed to the Group's results with TL 86.984.974 revenue and TL 12.528.247 profit for the parent in the three-month period until 31 December 2021. If the purchase had been made on 1 January 2021, the Group management estimated that there would be an additional income effect of TL 123.761.460 on the finance sector income and an additional profit effect of TL 13.947.965 TL on the consolidated profit or loss of the parent company. In determining these amounts, the Group management assumed that the provisional fair value adjustments as of the acquisition date would have been the same if the acquisition had occurred on 1 January 2021.

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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.

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3 BUSINESS COMBINATIONS *(continued)*

Socar LNG (*continued*)

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, the Group 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.

The valuation techniques applied for the fair value measurement of significant assets acquired as a result of a business combination are as follows:

Assets Acquired	**Valuation Techniques**
Tangible assets	Market approach and cost approach: The valuation model has taken into account quoted market prices for similar items, where possible, indicative value by comparing them with identical or comparable (similar) assets for which price information is available, and amortized replacement costs where appropriate. Amortized replacement cost reflects adjustments for physical, technological (functional), and external or economic depreciation.
Intangible assets	The multi-period excess earnings method considers the present value of net cash flows expected to be generated by the customer relationships, by excluding any cash flows related to contributory assets.
Inventories	Market comparison technique: The fair value is determined based on the estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories.

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3 İŞLETME BİRLEŞMELERİ

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:

The value of identifiable assets and liabilities acquired	**Fair Value 100%**
Tangible assets	4.862.915
Customer relations	9.112.765
Financial 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**

Non-controlling interests are based on their proportionate share of the recognized amounts of net identifiable assets.	(7.739.690)
Cost of acquisition	**8.055.600**

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**

Global Yatırım Holding A.Ş. and its Subsidiaries

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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*	*Dividends paid to non-controlling interests*
Global Ports Holding Plc				
31 December 2021	37,46%	(298.535.078)	1.038.319.370	(210.857.686)
31 December 2020	37,46%	(201.273.373)	736.258.821	1.548.139
Pera Gayrimenkul Yatırım Ortaklığı Anonim Şirketi				
31 December 2021	87,64%	13.053.330	80.782.417	-
31 December 2020	91,61%	(6.866.315)	22.123.687	-
Naturelgaz Sanayi ve Ticaret A.Ş.				
31 December 2021	30,00%	6.332.195	98.250.955	(9.750.000)
31 December 2020	-	-	-	-

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 2021**	**31 December 2020**
Current assets	2.015.082.503	832.178.832
Non-current assets	8.538.531.404	5.903.995.586
Total assets	**10.553.613.907**	**6.736.174.418**
Current liabilities	1.510.205.897	2.519.578.932
Non-current liabilities	8.274.338.168	3.258.645.973
Total liabilities	**9.784.544.065**	**5.778.224.905**
Equity	**769.069.842**	**957.949.513**
Total equity and liabilities	**10.553.613.907**	**6.736.174.418**

Global Ports Holding Plc

Condensed Consolidated Statement of Profit or Loss	**31 December 2021**	**31 December 2020**
Revenue	1.076.791.372	694.702.708
Operating profit/(loss)	(425.768.468)	(285.067.654)
Net loss	(488.253.911)	(328.635.925)

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4 INVESTMENT IN OTHER ENTITIES *(continued)*

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 2021**	**31 December 2020**
Current assets	13.370.066	14.244.661
Non-current assets	133.246.059	111.985.503
Total assets	**146.616.125**	**126.230.164**
Current liabilities	3.026.882	51.559.300
Non-current liabilities	306.129	262.913
Total liabilities	**3.333.011**	**51.822.213**
Equity	**143.283.114**	**74.407.951**
Total equity and liabilities	**146.616.125**	**126.230.164**

Pera Gayrimenkul Yatırım Ortaklığı A.Ş.

Condensed Consolidated Statement of Profit or Loss	**31 December 2021**	**31 December 2020**
Revenue	3.734.489	8.784.481
Operating profit/(loss)	16.036.213	689.039
Net profit/(loss)	15.151.199	(7.505.353)

Consolidated financial information of Naturelgaz Sanayi ve Ticaret A.Ş., before consolidation adjustments and eliminations is as follows:

Naturelgaz Sanayi ve Ticaret A.Ş.

Condensed Consolidated Statement of Financial Position	**31 December 2021**	**31 December 2020**
Current assets	266.945.908	117.464.002
Non-current assets	268.178.586	259.846.213
Total assets	**535.124.494**	**377.310.215**
Current liabilities	188.719.600	128.816.994
Non-current liabilities	18.901.709	33.885.568
Total liabilities	**207.621.310**	**162.702.561**
Equity	**327.503.184**	**214.607.654**
Total equity and liabilities	**535.124.494**	**377.310.216**

Naturelgaz Sanayi ve Ticaret A.Ş.

Condensed Consolidated Statement of Profit or Loss	**31 December 2021**	**31 December 2020**
Revenue	696.269.505	453.388.932
Operating profit/(loss)	50.612.721	62.837.723
Net profit/(loss)	21.107.318	88.320.731

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5 SEGMENT REPORTING

Operating segments considered in performance evaluation of the Group Management are determined by considering the Group's risks and resources and internal reporting structure. The Group's operating segments are port operations, energy generation, natural gas, mining, brokerage and asset management segment, real estate and 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.

(Currency: Amounts Expressed in Turkish Lira ("Tl") Unless Otherwise Stated)

	Port Operations (*)		Energy Generation		Natural Gas		Mining		Real Estate		Brokerage & Asset Management		Other (**)		Total	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020	31 December 2021	31 December 2020	31 December 2021	31 December 2020	31 December 2021	31 December 2020	31 December 2021	31 December 2020	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Segment assets	10.820.909.853	6.583.252.116	1.249.783.757	778.936.226	533.374.072	376.948.516	330.007.571	230.069.607	949.421.500	631.371.315	524.380.304	288.272.078	669.434.085	517.529.353	**15.077.311.142**	**9.406.379.211**
Segment liabilities	9.754.106.525	5.774.399.168	806.259.343	534.198.455	207.003.847	162.290.632	172.659.248	126.966.878	346.424.228	198.524.653	434.298.103	243.858.238	882.613.964	816.958.617	**12.603.365.258**	**7.857.196.641**

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	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
External revenues	1.076.791.372	694.702.708	368.607.091	261.827.380	692.043.189	452.098.612	182.643.565	88.671.142	32.714.701	29.371.281	227.486.634	101.348.804	4.461.004	1.135.719	**2.584.747.556**	**1.629.155.646**
EBITDA	20.232.305	127.087.303	148.228.973	96.220.125	98.945.979	96.046.133	64.264.197	27.134.224	13.446.602	11.858.940	87.917.223	31.696.249	(8.171.294)	(62.336.585)	**424.863.985**	**327.706.389**
Depreciation and amortisation expense (-)	(255.037.770)	(346.112.277)	(29.620.681)	(43.475.769)	(41.495.866)	(32.307.676)	(54.488.202)	(42.788.545)	(413.298)	(473.733)	(3.483.218)	(2.275.108)	(9.869.136)	(6.813.293)	**(394.408.171)**	**(474.246.401)**
Finance income	56.982.214	108.467.170	88.737.305	10.093.066	11.362.601	2.010.499	1.123.730	96.552	1.717.397	117.510	5.623.070	2.481.829	34.596.805	8.884.796	**200.143.122**	**132.151.422**
Finance costs	(179.005.641)	(362.538.206)	(159.585.316)	(65.672.138)	(39.194.492)	(34.712.091)	(27.921.048)	(6.741.087)	(139.998.563)	(47.407.291)	(26.313.201)	(4.759.974)	(187.083.672)	(190.848.457)	**(759.101.933)**	**(712.679.244)**

(*) For the year ended 31 December 2021 and 2020, port operations' revenues include TFRS Interpretation 12 effect amounting to TL 791.053.265 TL and TL 298.827.895 respectively.
(**) Includes Global Yatırım Holding A.Ş.'s stand alone 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 2021	1 January- 31 December 2020
Revenues		
Segment revenues	2.615.721.466	1.643.761.824
Elimination of inter-segment revenues	(30.973.910)	(14.606.178)
Consolidated revenues	**2.584.747.556**	**1.629.155.646**

	1 January- 31 December 2021	1 January- 31 December 2020
Consolidated EBITDA	424.863.985	327.706.389
Finance income (Note 30)	172.605.386	128.281.532
Finance cost (Note 31)	(733.222.514)	(708.814.151)
Non-operating income/(expenses) (*)	326.094.995	3.985.540
Depreciation and amortisation expenses (Note 27)	(394.408.171)	(474.246.401)
Consolidated profit/(loss) before income tax	**(204.066.319)**	**(723.087.091)**

	1 January- 31 December 2021	1 January- 31 December 2020
Segment finance income	200.143.122	132.151.422
Elimination of inter-segment finance income	(27.537.736)	(3.869.890)
Total finance income (Note 30)	**172.605.386**	**128.281.532**

	1 January- 31 December 2021	1 January- 31 December 2020
Segment finance cost	(759.101.933)	(712.679.244)
Elimination of inter-segment finance cost	25.879.419	3.865.093
Total finance cost (Note 31)	**(733.222.514)**	**(708.814.151)**

(*) 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.

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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 2021 and 31 December 2020, other current payables to related parties comprised the following:

Other current payables to related parties	31 December 2021	31 December 2020
Mehmet Kutman	908.432	5.116.639
Other	2.821.262	3.806.394
Total	**3.729.694**	**8.923.033**

Due from related parties

As at 31 December 2021 and 31 December 2020, 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 2021	31 December 2020
Mehmet Kutman	-	10.080.585
Turkcom	8.587.899	9.875.044
IEG Kurumsal Finansal Danışmanlık A.Ş.	1.586.452	1.417.420
Other	424.905	186.780
Total	**10.599.256**	**21.559.829**

As at 31 December 2021 and 31 December 2020, other current receivables from related parties comprised the following:

Other current receivables from related parties	31 December 2021	31 December 2020
Mehmet Kutman (1)	1.389.252	7.564.385
Erol Göker (1)	-	3.217.437
Other	14.404.508	6.747.634
Total (2)	**15.793.760**	**17.529.456**

(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 2021: 18% and 16,75 %, 31 December 2020: 16,75%)

(2) The amount excludes the loans provided to key management explained below.

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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%. The Group has fully collected this receivable as of 31 December 2021. 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 2021: none). As of 31 December 2020, the Group has recognized these receivables as other current receivables from related parties (31 December 2021: none). In addition, as of 31 December 2020, out of other receivables balances of the Group amounting to TL 6.989.169 (USD 952.138) which is paid on maturity on 31 January 2021.

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 Aralık 2021: TL 15.793.760) in the consolidated financial statements.

In addition, as at 31 December 2021, the receivable amounting to TL 105.186.938 (31 December 2020: TL 59.581.144) from Goulette, which is accounted by using the equity method, has been recognized as non-current receivable from related parties. The interest rate applied on this receivable is 4% with a maturity date on 2025.

Transactions with key management personnel

The Company's key management personnel consist of the Chairman, members of the Board of Directors and general managers. The compensation of key management personnel includes wages, premiums and health insurance. As at 31 December 2021 and 2020, the details of compensation of key management personnel comprised the following:

	2021	**2020**
Salaries	27.333.077	24.765.354
Bonuses	5.188.783	511.172
Attendance fee	2.772.355	1.820.067
Other	1.122.300	1.485.713
	36.416.515	**28.582.306**

The Group's interest income resulting the loan provided to key management for the period 1 January-31 December 2021 amounts to TL 53.241 (1 January-31 December 2020: TL 4.249.830).

Regarding to the loans used by the Group, there is a personal surety amounting to TL 419.695.154 (31 December 2020: TL 169.934.502) and USD 24.540.756 (31 December 2020: USD 27.100.983), and there is pledge on personal property amounting to TL 32.500.000 (31 December 2020: TL 32.500.000) given by Mehmet Kutman with respect to these loans.

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6 RELATED PARTY DISCLOSURES *(continued)*

For the year ended 31 December 2021 and 2020, significant transactions with related parties comprised the following:

	1 January-31 December 2021			1 January-31 December 2020			
	Interest Received	Other Income	Other Expense	Interest Received	Interest Paid	Other Income	Other Expense
Turkcom (*)	-	2.596.230	1.271.441	606.137	69.768	405.567	775.716
Mehmet Kutman (*)	3.386.101	2.241.327	-	756.083	635.729	351.300	-
Erol Göker	249.330	10.676	-	318.760	-	12.930	-
IEG Global Kurumsal Finansal Danışmanlık A.Ş.	183.198	22.217	-	76.020	-	-	-
Ayşegül Bensel	4.812.951	-	-	-	-	-	-
Global MD Funds	-	877.122	-	-	-	1.240.383	-
Other (**)	-	-	1.480.992	-	-	-	56.072.000
Total	**8.631.580**	**5.747.572**	**2.752.433**	**1.757.000**	**705.497**	**2.010.180**	**56.847.716**

(*) 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 2021 and 31 December 2020, cash and cash equivalents comprised the following:

	31 December 2021	31 December 2020
Cash on hand	1.031.660	800.803
Cash at banks	1.500.620.904	984.895.438
-Demand deposits	*936.030.013*	*653.637.911*
-Time deposits	*564.590.891*	*331.257.527*
Other	34.273.893	5.993.721
Cash and cash equivalents	**1.535.926.457**	**991.689.962**
Blocked deposits (*)	(303.227.634)	(139.272.800)
Cash and cash equivalents for cash flow purposes	**1.232.698.823**	**852.417.162**

(*) As at 31 December 2021, cash at banks amounting to TL 205.118.940 (31 December 2020: TL 117.952.835) is blocked by relevant banks due to bank borrowings and letters of guarantee. As at 31 December 2021, TL 8.824.098 deposited at the BIST Settlement and Custody Bank ("Takasbank") is blocked by CMB (31 December 2020: TL 8.695.233). As at 31 December 2021 TL 89.284.596 (31 December 2020: TL 12.624.732) 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 2021 and 31 December 2020, maturities of time deposits comprised the following:

	31 December 2021	31 December 2020
Up to 1 month	430.620.211	327.378.794
1-3 months	96.970.680	3.878.733
3-6 months	37.000.000	-
	564.590.891	**331.257.527**

As at 31 December 2021 and 31 December 2020, the range of time deposit interest rates included in cash and cash equivalents is as follows:

	31 December 2021	31 December 2020
Interest rate range for time deposit - TL	13,00% - 24,00%	10,50% - 17,50%
Interest rate for time deposit - USD	0,25% - 1,00%	0,40% - 2,50%

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8 FINANCIAL INVESTMENTS

As at 31 December 2021 and 31 December 2020, the details of financial investments of the Group comprised the following:

	31 December 2021		
	Current	Non-current	Total
Financial assets at fair value through other comprehensive income	-	4.379.573	4.379.573
Financial assets at fair value through profit/loss	175.576.422	-	175.576.422
Other financial assets	719.987	-	719.987
	176.296.409	**4.379.573**	**180.675.982**

	31 December 2020		
	Current	Non-current	Total
Financial assets at fair value through other comprehensive income	-	8.146.247	8.146.247
Financial assets at fair value through profit/loss	6.638.720	-	6.638.720
Other financial assets	445.179	-	445.179
	7.083.899	**8.146.247**	**15.230.146**

Financial assets at fair value through profit/loss

As at 31 December 2021 and 31 December 2020, the details of financial investments at fair value through profit/loss of the Group comprised the following:

	31 December 2021	31 December 2020
Debt Securities		
Debt securities (governmental bonds)	288.793	658.139
Investment funds participations	6.200.206	-
	6.488.999	**658.139**
Equity Investments		
Financial investments quoted to stock exchange	71.107.350	5.980.581
Equity instruments unquoted to an active market (*)	97.980.073	-
	169.087.423	**5.980.581**
Total	**175.576.422**	**6.638.720**

(*) As of 31 December 2021, the Group has changed its business model and has classified the shares owned in Firefly Systems Inc.,which was previously accounted as long-term finanacial assets, as short-term financial assets that fair value difference through profit and loss. The Group measured fair value of the investment as TL 75.918.375 within the scope of the valuation report dated 27 October 2021. Regarding 0,52% of the company shares owned on 16 May 2019, the fair value increase of TL 71.418.424 was recognized in the profit and loss statement (Note 29.1).

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8 FINANCIAL INVESTMENTS *(continued)*

Financial investments held by the Group and traded in an active market are stated with their fair values over market transaction prices as of the reporting date. Gains or losses resulting from fair value changes are included in other comprehensive income in the period in which they occur.

As at 31 December 2021 the equity shares amounting to TL 9.402 are pledged for an ongoing lawsuit case (31 December 2020: TL 9.402).

As at 31 December 2021 and 31 December 2020, the letters of guarantee given to BIST, Settlement and Custody Bank, Derivative Market ("VIOP") and the CMB are explained in Note 21.

Fair value through other comprehensive income

As of 31 December 2021 and 2020, financial investments measured at fair value through other comprehensive income are as follows:

Equity Investments
Equity instruments unquoted to an active market

	31 December 2021		31 December 2020	
	Share ratio (%)	**Book value**	**Share ratio (%)**	**Book value**
Firefly Systems Inc.	-	-	0,42	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
Bilira Teknoloji A.Ş.	1,00	733.267	-	-
Other	-	474.204	-	474.194
Total		**4.379.573**		**8.146.247**

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 2021 and 31 December 2020, borrowings comprised the following:

Current borrowings	**31 December 2021**	**31 December 2020**
Current bank loans	1.040.798.141	481.405.218
-TL loans	*381.968.995*	*259.406.361*
-Foreign currency loans	*658.829.146*	*221.998.857*
Debt securities issued	253.269.845	154.564.989
- TL debt securities	*253.269.845*	*154.564.989*
Other financial liabilities (*)	18.585.612	12.243.046
Total	**1.312.653.598**	**648.213.253**

Current portion of non-current borrowings

	31 December 2021	**31 December 2020**
Current portion of non-current bank loans	633.725.250	643.855.325
-TL loans	*4.833.476*	*13.418.270*
-Foreign currency loans	*628.891.774*	*630.437.055*
Debt securities issued	256.346.846	2.117.793.536
- TL debt securities	-	*147.622.012*
-Foreign currency debt securities	*256.346.846*	*1.970.171.524*
Finance lease obligations	73.332.421	34.748.068
Total borrowings	**963.404.517**	**2.796.396.929**
Lease liabilities (TFRS 16)	46.625.417	25.620.529
Total	**1.010.029.934**	**2.822.017.458**

Non-current borrowings	**31 December 2021**	**31 December 2020**
Non-current bank loans	3.615.269.440	913.573.961
-TL loans	*817.652*	*3.254.283*
-Foreign currency loans	*3.614.451.788*	*910.319.678*
Debt securities issued	2.895.916.330	855.213.386
-Foreign currency debt securities	*2.895.916.330*	*855.213.386*
Finance lease obligations	72.925.871	52.511.721
Other financial liabilities (*)	589.746.120	346.795.641
Total borrowings	**7.173.857.761**	**2.168.094.709**
Lease liabilities (TFRS 16)	824.582.833	497.412.091
Total non-current borrowings	**7.998.440.594**	**2.665.506.800**
Total current and non-current borrowings	**9.449.915.876**	**5.612.704.891**
Total	**10.321.124.126**	**6.135.737.511**

(*) As at 31 December 2021, TL 4.852.962 of current other financial liabilities (31 December 2020: TL 8.985.153) and TL 589.746.120 of non-current other financial liabilities (31 December 2020: TL 343.906.404) are related to concession agrrement liabilities of NCP.

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9 BORROWINGS *(continued)*

Maturity profile of non-current bank loans and debt securities issued comprised the following:

Years	31 December 2021	31 December 2020
Repayments in 2nd year	692.333.155	349.623.736
Repayments in 3rd year	689.919.766	246.769.649
Repayments in 4th year	743.729.489	207.551.589
Repayments after 5th year	4.385.203.360	964.842.373
Total	**6.511.185.770**	**1.768.787.347**

Maturity profile of finance lease obligations and lease liabilities comprised the following:

	31 December 2021			31 December 2020		
	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	142.147.292	(22.189.454)	119.957.838	77.417.440	(17.048.843)	60.368.597
Between one and five years	1.449.335.511	(551.826.807)	897.508.704	887.907.217	(337.983.405)	549.923.812
Total	**1.591.482.803**	**(574.016.261)**	**1.017.466.542**	**965.324.657**	**(355.032.248)**	**610.292.409**

The movement of financial borrowings as of 31 December 2021 and 2020 is as follows:

	2021	2020
Opening balance as at 1 January	**6.135.737.511**	**4.308.526.774**
Additions to the scope of consolidation	-	3.014.758
Additions	5.870.568.432	2.221.894.017
Repayments	(5.184.854.709)	(1.279.696.957)
Changes in other financial liabilities	(8.981.279)	(28.667.116)
Additions (TFRS 16)	43.603.112	84.340.756
Repayments related to lease liabilities	(43.270.268)	(34.698.370)
Changes in foreign currency exchange rates	679.073.049	197.137.289
Changes in interest accruals	(24.186.690)	112.285.773
Liabilities included in disposal groups classified as held for sale (Note 36)	-	(206.800.216)
Currency translation difference	2.853.434.968	758.400.803
Closing balance as at 31 December	**10.321.124.126**	**6.135.737.511**

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9 BORROWINGS *(continued)*

					31 December 2021		
Loan Type	Company Name	Currency	Maturity	Interest Type	Nominal Interest Rate %	Principal (TL)	Carrying Value (TL)
Debt securities issued (i)	Holding	USD	2022	Fixed	8,00%	43.915.860	43.915.860
Bond issued (ii)	Holding	TL	2022	Fixed	24,00%	136.207.500	144.447.175
Secured loan	Holding	TL	2023	Fixed	19,68%	764.966	771.216
Secured loan	Holding	TL	2022	Fixed	18,00%	79.105.000	79.409.554
Secured loan (iii)	Holding	EUR	2022	Fixed	5,50 - 7,55%	256.940.250	258.530.757
Secured loan (iii)	Holding	TL	2022	Fixed	28%	125.000.000	127.960.417
Secured loan	Holding	TL	2023	Fixed	19,92%	241.173	243.568
Secured loan	Holding	TL	2023	Fixed	11,20%	190.184	190.309
Secured loan	Holding	TL	2023	Fixed	20,16%	574.912	575.491
Secured loan	Holding	USD	2022	Fixed	2,60%	81.655.767	81.754.842
Secured loan (xiv)	Antigua	USD	2026	Floating	Libor + 5,75 - 6,75%	441.372.367	433.296.588
Bond issued (xiii)	Nassau	USD	2040	Fixed	5,29 - 8,00%	3.171.701.000	3.108.347.316
Secured loan	VCP	EUR	2036	Floating	Euribor+ 3%	122.707.345	122.707.345
Secured loan	Global Liman	TL	2022	Fixed	21,50%	16.000.000	19.313.107
Secured loan	Global Liman	USD	2022	Fixed	3,50%	129.775.000	130.267.861
Secured loan (iv)	GPH Cruise Port Finance Ltd.	USD	2026	Floating	Libor+5,25% + PIK rate 2%	2.507.579.851	2.456.780.934
Secured loan (xi)	Port of Adria	EUR	2025	Floating	Euribor + 4,25%	271.622.550	273.551.814
Secured loan	Port of Adria	EUR	2022	Floating	Euribor + 3,15 - 3,30%	16.888.449	16.933.039
Secured loan	Bodrum Liman	TL	2022	Fixed	22%	2.500.000	2.944.149
Secured loan	GP Med	EUR	2028	Fixed	0,89 - 2,27%	3.196.273	3.196.273
Secured loan	Ege Liman	USD	2022	Fixed	5,00%	51.910.000	53.452.080
Secured loan (v)	Naturelgaz	TL	2022	Floating	TR Libor + 2,50%	3.085.264	3.245.926
Secured loan (v)	Naturelgaz	USD	2022	Floating	USD Libor + 5,25%	45.307.710	46.379.949
Secured loan	Straton Maden	TL	2024	Fixed	27,5 - 29,50%	16.726.249	16.748.582
Secured loan (vi)	Straton Maden	EUR	2022	Floating	Euribor + 0,60 - 3,00%	73.411.500	73.411.500
Secured loan	Straton Maden	EUR	2022	Fixed	2,00 - 6,50%	8.075.265	8.075.265
Secured loan (viii)	BPI	EUR	2024	Floating	Euribor + 4%	149.010.736	147.560.879
Secured loan (viii)	Malaga Cruise Port	EUR	2025	Floating	Euribor + 1,75%	48.028.064	47.858.785
Secured loan	Tres Enerji	TL	2022	Revolving	-	23.855.000	23.902.622
Secured loan	Consus Enerji	TL	2022	Fixed	19,25%	1.000.000	1.055.529
Secured loan	Tenera Enerji	TL	2022	Revolving	-	58.140.000	58.220.942
Secured loan	Ra Güneş	USD	2029	Floating	Libor + 8,50%	97.537.363	100.555.372
Secured loan	Edusa Atık Bertaraf	TL	2023	Fixed	9,50 - 19,25%	3.021.381	3.021.381
Secured loan	Mavi Bayrak Enerji	USD	2025	Floating	Libor + 5,95%	99.926.387	99.961.882
Secured loan	Mavi Bayrak Enerji	USD	2022	Revolving	-	38.672.950	39.866.872
Secured loan	Doğal Enerji	USD	2024	Floating	Libor + 6,50%	35.338.731	35.992.223
Secured loan	Mavi Bayrak Doğu	USD	2026	Floating	Libor + 5,95 - 7,00%	142.755.129	142.862.345
Secured loan	Mavi Bayrak Doğu	USD	2022	Revolving	-	38.932.500	40.583.829
Secured loan	Port Operation Holding	EUR	2029	Fixed	1,52 - 5,36%	5.916.394	6.106.832
Secured loan	Global Menkul	TL	2022	Fixed	20,28%	17.330	17.330
Bond issued	Global Menkul	TL	2022	Fixed	22 - 22,50%	107.675.054	108.822.670
Secured loan	Global Menkul	TL	2022	Revolving	-	50.000.000	50.000.000
Secured loan (xii)	Global Ticari Emlak	USD	2025	Floating	Libor + 7,00%	283.092.684	282.485.442
						8.789.374.138	8.695.325.852
Finance Lease Obligations							
Leasing	Straton Maden	EUR	2023	Fixed	4,93 - 7%	6.644.917	6.644.917
Leasing	Straton Maden	TL	2024	Fixed	27,50-29,50%	407.039	407.039
Leasing (vii)	Tres Enerji	TL	2023	Fixed	24%	6.778.325	6.778.325
Leasing (vii)	Tres Enerji	EUR	2024	Fixed	5,29%	31.831.898	31.831.898
Leasing (vii)	Tres Enerji	EUR	2022	Fixed	5,13 - 10,22%	13.115.719	13.115.719
Leasing (vii)	Tres Enerji	EUR	2023	Fixed	7,00%	12.592.953	12.592.953
Leasing (vii)	Tres Enerji	TL	2024	Floating	Libor+ 8,15%	16.084.582	16.084.582
Leasing	Mavi Bayrak Doğu	EUR	2022	Fixed	7,50%	227.423	227.423
Leasing	Mavi Bayrak Doğu	TL	2023	Fixed	10,50%	868.785	868.785
Leasing	Mavi Bayrak Doğu	USD	2024	Fixed	7,50%	974.978	974.978
Leasing	Port Operation Holding	EUR	2022	Fixed	1,96%	321.974	321.974
Leasing	Bodrum Liman	TL	2024	Fixed	8,75%	10.237.277	10.237.277
Leasing	Ege Liman	USD	2025	Fixed	6,25%	34.332.923	34.332.923
Leasing	Edusa Atık Bertaraf	TL	2022	Fixed	18%	29.901	29.901
Leasing	Edusa Atık Bertaraf	TL	2024	Fixed	27,50%	373.958	373.958
Leasing	Edusa Atık Bertaraf	USD	2025	Fixed	5,90%	8.259.082	8.259.082
Leasing	Edusa Atık Bertaraf	EUR	2022	Floating	4,40%	3.176.558	3.176.558
						146.258.292	146.258.292
						8.935.632.430	8.841.584.144

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9 BORROWINGS *(continued)*

					31 December 2020		
Loan Type	Company Name	Currency	Maturity	Interest Type	Nominal Interest Rate %	Principal (TL)	Carrying Value (TL)
Debt securities issued (i)	Holding	USD	2022	Fixed	8,00%	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	EUR	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	EUR	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	EUR	2026	Floating	Euribor+ 3%	83.720.798	83.720.798
Secured loan (xvii)	Global Ports Holding BV	EUR	2021	Floating	Euribor + 6,75%	346.149.616	348.810.641
Secured loan (xi)	Global Ports Europe BV	EUR	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	EUR	2021	Fixed	1,30%	8.107.110	8.098.357
Secured loan (xiii)	Port of Adria	EUR	2025	Floating	Euribor + 4,25%	175.654.050	176.906.485
Secured loan	Port of Adria	EUR	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	EUR	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	EUR	2022	Floating	Euribor + 0,60 - 3,00%	50.194.476	50.175.412
Secured loan	Straton Maden	EUR	2021	Fixed	2,00 - 6,50%	18.105.879	18.105.879
Secured loan (x)	BPI	EUR	2024	Floating	Euribor + 4%	132.010.835	130.118.549
Secured loan (x)	Malaga Cruise Port	EUR	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	EUR	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	EUR	2023	Fixed	4,93 - 7%	2.026.530	2.026.530
Leasing (ix)	Tres Enerji	EUR	2022	Fixed	4,98%	2.270.396	2.270.396
Leasing (ix)	Tres Enerji	EUR	2024	Fixed	5,15%	28.497.189	28.497.189
Leasing (ix)	Tres Enerji	EUR	2022	Fixed	5,13 - 10,22%	17.585.593	17.585.593
Leasing (ix)	Tres Enerji	EUR	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	EUR	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	EUR	2021	Fixed	1,96%	214.487	214.487
Leasing	Edusa Atık Bertaraf	EUR	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)*

Detailed information related to the significant borrowings of the Group is as follows:

(i) The Company has borrowed amounting to USD 100.000.000 non-current loan with a 5 year maturity and an interest rate of 9,25% "loan participation notes" issued on 1 August 2007. The principal amount would be paid on maturity and interest would be paid in January and July each year. On the day the loan was issued, a special purpose entity of the Group invested USD 25.000.000 in the notes, which were issued by Deutsche Bank Luxembourg SA. With subsequent repurchases on various dates, the amount of notes owned by the Group reached a nominal value of USD 26.860.300 as at 31 December 2010. The Group presented these notes acquired as a result of these transactions by netting off its investments in the notes and Group's loan participation notes in accordance with TAS 32 "Financial Instruments: Presentation".

As at 28 December 2011, the Group exchanged the portion of the aforementioned notes amounting to USD 39.333.000 with the new notes issued by the Company having a nominal value of USD 40.119.000, with a maturity date of 30 June 2017 and an interest rate of 11% p.a. Interest will be paid in January and June each year. Thus, as at 31 December 2011, the nominal value of the aforementioned loan participation notes is USD 60.667.000. As of 31 July 2012, the loan participation notes have been closed by repayment of all interest and principal amounts.

The General Assembly of the Bonds Owned by the Bondholders of the CMB on 15 June 2017; it has been decided to extend the market by 30 June 2022, by setting various improvements in favor of the Company, including the reduction of the bond interest to 8%. In addition, a total amount of USD 11.986.000 is paid to the debt holders who demanded the deposit of their treasury deposits and the remaining net debt amount is USD 3.244.000.

As at 31 December 2021, the portion amounting to USD 10.220.000 of the new notes issued by the Company with a total amount of USD 13.604.000 are the notes held by the Company and its subsidiaries (31 December 2020: USD 10.220.000). 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". 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 2021, the net nominal value (principal amount) of the issued new notes (presented as debt securities issued) is USD 3.384.000 (31 December 2020: USD 3.384.000).

(ii) 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. Related bond was paid on 6 April 2021.

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. Related bond was paid on 24 June 2021.

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. Related bond was paid on 27 October 2021.

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. Related bond was paid on 29 March 2021.

The Company has issued bonds to qualified investors amounting to TL 76.311.428 with 163 days maturity and an interest rate of 23% on 6 April 2021. Related bond was paid on 16 September 2021.

The Company has issued bonds to qualified investors amounting to TL 83.387.756 with 98 days maturity and an interest rate of 21% on 24 June 2021. Related bond was paid on 30 September 2021.

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9 BORROWINGS *(continued)*

(ii) The Company has issued bonds to qualified investors amounting to TL 136.207.500 with 154 days maturity and an interest rate of 24% on 1 October 2021.

(iii) 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 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. As at 31 December 2020 the loan amount was EURO 5.300.000 (TL 47.741.870) and paid on maturity.

On 5 January 2021, the Company has borrowed a total of EURO 2.000.000, with an interest rate of 5,50% and maturity on 4 January 2022. Interest is paid every three months. Related loan was paid back before the maturity.

On 6 January 2021, the Company has borrowed a total of EURO 6.000.000, with an interest rate of 5,50% and maturity on 6 January 2022. Interest is paid every three months.

On 8 January 2021, the Company has borrowed a total of EURO 1.000.000, with an interest rate of 5,50% and maturity on 8 January 2022. Interest is paid every three months. Related loan was paid back before the maturity.

On 28 April 2021 the Company has borrowed a total of EURO 2.100.000 with an interest rate of 1,55% and maturity on 15 December 2021. Related loan was paid on maturity and a loan at the same amount with a maturity of 15 June 2022 with an interest rate of 1,95% was used.

On 23 June 2021, the Company has borrowed a total of EURO 3.000.000, with an interest rate of 7,55% and maturity on 23 June 2022. Interest is paid every three months.

On 3 September 2021, the Company has borrowed a total of EURO 4.700.000, with an interest rate of 6% and maturity on 3 March 2022. Interest is paid every three months.

On 20 September 2021, the Company has borrowed a total of TL 87.000.000, with an interest rate of 21,5% and maturity on 27 December 2021. Related loan was paid on maturity.

On 16 November 2021, the Company has borrowed a total of EURO 7.000.000, with an interest rate of 7,60% and maturity on 16 May 2022.

On 2 December 2021, the Company has borrowed a total of TL 125.000.000, with an interest rate of 28% and maturity on 29 July 2022.

On 24 December 2021, the Company has borrowed a total of TL 79.105.000, with an interest rate of 18% and maturity on 6 January 2022.

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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.

The Group's subsidiary Global Liman has completed the unmodified Dutch Auction procedure conducted in connection with the offer for USD 250.000.000 Senior Unsecured Notes due November 2021 ("Notes") on 16 April 2021. The weighted average purchase price of the Notes validly tendered and accepted by Group 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 44.736.535 (USD 49.738.000 nominal value) excluding accrued interest on the Notes validly tendered and accepted. The settlement for Notes accepted for purchase by Group was made on 19 April 2021. Following the completion of the tender offer, Group's total Eurobond issued outstanding amounts to USD 200.262.000. The remaining Eurobond balance has been early repaid before maturity including all accrued and unpaid interest on 30 July 2021 at reasonable market conditions.

Global Ports Holding Plc, subsidiary of the Group, signed a five-year loan agreement up to USD 261.3 million with Sixth Street.

The loan agreement provides for two-term loan facilities, an initial five-year term facility of USD 186,3 million and an additional five-year growth facility of up to USD 75 million. USD 186,3 million portion of loan, together with existing cash resources, were used to redeem the outstanding amount Eurobond in full. As part of the financing arrangement with Sixth Street and following a General Meeting on 9 June 2021, the Company issued warrants to Sixth Street. In case of using the growth loan up to USD 75 million, it is also approved to issue additional warrants in proportion to the loan amount used.While the interest rate of the 250 million USD Eurobond was 8,125%, the cash interest rate was realized at much lower levels as "LIBOR+5,25%+in-kind payment rate (PIK rate)" as per the new loan agreement. Under this loan agreement, there is a pledge on the shares of the subsidiaries of the Group operating in the port business amounting to GBP 2.001 and TL 74.307.399.

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9 BORROWINGS *(continued)*

(v) As of 31 December 2021, Naturelgaz's borrowings amounts to TL 3.085.264 and USD 3.491.251, with a maturity date of 2022, with an interest rate of TR Libor+2,50% and USD Libor+5,25% respectively which were taken to finance investing activities (31 December 2020: TL 6.959.242 and USD 7.875.000). Interest and principal are paid every six months. Under this loan agreement, the shares of Naturelgaz amounting to TL 80.500.000 nominal value have been pledged (31 December 2020: TL 87.500.000). 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 2021 is EURO 5.000.000 (31 December 2020: EURO 5.572.273).

(vii) Finance lease agreements signed by Tres Enerji to finance investments.

(viii) Barcelona Port Investments (BPI) has entered into a syndication loan amounting to EURO 60.249.642 with a maturity date on 2024, an interest rate of Euribor + 4%. The remaining principal amounts of the loans as at 31 December 2021 are EURO 10.149.005 (31 December 2020: EURO 14.655.007). There is a pledge on BPI shares amounting to EURO 19.640.360 (TL 288.365.658) (31 December 2020: EUR 19.640.360) and Creuers shares amounting to EURO 1.863.138 (TL 27.355.151) (31 December 2020: 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 2021 is EURO 3.271.154 (31 December 2020: EURO 3.271.133).

(ix) 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. Related loan was fully paid on 27 January 2021.

(x) 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 19.180.778 (TL 281.617.937 TL) (31 December 2020: EURO 19.515.098).

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9 BORROWINGS *(continued)*

(xi) 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 2021 are EURO 18.500.000 (31 December 2020: EURO 19.500.000). Under this loan agreement, there are pledges amounting to EURO 10.554.887 over property, plant and equipment. As at 31 December 2021, there are pledges amounting EUR 44.240.417 (TL 649.551.070) over the shares of Port of Adria owned by the Group.

(xii) Global Ticari Emlak entered into a loan amounting to USD 34.640.000 to finance construction of Van AVM. The interest is paid every six-month (April and October). The remaining principal amount of the loan as at 31 December 2021 is USD 21.814.116 (31 December 2020: USD 22.414.118).

(xiii) Nassau Cruise Port has issued a bond amounting to USD 134.400.000 with a 20 years maturity and 10 years grace period to rehabilitation a port investment with a semi-annual coupon of 8,0% starting in June 2021. The bond will mature in 2040 and the principle will be repaid in ten equal annual instalments starting from June 2031. Besides, NCP has issued bonds amounting to USD 40.000.000 with a maturity at 2040 and 5 years grace period with 5,29% interest rate, USD 15.000.000 with a maturity at 2031, payable on maturity, with 5,42% interest rate and USD 55.000.000 with a maturity 2029, payable on maturity, with 7,5% interest rate. The bond is non-recourse to GPH or any other Group entity other than NCP.

(xiv) 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.

(xv) 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. Related loan was paid on maturity in the period ended 30 September 2021. As of the reporting date, the pledge removal process for the shares pledged in favor of the bank as collateral for the loan with a total nominal amount of GBP 39.250.601 (TL 685.040.739) has been completed.

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 2021 and 31 December 2020, current trade receivables other than related parties comprised the following:

	31 December 2021	31 December 2020
Receivables from customers	461.550.472	169.444.330
Doubtful receivables	43.284.200	32.025.524
Allowance for doubtful receivables	(43.284.200)	(32.025.524)
Other	8.962.849	3.244.350
Total	**470.513.321**	**172.688.680**

The movement of the allowance for doubtful trade receivables for the year ended 31 December 2021 and 2020 comprised the following:

	2021	2020
Balance at the beginning of the period (1 January)	(32.025.524)	(23.443.431)
Allowance for the period	(9.785.522)	(7.207.139)
Cancellation of allowances and collections	6.381.267	1.732.566
Classified as asset held for sale	-	664.760
Currency translation differences	(7.854.421)	(3.772.280)
Balance at the end of the period (31 December)	**(43.284.200)**	**(32.025.524)**

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 2021 and 31 December 2020, current trade payables other than related parties comprised the following:

Current trade payables	31 December 2021	31 December 2020
Payables to suppliers	364.515.363	234.390.058
Total	**364.515.363**	**234.390.058**

The details of currency risk of the Group's current trade payables are disclosed in Note 34.

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11 OTHER RECEIVABLES AND PAYABLES

Other current receivables

As at 31 December 2021 and 2020, current other receivables other than related parties comprised the following:

	31 December 2021	31 December 2020
Deposits and advances given	67.468.062	2.587.325
Receivables from subsidiaries' and joint ventures' other shareholders (*)	326.541.796	4.942.690
Tax returns	16.290.506	8.758.207
Other	16.530.570	4.087.030
Total	**426.830.934**	**20.375.252**

(*) As of 31 December 2021, TL 324.437.500 of the amount is related to NCP's receivables from other shareholders regarding the capital increase. A significant portion of this receivable amount has been collected in cash as of the reporting date.

Other current payables

As at 31 December 2021 and 2020, current other payables other than related parties comprised the following:

	31 December 2021	31 December 2020
Due to subsidiaries' and joint ventures' other shareholders	32.401.575	22.628.268
Taxes payable and others	57.430.492	57.303.108
Deposits and advances received	11.016.172	2.304.812
Other	7.651.736	9.236.690
Total	**108.499.975**	**91.472.878**

Other non-current payables

As at 31 December 2021 and 2020, non-current other payables other than related parties comprised the following:

	31 December 2021	31 December 2020
Non-current liabilities relating to the concession agreement (*)	63.226.653	53.098.317
Consideration payable	4.903.721	4.903.721
Deposits and advances received	20.296	3.992.453
Tax amnesty liabilities	10.753.580	-
Other	9.158.932	5.156.372
Total	**88.063.182**	**67.150.863**

(*) Consists of the payments 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 2021 and 31 December 2020, current receivables from operations in finance sector other than related parties comprised the following:

	31 December 2021	31 December 2020
Receivables from customers	129.800.995	115.062.245
Receivables from money market	162.078.000	118.187.000
Deposits and guarantee given	38.902.921	16.430.291
Doubtful receivables	8.434.231	1.203.962
Allowance for doubtful receivables	(8.434.231)	(1.203.962)
Other trade receivables	628.367	123.335
Total	**331.410.283**	**249.802.871**

Current trade payables

As at 31 December 2021 and 31 December 2020, current trade payables due to operations in finance sector other than related parties comprised the following:

	31 December 2021	31 December 2020
Payables to money market	162.966.792	118.183.638
Payables to customers	28.331.325	10.339.292
Payables to suppliers	6.189.866	8.059.394
Other	3.216	23.288
Total	**197.491.199**	**136.605.612**

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13 INVENTORIES

As at 31 December 2021 and 31 December 2020, inventories comprised the following:

	31 December 2021	31 December 2020
Properties held for sale (*)	26.526.973	27.395.816
Raw materials (**)	74.764.874	48.411.211
Trading goods	14.222.125	8.210.607
Provision for impairment on inventories	(1.331.765)	(827.765)
Other	25.967.937	16.625.587
Total	**140.150.144**	**99.815.456**

Movements of properties held for sale for the year ended 31 December 2021 and 2020 are as follows:

	2021	2020
Balance at the beginning of the period (1 January)	27.395.816	31.389.740
Additions	-	84.451
Disposals (***)	(868.843)	(4.078.375)
Balance at the end of the period (31 December)	**26.526.973**	**27.395.816**

(*) 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 2021 disposals amounting to TL 868.843 include cost of sales related to Sky City Office. 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).

The additions amounting to TL 84.451 in the period ended 31 December 2020, consist of expenses related to Sky City.

As at 31 December 2021 and 31 December 2020, the mortgage or pledge on the inventory of the Group is explained in Note 21.

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14 PREPAID EXPENSES

Prepaid expenses-current

As at 31 December 2021 and 31 December 2020, current prepaid expenses comprised the following:

	31 December 2021	31 December 2020
Prepaid expenses (*)	374.855.239	30.288.314
Advances given (**)	79.631.976	46.622.139
Other	482.055	2.602.887
Total	**454.969.270**	**79.513.340**

Prepaid expenses-non current

As at 31 December 2021 and 31 December 2020, non-current prepaid expenses comprised the following:

	31 December 2021	31 December 2020
Advances given (**)	62.355.324	20.741.094
Prepaid expenses (*)	2.862.804	2.915.900
Other	-	91.935
Total	**65.218.128**	**23.748.929**

(*) As at 31 December 2021 and 31 December 2020, the major part of prepaid expenses comprises of prepaid expenses for energy, mining and port operation activities of the Group.

(**) As at 31 December 2021 and 31 December 2020, 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.

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15 INVESTMENT PROPERTY

As at 31 December 2021 and 31 December 2020, investment properties comprised the following:

Investment Properties	1 January 2021	Additions (*)	Valuation gain/(loss) (Note 29.1)	31 December 2021
Non-operating investment properties				
- Hospital land in Denizli	16.280.000	-	10.370.000	26.650.000
- Land in Bodrum	1.525.000	-	1.930.000	3.455.000
- Land in Bilecik	-	80.000	365.000	445.000
- Land in Bodrum	-	782.751	762.249	1.545.000
Operating investment properties				
- Sümerpark Shopping Mall ("Sümerpark AVM")	107.514.000	-	20.967.000	128.481.000
- Van Shopping Mall ("Van AVM")	403.670.000	-	202.005.000	605.675.000
- School building in Denizli	25.185.000	-	11.520.000	36.705.000
Total	**554.174.000**	**862.751**	**247.919.249**	**802.956.000**

Investment Properties	1 January 2020	Additions	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**

(*) Consist of lands classified from assets held for sale as of 31 December 2021.

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15 INVESTMENT PROPERTY *(continued)*

Denizli Sümerpark Shopping Mall ("Sümerpark AVM")

	2021		2020	
	Valuation Report Date	**Fair Value**	**Valuation Report Date**	**Fair Value**
Sümerpark AVM	31 December 2021	128.481.000	31 December 2020	107.514.000
		128.481.000		**107.514.000**

Sümerpark AVM, which is the property of Pera GYO, which has been officially opened on 12 March 2011.

As at 31 December 2021, there is an insurance amounting to TL 93.100.000 on Sümerpark AVM (31 December 2020: TL 92.816.660).

As at 31 December 2020, Sümerpark AVM is first degree pledged as collateral in favor of a bank amounting to TL 35.000.000 (31 December 2021: None).

As at 31 December 2021, the supermarket within the shopping center is registered as the lessee in the land registry records for 10 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 2021, the fair value of the Sümerpark AVM has been determined as TL 128.481.000 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:

	2021	2020
Discount rate (%)	26,0-22,0	17,0-12,5
Occupancy rate (%)	48 –80	60 –80
Capitalization rate (%)	5	5
Rent increase rate (%)	11,5	11,5

Sensitivity analysis of the investment property is as follows:

		Changes in fair value	
		2021	**2020**
Discount rate			
	1% increase	1.284.000	(7.332.000)
	1% decrease	(1.285.000)	7.852.000
Rent increase rate			
	1% increase	1.284.000	8.188.000
	1% decrease	(1.285.000)	(7.743.000)
Occupancy rate			
	1% increase	1.644.000	1.306.000
	1% decrease	(1.645.000)	(1.448.000)

As at 31 December 2021, the fair value of investment properties is in the scope of level 3 based on the methods used for valuation (31 December 2020: level 3).

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15 INVESTMENT PROPERTY *(continued)*

Van Shopping Mall ("Van AVM")

	2021		2020	
	Valuation Report Date	**Fair Value**	**Valuation Report Date**	**Fair Value**
Van AVM	19 January 2022	605.675.000	29 January 2021	403.670.000
		605.675.000		**403.670.000**

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 2021, there is an insurance amounting to TL 86.788.471 on Van AVM (31 December 2020: TL 94.075.675).

As at 31 December 2021 and 2020, Van AVM is first degree pledged as collateral in favor of a bank amounting to USD 50.000.000. In addition, there is a pledge on shares, that owned by the Group, of Global Ticari Emlak amounting to nominal value of TL 45.600.000.

In accordance with the valuation report prepared by an independent real estate appraisal company, which has the authorization license of CMB, dated 19 January 2022, the fair value of the Van AVM has been determined as TL 605.675.000 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 29 January 2021, the fair value of Van AVM has been determined as TL 403.670.000 as at 31 December 2020.

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:

	2021	2020
Discount rate (%)	26,0 - 17,0	17,0
Occupancy rate (%)	85 – 96,5	85 –93
Capitalization rate (%)	8,7	9,25
Rent increase rate (%)	15,0	10,0

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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	
		2021	**2020**
Discount rate			
	1% increase	(38.650.000)	(24.435.000)
	1% decrease	42.085.000	26.555.000
Rent increase rate			
	1% increase	36.910.000	24.165.000
	1% decrease	(34.690.000)	(22.685.000)
Occupancy rate			
	1% increase	5.260.000	1.945.000
	1% decrease	(5.265.000)	(1.945.000)

As at 31 December 2021, the fair value of investment properties is in the scope of level 3 based on the methods used for valuation. (31 December 2020: level 3)

School and Land

	2021		**2020**	
	Valuation Report Date	**Fair Value**	**Valuation Report Date**	**Fair Value**
Denizli Land (Hospital)	21 January 2022	26.650.000	19 February 2021	16.280.000
School building in Denizli	21 January 2022	36.705.000	19 February 2021	25.185.000
		63.355.000		**41.465.000**

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 2021, the fair values of these land plots have been determined by market approach method according to the valuation reports dated 21 January 2022 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 2021, the fair value of investment properties is in the scope of level 2 based on the methods used for valuation (31 December 2020: level 2).

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16 PROPERTY, PLANT AND EQUIPMENT

Movements of property, plant and equipment for the year ended 31 December 2021 is as follows:

	Land	Land improvements	Buildings	Machinery, plant and equipment	Motor vehicles	Furniture and fixtures	Leasehold improvements	Other fixed assets	Construction in progress	Total
1 January 2021										
Cost	41.721.259	112.768.426	205.417.883	1.008.479.050	218.829.927	251.435.621	608.176.001	1.517.072	234.622.990	**2.682.968.229**
Accumulated depreciation	-	(19.893.449)	(45.494.702)	(250.186.282)	(154.738.473)	(114.489.918)	(255.282.912)	(824.713)	-	**(840.910.449)**
Carrying value	**41.721.259**	**92.874.977**	**159.923.181**	**758.292.768**	**64.091.454**	**136.945.703**	**352.893.089**	**692.359**	**234.622.990**	**1.842.057.780**
Additions	1.039.965	904.405	1.593.098	36.116.474	17.622.479	17.085.107	12.142.703	216.859	84.437.677	**171.158.767**
Current period depreciation	-	(4.877.144)	(8.873.202)	(52.420.631)	(25.833.277)	(16.742.067)	(30.934.317)	(387.060)	-	**(140.067.698)**
Disposals	(12.454.421)	-	-	(36.402.992)	(612.986)	(95.735)	-	-	(6.931.054)	**(56.497.188)**
Transfers	-	-	-	32.533.785	(4.529.572)	78.610	218.495.051	-	(246.577.874)	**-**
Foreign currency translation differences	16.410.841	54.559.536	169.644.214	389.696.680	27.395.514	34.562.063	322.361.338	311.177	40.492.120	**1.055.433.483**
Additions to the scope of consolidation (i)	-	-	-	56.968	-	1.058.282	209.928	-	-	**1.325.178**
Carrying value at the end of the period	**46.717.644**	**143.461.774**	**322.287.291**	**1.127.873.052**	**78.133.612**	**172.891.963**	**875.167.792**	**833.335**	**106.043.859**	**2.873.410.322**
31 December 2021										
Cost	46.717.644	182.390.626	409.699.200	1.535.225.934	360.968.484	354.345.998	1.349.623.826	2.728.392	106.043.859	**4.347.743.963**
Accumulated depreciation	-	(38.928.852)	(87.411.909)	(407.352.882)	(282.834.872)	(181.454.035)	(474.456.034)	(1.895.057)	-	**(1.474.333.641)**
Carrying value	**46.717.644**	**143.461.774**	**322.287.291**	**1.127.873.052**	**78.133.612**	**172.891.963**	**875.167.792**	**833.335**	**106.043.859**	**2.873.410.322**

(i) Includes the property, plant and equipment related to the acquisition of İstanbul Portföy Yönetimi A.Ş. (Note 3).

As at 31 December 2021, the insurance amount on property, plant and equipment is TL 9.025.019.312 (31 December 2020: TL 3.382.596.004).

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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)**
Transfers (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 İPY and started to be consolidated as an equity accounted investee by the Group (Note 1).
(iv) Includes the property, plant and equipments of Antalya Liman classified as assets held for sale (Note 36).

Mortgage and pledges related to property plant and equipment are presented in Note 21.

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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 2021 and 2020, the carrying values of the leased assets in property, plant and equipment are as follows:

	31 December 2021	**31 December 2020**
Motor vehicles	38.550.908	3.323.273
Machinery, plant and equipment	135.429.663	160.662.245
Land improvements	3.999.543	3.999.543
	177.980.114	**167.985.061**

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17 RIGHT OF USE ASSETS

Movements of righ of use assets for the year ended 31 December 2021 are as follows:

	Lease rights related to port concession agreements	Other (*)	Total
Carrying value as at 1 January 2021	**660.665.755**	**42.746.475**	**703.412.230**
Additions	11.761.113	31.841.999	43.603.112
Disposals	-	(4.851.791)	(4.851.791)
Additions to the scope of consolidation	-	1.831.125	1.831.125
Current period depreciation	(30.762.545)	(18.338.247)	(49.100.792)
Remeasurement effect for the period	-	2.899.694	2.899.694
Currency translation differences	446.869.641	13.000.288	459.869.929
Carrying value as at 31 December 2021	**1.088.533.964**	**69.129.543**	**1.157.663.507**

As at 31 December 2021, the carrying amount of TL 1.088.533.964 comprised the right of use assets related to port concession agreements.

(*) As at 31 December 2021, the carrying amount of TL 69.129.543 are classified as right of use asset of office, vehicle, facility etc..

Movements of righ of use assets for the year ended 31 December 2020 are as follows:

	Lease rights related to port concession agreements	Other (*)	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**

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 at 31 December 2020, the carrying amount of TL 660.665.755 comprised the right of use assets related to port concession agreements.

(*) The carrying amount of TL 42.746.475 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 2021 is as follows:

	Rights	Software	Port operation rights	Customer relationships	Royalty rights	Naturel gas licenses	Other intangible assets	Total
1 January 2021								
Cost	29.362.161	8.916.075	2.896.513.241	33.713.846	308.752.216	78.589.517	35.053.964	**3.390.901.020**
Accumulated amortization	(17.017.172)	(6.142.063)	(473.950.474)	(21.342.642)	(231.499.196)	(22.633.341)	(12.049.022)	**(784.633.910)**
Carrying value	**12.344.989**	**2.774.012**	**2.422.562.767**	**12.371.204**	**77.253.020**	**55.956.176**	**23.004.942**	**2.606.267.110**
Additions	3.958.486	481.471	920.161.981	-	147.398	47.500	487.608	**925.284.444**
Current period amortization	(2.912.719)	(1.607.815)	(153.059.463)	(1.497.328)	(38.956.211)	(3.025.873)	(4.180.272)	**(205.239.681)**
Diposals	(48.373)	(37.528)	-	-	-	-	-	**(85.901)**
Foreign currency translation differences	9.404.796	(185.835)	2.006.233.581	6.326.158	32.837.866	-	10.298.055	**2.064.914.621**
Additions to the scope of consolidation (i)	70.454	-	-	452.108.692	-	-	-	**452.179.146**
Impairment (ii)	-	-	(31.985.263)	-	-	-	-	**(31.985.263)**
Carrying value at the end of the period	**22.817.633**	**1.424.305**	**5.163.913.603**	**469.308.726**	**71.282.073**	**52.977.803**	**29.610.333**	**5.811.334.476**
31 December 2021								
Cost	41.587.042	12.244.734	6.688.689.649	524.038.158	537.972.635	78.637.017	55.282.477	7.938.451.712
Accumulated amortization	(18.769.409)	(10.820.429)	(1.524.776.046)	(54.729.432)	(466.690.563)	(25.659.214)	(25.672.143)	(2.127.117.236)
Carrying value	**22.817.633**	**1.424.305**	**5.163.913.603**	**469.308.726**	**71.282.073**	**52.977.803**	**29.610.333**	**5.811.334.476**

(i) Includes intangible assets related to the acquisition of İstanbul Portföy Yönetimi A.Ş. (Note 3).

(ii) Consists of impairment of port operating rights related to Port of Adria.

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18 INTANGIBLE ASSETS AND GOODWILL

a) Other intangible assets : *(continued)*

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 (Note 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).

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18 INTANGIBLE ASSETS AND GOODWILL *(continued)*

a) Other intangible assets *(continued)*

The details of port operation rights as at 31 December 2021 and 31 December 2020 are as follows:

	31 December 2021		31 December 2020	
	Net book value	Remaining amortization period	Net book value	Remaining amortization period
Creuers del Port de Barcelona	1.060.405.842	102 months	728.927.667	114 months
Cruceros Malaga	129.640.703	128 months	84.371.105	140 months
Valletta Cruise Port	769.604.747	539 months	482.680.810	551 months
Port of Adria	188.222.039	264 months	151.303.538	276 months
Ege Port	124.191.846	135 months	76.338.544	147 months
Nassau Cruise Port	2.818.142.773	308 months	850.257.713	320 months
Cagliari Cruise Port	20.617.471	60 months	15.179.104	72 months
Catania Cruise Port	22.298.285	72 months	15.709.820	84 months
Bodrum Cruise Port	30.789.897	555 months	17.794.466	567 months
Ravenna Cruise Port (*)	--	--	--	--
	5.163.913.603		**2.422.562.767**	

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 45.443.739 (TL 589.746.123), short term financial liability of USD 373.952 (TL 4.852.962) 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.

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18 INTANGIBLE ASSETS AND GOODWILL *(continued)*

a) Other intangible assets *(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 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. As of the reporting date, current developments support the realization potential of the assumptions.

The key assumptions used in the estimation of the recoverable amount are as follows.

	31 December 2021
Pre-tax discount rate used – EUR	4,06% – 8,01%
Pre-tax discount rate used - USD	7,65% - 11,45%
Annual growth, (year 2 – year 7) (number of passengers)	2% - 6%

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 except Port of Adria.

In relation to Port of Adria, an indicator of impairment has been identified as, whilst the port has continued to operate through the period, with the adverse effect of Covid-19 and the shrinkage in world trade volume the port has not grown as expected when acquired in 2013. As a result, long term growth assumptions have been revised and an impairment of TL 31.985.263 (2020: no impairment recognised) has been recognised. The recoverable amount of the CGU has been estimated as TL 498,1 million (EUR 48,3 million) based on its value in use.

Assumption	Approach to determining assumption	Assumption used
Annual revenue growth 2021-2025	Bottom-up planning for key revenue items for the foreseeable period of 5 years	5,2% - 9,9%
Annual revenue growth 2026 to end of concession	In line with expected GDP growth	3,9%
EBITDA margin growth	Based on comparable container ports' margins	Growing up to 59% at the end of the concession from today's c. 28%
Discount rate	Based on comparable ports' cost of debt and cost of equity on area	7,00%

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18 INTANGIBLE ASSETS AND GOODWILL *(continued)*

b) Goodwill:

	2021	2020
Carrying value as at 1 January	**117.825.709**	**98.944.709**
Currency translation differences	76.006.715	18.881.000
Carrying value as at 31 December	**193.832.424**	**117.825.709**

During the years ended 31 December 2021 and 2020, the distribution of goodwill is as follows:

Distribution by segments	**31 December 2021**	**31 December 2020**
Port Operations	174.982.639	98.975.924
Finance	12.137.491	12.137.491
Real Estate	6.712.294	6.712.294
Total	**193.832.424**	**117.825.709**

Port operations

As at 31 December 2021, the Group has carried USD 13.483.540 (TL 174.982.640) goodwill related to the acquisition of Ege Liman in its consolidated financial statements (31 December 2020: TL 98.975.925).

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 11,63% 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.

11 years of cash flows were included in the discounted cash flow instead of 5 years plus terminal values as the life of the rights are determined in the concession agreement.

The cash flow model is constructed on a post-tax basis and the discount rate used is post-tax. An equivalent pre-tax discount rate would be 15,40%.

As at 31 December 2021 the estimated recoverable amount of the CGU exceeded its carrying amount by approximately USD 18,5 million (2020: USD 12 million). Management has not identified any reasonably possible change in the number of passengers or the discount rate could cause the carrying amount to exceed the recoverable amount.

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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 2021 and 2020 recognized in the consolidated financial statements. The Group compared the amount of goodwill with the value in use of cash generating unit and has concluded that there is no impairment. These calculations are based on the cash flows derived from the financial budget for five years approved by the management. Cash flows used to calculate value in use are prepared in TL. 27% discounted rate (2020: 22%) 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 2021 and 31 December 2020. 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 2021 and 2020, 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 16.864.000 (31 December 2020: TL 14.507.000) which is above the total investment of the Group in Maya recognized in the consolidated financial statements. As at 31 December 2021, 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.

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19 EQUITY ACCOUNTED INVESTEES

As at 31 December 2021 and 31 December 2020, the details of financial information related to equity accounted investees are as follows:

	Effective voting power	Effective ownership held	Carrying value 31 December 2021	Carrying value 31 December 2020
Assets				
Port of Singapore	40,00%	15,51%	42.035.028	50.689.522
Port of Lisbon	50,00%	28,89%	103.590.866	68.905.351
Venezia Investimenti Srl (*)	25,00%	15,64%	30.274.692	80.196.247
Axel Corporation Grupo Hotelero SL	35,00%	35,00%	-	16.318.955
La Spezia	30,00%	17,82%	-	94.688
Pelican Peak Investment Inc.	10,23%	6,40%	5.930.837	3.418.125
İstanbul Portföy Yönetimi A.Ş. (Note 1)	26,60%	26,60%	-	28.159.709
Total Assets			**181.831.423**	**247.782.597**
Liabilities				
IEG	50,00%	37,50%	(845.470)	(774.853)
Goulette Cruise Holding (Note 1)	50,00%	31,27%	-	(4.131.389)
Total Liabilities			**(845.470)**	**(4.906.242)**
			180.985.953	**242.876.355**

(*)The Group prepared formal forecasts for Equity accounted investees for their remaining concession period, which are used to estimate their Value In Use ("VIU"). VIU calculations requires subjective judgements based on a wide range of variables at a point in time including future passenger numbers, growth forecast and discount rates. Due to the adverse impact of the Covid-19 pandemic on especially the Group's port operation segment, an indicator of impairment has been identified for all investments within this segment of the Group.

The recoverable amount of each investment is estimated using a value in use (VIU) model. The Group uses the budget and long-range plan as approved by the boards of respective entities as the basis for the discounted cash flow models. The period over which cash flows have been projected is the length of the relevant concession agreement. The concession period has been used instead of 5 years (and a terminal value) as the concession length best represents the future use of the assets.

For the investments of Singapore, Lisbon, Goulette and Pelican Peak the recoverable amount estimated was significantly in excess of the carrying amount of that investment and thus no impairment has been recognised (2020: no impairment recognised).

In relation to Venezia Investimenti, an indicator of impairment has been identified. As a result, a detailed analysis for the investment has been made and taking into consideration the recent limitations and restrictions to cruise traffic in Venice, and significant reduction in the remaining concession period, an impairment of TL 58,5 million (2020: no impairment recognised) has been recognised. The recoverable amount of the investment has been estimated as TL 21,3 million based on its value in use.

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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 2021 and 31 December 2020 are as follows:

31 December 2021	Current Assets	Non Current Assets	Total Assets	Current Liabilities	Non-current Liabilities	Total Liabilities	Income	Expenses	Net Profit/Loss for the period
IEG	710.613	7.195	717.808	(2.408.749)	-	(2.408.749)	62.767	(204.002)	(141.235)
Port of Lisbon	45.528.241	362.286.345	407.814.586	(22.721.564)	(177.911.303)	(200.632.867)	26.246.538	(36.938.881)	(10.692.343)
Port of Singapore	103.260.406	133.230.939	236.491.346	(58.140.214)	(73.263.562)	(131.403.776)	226.714.607	(267.079.287)	(40.364.680)
Venezia Investimenti Srl	43.988.288	213.191.937	257.180.225	(1.614.051)	(134.467.405)	(136.081.456)	-	(1.875.091)	(1.875.091)
Pelican Peak Investment Inc.	-	66.891.460	66.891.460	(4.463.554)	(4.452.960)	(8.916.514)	-	2.656.624	2.656.624

31 December 2020	Current Assets	Non Current Assets	Total Assets	Current Liabilities	Non-current Liabilities	Total Liabilities	Income	Expense	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	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)

For the year ended at 31 December 2021 and 2020, the movement of the Group's investments accounted for using the equity method is as follows:

	2021	2020
Balance at the beginning of the period (1 January)	**242.876.355**	**187.638.687**
Shares in profit / (loss) of associates and joint ventures	(27.044.908)	(29.791.137)
Impairment	(58.478.616)	-
Capital increase	-	6.543.500
Associate recognized as subsidiary	(28.763.518)	-
Subsidiary recognized as associate	-	28.159.709
Dividend payments	(13.312.679)	-
Disposal from the scope of consolidation (Note 1.b)	(5.145.009)	-
Currency translation difference	70.854.328	46.907.471
Equity accounted investee included scope of consolidation	-	3.418.125
Balance at the end of the period (31 December)	**180.985.953**	**242.876.355**

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20 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

20.1 Other provisions

As at 31 December 2021 and 31 December 2020, the details of other provisions are as follows:

Other Current Provisions

	31 December 2021	31 December 2020
Provision for lawsuits	22.091.172	5.037.439
Provisions for the purchase of Nassau (*)	84.321.501	15.430.252
Other current provisions	7.890.519	3.572.446
	114.303.192	**24.040.137**

Other Non-current Provisions

	31 December 2021	31 December 2020
Provisions for the purchase of Port of Barcelona (*)	114.856.336	63.043.037
Provisions for the purchase of Port Operation Holding (**)	7.823.242	5.836.280
Provisions for the purchase of Nassau (***)	77.280.203	75.185.453
	199.959.781	**144.064.770**

(*) 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.

(***) 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 2021, these provisions have been recognized as current and non-current.

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

(i) The former owner of the shares of a subsidiary of the Group filed a lawsuit against the Group for the restitution of the shares. On 2 March 2010, the court decided on return of shares on a free of charge basis to the former owners. Although the decision was overruled the first instance court 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 before the court of first instance. The two first instance court decisions, which were in favor of the Group, were reversed during the appeal process due to procedural reasons and sent back to the first instance courts. The third and the last one is pending appeal before the Court of Cassation. Retrials have started before the courts of first instance regarding the two first instance court decisions that were reversed during the appeal. Group lawyers succeeded in their application to take and impose an interim injunction on company shares of one of the debtors.

(ii) 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 (PA) 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 the Group 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 have been exhausted Group lawyers lodged an individual application to the Constitutional Court, this appeal has been rejected by the Constitutional Court through its decision dated 21 September 2021. The Group consider an application to the European Court of Human Rights.

Group lawyers initiated a debt recovery procedure for TL 10.128.300, which is TL equivalent of USD 6.890.000 which amounts to USD 6.900.000 Group's portion of the bid bond minus USD 10.000 as described above, against the PA and sent a payment order to the PA on 8 January 2020. The PA has objected to this payment order thus the execution proceeding is suspended. The Group will file a lawsuit against this objection in order to have it cancelled. The PA, besides the objection to the payment order, also filed a separate lawsuit before the Enforcement Court in order to have the execution proceeding cancelled. The Enforcement Court cancelled the execution proceeding. The Group also appealed this decision as objections to the payment orders shall be made to the Execution Offices, not to the Enforcement Courts, thus the Enforcement Court should have denied this application. This appeal before the Regional Court has been ruled in favour of the Group through the Regional Court's decision dated 20 October 2021. The PA appealed this ruling.

(iii) On 14 March 2008 the joint venture ("JV") consisting of Energaz (newly titled as Enerya Gaz Dağıtım A.Ş. ("Enerya")) and GYH placed the highest bid USD 1.610.000.000 for the tender relating to the privatization of the shares of "Başkent Doğalgaz Dağıtım A.Ş." owned by the Municipality of Ankara via the block sale method. STFA Yatırım Holding A.Ş. and ABN Amro Infrastructure Capital Management Ltd. (newly named "Eiser Infrastructure Limited") also became members of the JV. Along with other reasons, as the information in relation to Başkent Doğalgaz Dağıtım A.Ş. within the tender specifications was misleading the shares of Başkent Doğalgaz Dağıtım A.Ş. were not transferred to the JV. As the procedure was continuing, the Municipality applied to the guarantor bank to enable the liquidation of the USD 50.000.000 Letter of Guarantee, procured by the Consortium, submitted to the Municipality as a requirement under specifications by GYH, the 51,66 % participant of the JV.

The Group filed a lawsuit before the Ankara Administrative Court against the Municipality, requesting cancellation of the Municipality Council's resolution dated 22 January 2009, numbered 86/325 regarding the forfeiture of the letter of guarantee given by JV according to Article 10/c of the tender specification. The Group also requested an injunction on 15 January 2010. Ankara Administrative Court decided incompetence and the case has been taken over by the Thirteenth Chamber of Council of State. The Thirteenth Chamber of Council of State rejected the request for a stay for execution. The Group appealed and the Administrative Division of the High Council of the State overturned the rejection on 8 July 2010. At this point, 13th Chamber of Council of State completed the parts which were missed before. Afterwards, 13th Chamber of Council of State dismissed the case and the judgement of dismissal received on 4 August 2014. The decision has been appealed in due of time by the Group lawyers on 2 September 2014. The Chamber of Council of State approved the decision and it was notified on 28 July 2016. Request of rectification has been submitted by the Group lawyers but this request of rectification has been rejected and thereby became final.

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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. File is now under the preliminary review of Court of Cassation 11th Civil Chamber with the file number 2021/8362 E.

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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 lawyers requested the court to declare the case to not have been filed and to revoke the preliminary injunction decision on the collateral of the Group. The court decided the case should be declared to not have been 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 was sent to Court of Cassation 4th Civil Chamber (file number 2020/3732) and the hearing for the case is held. The Court of Cassation ruled in favour of the Group, upholding the ruling of the court of first instance, which was to consider the case to not have been filed and to revoke the injunction on the collateral of the Group. 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.

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20 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES *(continued)*

20.2 Legal issues *(continued)*

(iv) The Company filed a lawsuit of USD 15.000 against ABN Amro Infrastructure Capital Management Ltd. before Beyoğlu Commercial Court claiming that the defendant, with regards to the related articles of the JV Agreement signed between the Parties after the Tender of the Privatization of Başkent Doğalgaz Dağıtım A.Ş. arranging to share jointly all the financial, accounting, legal, tax, commercial and insurance expenses, has not paid its share of USD 236.918, reserving the right to claim the whole amount. The expert report and the additional report have been received and the parties have raised objections to such reports. In the hearing held on 3 March 2014, it has been decided to be pended the filing until the decision of the file numbered 2010/920 E before 13th Council of State. Since the lawsuit with the file numbered 2010/920 E before 13th Council of State which is regarding the forfeiture of the letter of guarantee has been decided to be pended, interrelation with and the differences from the lawsuit have been indicated in the most recent petition. In the said petition, it has been stated that the decision taken by the Administrative Court has no defect evaluation for the Company; and only has 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 24 February 2022, the Court decided to await the full case file to be received from the Ankara 4th Commercial Court, in line with the previous preliminary rulings. The next hearing will be held on 7 July 2022.

(v) Dağören, one of GYH's subsidiaries made an application to the General Directorate of State Hydraulic Works (the "Administration") to obtain a generation licence for the Dağören Hydroelectric Power Plant ("HEPP").

According to correspondence sent by the Administration dated 18 July 2008, the Administration accepted the application and the generation licence had to be granted by the Energy Market Regulatory Authority ("EMRA"). Subsequently, Dağören completed its licence application to EMRA and EMRA approved the application for a 46 year generation licence on 27 November 2008. Consequently, the Right of Water Usage Agreement was signed and sent to Dağören by the Administration.

On the grounds that the Bilateral Cooperation Agreement ("Agreement") between Turkey and USA is abrogated, which includes the development of Hakkari Dam and Hydroelectric Power Plant ("HEPP") Project located on the upper level of Dağören Regulator and HEPP Project, the Administration refrained from signing the water utilization rights agreement and subsequently notified Dağören, that Dağören Regulator and HEPP Project is also cancelled.

Dağören lawyers filed a lawsuit in the Sixteenth Administrative Court of Ankara to cancel the administrative decision given by the Administration on grounds that EMRA is the only body entitled to give or cancel any production licence; that the Administration has no authorization to cancel a project which is already approved by EMRA; that the Administration has no right to refrain from signing the water utilization rights agreement of any project that is approved by EMRA and the cancellation of Hakkari Dam and HEPP Project is not automatically a reason for the cancellation of the Dağören Regulator and HEPP Project.

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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 filed a full remedy action against the Administration for the recovery of damages incurred in respect of HEPP Project before 23th Administrative Court of Ankara on 12 March 2019. Court rejected the file through its ruling dated 23 November 2021. This ruling has been appealed by the Group.

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.

(vi) Raiffeisen Centrobank AG ("Raiffeisen") filed a lawsuit before the 14th Commercial Court of First Instance in request for recognition and approval of the decision numbered 600337-2013 dated 14 October 2014 made by Swiss Chambers' Arbitration Institution and the reimbursement of litigation cost, lawyer expense and other compensable expenses by the Group. The Group lawyers submitted a petition and claimed that the conflict causing arbitration process was out of the scope of the conditions of the agreement signed by the parties so the arbitrator was unauthorized and also Group lawyers asserted other reasons to the Court. Afterwards, Raiffeisen submitted a counter petition against Group's declarations and the Group lawyers submitted rebuttal petition dated 6 July 2015 together with the legal opinion prepared by Prof. Dr. Cemal Şanlı. In the hearing held on 10 March 2016, the expert report was submitted to the Court and the parties have raised objections and statements to the report. However, in the hearing held on 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.

(vii) In Global Menkul Değerler A.Ş., one of the subsidiaries of the Group, a group of clients failed to fulfill their margin requirements and went into default as a result of margin trading in a stock in May 2021. As a result of the negotiations with these clients, most of the default amount was collected, and for the remaining balance, precautionary attachment decisions were taken against the relevant clients and execution proceedings were commenced. A provision of TL 7.230.624,21 has been accounted for the part that is anticipated to be difficult to collect.

(viii) An employee in the Accounting Department of Global Menkul Değerler A.Ş., fraudulently prepared fake money transfer instructions and sent them via fax to the banks and transferred money from Company's accounts to third party accounts without Company's knowledge and approval. The total amount transferred is TL 31.710.677. A criminal complaint was filed by the Group's lawyers in December 2021 and he is arrested by the relevant court and also the Prosecutor's Office filed a criminal case against the former employee.

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20 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES *(continued)*

20.2 Legal issues *(continued)*

(ix) The Port of Adria-Bar (Montenegro) is a party to the disputes arising from the collective labour agreement executed with the union by Luka Bar AD (former employer/company), which was applicable to Luka Bar AD employees transferred to Port of Adria-Bar. The collective labour agreement has expired in 2010, before the Port was acquired by the Group under the name of Port of Adria-Bar. However, a number of lawsuits have been brought in connection to this collective labour agreement seeking (i) unpaid wages for periods before the handover of the Port to the Group, and (ii) alleged underpaid wages as of the start of 2014. On March 2017, the Supreme Court of Montenegro adopted a Standpoint in which it is ruled that collective labour agreement cannot be applied on rights, duties and responsibilities for employees of Port of Adria-Bar after 30 September 2010. Although the Standpoint has established a precedent that has applied to the claims for the period after 30 September 2010; there are various cases pending for claims related to the period of 1 October 2009 – 30 September 2010. In respect of the foregoing period of one year, the Port of Adria-Bar has applied to the Constitutional Court to question the alignment of the collective labour agreement with the Constitution, Labor Law, and general collective agreement. The Port of Adria-Bar is notified that the application for initiating the procedure for reviewing the legality of the Collective Agreement has been rejected due to a procedural reason, without evaluating the arguments submitted. In evaluating the merits of the existing cases, local courts have ruled out in contradiction of the previous judgments which has allowed Port of Adria- Bar to appeal before the Supreme Court of Montenegro and request re-evaluation of the applicability of the dispute clauses of the collective labour agreement until 30 September 2010. As of 31 December 2021, the Group has allocated a provision expense of EUR 1.154.783 for this lawsuit in its consolidated financial statements.

(x) On 24 July 2020, the Competition Authority initiated an investigation against Ortadoğu Liman, Metlog Lojistik Gemicilik Turizm A.Ş., and MSC Gemi Acenteliği A.Ş., due to an alleged breach of Article 4 and 6 of the Law on the Protection of Competition, Law No. 4054 ('Competition Law'). Port Akdeniz has engaged legal representation and submitted a full first set of defence against all allegations on 14 September 2020. As a result of such defence, all allegations pertaining to the breach of Article 4 have been dropped by the Competition Authority, however, in the investigation report received on 2 August 2021, the Competition Authority has alleged that Ortadoğu Liman has engaged in exclusionary abuse in breach of Article 6 of the Competition Law. On 22 February 2022, an oral hearing took place before the Competition Authority and the short decision of the Competition Authority was notified to Ortadoğu Liman on 3 March 2022. Pursuant to the short decision, Competition Authority declared that Ortadoğu Liman has breached Article 6 of the Competition Law and accordingly Ortadağu Liman has been imposed an administrative fine of TRY 3,502,401.19. The reasoned decision is expected to be notified in 2022 and it is possible to pay the administrative fine with a 25% discount within 30 days from the notification of the reasoned decision. In addition, Ortadoğu Liman has a right to file an administrative lawsuit before the administrative courts for the annulment of such an unfair decision and the administrative fine within 60 days from the notification of the reasoned decision. Whole process may take up to an additional 18 to 24 months (including the notification of the reasoned decision and the possibility to file an administrative lawsuit against the decision of the Competition Authority). As of 31 December 2021, the Group has allocated a provision expense of 2.626.801 TL for this lawsuit in its consolidated financial statements.

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20 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES *(continued)*

20.2 Legal issues *(continued)*

(xi) On 29 April 2019, the Competition Authority initiated an investigation against Ortadoğu Liman due to an alleged excessive pricing of certain services in breach of Article 6 of the Competition Law. As a result of such investigation Ortadoğu Liman was imposed an administrative fine of TL 12.145.321,40 over its Turkish Lira turnover of 2019. The reasoned decision of the Competition Authority has been received on 20 August 2021 and the sum of TL 9.108.991,05 administrative fine has been paid within 30 days from date of receipt. On 18 October 2021, Ortadoğu Liman has filed an administrative lawsuit for the cancellation of this decision and the associated administrative fine and challenged this ungrounded decision of the Competition Authority before the competent administrative court. The group's lawyers believe that, based on precedents, such lawsuit has the potential to revert the decision. The court process may take up to an additional 18 to 24 months.

(xii) Ortadoğu Liman has been sued by the ship owner due to damages suffered by a commercial ship. Following the local court's decision accepting the claims of the ship owner, Ortadoğu Liman has filed an appeal against such decision. The Group management considers that the case shall be concluded in favour of the company. As of 31 December 2021, the Group did not allocate a provision expense for this lawsuit in its consolidated financial statements.

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20 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES *(continued)*

20.3 Contingent liabilities

Details of the Group's guarantees, pledges and mortgages ("GPM's") are presented in Note 21.Moreover, the Group has the following contingent liabilities:

Ege Liman

The details of the Transfer of Operational Rights Agreement ("TOORA") dated 2 July 2003, executed by and between Ege Liman and Privatization Authority ("PA") together with Turkish Maritime Organization ("TDI") is stated below:

Ege Liman will be performing services such as sheltering, installing, charging, discharging, shifting, terminal services, pilotage, towing, moorings, water quenching, waste reception, operating, maintaining and repairing of cruise terminals, in Kuşadası Cruise Port for an operational period of 30 years. Ege Liman is liable for the maintenance of Kuşadası Cruise Port together with the port equipment in good repair and in operating condition throughout its operating right period. After the expiry of the contractual period, the real estate and the integral parts of it shall be surrendered to the TDI, while the movable properties stay with Ege Liman.

Bodrum Liman

The details of the Built Operate Transfer Contract dated 23 June 2004, executed by and between Bodrum Liman and the State Railways, Ports and Airports Construction Company ("DLH") are stated below:

Bodrum Liman had to construct the Bodrum Cruise Port in a period of 1 year and 4 months following the delivery of the land and thereafter, will operate the Bodrum Cruise Port for 12 years. The final acceptance of the construction was performed on 4 December 2007, and thus the operation period has commenced. Bodrum Liman is liable for the maintenance of the port together with the port equipment in good repair and in operating condition throughout its operating right period. The facilities, equipment, installations and the systems together with the tools and other equipment belonging thereto shall be surrendered to the DLH after the expiry of the contractual period.

Bodrum Liman also executed an extension on prior Concession Agreement with the General Directorate of National Property on 15 November 2018 ("Bodrum Port Concession Agreement"). The BOT Agreement is attached to the Bodrum Port Concession Agreement and Bodrum Liman is entitled to use the Bodrum Cruise Port under these agreements for an extended period of 49 years starting from 31 December 2019.

Port of Adria

The details of the TOORA dated 15 November 2013, executed by and between Global Liman and Ministry of Transportation and Maritime and Port Administration of Montenegro ("PAM") are stated below:

The contract with respect to acquisition of 62,09 % shares of general freight and cargo terminal of Port of Adria located in Montenegro has been signed on 15 November 2013 after a subsidiary of Group, Global Liman, offered the tender comprised the repair and maintenance of the Port, financing, construction and operating the Port for 30 years and initiated by Ministry of Transportation and Maritime and Port Administration of Montenegro at best, approvals and procedures related to sales transaction was completed on 30 December 2013 which is the Group obtained management and control of the company.

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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.

Catania Cruise Terminal

On 18 October 2011, Catania Cruise Terminal SRL ("CCT") signed a deed with the Catania Port Authority by virtue of which the Port Authority granted a 15-year concession over the passenger terminal area situated on Catania City Center. CCT will perform operation and management of a cruise passenger terminal in the area.

A fixed rent is payable by CCT to the Port Authority in the sum of EURO 140.000 for each year during the concession period.

Cagliari Cruise Terminal

On 14 January 2013, Cagliari Cruise Port S.r.l ("CCP") signed a deed with the Cagliari Port Authority by virtue of which the Port Authority granted a 15-year concession over the passenger terminal area situated within Cagliari Port. CCT will perform operation and management of a cruise passenger terminal in the area.

A fixed rent is payable by CCP to the Port Authority in the sum of EURO 46.027 for each year during the concession period.

Nassau Cruise Port

On 9 October 2019, Nassau Cruise Port Ltd ("NCP") signed a deed with the Government of Bahamas by virtue of which the Government granted a 25-year concession over the passenger terminal area situated within Nassau Cruise Port. NCP will perform operation and management of the cruise passenger terminal in the area.

NCP will invest an amount of USD 250 million in expanding the capacity of the port. Investment amount also includes ancillary contributions made to local community to increase the wealth of people of Bahamas. These payments will be made as grant and partly as interest free loan.

The construction phase is expected to start in 2020 and is anticipated to be completed within 24 months; once construction has been completed total revenues are expected to be in the range of USD 35-40 million per annum.

A variable fee payment based on the number of passengers will be made to the Port Authority starting from the operations commencement date. Starting from the construction commencement date and until the end of the concession, a minimum fixed fee will be payable to the Port Authority amounting to USD 2 million per annum subject to US CPI adjustment.

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20 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES *(continued)*

20.3 Contingent liabilities *(continued)*

Antigua Cruise Port

On 24 October 2019, Antigua Cruise Port Ltd ("ACP") signed a deed with the Government of Antigua&Barbuda by virtue of which the government granted a 25-year concession over the passenger terminal area situated within Antigua Cruise Port. ACP will perform operation and management of a cruise passenger terminal in the area.

Total initial investment in the first 12 months of operation was USD 50 m, including repayment of the existing bond of USD 21 million, completion of new pier construction and dredging work, and investment into the retail facilities. The Company's cash equity contribution is set at 27,5%, with the balance provided through non-recourse project finance.

A variable fee payment based on the number of passengers will be made to the Port Authority with a minimum fee guarantee. From the 21st year of the concession, ACP will pay a share of its annual revenue annually to the Port Authority.

Receivables Subject to Fraud

In the period ended 31 December 2021, the Group has determined that some deposits of the Group and its customers, which were held in the Group bank accounts and pending for investment were transferred to third party real persons' accounts with fake EFT instructions created by the Group employee due to fraud. The Group made announcements regarding this fraud event through the Public Disclosure Platform on 3 December 2021 and 14 January 2022, and replaced the deposits transferred to third party real person accounts with fake EFT instructions due to fraud between 1 December 2021 and 6 December 2021. For the year ended 31 December 2021, the Group recognized provision amounting to TL 31.670.826 in the accompanying consolidated financial statements regarding the related amounts and accounted it under other operating expenses (Note 28.1). Related amount consists of Group deposits and customer deposits, TL 11.745.602 and TL19.925.224 respectively.

Employee involved in the abuse were arrested and the lawsuit process continues as of the reporting date. The Group follows the legal process to collect the related amounts.

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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 2021 and 2020, operating lease rentals are payable as follows:

	2021	2020
Less than one year	4.560.138	781.397
Between one and five years	2.552.095	742.167
More than five years	1.845.489	-
	8.957.722	**1.523.564**

For the year ended 31 December 2021, payments recognized as rent expense are TL 5.469.057 (2020: TL 2.691.314).

Group as lessor

As at 31 December 2021 and 2020, the future lease receivables under operating leases are as follows:

	2021	2020
Less than one year	57.851.199	20.136.921
Between one and five years	50.506.938	21.007.049
More than five years	8.198.031	10.772.247
	116.556.168	**51.916.217**

The Group's main operating lease agreements as lessor are the rent agreements of Pera with the lessees of Sümerpark AVM 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 2021, TL 39.571.036 (2020: TL 29.546.436) have been recognized as rent income in the consolidated financial statements.

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21 COMMITMENTS

As at 31 December 2021 and 31 December 2020 guarantees, pledges and mortgages (GPMs) given by the Group are presented below:

31 December 2021

		Original Amount		
	TL Equivalent	**TL**	**USD**	**EURO**
A Total amount of GPMs given in the name of its own legal personality	531.906.185	179.301.185	10.200.000	15.000.000
B Total amount of GPMs given in the name of the consolidated subsidiaries and joint ventures	11.654.560.855	2.516.221.221	451.122.417	223.663.763
C Total amount of GPMs given to be able to conduct ordinary business transactions to secure payables of third parties	-	-	-	-
D Other GPMs given	-	-	-	-
- Total amount of GPMs given in the name of the main shareholder	-	-	-	-
- Total amount of GPMs given in the name of other group companies except for B and C	-	-	-	-
- Total amount of GPMs given in the name of third parties except for C	-	-	-	-
Total	**12.186.467.040**	**2.695.522.406**	**461.322.417**	**238.663.763**

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**

As at 31 December 2021 the ratio of other GPMs given to the Group's equity is 0% (31 December 2020: 0%).

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21 COMMITMENTS *(continued)*

The details of the GPMs (contingent liabilities) given by the Group are presented below:

	31 December 2021	31 December 2020
Given to Energy Market Regulatory Authority (1)	2.937.880	6.069.880
Given for tenders	33.179.567	13.909.765
Given as a guarantee for commercial contracts	105.000	54.297.400
Given to Borsa Istanbul	12.500	2.012.500
Given to banks	79.396.958	90.079.000
Given to Takasbank	34.025.000	30.525.000
Given to Privatization Administration	1.504.119	4.627.848
Given to supply for natural gas	39.167.809	85.410.827
Given to courts, ministries, Tax Administration	5.950.995	26.580.150
Given to Capital Markets Board	69.576	4.576
Other	166.655.535	102.152.995
Total letters of guarantee	**363.004.939**	**415.669.941**
Mortgages and pledges on inventory, property plant and equipment and investment property (2)	8.420.828.790	4.891.624.729
Pledges on equity securities (3)	2.108.719.484	1.432.515.353
Sureties given (4)	1.293.913.827	870.679.650
Total contingent liabilities	**12.186.467.040**	**7.610.489.673**

(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 2021, there is a mortgage amounting to TL 120.000.000 and EURO 15.000.000 (TL 220.234.500) over one of the buildings of the Group (which is classified as property, plant and equipment) with respect to the loans obtained (31 December 2020: TL 120.000.000 and EURO 15.000.000).

As at 31 December 2021, there is mortgage on the land of the Group located in Denizli, as collateral of the Group's bank loans amounting to TL 13.500.000 (31 December 2020: TL 48.500.000). Additionally, as at 31 December 2021, 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 648.875.000) (31 December 2020: USD 50.000.000 (TL 367.025.000)).

As at 31 December 2021, there is a mortgage over the property, plant and equipment of the Group's subsidiaries which are operating in energy generation sector amounting to USD 207.850.000 (TL 2.697.373.375), EURO 90.535.000 (TL 1.329.262.031) and TL 676.000.000 with respect to the loans utilized by those subsidiaries.

As at 31 December 2020, there is 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 2021, there is a mortgage over the property, plant and equipment of the Group's subsidiaries which are operating in natural gas sector amounting to USD 111.721.000 (TL 1.449.859.278), EURO 70.000 (TL 1.027.761) and TL 630.000.000.

As 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.

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21 COMMITMENTS *(continued)*

As at 31 December 2021, there is a mortgage over the property, plant and equipment of Barcelona Port, VCP and Port of Adria amounting to EURO 13.493.042 (TL 198.108.891), EURO 19.180.778 (TL 281.617.937) and EURO 10.554.887 (TL 154.970.017) respectively due to the loans utilized by those companies.

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 19.828.200 (TL 175.790.049) and EURO 10.054.887 (TL 90.573.417) respectively due to the loans utilized by those companies.

(3) Pledges on equity securities:

As at 31 December 2021, the Group gave marketable securities with a nominal value of USD 10.200.000 (TL 132.370.500) and equity shares amounting to TL 9.402 as collateral with respect to ongoing legal proceedings. The pledge on the securities with a nominal value of USD 10.200.000 regarding the ongoing lawsuits has been lifted as of 2 February 2022. There are pledges on shares of the subsidiaries which operating in port operations amounting to TL 1.745.656.218, on shares of the subsidiaries which operating in natural gas, mining, energy generation amounting to TL 185.000.000 and on shares of the subsidiaries which operating in real estate development amounting to TL 45.600.000 with respect to the loans obtained by the Group.

As at 31 December 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 2021, there is a blockage of financial investments with a carrying value of TL 83.364 (31 December 2020: TL 76.724) in Takasbank.

(4) Securities given:

As at 31 December 2021, the Group provided surety amounting to EURO 9.407.222, USD 77.939.048 and TL 144.340.176, a total of amounting to TL 1.293.913.827 (31 December 2020: TL 870.679.650) with respect to loans and lease agreements of subsidiaries of the Group.

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22 EMPLOYEE BENEFITS

Payables related to employee benefits

As at 31 December 2021 and 31 December 2020, payables related to employee benefits comprised the following:

	31 December 2021	31 December 2020
Payables to personnel	74.280.878	13.810.335
Social security premiums payable	18.485.227	10.366.955
Other	1.552.537	2.350.621
Total	**94.318.642**	**26.527.911**

Provisions for employee benefits

As at 31 December 2021 and 31 December 2020, current and non-current provisions for employee benefits comprised the following:

Current provisions

	31 December 2021	31 December 2020
Provision for notice pay and vacations	11.497.216	6.451.304
Other	41.054	41.055
	11.538.270	**6.492.359**

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 2021	31 December 2020
Provision for employment termination indemnity	17.892.837	13.915.592
	17.892.837	**13.915.592**

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 8.285 for each period of service as of 31 December 2021 (31 December 2020: TL 7.117).

Provisions for employment termination indemnity are not subject to any statutory funding.

For the year ended 31 December 2021 and 2020, the movement of the provision for employment termination indemnity as follows:

	2021	2020
Opening balance (1 January)	13.915.592	14.374.643
Interest for the period	1.539.317	860.750
Service costs	1.879.889	1.626.786
Payments within the period	(1.972.906)	(1.502.057)
Liabilities included in disposal groups classified as held for sale	-	(4.297.356)
Additions to the scope of consolidation	899.552	-
Currency translation differences	1.125.638	1.512.135
Actuarial gain/losses	505.755	1.340.691
Closing balance (31 December)	**17.892.837**	**13.915.592**

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23 OTHER ASSETS AND LIABILITIES

a) Other current assets

As at 31 December 2021 and 31 December 2020, other current assets comprised the following:

	31 December 2021	31 December 2020
Deferred value added tax (*)	25.802.681	36.343.073
Job and salary advances given to personnel	15.614.143	10.695.043
Income accruals	16.672.352	8.729.529
Other	4.136.671	1.656.230
Total	**62.225.847**	**57.423.875**

(*) 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 2021 and 31 December 2020, other non-current assets comprised the following:

	31 December 2021	31 December 2020
Deferred value added tax (*)	2.294.348	2.292.935
Job and salary advances given to personnel (**)	25.080.166	18.270.352
Total	**27.374.514**	**20.563.287**

(*) 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 2021 and 31 December 2020, other current liabilities comprised the following:

	31 December 2021	31 December 2020
Liabilities related with real estate (*)	3.668.000	3.668.000
Expense accruals (**)	193.280.582	36.879.411
Other	2.099.305	11.208.236
Total	**199.047.887**	**51.755.647**

(*) Includes liabilities based on the protocol between the Group and Van Municipality.

(**) As of 31 December 2021, a significant part of the expense accruals consists of the accrual amount accounted for the construction investments of the Nassau Cruise Port.

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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 2021 the Company's statutory nominal value of paid-in share capital consists of 65.000.000.000 registered shares with a par value of TL 0,01 each. 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. Number of shares is presented in lots in the consolidated financial statements and the accompanying notes (1 lot = 100 shares).

The prospectus of the Company regarding increasing the issued share capital of the Company by 324.111.590,07 TL, from 325.888.409,93 to 650.000.000, which is the upper limit of its registered Capital and will be paid in cash has been approved by CMB on 29 July 2021. 324.111.590.07 new shares were offered to the existing shareholders, between 4th – 18th August 2021. While the remaining 1.268.029,30 shares were offered to the public on the Stock Exchange at the price to be set on Borsa Istanbul, which is not lower than the price for the exercise of pre-emptive rights of TL1,50 per share, for 2 business days starting from 23rd August 2021 and and all shares have been sold. Total fund amounting to 487.180.209,05 was realised of which TL 484.265.422,30 from existing shareholders pre-emptive rights and TL 2.914.786,75 from sale of shares in BİST. Accordingly, the capital increse process has been completed.

The issued capital of the Company is TL 650.000.000 and the authorized capital ceiling is TL 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 2021		31 December 2020	
	Proportion of share %	Value of share	Proportion of share %	Value of share
Mehmet Kutman (*)	29,75%	193.361.601	24,24%	78.996.525
Centricus Holdings Malta Limited	-	-	31,25%	101.826.967
Erol Göker	0,15%	974.747	0,15%	488.707
Publicly traded other shares (**)	70,10%	455.663.652	44,36%	144.576.211
Total	**100 %**	**650.000.000**	**100 %**	**325.888.410**
Adjustment related to inflation		34.659.630		34.659.630
Inflation adjusted capital		**684.659.630**		**360.548.040**

(*) Disclosed together with the shares of Turkcom Turizm Enerji İnşaat Gıda Yatırımlar A.Ş. which is owned by Mehmet Kutman.

(**) As at 31 December 2020, comprised the nominal number of the repurchased shares 395.077 (31 December 2021: none).

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. It sold its shares in the market in which it is traded in the year ended 31 December 2021.

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24 CAPITAL, RESERVES AND OTHER EQUITY ITEMS *(continued)*

24.1 Share capital / Capital adjustments due to cross ownership/ Treasury shares *(continued)*

The shares of the Company include privileged shares. The privileges of the (A), (D) and (E) group shares are explained below:

Two of the members of the Board of Directors are chosen among the candidates nominated by the owners of the group (A) shares. One of the members of the Board of Directors is chosen among the candidates nominated by the owners of the group (D) shares and one of them is chosen among the candidates nominated by the owners of the group (E) shares. Each member of the board is chosen by the decision of the majority of the shareholders of the privileged share group that nominated the candidate. All the shareholders have the right to nominate any candidate but, in order to select such candidates for the General Assembly; the nominations should be approved by the group (A) shares before the selection. All the shareholders have the right to nominate for two candidates for the Board. In case that group (D) and group (E) shares donot nominate any candidate, any shareholder can nominate a candidate.

Treasury shares

The Company and some of the subsidiaries of the Group repurchased shares of the Company from the capital markets in prior periods. These repurchased shares are called as treasury shares. The shares can be sold back to the market. Profit or loss that arises as the result of the sale of the shares is accounted for under retained earnings in the consolidated financial statements. The shares are accounted for at cost under treasury shares owned by the Company and capital adjustments due to cross-ownership. Amounts related to these transactions are presented under "Increase/(decrease) due to treasury share transaction" in the consolidated statement of changes in equity. As at 31 December 2020, the Company and the subsidiaries of the Group held 395.077 shares of Global Yatırım Holding A.Ş (31 December 2021: none), with the cost of TL 1.439.473 (31 December 2021: none). Those shares have been reclassified as "Treasury shares owned by the Company" 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 Group 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 2021: none).

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24 CAPITAL, RESERVES AND OTHER EQUITY ITEMS *(continued)*

24.2 Share premium/discounts

Share premium represents the inflow of cash arising from the sales of shares on market value. The premium amount is included in equity and cannot be distributed. It can only be used for the future capital increases.

24.3 Accumulated other comprehensive income/expense not to be reclassified to profit or loss

This item comprises, income/expenses defined as a component of other comprehensive income and reported for the period in which they arise and in no case transferred directly in equity through profit or loss such as following:

a) Gain/Loss on Revaluation and Remeasurement

- *Actuarial loss on employee benefits*

Based on the transitional provisions of the TAS 19 standard, starting from 1 January 2012 actuarial gains and losses in accordance with the announcement on the financial statements and footnote formats stated in the Communiqué Serial: II, 14.1 published in the Official Gazette No. 28676 dated 13 June 2013 followed under these accounts.

b) Other Gain/Loss

Special funds

The application filed by Pera, a subsidiary of the Group operating in the real estate segment, to the CMB in relation to permission for a share capital decrease by TL 35.900.000 and simultaneous share capital increase (in cash) by TL 29.000.000, was approved by the CMB on 24 January 2011 in the decision numbered 86-928. The amendment to Article 8 of the Association of Pera was approved by the Extraordinary General Assembly Meeting on 15 February 2011, and the share capital of Pera was decreased to TL 60.100.000. The pre-emptive rights of the existing shareholders were used between 1 March and 15 March 2011 and after that the remaining shares were offered to investors between 1 April and 15 April 2011. Finally, the portion of the new shares, for which the pre-emptive rights were not used, has been purchased by Global Yatırım Holding A.Ş. and the capita l increase to TL 89.100.000 was completed. The process was approved by the CMB on 3 May 2011. As a result of the capital increase, a total of TL 29.000.000 has been accounted for as "Special Reserve" by Pera, of this has been reflected in the consolidated financial statements of the Group. As of 31 December 2021 TL 3.584.428 (31 December 2020: TL 2.433.128) 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 28.828.097 in other comprehensive income and equity in its consolidated financial statements for the year ended 31 December 2021 (31 December 2020: TL 176.503.972 loss). The Group's foreign currency loan for hedging net investment risk in foreign operations was paid before its maturity on 29 July 2021 and net investment hedge accounting was terminated as of this date. Net loss of USD 5.187.775 after tax was recognized as a result of hedging of the Group's net investment in foreign operation included in the hedge fund for the year ended 31 December 2021 (31 December 2020: USD 40.266.191 net loss after tax).

The exchange rate differences that forms part of the Group's net investment in its subsidiaries Mavi Bayrak Enerji, Mavi Bayrak Doğu, Doğal Enerji and RA Güneş, operating in the energy generation segment whose functional currency is other than TL, and that arises from the payable of these subsidiaries to Consus Enerji, the shareholder of these subsidiaries, which has different functional currency from mentioned subsidiaries, are considered as a part of the net investment and the effective portion of this gain or loss is recognized in other comprehensive income in the consolidated financial statements. In relation to the mentioned accounting, the cumulative loss of TL 71.443.138, which is the share of the Group in the period ended 31 December 2021, has been accounted for as other comprehensive income or expense, which will be reclassified to profit or loss in equity in the consolidated financial statements.

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 1.625.603 loss (31 December 2020: TL 1.561.295 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 1.094.704 (31 December 2020: TL 1.304.351) accounted under finance expense in profit or loss.

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24 CAPITAL, RESERVES AND OTHER EQUITY ITEMS *(continued)*

24.5 Restricted reserves

As at 31 December 2021, the Group's restricted reserves are total of TL 3.743.204 (31 December 2020: TL 7.979.263).

As disclosed in Note 24.1, in accordance with Article 520 of the Turkish Commercial Code no 6102, reserve provision is made for the treasury shares owned by the Group as the amount allocated to meet the acquisition value. As at 31 December 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 2021: TL none).

24.6 Retained earnings / accumulated losses and non-controlling interests

The retained earnings/accumulated losses excluding the net income/loss for the period, and the general reserves which have retained earnings/accumulated losses nature are included in retained earnings/accumulated loss account.

For the year ended 31 December 2021 the Group entered into sale and purchase transactions of shares in Pera, operating in real estate, which shares are publicly traded at BIST. As a result of the sale and purchase of Pera shares by the Group, the effective shareholding rate of the Group in Pera increased to 12,36% (31 December 2020: 8,39%).

Consus Enerji İşletmeciliği ve Hizmetleri A.Ş., subsidiary of the Group, has acquired 3,12% minority share in its subsidiary, Tres Enerji Hizmetleri Sanayi ve Ticaret A.Ş., for TL 3 million on 4 November 2021.

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 profit amounting to TL 144.042.511 for the period 1 January-31 December 2021 (1 January-31 December 2020: TL 164.982.899 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

The application for initial public offering ("IPO") of Naturelgaz, subsidiary of the Company, was approved by Capital Markets Board on 18 March 2021. Naturelgaz has successfully completed the IPO process on 31 March 2021. The offering comprised from issuance of new ordinary shares and sale of existing shares. Naturelgaz issued 14.981.406 new shares, increasing the total number of shares issued from 100.018.594 to 115.000.000. In addition, GYH sold 19.518.594 existing shares. After the IPO, GYH remains the largest shareholder of Naturelgaz with 70% (31 December 2020: 95,5%).

Since the Group has not lost its control in Naturelgaz, the transaction is a transaction that does not result in loss of control in the subsidiaries and is therefore recorded in equity rather than income statement. Accounting for this transaction is made in accordance with TAS 27 "Consolidated and Separate Financial Statements", paragraphs 30 and 31. According to these paragraphs; changes in the ownership rate of a parent company in the event of a without loss of control despite the change in the ownership of the subsidiary is accounted as equity transactions. In such cases, the carrying values of the non-minority shares or the controlling power and non-controlling interests are adjusted to reflect the changes in their relative shares in the subsidiary. The difference between the amount in which the non-controlling interests are adjusted and the fair value of the consideration paid or received is directly accounted in equity and owned by the owners of the parent company.

Accounting of the Group's public offer transaction of Naturelgaz has been made in accordance with TAS 27 "Consolidated and Separate Financial Statements" paragraps 30 and 31. According to these paragraps; if a parent does not lose control despite a change in ownership in its subsidiary, the changes are accounted as equity transaction. The sale of shares through the public offering method had an increasing effect on the equity of the parent company by TL 223.913.693 and on the non-controlling shares by TL 63.269.537.

Pursuant to the Board of Directors Decision of Pera dated 1 December 2020 and numbered 298, the subsidiary of the Group, Pera's issued capital, which was TL 89.100.000 within the registered capital ceiling of TL 250.000.000, was increased to TL 142.560.000 by increasing TL 53.460.000, all in cash. The prospectus was received positively within the scope of the Capital Markets Board's decision dated 7 January 2021 and numbered 2/11. The nominal value of TL 53.196.591 of the priority rights, which has the right to purchase new shares, was used between 18 January 2021 and 1 February 2021 in accordance with the principles specified in the Prospectus and shares with a nominal value of TL 263.408 remaining after the use of new share purchase rights were offered for sale in Borsa İstanbul A.Ş (BİAŞ) Primary Market for 2 business days on 3 and 4 February 2021 and the sale of all related shares was completed as of 3 February 2021. A total of TL 53.860.411 gross fund inflows were realized from the capital increase, TL 53.196.602 (TL 3.300.261 of which is deducted from Ardus Gayrimenkul Yatırımları A.Ş.'s due cash basis receivables from Pera) from the use of new share purchase rights and TL 663.809 from the sale of the shares remaining from the use of new share purchase rights in the Borsa İstanbul A.Ş. Primary Market.

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24 CAPITAL, RESERVES AND OTHER EQUITY ITEMS *(continued)*

24.8 Transactions with owners of the Company, recognized directly in equity *(continued)*

With the Group's Board of Directors decision dated 21 December 2021, Sümerpark Gıda İşletmeciliği A.Ş., wholly owned subsidiary of the Group, have merged with Ardus Gayrimenkul Yatırımları A.Ş. and divested. The merger transaction has been registered on 30 December 2021 on the Trade Registry and the merger process has been completed.

Global Biyokütle Enerji Üretim A.Ş., wholly owned subsidiary of the Group, has merged with Consus Enerji İşletmeciliği A.Ş. and divested. The merger transaction was completed with registering by İstanbul Trade Registry on 30 June 2021.

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.

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24 CAPITAL, RESERVES AND OTHER EQUITY ITEMS *(continued)*

24.8 Transactions with owners of the Company, recognized directly in equity *(continued)*

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

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

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25 REVENUE AND COST OF SALES

For the years ended 31 December 2021 and 2020, the Group's gross profit on the basis of operations comprised the following:

Revenue	**1 January-31 December 2021**	**1 January-31 December 2020**
Natural gas revenue	692.043.189	452.098.612
Port operating revenue	1.076.791.372	694.702.708
Mining revenue	182.643.565	88.671.142
Real estate rent and service revenue	32.714.701	29.371.281
Energy generation and sales revenue	368.607.091	261.827.380
Other	4.461.004	1.135.719
Total	**2.357.260.922**	**1.527.806.842**
Cost of sales		
Cost of natural gas sales and services	(560.825.118)	(335.692.725)
Cost of port operations	(1.152.032.357)	(776.805.100)
Cost of mining operations	(127.603.901)	(80.805.417)
Cost of energy generation and sales	(233.061.868)	(200.898.843)
Cost of real estate service	(5.342.945)	(8.019.196)
Other	(21.351.924)	(13.544.188)
Total	**(2.100.218.113)**	**(1.415.765.469)**
Gross Profit from Non-finance Operations	**257.042.809**	**112.041.373**

Revenues from Finance Operations	**1 January-31 December 2021**	**1 January-31 December 2020**
Agency commissions	66.280.198	66.007.984
Interest received from customers	51.590.017	20.292.545
Portfolio management fees	90.192.138	5.259.341
Gain on sale of marketable securities, net	284.017	1.119.765
Other revenue	19.140.264	8.669.169
Total	**227.486.634**	**101.348.804**
Cost of Revenues from Finance operations (-)		
Commission charges	(3.684.028)	(3.656.857)
Interest charges from loans delivered to customers	(2.995.518)	(3.713.345)
Total	**(6.679.546)**	**(7.370.202)**
Gross Profit from Finance Operations	**220.807.088**	**93.978.602**
GROSS PROFIT	**477.849.897**	**206.019.975**

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26 GENERAL ADMINISTRATIVE EXPENSES AND MARKETING EXPENSES

26.1 Marketing expenses

For the years ended 31 December 2021 and 2020, marketing expenses comprised the following:

	1 January-31 December 2021	1 January-31 December 2020
Personnel expenses	24.527.140	15.583.560
Depreciation and amortization expenses (Note 16-18)	15.656.426	14.880.201
Export expenses of mining operations	36.258.561	18.521.022
Advertising and promotion expenses	3.855.889	3.868.445
Taxes and duties	6.288.421	5.982.871
Commission expenses of derivative exchange market	2.762.254	2.587.937
Representation expenses	6.888.749	3.778.076
Stock market participation share	6.231.500	5.469.242
Money market settlement and custody expenses	2.732.286	2.051.374
Vehicle expenses	1.034.928	660.719
Repair and maintenance expenses	2.934.450	2.118.415
Building management expenses	2.142.675	1.280.879
Commission expenes	5.275.298	4.494.746
Rent expenses	367.640	148.093
Travel expenses	1.669.122	666.098
Communication expenses	358.337	572.526
Insurance expenses	955.615	507.574
Consultancy expenses	588.836	246.426
Other	6.075.587	5.791.936
	126.603.714	**89.210.140**

26.2 General administrative expenses

For the years ended 31 December 2021 and 2020, general administrative expenses comprised the following:

	1 January-31 December 2021	1 January-31 December 2020
Personnel expenses	218.196.499	132.185.042
Consultancy expenses	48.561.805	95.189.292
Travelling expenses	6.378.535	6.799.525
Taxes and duties other than on income	14.923.580	7.814.204
Depreciation and amortization expenses (Note 16-18)	32.398.952	25.226.779
IT expenses	18.202.411	13.100.859
Communication expenses	2.895.122	3.034.401
Building management expenses	5.288.435	4.509.962
Vehicle expenses	5.565.754	4.200.367
Representation expenses	4.278.944	1.507.503
Repair and maintenance expenses	2.460.284	1.683.287
Other expenses	19.012.116	12.202.784
	378.162.437	**307.454.005**

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27 EXPENSES BY NATURE

For the years ended 31 December 2021 and 2020, the breakdown of personnel, depreciation and amortization expenses comprised the following:

Personnel expenses	1 January- 31 December 2021	1 January- 31 December 2020
Cost of sales	120.348.457	101.996.982
Marketing expenses	24.527.140	15.583.560
General administrative expenses	218.196.499	132.185.042
	363.072.096	**249.765.584**

Depreciation and amortization expenses	1 January- 31 December 2021	1 January- 31 December 2020
Cost of sales	346.352.793	434.139.421
Marketing expenses	15.656.426	14.880.201
General administrative expenses	32.398.952	25.226.779
	394.408.171	**474.246.401**

Fees for Services Received from Independent Auditor/Independent Audit Firms

Information regarding the fees for the services received from the independent audit firms, in accordance with the letter of POA dated 19 August 2021 that was prepared considering the Board Decision published in the Official Gazette on 30 March 2021, is as follows:

	1 January- 31 December 2021 (*)	1 January- 31 December 2020
Independent audit fee	12.005.265	4.781.620
Tax consulting fee	162.750	175.000
Other	2.158.364	1.792.090
Total	**14.326.379**	**6.748.710**

(*) The fees above have been determined through including the independent audit and other related services fees of all subsidiaries and joint ventures, and the foreign currency fees of foreign subsidiaries and affiliates have been converted into TL using the annual average rates of the relevant years.

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28 OTHER OPERATING INCOME / EXPENSES

28.1 Other operating expenses

For the years ended 31 December 2021 and 2020, other operating expenses comprised the following:

	1 January- 31 December 2021	1 January- 31 December 2020
Donations	2.243.671	5.212.365
Project expenses (*)	95.759.600	71.852.788
Provision expense of fraud (**)	31.670.826	-
Provision expenses	74.943.380	-
Impairment loss (Note 18)	31.985.263	-
Concession fee expense	2.916.475	2.290.621
Tax amnesty expense	15.136.744	-
Inventory loss	6.868.567	-
Other miscalleneous expenses	54.836.559	44.313.598
Total	**316.361.085**	**123.669.372**

(*) The major part of project expenses comprises of uncapitalized project expenses for port investments of the Group.

(**) In the year 2021, the Group has detected that some bank deposits of the Group and its customers waiting for investment held in the Group bank accounts have been transferred to third-party bank accounts through fake bank order documents by an employee of the Group. The Group made announcements regarding this fraud on 3 December 2021 and 14 January 2022 via Public Disclosure Platform (KAP) and deposited the related bank amounts transferred to third-party bank accounts through fake bank order documents by an employee of the Group between 1 December 2021 and 6 December 2021. For the year ended 31 December 2021, the Group raised a provision for the relevant amounts in the accompanying consolidated financial statements and recognized in current year under other expenses.

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28 OTHER OPERATING INCOME / EXPENSES *(continued)*

28.2 Other operating income

For the years ended 31 December 2021 and 2020, other operating income comprised the following:

	1 January- 31 December 2021	1 January- 31 December 2020
Gain on bargain purchase (Note 3)	196.712.861	54.923.267
Fair value differences of previously held shares (Note 3)	74.281.936	-
Other revenue based on the agreement	-	12.293.159
Foreign currency exchange gain on trade operations, net	12.070.533	9.108.249
Reversal gain/(loss) of provisions	4.788.955	1.746.686
Gain on sale of associate (Note 1.b.5)	57.605.449	-
Gain on sale of subsidiary (*)	73.815.988	23.014.688
Other miscalleneous income	29.877.435	39.823.726
Total	**449.153.157**	**140.909.775**

(*) Within the context of share purchase and sale agreement of Ortadoğu Antalya Liman İşletmeleri A.Ş. ("Port Akdeniz") signed between Global Ports Holding Plc, indirect subsidiary of the Group, and QTerminals W.L.L. ("QTerminals"), Qatar-based commercial port operator, on 21 October 2020, sale of Port Akdeniz to QTerminals with a company value of TL 1.033.158.000 (USD 140 million) was completed on 25 January 2021 after approval of QTerminal's application by Competition Authority and fulfillment of all prerequisties related with sale transaction and necessary regulatory approvals.

As a result of the adjustments made according to the net debt position and debt equivalent items of Port Akdeniz, the sale value was realised as TL 849.837.111. QTerminals paid TL 764.853.400 of the total amount in cash and the remaining TL 84.983.711 (subject to change CBRT's USD buying rate on the payment date) will be paid in the last quarter of 2021. With the related payment will be made by QTerminals in the last quarter of 2021, GPH Plc will pay expenses related to sale transaction after collecting full amount of sale. The values given above regarding to sale transaction have been calculated over 7,3797, which is CBRT's USD buying rate on 25 January 2021.

As a result of this sale transaction, the Group has accounted a total of TL 73.815.988 gain on sale of subsidiary in its financial statements. TL 95.971.857 of this gain consists of deducting the sales price and the total value of the assets subject to sale. The amount of TL 22.155.869 consists of foreign currency translation differences accounted for under "Accumulated other comprehensive income and expenses to be reclassified in profit or loss" under the equity of the subsidiary subject to the sale deducted from this amount and reclassification of hedging losses to profit/(loss) due to the sale transaction.

As of 31 December 2020, it includes the difference between fair value and book value arising during the merger of Actus Portföy under İPY, which was an equity accounted investee.

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29 INCOME AND EXPENSE FROM INVESTING ACTIVITIES

29.1 Income from investing activities

For the years ended 31 December 2021 and 2020, income from investing activities comprised the following:

	1 January- 31 December 2021	1 January- 31 December 2020
Investment property valuation gain (Note 15)	247.919.250	43.254.000
Gain on sale of financial assets	687.073	-
Gain on sale of fixed assets	6.647.878	25.671.808
Financial assets valuation gain	90.782.395	1.328.534
Total	**346.036.596**	**70.254.342**

29.2 Expense from investing activities

For the years ended 31 December 2021 and 2020, expense from investing activities comprised the following:

	1 January- 31 December 2021	1 January- 31 December 2020
Loss on sale of financial assets	-	2.122.831
Other	52.559	283.940
Total	**52.559**	**2.406.771**

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30 FINANCE INCOME

For the years ended 31 December 2021 and 2020, finance income of the Group comprised the following:

	1 January- 31 December 2021	1 January- 31 December 2020
Foreign currency gain	91.445.298	112.714.791
Interest income	35.600.380	10.330.002
Fair value difference on derivative financial instruments	2.154.719	-
Other (*)	43.404.989	5.236.739
Total	**172.605.386**	**128.281.532**

(*) TL 40.298.804 of the amount consists of the interest income related to the early redemption of Global Liman's Eurobond.

31 FINANCE COSTS

For the years ended 31 December 2021 and 2020, finance costs of the Group comprised the following:

Recognized in profit or loss	1 January- 31 December 2021	1 January- 31 December 2020
Foreign currency loss	333.145.098	306.046.600
Interest expense on borrowings	312.148.286	329.381.992
Letter of guarantee commissions	4.432.232	4.562.663
Comission expenses	24.106.548	20.427.995
Interest expense on lease liabilities (TFRS 16)	34.290.084	25.195.998
Other	25.100.266	23.198.903
Total	**733.222.514**	**708.814.151**

Recognized in other comprehensive income	1 January- 31 December 2021	1 January- 31 December 2020
Gain/(losses) from net investment hedges (Note 24.4)	(100.271.235)	(176.503.972)
	(100.271.235)	**(176.503.972)**

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32 TAX ASSETS AND LIABILITIES

Corporate tax

The Group is subject to corporate tax valid in Turkey. Companies file their tax return until the evening the 25th of the fourth month following the close of the financial year to which they relate and pay in one installment until the end of the relevant month.

In Turkey, after 1 January 2021 the corporate tax rate has been applied %20 to the legal tax base which was calculated by adding the non deductable expenses and by deducting the exemptions in the tax laws in accordance with the tax laws. With the publication of Law No. 7316 on Certain Amendments to the Law on the Collection of Public Receivables and Certain Laws in the Official Gazette on April 22, 2021, the corporate tax rate applicable to income for the years 2021 and 2022 was modified as; 25% for the income derived in 2021, 23% for the income derived in 2022 and these rates will apply for the period starting within the relevant year for the taxpayers, subject to a special accounting period. This change is valid for the taxation of corporate earnings for the periods starting from 1 January 2021, starting with the declarations that must be submitted as of 1 July 2021. Since the tax rate change came into effect as of 22 April 2021, the tax rate was used as 25% in the calculations of the corpoarate tax in the consolidated financial statements dated 31 December 2021 (31 Aralık 2020: 22%).

According to the amendment, deferred tax assets and liabilities included in the consolidated financial statements as at 31 December 2021 are calculated at the rates of 23% and 20%, respectively for the portions of temporary differences that will have tax effects in 2022 and the following periods.

As of 31 December 2021, the tax rates (%) used in the calculation of deferred tax, taking into account the tax legislation in effect in each country, are as follows:

The corporate tax rate in Spain for the 2021 year is determined at 25% (2020: 25%). The corporate tax rates in Netherlands, Italy, Malta and Montenegro are 25%, 28%, 35% and 9%, respectively (25%, 28%, 35% and 9%, respectively).

Losses can be carried forward for offsetting against future taxable income for the next 5 years while it is for up to 18 years in Spain.

Port operations in the Bahamas, Antigua and Barbuda are exempt from corporate tax.

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

Financial loss which is showed in declaration form according to Turkish Tax Regulation in condition not to pass for 5 years can be deducted on corporate income for period. The tax authorities can inspect tax returns and the related accounting records for a retrospective maximum period of five years and tax accounts can be revised.

15% withholding tax rate applies to dividends distributed by resident corporations resident real persons except for, those who are not liable to income and corporation tax, non-resident real persons, non-resident corporations.

Dividend distribution by resident corporations to resident corporations is not subject to a withholding tax. In addition, if the profit is not distributed or added to the capital, the income tax is not calculated.

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32 TAX ASSETS AND LIABILITIES *(continued)*

Corporate tax (continued)

Dividend income from participation in shares of capital of another fully fledged taxpayer corporation (except for dividends from investment funds participation certificates and investment partnerships shares) are exempt from corporate tax. Moreover, 75% of the earnings arising from the sale of the associate shares, the founding shares of real estates (immovables), redeemed shares and priority rights, which the institutions have for at least two years in their assets is exempted from corporate tax as of 31 December 2017. However, with the amendment made with Law No. 7061, this rate has been reduced from 75% to 50% in terms of immovables and is used as 50% in tax returns to be prepared as of 2018.

The relevant gain is required to be held in a fund account in liabilities for at least five years to gain the right to use the exemption. The amount of the sale should be collected until the end of the second calendar year following the year of sale.

There is not any application which consists of agreement between companies and tax authority about payables taxes in Turkey. Companies file their tax returns by the end of the fourth month following the closing of the accounting year to which they relate. The tax authorities may check can check Company records for 5 years and if there is a mistake, amount of taxes payables can be changed.

Transfer pricing

In Turkey, the transfer pricing provisions have been stated under the Article 13 of Corporate Tax Law with the heading of "disguised profit distribution via transfer pricing". The General Communiqué on disguised profit distribution via Transfer Pricing, dated 18 November 2007 sets details about implementation.

If a taxpayer enters into transactions regarding sale or purchase of goods and services with related parties, where the prices are not set in accordance with arm's length principle, then related profits are considered to be distributed in a disguised manner through transfer pricing. Such disguised profit distributions through transfer pricing are not accepted as tax deductible for corporate income tax purposes.

Tax exemption of real estate investment trusts

The real estate investment trusts are exempt from corporate tax in accordance with the Corporate Tax Law numbered 5520, 5th Article and the subparagraph (1) d. According to the 15th Article of this law, even when the earnings of the real estate investment trusts are not distributed, they are subject to the withholding tax of 15 %. However, in the scope of the authorization provided by the law to the Council of Ministers, the withholding tax rate to be applied was determined to be zero with the decision of the Council of Ministers numbered 2003/6577.

Tax exemption on maritime operations:

The Turkish International Ship Registry Law, authorized on 16 December 1999, is designed to accelerate the development of the Turkish maritime sector and increase its contribution to the Turkish economy. The law supports the procurement and operation of ships registered on the Turkish International Ship Registry, and yachts registered to the inventory of tourism companies. Income generated through the vessels covered by the law is not subject to income tax and expenses related to these operations are considered as disallowable expenses.

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32 TAX ASSETS AND LIABILITIES *(continued)*

Income withholding tax:

5th Article of Tax Law, numbered 6009 and dated 23 July 2010, and temporary 69th and 61th Articles of tax law, numbered 193 were changed and declared in Official Gazette on 1 August 2010. Accordingly, to be applied onto the 2010 calendar year income, investment incentives that will be subject to the deducted amount shall not exceed 25% of income for the year of interest, while determining the tax base.

There is a withholding tax liability on dividend distributions and the withholding liability is accrued in the period when the dividend payment is occured. The payments of dividend are subject to the 15% withholding tax until 22 December 2021, except for limited taxpayer companies that generate income through a workplace or their permanent representative in Turkey, and those made to companies residing in Turkey. Additionally, in accordance with the Presidential Decision No. 4936, which was published in the Official Gazette dated 22 December 2021 and numbered 31697, arrangements were made in the provisions of the Income Tax Law No. 193 and the Corporate Tax Law No. 5520 on dividend distribution, the withholding tax rate of 15% has been decreased to 10%.

The withholding tax rates in the Double Taxation Prevention Agreements are also taken into account in the application of the withholding tax rates regarding profit distributions to non-resident companies and real persons. Adding profit to capital cannot be count as distribution of dividend and applied for withholding tax.

According to the Corporate Tax Law, 75% of the capital gains arising from the sale of tangible (50% for real estates) assets and investments in equity shares owned for at least two years are exempted from corporate tax on the condition that such gains are reflected in the equity with the intention to be utilized in a share capital increase within five years from the date of the sale and the sale amount is collected within two years following the year in which the sale is realized.

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32 TAX ASSETS AND LIABILITIES *(continued)*

Current tax income assets

As at 31 December 2021 and 2020, current tax income assets of the Group comprised the following:

	31 December 2021	31 December 2020
Prepaid taxes and funds	14.604.548	11.863.476
Other	856.243	761.342
Total	**15.460.791**	**12.624.818**

Tax expenses:

For the years ended 31 December 2021 and 2020, tax income/ (expense) comprised the following:

	1 January- 31 December 2021	1 January- 31 December 2020
Current tax income / (expense)	(28.342.574)	(6.069.120)
Deferred tax benefit / (expense)	(153.522.224)	231.702.969
Total	**(181.864.798)**	**225.633.849**

As at 31 December 2021 and 2020, current tax liability for the period comprised the following:

	2021	2020
Current tax charge	(28.342.574)	(6.069.120)
Taxes paid during period	19.434.873	20.774.246
Total	**(8.907.701)**	**14.705.126**
Changes in prepaid taxes	2.741.072	(4.083.614)
Income tax payable	**(6.166.629)**	**10.621.512**

As of 31 December 2021, the tax payable amounting to TL 20.771.177 (31 December 2020: TL 1.241.964) and the prepaid tax amounting to TL 14.604.548 (31 December 2020: TL 11.863.476) have not been offset since they are subject to different tax legislation.

The tax reconciliation for the years ended 31 December 2021 and 2020 is as follows:

	%	2021	%	2020
Loss before income tax		(204.066.319)		(723.087.091)
Corporate tax using domestic rate	25,00	51.016.580	22,00	159.079.160
Disallowable expenses	(121,84)	(248.639.649)	(2,58)	(18.683.073)
Effect of unrecognized tax losses	(2,64)	(5.397.374)	(0,87)	(6.305.915)
Effect of tax exemption on maritime operations	(1,01)	(2.059.938)	0,15	1.083.238
Effect of change in tax rates	(2,13)	(4.344.302)	(1,00)	(7.259.225)
Unused tax loss	-	-	7,82	56.568.680
Business combinations	-	-	2,48	17.961.029
Other	13,51	27.559.885	3,21	23.189.955
		(181.864.798)		**225.633.849**

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32 TAX ASSETS AND LIABILITIES *(continued)*

Deferred tax:

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

In Turkey the tax legislation does not permit a parent company, its subsidiaries and associates to file a consolidated tax return. Therefore, deferred tax positions of companies with deferred tax assets and companies with deferred tax liabilities are not netted and are disclosed separately.

The tax rate used in the calculation of deferred tax assets and liabilities is 23% over the temporary differences expected to reverse in 2018, 2019 and 2020, and 20% over the temporary differences expected to reverse after 2022.

As at 31 December 2021 and 31 December 2020, the deferred tax assets and liabilities reflected to the consolidated financial statements are as follows:

	31 December 2021	31 December 2020
Deferred tax assets	196.278.076	278.174.854
Deferred tax liabilities	(820.327.468)	(421.595.509)
Total	**(624.049.392)**	**(143.420.655)**

For the years ending 31 December 2021 and 31 December 2020, the movement of deferred tax assets and liabilities is as follows:

	31 December 2021	31 December 2020
Balance at the beginning of the year	(143.420.655)	(418.371.703)
Deferred tax benefit / expense	(153.522.224)	231.702.969
Foreign currency translation differences	(191.678.437)	(138.223.646)
Liabilities included in disposal groups classified as held for sale (Note 36)	-	189.255.772
Tax effect from business combinations	(135.529.227)	(8.052.185)
Recognized in equity	101.151	268.138
	(624.049.392)	**(143.420.655)**

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32 TAX ASSETS AND LIABILITIES *(continued)*

Deferred tax assets and deferred tax liabilities as at 31 December 2021 and 31 December 2020 are attributable to the items presented in the table below:

	2021		2020	
	Temporary differences	Deferred tax assets / (liabilities)	Temporary differences	Deferred tax assets / (liabilities)
Accumulated tax losses	885.033.745	177.006.749	1.191.370.720	238.274.144
Receivables	52.424.795	10.484.959	51.040.255	10.208.051
Valuation differences of marketable securities	(9.651.895)	(1.930.379)	3.083.385	616.677
Provisions	5.796.270	1.159.254	5.796.275	1.159.255
Provision for employement termination indemnity	19.682.120	3.936.424	1.474.760	294.952
Valuation of derivative instruments	14.618.060	2.923.612	8.200.649	1.640.130
Property, plant and equipment, intangible assets and concession intangible assets and right of use of assets	(3.625.822.455)	(725.164.491)	(1.935.398.690)	(387.079.738)
Loans and prepaid commissions of the loans	28.072.730	5.614.546	20.057.975	4.011.595
Valuation of investment property	(405.737.785)	(81.147.557)	(156.865.300)	(31.373.060)
Expense accruals	292.778.360	58.555.672	114.516.000	22.903.200
Business combinations	(492.369.615)	(98.473.923)	-	-
Other	114.928.710	22.985.742	(20.379.304)	(4.075.861)
		(624.049.392)		**(143.420.655)**

As at 31 December 2021 and 31 December 2020, the breakdown of the accumulated tax losses carried forward in terms of their final years of utilization is as follows:

	31 December 2021		31 December 2020	
Expiry years of the tax losses carried forward	**Recognized**	**Unrecognized**	**Recognized**	**Unrecognized**
2021	-	-	15.911.540	2.772.048
2022	13.856.884	4.654.223	10.606.415	3.897.212
2023	45.453.918	2.758.169	23.921.543	5.301.497
2024	29.101.792	6.204.909	79.488.174	6.291.543
2025	26.791.692	6.565.020	108.346.472	58.446.437
2026	61.802.463	62.519.206	-	-
	177.006.749	**82.701.527**	**238.274.144**	**76.708.737**

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 2026. 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.

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33 EARNINGS/ (LOSS) PER SHARE

For the years ended 31 December 2021 and 2020, 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 2021	**1 January- 31 December 2020**
Net loss for the period	(111.147.055)	(298.607.810)
Net profit/(loss) from continuing operations for the period	(111.147.055)	(298.607.810)
Weighted average number of shares	328.318.938	292.011.067
Weighted average number of ordinary shares	328.318.938	292.011.067
Number of shares held by the Group (Note 24.1)	-	(395.077)
Weighted average number of shares	328.318.938	291.615.990
Loss per share with par value of TL 1 (TL full)	(0,3385)	(1,0240)
Loss per share of continuing operations with par value of TL 1 (TL full)	(0,3385)	(1,0240)

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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 2021 and 2020, 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 2021 and 2020 maximum credit risk exposure is as follows:

31 December 2021	Trade receivables (*)	Receivables from related parties	Receivables from finance sector operations (*)	Other receivables (*)	Cash at banks	Current financial investments	Advances given	Total
Maximum credit risk exposure at the reporting date	470.513.321	131.579.954	331.410.283	444.500.223	1.500.620.904	169.807.410	157.601.443	**3.206.033.538**
Portion of maximum risk covered by guarantee	38.484.884	-	-	-	-	-	-	**38.484.884**
A. Net book value of financial assets neither past due nor impaired	387.831.753	131.579.954	331.410.283	444.500.223	1.500.620.904	169.807.410	157.601.443	**3.123.351.970**
B. Net book value of financial assets past due but not impaired whose terms have been renegotiated	82.681.568	-	-	-	-	-	-	**82.681.568**
Portion of maximum risk covered by guarantee	7.577.589	-	-	-	-	-	-	**7.577.589**
C. Net book value of assets past due and impaired	-	-	-	-	-	-	-	**-**
-Past due (gross book value)	43.284.200	-	8.434.231	-	-	-	-	**51.718.431**
-Impairment (-)	(43.284.200)	-	(8.434.231)	-	-	-	-	**(51.718.431)**
-Portion of the net book value covered by guarantee	-	-	-	-	-	-	-	**-**
-Not past due (gross book value)	-	-	-	-	-	-	-	**-**
-Impairment (-)	-	-	-	-	-	-	-	**-**
-Portion of the net book value covered by guarantee	30.907.295	-	-	-	-	-	-	**30.907.295**
D. Off-balance sheet items exposed to credit risk	-	-	-	-	-	-	-	**-**

(*) The amounts from related parties are excluded. The receivables from related parties in the table are collectively presented under the title of "Receivables from related parties".

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34 NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS *(continued)*

34.1 Credit risk *(continued)*

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".

During the impairment tests of the financial assets, the Group considered the factors which show that the amounts to be collected are not collectible.

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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 2021 Trade Receivables	31 December 2020 Trade Receivables
1 to 30 days overdue	26.345.979	18.409.689
1 to 3 months overdue	31.057.983	3.339.807
3 to 12 months overdue	20.339.298	6.625.577
1 to 5 years overdue	4.938.297	-
Total	**82.681.557**	**28.375.073**
Portion of assets secured by guarantee etc.	7.577.589	5.349.014

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.

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34 NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS *(continued)*

34.2 Liquidity risk *(continued)*

31 December 2021

Contractual Maturities	Carrying Value	Total cash outflows due to contracts	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years
Non-Derivative Financial Liabilities						
Bank loans	5.289.792.831	6.646.912.392	606.501.670	1.217.787.079	4.763.583.645	59.039.998
Debt securities issued	3.405.533.021	6.360.488.404	258.822.670	274.993.225	810.078.676	5.016.593.833
Liabilities due to operations in finance sector	197.491.199	197.491.199	-	197.491.199	-	-
Finance lease obligations	1.017.466.542	1.591.482.803	48.520.989	93.626.303	1.449.335.511	-
Trade payables	364.515.363	366.865.229	103.198.804	263.666.425	-	-
Other payables	200.292.851	200.292.851	180.108.806	9.430.465	10.753.580	-
Derivative Financial Liabilities						
Interest rate swap	18.327.935	17.073.631	-	3.284.352	13.789.279	-

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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	2.635.648.833	559.552.182	475.711.436	1.133.867.371	466.517.844
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	17.073.631	-	3.284.352	13.789.279	-

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34 NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS *(continued)*

34.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Market risk for all subsidiaries is monitored and managed by the Company's centralized Treasury and Fund Management Department. Treasury and Fund Management Department uses forward transactions and option contracts to minimize possible losses from money market fluctuations.

i) Foreign currency risk

The Group is exposed to currency risk through transactions (such as borrowings) in foreign currencies, especially in USD and EURO. As the currency in which the Group presents its consolidated financial statements is TL, the consolidated financial statements are affected by movements in the exchange rates against TL. For the subsidiaries, whose functional currency is USD, main foreign currency is TL.

Regarding the port operations, the Group has limited exposure to currency risk since port tariff currency, which is the base of functional currency, and material transactions such as revenues and loans are denominated by the same currency.

The Group uses interest swaps and options in order to limit exposure to currency risk mainly arising from financial liabilities.

The Group's foreign currency loan for hedging net investment risk in foreign operations was paid before its maturity on 29 July 2021 and net investment hedge accounting was terminated as of this date. Net loss of USD 5.187.775 after tax has been recognized as a result of hedging of the Group's net investment in foreign operation included in the hedge fund for the year ended 31 December 2021 (31 December 2020: USD 40.266.191 net loss after tax).

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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 2021 and 31 December 2020, foreign currency risk exposures of the Group comprised the following:

31 December 2021					
	TL Equivalent	**USD**	**EURO**	**GBP**	**TL**
1.Trade Receivables	41.104.918	1.409.438	18.631	-	22.540.390
2.a Monetary Financial Assets	722.625.599	17.845.592	25.582.945	15.756	115.142.966
2.b Non-monetary Financial assets	-	-	-	-	-
3. Other	-	-	-	-	-
4. Current assets (1+2+3)	**763.730.517**	**19.255.030**	**25.601.576**	**15.756**	**137.683.356**
5.Trade receivables	-	-	-	-	-
6.a. Monetary Financial Assets	5.103.391	2.269	262.224	-	1.223.894
6.b. Non-monetary Financial Assets	-	-	-	-	-
7. Other	-	-	-	-	-
8. Non-current assets (5+6+7)	**5.103.391**	**2.269**	**262.224**	**-**	**1.223.894**
9. Total Assets (4+8)	**768.833.908**	**19.257.299**	**25.863.800**	**15.756**	**138.907.250**
10. Trade Payables	51.199.882	999.821	351.365	41.907	32.334.456
11. Financial Liabilities	824.775.982	39.515.120	20.644.369	-	8.861.693
12.a. Other Monetary Liabilities	38.585.943	1.773.497	32.712	5.762	14.989.534
12.b. Other Non-monetary Liabilities	-	-	-	-	-
13. Current liabilities (10+11+12)	**914.561.807**	**42.288.438**	**21.028.446**	**47.669**	**56.185.683**
14. Trade Payables	-	-	-	-	-
15. Financial Liabilities	313.066.360	20.366.249	1.929.649	-	20.431.678
16.a. Other Monetary Liabilities	4.940.475	-	-	-	4.940.475
16.b. Other Non-monetary Liabilities	-	-	-	-	-
17. Non-current Liabilities (14+15+16)	**318.006.835**	**20.366.249**	**1.929.649**	**-**	**25.372.153**
18. Total Liabilities (13+17)	**1.232.568.642**	**62.654.687**	**22.958.095**	**47.669**	**81.557.836**
19.Off-balance Sheet Foreign Currency Derivative Instruments Net Position (19a-19b)	**-**	**-**	**-**	**-**	**-**
19a. Foreign currency derivative assets	-	-	-	-	-
19b. Foreign currency derivative liabilities	-	-	-	-	-
20. Net Foreign Currency Asset/Liability Position (9-18+19)	**(463.734.734)**	**(43.397.388)**	**2.905.705**	**(31.913)**	**57.349.414**
21. Net Foreign Currency Position of monetary items (TFRS 7.B23) (=1+2a+5+6a-10-11-12a-14-15-16a)	**(463.734.734)**	**(43.397.388)**	**2.905.705**	**(31.913)**	**57.349.414**
22. Fair Value of Derivative Instruments Held for Hedging	**-**	**-**	**-**	**-**	**-**
23. Derivative Assets Held for Hedging	**-**	**-**	**-**	**-**	**-**
24. Derivative Liabilities Held for Hedging	**-**	**-**	**-**	**-**	**-**
Export	**-**	**-**	**-**	**-**	**-**
Import	**-**	**-**	**-**	**-**	**-**

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

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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)

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.

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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)

Sensitivity Analysis – Foreign currency risk

A 10 percent strengthening or depreciation of the Turkish Lira against the following currencies as at 31 December 2021 and 31 December 2020 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 2021	PROFIT/LOSS		EQUITY (*)	
	Strengthening of foreign currency	Depreciation of foreign currency	Strengthening of foreign currency	Depreciation of foreign curreny
	A 10 percent change in USD against Turkish Lira:			
1-Net USD asset/liability	(56.318.960)	56.318.960	-	-
2- Hedged portion against USD risk (-)	-	-	-	-
3- Net effect of USD (1+2)	**(56.318.960)**	**56.318.960**	-	-
	A 10 percent change in Euro against Turkish Lira:			
4- Net Euro asset/liability	4.266.243	(4.266.243)	-	-
5- Hedged portion against Euro risk (-)	-	-	-	-
6- Net effect of Euro (4+5)	**4.266.243**	**(4.266.243)**	-	-
	A 10 percent change in other currencies against Turkish Lira:			
7- Net other currencies asset/liability	(55.698)	55.698	-	-
8- Hedged portion against other currencies risk (-)	-	-	-	-
9- Net effect of other currencies (7+8)	**(55.698)**	**55.698**	-	-
TOTAL (3+6+9)	**(52.108.415)**	**52.108.415**	-	-

(*) Profit and loss excluded.

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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)*

Sensitivity Analysis – Foreign currency risk

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.

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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 2021	**31 December 2020**
Financial Instruments with fixed interest		**(3.703.578.363)**	**(2.967.948.704)**
Financial Assets	Financial assets held for trading	169.087.423	5.980.581
	Due from related parties	10.599.256	21.559.829
	Receivables from money markets	124.316.595	108.548.195
	Bank deposits	564.590.891	331.257.527
Financial Liabilities	Loans and borrowings	(4.326.164.716)	(3.296.650.834)
	Liabilities due to operations in finance sector	(888.792)	3.362
	Interest rate swap effect	(245.119.020)	(138.647.364)
Financial Instruments with variable interest		**(4.057.726.143)**	**(1.643.970.839)**
Financial Assets	Loans granted to the key management	-	17.622.162
Financial Liabilities	Loans and borrowings	(4.302.845.163)	(1.800.240.365)
	Interest rate swap effect (*)	245.119.020	138.647.364

(*) 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 2021, 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 86.953.259 (31 December 2020: profit before tax lower by TL 51.664.064), the net profit attributable to the owners of the Company would have been lower by TL 65.214.944 (31 December 2020: lower by TL 40.297.970) and total equity attributable to equity holders of the Company would have been lower by TL 37.005.480 (31 December 2020: lower by TL 26.342.576). 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 2021 (2020: 77%).

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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 2021		31 December 2020	
Financial Assets	**Notes**	**Carrying Value**	**Fair value**	**Carrying Value**	**Fair value**
Cash and Cash Equivalents	7	1.535.926.457	1.535.926.457	991.689.962	991.689.962
Financial Investments	8	180.675.982	180.675.982	15.230.146	15.230.146
Trade Receivables	10	470.513.321	470.513.321	172.688.680	172.688.680
Receivables from Operations in Finance Sector	12, 6	342.009.539	342.009.539	271.362.700	271.362.700
Other Receivables	11, 6	565.480.921	565.480.921	170.262.596	170.262.596
Other Current and Non-current assets	23	89.600.361	89.600.361	77.987.162	77.987.162
Total		**3.184.206.581**	**3.184.206.581**	**1.699.221.246**	**1.699.221.246**
Financial Liabilities					
Borrowings	9	10.321.124.126	10.241.065.929	6.135.737.511	6.099.092.417
Trade Payables	10	364.515.363	364.515.363	234.390.058	234.390.058
Liabilities due to Operations in Finance Sector	12, 6	197.491.199	197.491.199	136.605.612	136.605.612
Other Payables	11, 6	200.292.851	200.292.851	167.546.774	167.546.774
Other Liabilities	23	197.333.912	197.333.912	51.092.097	51.092.097
Total		**11.280.757.451**	**11.200.699.254**	**6.725.372.052**	**6.688.726.958**

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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 2021	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets mandatorily at fair value through profit or loss	175.576.422	-	-	175.576.422
Financial assets at fair value through other comprehensive income-equity instruments	-	-	4.379.573	4.379.573
Derivative financial liabilities	-	18.327.935	-	18.327.935
	175.576.422	**18.327.935**	**4.379.573**	**198.283.930**

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**

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36 ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

As at 31 December 2021 and 31 December 2020, the detail of assets held for sale is as below:

	31 December 2021	31 December 2020
Real Estates	-	862.751
	-	**862.751**

The Group's real estate's held for sale amounting to 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. As of 31 December 2021, the related properties have been classified as investment properties.

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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 after deducting expenses related to sale transaction TL 79.031.626 has been collected in the last quarter of 2021 regarding the remaining balance TL 84.983.711.

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

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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)**

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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.

Port operations:

The commercial operations of the port divison, which is one of the main operation segment of the Group, had a limited negative impact of the Covid-19 outbreak and recovery has been started in the end of second quarter of 2020 on the commercial port operations. However, cruise operations of port division almost completely stopped from the beginning of the Covid-19 and cruise companies postponed to start their cruise lines. From the beginning of 2021 some of cruise lines has strated its operations with lower occupancy in certain regions. Thus, the management expected no cash inflow in first half of 2021 and the expectation is limited cash inflow with starting from third quarter of 2021 from cruise opearions. Current developments indicate that the recovery in the cruise sector will take place better than the expected acceleration.

Real estate:

Partially or wholly closure of shopping malls for a while in the first half of 2021, 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. With the gradual removal of the measures with the normalization, a partial recovery process especially in the performance of shopping centers started in the 3rd quarter of 2021 and the recovery is expected to continue increasingly.

There was no material effect of Covid-19 on the other business segments of the Group in first half of 2021.

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.

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39 EVENTS AFTER THE REPORTING PERIOD

i) The offer submitted by Global Ports Holding Plc ("GPH"), the indirect subsidiary of the Company, for the concession tender to operate the cruise operations of the Port of Tarragona in Spain for 12 years (with a 6-year extension option) has been selected as the best offer.

ii) Consus Enerji İşletmeciliği ve Hizmetleri A.Ş., the fully-owned subsidiary of the Company, has submitted the application file to Capital Markets Board and Borsa Istanbul on 18 February 2022 in accordance with the regulations of Borsa Istanbul for the public offering of the shares which comprised from issuance of new ordinary shares and sale of existing shares within the registered capital ceiling.

iii) The Company has paid the discounted bond amounting to TL 150.000.000 with a maturity of 154 days (with a principal value of TL 136.207.500) on 4 March 2022.

GLOBAL
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