

Global Ports Investments Plc

**Interim condensed consolidated financial information (unaudited)
for the six month period ended 30 June 2022**

GLOBAL PORTS INVESTMENTS PLC

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INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

(in thousands of US dollars)

		Six month period ended 30 June	
	Note	2022	2021
Revenue	7	271,576	229,790
Cost of sales <i>(incl. impairment of property, plant and equipment, right-of-use assets and goodwill of \$521,088 (2021: nil), note 4)</i>	8	(662,765)	(128,955)
Gross profit		(391,189)	100,835
Administrative, selling and marketing expenses	8	(10,285)	(12,174)
Other income		346	650
Share of profit/(loss) of joint ventures accounted for using the equity method	19	1,338	(1,518)
Other gains/(losses) – net	9	114	(346)
Operating profit/(loss)		(399,676)	87,447
Finance income	10	4,299	1,060
Finance costs	10	(23,523)	(27,700)
Change in fair value of derivatives	10	1,129	(4,984)
Net foreign exchange gains/(losses) on financing activities	10	(5,987)	6,079
Finance income/(costs) – net		(24,082)	(25,545)
Profit/(loss) before income tax		(423,758)	61,902
Income tax expense	11	23,022	(8,023)
Profit/(loss) for the period		(400,736)	53,879
<i>Attributable to:</i>			
Owners of the Company		(394,085)	54,006
Non-controlling interest		(6,651)	(127)
		(400,736)	53,879
Basic and diluted earnings per share for profit/(loss) attributable to the owners of the parent of the Company during the period (expressed in US\$ per share)	20	(0.69)	0.09

The notes on pages 8 to 33 are an integral part of this interim condensed consolidated financial information.

GLOBAL PORTS INVESTMENTS PLC

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF
COMPREHENSIVE INCOME**

(in thousands of US dollars)

	Note	Six month period ended 30 June	
		2022	2021
Profit/(loss) for the period		(400,736)	53,879
<i>Other comprehensive income/(loss)</i>			
<i>Items that may be subsequently reclassified to profit or loss</i>			
Currency translation differences		340,330	11,176
Change in employee benefits provision		(145)	-
Share of currency translation differences of joint ventures accounted for using the equity method	19	5,393	(16)
Total items that can be reclassified subsequently to profit or loss		345,578	11,160
<i>Items that may not be subsequently reclassified to profit or loss</i>			
Share of currency translation differences attributable to non-controlling interest		8,932	335
Total items that cannot be reclassified subsequently to profit or loss		8,932	335
Other comprehensive income/(loss) for the period, net of tax		354,510	11,495
Total comprehensive income/(loss) for the period		(46,226)	65,374
<i>Total comprehensive income/(loss) attributable to:</i>			
Owners of the Company		(48,507)	65,166
Non-controlling interest		2,281	208
Total comprehensive income/(loss) for the period		(46,226)	65,374

Items in the statement above are disclosed net of tax. There is no income tax relating to the components of other comprehensive income above.

The notes on pages 8 to 33 are an integral part of this interim condensed consolidated financial information.

GLOBAL PORTS INVESTMENTS PLC

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

(in thousands of US dollars)

		As at	
	Note	30 June 2022	31 December 2021
ASSETS			
Non-current assets		917,713	1,058,899
Property, plant and equipment	12	559,463	426,427
Right-of-use assets	12	272,224	525,161
Intangible assets	12	11,742	11,697
Investments in joint ventures	19	25,059	19,873
Prepayments for property, plant and equipment		8,012	3,915
Deferred tax assets		19,329	58,190
Trade and other receivables	14	21,884	13,636
Current assets		335,557	384,569
Inventories	13	13,127	8,237
Derivative financial instruments	17	-	5,465
Trade and other receivables	14	62,179	69,375
Income tax receivable		18,262	4,835
Cash and cash equivalents		241,989	296,657
TOTAL ASSETS		1,253,270	1,443,468
EQUITY AND LIABILITIES			
Total equity		453,165	499,391
Equity attributable to the owners of the Company		431,609	480,116
Share capital		57,317	57,317
Share premium		923,511	923,511
Capital contribution		101,300	101,300
Currency translation reserve		(490,745)	(836,468)
Transactions with non-controlling interest		(209,122)	(209,122)
Retained earnings		49,348	443,578
Non-controlling interest		21,556	19,275
Total liabilities		800,105	944,077
Non-current liabilities		743,823	691,627
Borrowings	15	599,770	536,110
Lease liabilities	16	53,285	36,725
Trade and other payables	18	6,399	1,732
Deferred tax liabilities		84,369	117,060
Current liabilities		56,282	252,450
Borrowings	15	8,225	211,816
Lease liabilities	16	4,722	3,439
Trade and other payables	18	43,335	36,705
Current income tax liabilities		-	490
TOTAL EQUITY AND LIABILITIES		1,253,270	1,443,468

The interim condensed consolidated financial information was approved by the Board of Directors on 18 August 2021.

Soren Jakobsen, Chairman of the Board

Marinos Kallis, Director

The notes on pages 8 to 33 are an integral part of this interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(in thousands of US dollars)

	Note	Six month period ended 30 June	
		2022	2021
<i>Cash flows from operating activities</i>			
Cash generated from operations		187,614	109,162
Income tax paid		(11,722)	(4,878)
Net cash from operating activities		175,892	104,284
<i>Cash flows from investing activities</i>			
Purchases of intangible assets	12	(217)	(122)
Purchases of property, plant and equipment	7	(12,062)	(10,723)
Proceeds from sale of property, plant and equipment		15,621	149
Interest received from third parties, bank balances and deposits		3,428	751
Net cash generated from/ (used in) investing activities		6,770	(9,945)
<i>Cash flows from financing activities</i>			
Repayments of borrowings	15	(222,188)	(133,036)
Repayments of leases	16	(1,902)	(1,643)
Proceeds from/(settlements of) derivative financial instruments not used for hedging	17	6,593	295
Interest paid on borrowings	15	(28,726)	(30,679)
Interest paid on leases	16	(2,658)	(2,143)
Net cash used in financing activities		(248,881)	(167,206)
Net increase/ (decrease) in cash and cash equivalents		(66,219)	(72,867)
Cash and cash equivalents at the beginning of the period		296,657	206,968
Exchange gains/(losses) on cash and cash equivalents		11,551	1,051
Cash and cash equivalents at the end of the period		241,989	135,152

The notes on pages 8 to 33 are an integral part of this interim condensed consolidated financial information.

GLOBAL PORTS INVESTMENTS PLC

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(in thousands of US dollars)

	Attributable to the owners of the Company							Total	Non-controlling interest	Total
	Note	Share capital	Share premium	Capital contribution	Translation reserve	Transactions with non-controlling interest	Retained earnings			
Balance at 1 January 2021		57,317	923,511	101,300	(830,686)	(209,122)	303,177	345,497	15,881	361,378
Total other comprehensive income/(loss)		-	-	-	11,160	-	-	11,160	335	11,495
Profit/(loss) for the period		-	-	-	-	-	54,006	54,006	(127)	53,879
Total comprehensive income/(loss) for the six month period ended 30 June 2021		-	-	-	11,160	-	54,006	65,166	208	65,374
Balance at 30 June 2021		57,317	923,511	101,300	(819,526)	(209,122)	357,183	410,663	16,089	426,752
Balance at 1 January 2022		57,317	923,511	101,300	(836,468)	(209,122)	443,578	480,116	19,275	499,391
Total other comprehensive income/(loss)		-	-	-	345,723	-	(145)	345,578	8,932	354,510
Profit/(loss) for the period		-	-	-	-	-	(394,085)	(394,085)	(6,651)	(400,736)
Total comprehensive income/(loss) for the six month period ended 30 June 2022		-	-	-	345,723	-	(394,230)	(48,507)	2,281	(46,226)
Balance at 30 June 2022		57,317	923,511	101,300	(490,745)	(209,122)	49,348	431,609	21,556	453,165

The notes on pages 8 to 33 are an integral part of this interim condensed consolidated financial information.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1 GENERAL INFORMATION

Reporting entity

Global Ports Investments Plc (hereinafter the “Company”) was incorporated in Cyprus on 29 February 2008 as a private limited liability company in accordance with the provisions of the Companies Law, Cap. 113. The Company is domiciled in Cyprus with its registered office at 20, Omirou Avenue, Limassol, Cyprus.

On 18 August 2008, following a special resolution passed by the shareholder, the name of the Company was changed from “Global Ports Investments Ltd” to “Global Ports Investments Plc” and the Company was converted into a public limited liability company in accordance with the provisions of the Companies Law, Cap. 113.

This interim condensed consolidated financial information as at and for the six months ended 30 June 2022 (“interim financial information”) comprise the Company, its subsidiaries and joint ventures (hereinafter collectively referred to as the “Group”).

Principal activities

The principal activities of the Group are the operation of container and general cargo terminals in Russia and Finland. The Group offers its customers a wide range of cargo handling services for their import and export logistics operations.

Composition of the Group and its joint ventures

The Group’s terminals are located in the Baltic and Far East Basins, key regions for foreign trade cargo flows. The Group operates:

- five terminals in Russia – Petrolesport (PLP), First Container Terminal (FCT), Ust-Luga Container Terminal (ULCT) and Moby Dik (MD) in the St. Petersburg and Ust-Luga port cluster, and Vostochnaya Stevedoring Company (VSC) in the Port of Vostochny. All of the above terminals represent separate cash-generating units (CGUs), with the exception of PLP and FCT which work as one unit from commercial and operational points of view and are considered as one CGU. The two terminals have a common managing director and common senior management team and the Group management, and the Board of Directors of the Company look at PLP and FCT as one combined terminal and monitor its performance as a single unit, without being legally merged together and remaining two separate legal entities;
- two terminals in Finland – Multi-Link Terminals Helsinki and Multi-Link Terminals Kotka, owned and operated by Multi-Link Terminals Ltd Oy (MLT Oy CGU); and
- inland Yanino Logistics Park (YLP CGU), located in the vicinity of St. Petersburg.

See also Note 5 to the annual consolidated financial statements for the year ended 31 December 2021 for the description of segmental information of the Group.

The Company fully controls all of the above terminals except as described below:

- MLT and CD Holding groups are joint ventures with CMA Terminals where the Company has 75% effective ownership interest (Note 19). Moby Dik, Multi-Link Terminals Ltd Oy and Multi-Link Terminals Ltd constitute the MLT group. Yanino Logistics Park and CD Holding constitute the CD Holding group.
- Ust-Luga Container Terminal is an 80% subsidiary where Eurogate, one of the leading container terminals operators in Europe, has a 20% non-controlling interest.

Approval of the interim condensed consolidated financial information

The interim financial information was approved for issue by the Board of Directors on 18 August 2022.

The interim financial information has been reviewed by the external auditors of the Company, not audited.

2 BASIS OF PREPARATION

The interim financial information has been prepared in accordance with IFRS as adopted by the European Union (EU) applicable to interim financial reporting International Accounting Standard 34 "Interim Financial Reporting". The interim financial information should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2021 which have been prepared in accordance with IFRS as adopted by the EU and the requirements of the Cyprus Companies Law, Cap 113. They do not include all of the information required for a complete set of financial statements prepared in accordance with IFRS as adopted by the EU. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements.

The interim financial information has been prepared on a going concern basis. The Directors have concluded, having considered the impact on the operating environment of the Group of the recent developments as explained in note 4 as well as the Group's current financial performance and future plans, that the Group has adequate resources to meet its liabilities as they fall due and to continue in operation for the foreseeable future.

3 ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the financial year ended 31 December 2021 and corresponding interim reporting period.

New and amended standards adopted by the Group

The Group adopted all new and revised IFRSs as adopted by the EU that are relevant to its operations and are effective for accounting periods beginning on 1 January 2022. This adoption did not have a material effect on the accounting policies of the Group and, therefore, the Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

Since the Group has published its last annual consolidated financial statements for the year ended 31 December 2021 to date, there are no new standards and interpretations issued and adopted by the EU that could have a material impact on the accounting policies of the Group.

4 ESTIMATES AND JUDGEMENTS

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Group's accounting policies and key sources of estimation uncertainty were the same as those described in the last annual financial statements.

Impairment or reversal of impairment

The Group tests goodwill, other non-financial assets and investments in joint ventures for possible impairment or reversal of impairment. Because of introduction of additional sanctions by the United States of America, the European Union and some other countries against Russia the Group performed updated tests of the estimated recoverable amount for all cash-generating units (CGUs) in the course of the preparation of the interim financial information.

The Group performed a test of the estimated recoverable amount of the CGUs using the value-in-use method, compared to their carrying value, for all CGUs except for YLP and MD.

For YLP and MD fair value less costs of disposal method was used, which is based on combination of the market approach based on recent sales of similar assets and the cost approach (Level 2).

Forecasts used for estimating discounted future cash flows for impairment testing purposes have been updated for all CGUs tested based on the value-in-use method. Cash flow projections cover a period of five years based on the assumptions of the next 12 months. Cash flows beyond that five-year period have been extrapolated using a steady terminal growth rate. The terminal growth rate used does not exceed the long-term average growth rate for the market in which entities operate.

For projections prepared for CGUs in Russian ports segments as at 30 June 2022 a terminal growth rate of 3% (31 December 2021: 3%) and the discount rate of 10.2% (31 December 2021: 8.8%) have been applied. For projections prepared for Finnish ports CGUs as at 30 June 2022 a terminal growth rate of 2% (31 December 2021: 2%) and the discount rate 9.3% (31 December 2021: 8.8%) have been applied.

Key inputs for CGUs tested based on discounted future cash flows are the same as in the Group's last annual consolidated financial statements for the year ended 31 December 2021. They are throughput volume, price per unit, growth rates, and discount rates.

4 Estimates and judgements (continued)

Impairment or reversal of impairment (continued)

Based on the results of the impairment tests carried out on 30 June 2022, the Board of Directors identified impairment charges for PLP and FCT combined CGU and ULCT CGU resulting in the carrying amounts of these CGUs being written down to their recoverable amounts (Note 12).

The Board of Directors did not identify impairment charges for other CGUs and believes that there are no indications for reversal of impairments recognised in previous periods for non-financial assets other than goodwill.

In ULCT, an impairment charge of US\$37 million was recognised. The impairment charge was allocated to property, plant and equipment and right-of-use assets (Note 12).

In PLP and FCT combined CGU, an impairment charge of US\$484 million was recognised. The impairment charge was allocated to goodwill and the remaining amount to right-of-use assets (Note 12).

Any adverse changes in the key assumptions related to PLP and FCT combined CGU or ULCT CGU may result in their further impairment.

Contingencies and commitments

As at 30 June 2022 there are no significant developments in relation to the events and circumstances disclosed in contingencies and commitments note in the consolidated financial statements for the year ended 31 December 2021, other than additional sanctions having been introduced as described below.

The economy of Russian Federation is still particularly sensitive to oil and gas prices and the legal, tax and regulatory frameworks in Russia continue to develop and are subject to frequent changes and varying interpretations.

Starting in 2014, the United States of America, the European Union and some other countries have imposed and gradually expanded economic sanctions against Russian individuals and legal entities. The imposition of the sanctions has led to increased economic uncertainty, including more volatile equity markets, a depreciation of the Russian rouble, a reduction in both local and foreign direct investment inflows and a significant tightening in the availability of credit.

In February 2022, following the commencement of military operations in Ukraine by the Russian Federation and in subsequent months, additional severe sanctions were introduced by the United States of America, the European Union and some other countries against Russia. Moreover, even further sanctions are threatened to be introduced. This had a significant adverse impact on Russia's economy and has led to, first the depreciation and then the sharp appreciation of the Russian rouble, increased volatility of financial markets and significantly increased the level of economic uncertainty in the Russian business environment. As a result, Russian companies are almost cut from the international equity and debt markets and may become increasingly dependent on state support for their operations. Russian banks experience difficulties in international settlements. The business of the Group in the North-West of Russia is significantly reduced as a result of suspension of the operations by container shipping lines.

Finland represents an established market economy with more stable political systems and developed legislation based on EU directives and regulations.

The COVID-19 coronavirus pandemic has continued to create additional uncertainty in the business environment.

The consolidated financial information reflects management's assessment of the impact of the Russian business environment on the operations and the financial position of the Group. The future business environment may differ from management's assessment.

Capital expenditure commitments at 30 June 2022 are disclosed in Note 12.

5 FINANCIAL RISK MANAGEMENT

Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, cash flow and fair value interest rate risk), credit risk and liquidity risk. The Group's overall financial risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial results.

The interim financial information does not include all financial risk management information and disclosures required in the annual consolidated financial statements; they should be read in conjunction with the Group's annual consolidated financial statements as at and for the year ended 31 December 2021. There have been no changes in the risk management policies since the last year end.

The Russian rouble has significantly appreciated as of 30 June 2022 with RUB/US\$ exchange rate reaching 51.6. It was 72.4 and 74.3 as of 30 June 2021 and 31 December 2021 correspondingly. This change is reflected in significant amounts of foreign exchange gains/(losses), exchange differences and currency translation differences throughout the interim condensed consolidated financial information.

Liquidity risk

Management controls current liquidity based on expected cash flows and expected revenue receipts. In the long term perspective, the liquidity risk is determined by forecasting future cash flows at the moment of signing new credit, loan or lease agreements and by budgeting procedures. The management of the Group believes that it is successfully managing the exposure of the Group to liquidity risk.

Fair value estimation

According to management estimates the fair value of the following financial assets and liabilities do not materially differ from their carrying amounts: trade and other receivables, trade and other payables, bank loans.

Financial liabilities not measured at fair value

Fair value of bank loans and non-convertible unsecured bonds is as follows:

(in thousands of US dollars)

	Fair value hierarchy	As at	
		30 June 2022	31 December 2021
Non-convertible bonds	Level 1	241,136	170,371
Non-convertible bonds	Level 2	178,785	521,422
Bank loans	Level 2	45,569	62,492
Total		465,490	754,285

The total carrying value of bonds is US\$561,201 thousand (31 December 2021: US\$685,370 thousand), their face value is US\$556,030 thousand (31 December 2021: US\$674,229 thousand). The total carrying value of bank loans is US\$46,794 thousand (31 December 2021: US\$62,556 thousand).

The Group's only financial instruments carried at fair value are derivative financial instruments in the form of currency forward and option contracts. They are valued using Level 2 valuation techniques as described in the annual financial statements for the year ended 31 December 2021. Specifically,

- for currency forwards – the present value of future cash flows based on the forward exchange rates at the balance sheet date
- for currency options – option pricing models (e.g. Black-Scholes model)

using as inputs quoted market prices or dealer quotes for identical or similar instruments.

There were no outstanding forward and option contracts as at 30 June 2022 (31 December 2021: the net fair values of outstanding forward and option contracts was positive US\$10,200 thousand) – see note 17. There were no changes in valuation techniques during the period.

6 SEASONALITY OF OPERATIONS

The demand for the Group's services and certain of its expenses tend to be seasonal. Historically, unless impacted by other factors, the Group's container throughput has been lower during the first half of each year (and in particular, the first quarter of each year) and higher in the second half of the year. This has been due primarily to higher demand for consumer goods in the months prior to the winter holiday season.

7 SEGMENTAL INFORMATION

Group operations consist of several major business units which are usually and mainly organised as separate legal entities. Segment profit is obtained directly from the accounting records of each business unit and adjustments are made to bring their accounting records in line with IFRS as adopted by the EU; the accounting records are all prepared using the same accounting policies as those used for the preparation of the annual financial statements, therefore, there are no arbitrary allocations between segments.

The chief operating decision-maker (CODM) has been identified as the Board of Directors. The Directors review the group's internal reporting in order to assess performance and allocate resources. The operating segments were determined based on these reports.

The Board of Directors considers the business from both a geographic (which is represented by different port locations managed by separate legal entities) and services perspective regularly monitoring the performance of each major business unit.

The Board of Directors assesses the performance of the operating segments based on revenue (both in monetary and quantity terms), major costs items and net profit after the accounting records of business units are converted to be in line with IFRS as adopted by the EU with the exclusion of joint ventures treatment.

For the purposes of the internal reporting, joint ventures are assessed on a 100% ownership basis. Assets are allocated based on the operations of the segment and the physical location of the asset.

The segments are consistent with segments presented in the annual consolidated financial statements for the year ended 31 December 2021.

For segmental reporting purposes, the Group's consolidated financial position and consolidated results are presented by proportionately combining for the interests in joint ventures (MLT and CD groups). Additional disclosures are provided to reconcile the segmental information with the interim condensed consolidated income statement and the interim condensed consolidated balance sheet. For this purpose and on this basis, the Group combines its share of the joint ventures' individual income and expenses, assets and liabilities and cash flows on a line-by-line basis with similar items in the Group's financial information. The Group recognises the portion of gains or losses on the sale of assets by the Group to the joint venture that is attributable to the other venturers. Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint venture. Unrealised losses are also eliminated unless the transaction provided evidence of an impairment of the asset transferred.

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7 Segmental information (continued)

The segment results for the six month period ended 30 June 2022 are as follows:

(in thousands of US dollars)

	Russian ports	Finnish ports	Total of proportionally combined operating segments	Holdings	Consolidation adjustments		Group as per proportionate combination
					Effect of proportionate consolidation	Other adjustments	
Revenue from container operations	240,845	4,202	245,047	-	(1,465)	-	243,583
Non-containerized cargo	38,476	1,900	40,376	-	(2,046)	-	38,329
Inter-segment revenue	-	-	-	70	-	(70)	-
Total revenue	279,321	6,102	285,423	70	(3,511)	(70)	281,912
Cost of sales	(667,790)	(5,681)	(673,471)	(221)	2,784	5	(670,903)
Administrative, selling and marketing expenses	(3,368)	(413)	(3,781)	(7,895)	322	68	(11,286)
Other income	-	-	-	346	-	-	346
Other gains/(losses) – net	(27)	9	(18)	8	30	38	58
Operating profit/(loss)	(391,864)	17	(391,847)	(7,692)	(375)	41	(399,873)
Finance income/(costs) – net	(17,261)	1	(17,260)	(6,281)	(136)	-	(23,677)
<i>incl. interest income</i>	<i>7,770</i>	<i>2</i>	<i>7,772</i>	<i>91</i>	<i>(72)</i>	<i>(3,514)</i>	<i>4,277</i>
<i>incl. interest expenses</i>	<i>(23,773)</i>	<i>(143)</i>	<i>(23,916)</i>	<i>(3,526)</i>	<i>161</i>	<i>3,514</i>	<i>(23,767)</i>
<i>incl. change in the fair value of derivative instruments</i>	<i>1,129</i>	<i>142</i>	<i>1,271</i>	<i>-</i>	<i>(36)</i>	<i>-</i>	<i>1,235</i>
<i>incl. net foreign exchange gains/(losses) on financing activities</i>	<i>(2,387)</i>	<i>-</i>	<i>(2,387)</i>	<i>(2,846)</i>	<i>(189)</i>	<i>-</i>	<i>(5,422)</i>
Profit/(loss) before income tax	(409,125)	18	(409,107)	(13,973)	(511)	41	(423,550)
Income tax expense	22,127	(7)	22,120	628	66	-	22,814
Profit/(loss) after tax	(386,998)	11	(386,987)	(13,345)	(445)	41	(400,736)
CAPEX* on cash basis	12,108	-	12,108	79	(31)	-	12,156

*CAPEX represents purchases of property, plant and equipment

Included within 'Other adjustments' on the line 'Other gains/(losses) - net' is the elimination of intragroup dividends.

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7 Segmental information (continued)

The reconciliation of results for the six month period ended 30 June 2022 calculated with proportionate consolidation to the results presented in the interim condensed consolidated income statement above is as follows:

(in thousands of US dollars)

	Group as per proportionate combination	Adjustments to recognize for the components under the equity method	Total consolidated results
Revenue from container operations	243,583	(4,392)	239,191
Non-containerized cargo	38,329	(5,944)	32,385
Inter-segment revenue	-	-	-
Total revenue	281,912	(10,336)	271,576
Cost of sales	(670,903)	8,138	(662,765)
Administrative, selling and marketing expenses	(11,286)	1,001	(10,285)
Other income	346	-	346
Share of profit/(loss) of joint ventures accounted for using the equity method	-	1,338	1,338
Other gains/(losses) – net	58	56	114
Operating profit/(loss)	(399,873)	197	(399,676)
Finance income/(costs) – net	(23,677)	(405)	(24,082)
<i>incl. interest income</i>	<i>4,277</i>	<i>22</i>	<i>4,299</i>
<i>incl. interest expenses</i>	<i>(23,767)</i>	<i>244</i>	<i>(23,523)</i>
<i>incl. change in the fair value of derivative instruments</i>	<i>1,235</i>	<i>(106)</i>	<i>1,129</i>
<i>incl. net foreign exchange gains/(losses) on financing activities</i>	<i>(5,422)</i>	<i>(565)</i>	<i>(5,987)</i>
Profit/(loss) before income tax	(423,550)	(208)	(423,758)
Income tax expense	22,814	208	23,022
Profit/(loss) after tax	(400,736)	-	(400,736)
CAPEX on cash basis	12,156	(94)	12,062

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7 Segmental information (continued)

The segment operating expenses for the six month period ended 30 June 2022 are as follows:

(in thousands of US dollars)

	Russian ports	Finnish ports	Total of proportionally combined operating segments	Holdings	Consolidation adjustments		Group as per proportionate combination
					Effect of proportionate consolidation	Other adjustments	
Depreciation of property, plant and equipment	18,893	832	19,725	93	(420)	-	19,398
Depreciation of right-of-use assets	7,111	383	7,494	62	(132)	-	7,424
Amortisation of intangible assets	271	3	274	248	(25)	-	497
Impairment of right-of-use assets	482,445	-	482,445	-	-	-	482,445
Impairment of property, plant and equipment	33,701	-	33,701	-	-	-	33,701
Impairment of goodwill	4,942	-	4,942	-	-	-	4,942
Staff costs	38,357	2,685	41,042	6,087	(1,347)	2	45,784
Transportation expenses	65,028	-	65,028	-	(133)	-	64,895
Fuel, electricity and gas	5,319	398	5,717	2	(211)	-	5,508
Repair and maintenance of property, plant and equipment	2,056	459	2,515	7	(160)	(5)	2,357
Total	658,123	4,760	662,883	6,499	(2,428)	(3)	666,951
Other operating expenses	13,035	1,334	14,369	1,617	(678)	(70)	15,238
Total cost of sales, administrative, selling and marketing expenses	671,158	6,094	677,252	8,116	(3,106)	(73)	682,189

7 Segmental information (continued)

The reconciliation of operating expenses for the six month period ended 30 June 2022 calculated with proportionate consolidation to the results presented in the interim condensed consolidated income statement above is as follows:

(in thousands of US dollars)

	Group as per proportionate combination	Adjustments to recognize for the components under the equity method	Total consolidated results
Depreciation of property, plant and equipment	19,398	(1,258)	18,140
Depreciation of right-of-use assets	7,424	(396)	7,028
Amortisation of intangible assets	497	(77)	420
Impairment of right-of-use assets	482,445	-	482,445
Impairment of property, plant and equipment	33,701	-	33,701
Impairment of goodwill	4,942	-	4,942
Staff costs	45,784	(4,046)	41,738
Transportation expenses	64,895	(400)	64,495
Fuel, electricity and gas	5,508	(633)	4,875
Repair and maintenance of property, plant and equipment	2,357	(478)	1,879
Total	666,951	(7,288)	659,663
Other operating expenses	15,238	(1,851)	13,387
Total cost of sales, administrative, selling and marketing expenses	682,189	(9,139)	673,050

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7 Segmental information (continued)

The total segment assets and liabilities as at 30 June 2022 are presented below:

(in thousands of US dollars)

	Russian ports	Finnish ports	Total of proportionally combined operating segments	Holdings	Consolidation adjustments		Group as per proportionate combination
					Effect of proportionate consolidation	Other adjustments	
Property, plant and equipment (including prepayments for PPE)	589,612	10,428	600,040	382	(8,238)	-	592,184
Right-of-use assets	277,749	2,908	280,657	398	(2,207)	-	278,848
Investments in joint ventures	-	-	-	165,846	-	(165,846)	-
Intangible assets	19,517	15	19,532	3,887	(2,037)	-	21,382
Other non-current assets	182,397	127,650	310,047	764,652	(33,177)	(1,015,033)	26,489
Inventories	13,967	-	13,967	8	(212)	-	13,763
Trade and other receivables (including income tax prepayment)	85,827	1,427	87,254	3,495	(1,094)	(6,082)	83,573
Cash and cash equivalents	245,273	420	245,693	5,541	(2,311)	-	248,923
Total assets	1,414,342	142,848	1,557,190	944,209	(49,276)	(1,186,961)	1,265,162
Long-term borrowings	605,291	2,430	607,721	154,908	(6,079)	(154,956)	601,594
Long-term lease liabilities	56,422	2,326	58,748	123	(1,397)	-	57,474
Other long-term liabilities	91,591	414	92,005	-	(25)	-	91,980
Trade and other payables	40,009	2,238	42,247	9,626	(1,038)	(5,207)	45,628
Short-term borrowings	8,287	613	8,900	-	(215)	-	8,685
Short-term lease liabilities	4,988	719	5,707	259	(287)	-	5,679
Other short-term liabilities	955	-	955	-	(40)	-	915
Total liabilities	807,543	8,740	816,283	164,916	(9,081)	(160,163)	811,955
Non-controlling interest	21,556	-	21,556	-	-	-	21,556

Included within 'Russian ports', 'Finnish ports' and 'Holdings' segments 'Other non-current assets' are investments in subsidiaries in the total amount of US\$5,353 thousand, US\$126,614 thousand and US\$761,911 thousand respectively (fully eliminated on consolidation).

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7 Segmental information (continued)

The reconciliation of total segment assets and liabilities as at 30 June 2022 calculated with proportionate consolidation to the results presented in the interim condensed consolidated balance sheet above is as follows:

(in thousands of US dollars)

	Group as per proportionate combination	Adjustments to recognize for the components under the equity method	Total consolidated results
Property, plant and equipment (including prepayments for PPE)	592,184	(24,709)	567,475
Right-of-use assets	278,848	(6,624)	272,224
Investments in joint ventures	-	25,059	25,059
Intangible assets	21,382	(9,640)	11,742
Other non-current assets	26,489	14,724	41,213
Inventories	13,763	(636)	13,127
Trade and other receivables (including income tax prepayment)	83,573	(3,132)	80,441
Cash and cash equivalents	248,923	(6,934)	241,989
Total assets	1,265,162	(11,892)	1,253,270
Long-term borrowings	601,594	(1,824)	599,770
Long-term lease liabilities	57,474	(4,189)	53,285
Other long-term liabilities	91,980	(1,212)	90,768
Trade and other payables	45,628	(2,293)	43,335
Short-term borrowings	8,685	(460)	8,225
Short-term lease liabilities	5,679	(957)	4,722
Other short-term liabilities	915	(915)	-
Total liabilities	811,955	(11,850)	800,105
Non-controlling interest	21,556	-	21,556

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7 Segmental information (continued)

The segment results for the six month period ended 30 June 2021 are as follows:

(in thousands of US dollars)

	Russian ports	Finnish ports	Total of proportionally combined operating segments	Holdings	Consolidation adjustments		Group as per proportionate combination
					Effect of proportionate consolidation	Other adjustments	
Revenue from container operations	188,425	3,593	192,019	-	(1,059)	-	190,959
Non-containerized cargo	47,182	1,010	48,191	-	(1,786)	-	46,406
Inter-segment revenue	-	-	-	119	-	(119)	-
Total revenue	235,607	4,603	240,210	119	(2,845)	(119)	237,365
Cost of sales	(134,203)	(5,871)	(140,074)	(194)	3,068	7	(137,193)
Administrative, selling and marketing expenses	(3,188)	(413)	(3,601)	(9,704)	236	152	(12,917)
Other income	-	-	-	650	-	-	650
Other gains/(losses) – net	(355)	1	(354)	9	1	23	(321)
Operating profit/(loss)	97,861	(1,680)	96,181	(9,120)	460	63	87,584
Finance income/(costs) – net	(25,400)	(155)	(25,555)	(650)	165	-	(26,040)
<i>incl. interest income</i>	1,456	-	1,456	27	(1)	(652)	830
<i>incl. interest expenses</i>	(27,934)	(192)	(28,126)	(663)	167	652	(27,970)
<i>incl. change in the fair value of derivative instruments</i>	(4,984)	37	(4,947)	-	(9)	-	(4,956)
<i>incl. net foreign exchange gains/(losses) on financing activities</i>	6,062	-	6,062	(14)	8	-	6,056
Profit/(loss) before income tax	72,461	(1,835)	70,626	(9,770)	625	63	61,544
Income tax expense	(7,695)	368	(7,327)	(216)	(122)	-	(7,665)
Profit/(loss) after tax	64,766	(1,467)	63,299	(9,986)	503	63	53,879
CAPEX** on cash basis	10,745	190	10,935	56	(67)	-	10,924

**CAPEX represents purchases of property, plant and equipment

Included within 'Other adjustments' on the line 'Other gains/(losses) - net' is the elimination of intragroup dividends.

7 Segmental information (continued)

The reconciliation of results for the six month period ended 30 June 2021 calculated with proportionate consolidation to the results presented in the interim condensed consolidated income statement above is as follows:

(in thousands of US dollars)

	Group as per proportionate combination	Adjustments to recognize for the components under the equity method	Total consolidated results
Revenue from container operations	190,959	(3,177)	187,782
Non-containerized cargo	46,406	(4,398)	42,008*
Inter-segment revenue	-	-	-
Total revenue	237,365	(7,575)	229,790
Cost of sales	(137,193)	8,238	(128,955)
Administrative, selling and marketing expenses	(12,917)	743	(12,174)
Other income	650	-	650
Share of profit/(loss) of joint ventures accounted for using the equity method	-	(1,518)	(1,518)
Other gains/(losses) – net	(321)	(25)	(346)
Operating profit/(loss)	87,584	(137)	87,447
Finance income/(costs) – net	(26,040)	495	(25,545)
<i>incl. interest income</i>	830	230	1,060
<i>incl. interest expenses</i>	(27,970)	270	(27,700)
<i>incl. change in the fair value of derivative instruments</i>	(4,956)	(28)	(4,984)
<i>incl. net foreign exchange gains/(losses) on financing activities</i>	6,056	23	6,079
Profit/(loss) before income tax	61,544	358	61,902
Income tax expense	(7,665)	(358)	(8,023)
Profit/(loss) after tax	53,879	-	53,879
CAPEX on cash basis	10,924	(201)	10,723

*On the back strong growth of the container handling market in the Far East, the decision has been made to gradually cease coal handling at VSC (CGU in Russian ports) and concentrate on the Group's core strategic operations of driving container volumes. This decision will enable the Group to decrease its environmental impact from the third quarter of 2021 and capture the growth opportunity presented by the increased sustained demand for container import and export flows as well as steadily growing transit volumes seen at VSC.

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7 Segmental information (continued)

The segment operating expenses for the six month period ended 30 June 2021 are as follows:

(in thousands of US dollars)

	Russian ports	Finnish ports	Total of proportionally combined operating segments	Holdings	Consolidation adjustments		Group as per proportionate combination
					Effect of proportionate consolidation	Other adjustments	
Depreciation of property, plant and equipment	18,214	996	19,210	344	(472)	-	19,083
Depreciation of right-of-use assets	6,439	447	6,886	137	(160)	-	6,864
Amortisation of intangible assets	188	2	190	246	(10)	-	426
Staff costs	28,326	2,736	31,062	7,473	(1,320)	(25)	37,190
Transportation expenses	58,227	-	58,227	-	(178)	-	58,049
Fuel, electricity and gas	5,327	304	5,631	2	(195)	-	5,438
Repair and maintenance of property, plant and equipment	2,531	600	3,131	4	(204)	(2)	2,929
Total	119,252	5,085	124,337	8,206	(2,538)	(27)	129,978
Other operating expenses	18,139	1,199	19,338	1,692	(766)	(132)	20,132
Total cost of sales, administrative, selling and marketing expenses	137,391	6,284	143,675	9,898	(3,304)	(159)	150,110

7 Segmental information (continued)

The reconciliation of operating expenses for the six month period ended 30 June 2021 calculated with proportionate consolidation to the results presented in the interim condensed consolidated income statement above is as follows:

(in thousands of US dollars)

	Group as per proportionate combination	Adjustments to recognize for the components under the equity method	Total consolidated results
Depreciation of property, plant and equipment	19,083	(1,414)	17,669
Depreciation of right-of-use assets	6,864	(479)	6,385
Amortisation of intangible assets	426	(32)	394
Staff costs	37,190	(3,933)	33,257
Transportation expenses	58,049	(535)	57,514
Fuel, electricity and gas	5,438	(585)	4,853
Repair and maintenance of property, plant and equipment	2,929	(611)	2,318
Total	129,978	(7,588)	122,390
Other operating expenses	20,132	(1,393)	18,739
Total cost of sales, administrative, selling and marketing expenses	150,110	(8,981)	141,129

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7 Segmental information (continued)

The total segment assets and liabilities as at 31 December 2021 are presented below:

(in thousands of US dollars)

	Russian ports	Finnish ports	Total of proportionally combined operating segments	Holdings	Consolidation adjustments		Group as per proportionate combination
					Effect of proportionate consolidation	Other adjustments	
Property, plant and equipment (including prepayments for PPE)	446,252	12,232	458,484	362	(7,126)	-	451,720
Right-of-use assets	529,002	3,568	532,570	19	(1,857)	-	530,732
Investments in joint ventures	-	-	-	165,818	-	(165,818)	-
Intangible assets	16,934	19	16,953	2,887	(1,429)	-	18,411
Other non-current assets	217,171	127,720	344,891	1,072,708	(33,013)	(1,321,376)	63,210
Inventories	8,757	-	8,757	-	(130)	-	8,627
Trade and other receivables (including income tax prepayment)	79,131	1,105	80,236	3,783	(661)	(2,023)	81,335
Cash and cash equivalents	292,743	308	293,051	8,162	(1,139)	-	300,074
Total assets	1,589,990	144,952	1,734,942	1,253,739	(45,355)	(1,489,217)	1,454,109
Long-term borrowings	539,905	2,979	542,884	151,224	(4,540)	(151,224)	538,344
Long-term lease liabilities	38,798	2,930	41,728	-	(1,251)	-	40,477
Other long-term liabilities	118,791	761	119,552	-	94	-	119,646
Trade and other payables	31,002	2,077	33,079	8,777	(870)	(1,984)	39,002
Short-term borrowings	211,870	680	212,550	-	(225)	-	212,325
Short-term lease liabilities	3,700	770	4,470	8	(247)	-	4,231
Other short-term liabilities	224	-	224	483	(1)	-	706
Total liabilities	944,290	10,197	954,487	160,492	(7,040)	(153,208)	954,731
Non-controlling interest	19,275	-	19,275	-	-	-	19,275

Included within 'Russian ports', 'Finnish ports' and 'Holdings' segments 'Other non-current assets' are investments in subsidiaries in the total amount of US\$5,353 thousand, US\$126,614 thousand and US\$1,071,177 thousand respectively (fully eliminated on consolidation).

7 Segmental information (continued)

The reconciliation of total segment assets and liabilities as at 31 December 2021 calculated with proportionate consolidation to the results presented in the interim condensed consolidated balance sheet above is as follows:

(in thousands of US dollars)

	Group as per proportionate combination	Adjustments to recognize for the components under the equity method	Total consolidated results
Property, plant and equipment (including prepayments for PPE)	451,720	(21,378)	430,342
Right-of-use assets	530,732	(5,571)	525,161
Investments in joint ventures	-	19,873	19,873
Intangible assets	18,411	(6,714)	11,697
Other non-current assets	63,210	8,616	71,826
Inventories	8,627	(390)	8,237
Trade and other receivables (including income tax prepayment)	81,335	(1,660)	79,675
Cash and cash equivalents	300,074	(3,417)	296,657
Total assets	1,454,109	(10,641)	1,443,468
Long-term borrowings	538,344	(2,234)	536,110
Long-term lease liabilities	40,477	(3,752)	36,725
Other long-term liabilities	119,646	(854)	118,792
Trade and other payables	39,002	(2,297)	36,705
Short-term borrowings	212,325	(509)	211,816
Short-term lease liabilities	4,231	(792)	3,439
Other short-term liabilities	706	(216)	490
Total liabilities	954,731	(10,654)	944,077
Non-controlling interest	19,275	-	19,275

The management also assesses the performance of the Group based on adjusted EBITDA that is defined as profit/(loss) for the period before income tax expense, finance income/(costs)—net, depreciation and impairment of property, plant and equipment, depreciation and impairment of right-of-use assets, amortisation and impairment of intangible assets, impairment of goodwill, share of profit/(loss) of joint ventures accounted for using the equity method and other gains/(losses)—net.

The adjusted EBITDA of the Group is calculated as follows:

(in thousands of US dollars)

	Note	For the six month period ended 30 June	
		2022	2021
Profit/(loss) for the period		(400,736)	53,879
<i>Adjusted for:</i>			
Income tax expense	11	(23,022)	8,023
Finance income/(costs) - net	10	24,082	25,545
Amortisation of intangible assets	8	420	394
Depreciation of property, plant and equipment	8	18,140	17,669
Depreciation of right-of-use assets	8	7,028	6,385
Impairment of right-of-use assets	8	482,445	-
Impairment of property, plant and equipment	8	33,701	-
Impairment of goodwill	8	4,942	-
Write-off of property, plant and equipment		41	-
Share of (profit)/loss of joint ventures accounted for using the equity method	19	(1,338)	1,518
Other (gains)/losses - net	9	(114)	346
Adjusted EBITDA		145,589	113,759

Adjusted EBITDA is not a defined performance measure in IFRS. The Group's definition of adjusted EBITDA may not be comparable with similarly titled performance measures and disclosures by other entities.

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8 EXPENSES BY NATURE

(in thousands of US dollars)

	For the six month period ended 30 June	
	2022	2021
Staff costs	41,738	33,257
Depreciation of property, plant and equipment (Note 12)	18,140	17,669
Depreciation of right-of-use assets (Note 12)	7,028	6,385
Amortisation of intangible assets (Note 12)	420	394
Impairment of right-of-use assets (Note 12)	482,445	-
Impairment of property, plant and equipment (Note 12)	33,701	-
Impairment of goodwill (Note 12)	4,942	-
Transportation expenses	64,495	57,514
Fuel, electricity and gas	4,875	4,853
Repair and maintenance of property, plant and equipment	1,879	2,318
Taxes other than on income	1,177	1,245
Legal, consulting and other professional services	1,557	1,330
Expense relating to short-term leases and/or leases of low-value assets	203	307
Purchased services	6,441	10,208
Other expenses	4,009	5,649
Total cost of sales, administrative, selling and marketing expenses	673,050	141,129

Cost of sales

(in thousands of US dollars)

	For the six month period ended 30 June	
	2022	2021
Staff costs	34,734	24,780
Depreciation of property, plant and equipment	17,863	17,063
Depreciation of right-of-use assets (Note 12)	7,028	6,385
Amortisation of intangible assets	330	316
Impairment of right-of-use assets (Note 12)	482,445	-
Impairment of property, plant and equipment (Note 12)	33,701	-
Impairment of goodwill (Note 12)	4,942	-
Transportation expenses	64,495	57,514
Fuel, electricity and gas	4,782	4,756
Repair and maintenance of property, plant and equipment	1,877	2,298
Taxes other than on income	1,262	1,185
Expense relating to short-term leases and/or leases of low-value assets	52	149
Purchased services	6,441	10,208
Other expenses	2,813	4,301
Total cost of sales	662,765	128,955

Administrative and selling expenses

(in thousands of US dollars)

	For the six month period ended 30 June	
	2022	2021
Staff costs	7,004	8,477
Depreciation of property, plant and equipment	277	606
Amortisation of intangible assets	90	79
Fuel, electricity and gas	94	97
Repair and maintenance of property, plant and equipment	2	20
Taxes other than on income	(85)	60
Legal, consulting and other professional services	1,557	1,330
Expense relating to short-term leases and/or leases of low-value assets	151	158
Other expenses	1,195	1,347
Total administrative and selling expenses	10,285	12,174

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9 OTHER GAINS/(LOSSES) – NET

(in thousands of US dollars)

	For the six month period ended 30 June	
	2022	2021
Other gains/(losses) – net	85	(507)
Currency exchange gains/(losses) on non-financing activities – net	29	161
Total	114	(346)

10 FINANCE INCOME/(COSTS) – NET

(in thousands of US dollars)

	For the six month period ended 30 June	
	2022	2021
<i>Included in finance income:</i>		
Interest income on bank balances	3,429	751
Interest income on loans to related parties (Note 21(h))	319	309
Fair value gain on discounting of bonds	551	-
Total finance income calculated using effective interest rate method	4,299	1,060
<i>Included in finance costs:</i>		
Interest expenses on bank borrowings	(2,216)	(3,005)
Interest expenses on leases	(2,597)	(2,270)
Interest expenses on bonds	(18,710)	(22,425)
Total finance costs	(23,523)	(27,700)
Change in fair value of currency forward and option agreements (Note 17)	1,129	(4,984)
Net foreign exchange gains/(losses) on financing activities	(5,987)	6,079
Finance income/(costs) – net	(24,082)	(25,545)

11 INCOME TAX

Income tax expense is recognised based on management's best estimates of annual effective income tax rates determined for each taxing jurisdiction and applied individually to the interim period pre-tax income of each jurisdiction.

(in thousands of US dollars)

	For the six month period ended 30 June	
	2022	2021
Profit/(loss) before tax	(423,758)	61,902
Tax calculated at the applicable tax rate – 20%	(84,752)	12,380
Tax effect of expenses not deductible for tax purposes	2,161	1,303
Tax effect of different tax rates in Group	(5,175)	(2,949)
Tax credit claimed	(2,167)	(9,682)
Write-off of deferred tax asset	75,011	-
Impairment of goodwill (Note 12)	988	-
Tax effect of share of profit in jointly controlled entities	(268)	304
Withholding tax on undistributed profits	(8,820)	6,667
Tax charge	(23,022)	8,023

12 PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS AND RIGHT-OF-USE ASSETS

(in thousands of US dollars)

Period ended 30 June 2022	Right-of-use assets	Property, plant and equipment	Intangible assets
Opening net book amount as at 1 January 2022	525,161	426,427	11,697
Additions	617	10,364	217
Adjustments related to changes in the index affecting lease payments (Note 16)	1,181	-	-
Disposals	-	(8,003)	-
Impairment (Note 8)	(482,445)	(33,701)	(4,942)
Depreciation and amortisation (Note 8)	(7,028)	(18,140)	(420)
Exchange differences	234,738	182,516	5,190
Closing net book amount as at 30 June 2022	272,224	559,463	11,742

Period ended 30 June 2021	Right-of-use assets	Property, plant and equipment	Intangible assets
Opening net book amount as at 1 January 2021	530,362	417,481	12,060
Additions	6,330	17,064	122
Adjustments related to changes in the index affecting lease payments (Note 16)	727	-	-
Disposals	-	(90)	-
Depreciation and amortisation (Note 8)	(6,385)	(17,669)	(394)
Exchange differences	11,063	8,696	241
Closing net book amount as at 30 June 2021	542,097	425,482	12,029

Additions to property, plant and equipment and to intangible assets are of ordinary nature in both periods.

Capital expenditure contracted for at the balance sheet date but not yet incurred is US\$23,284 thousand (31 December 2021: US\$26,859 thousand).

Impairment within intangible assets is related to the impairment of goodwill in PLP and FCT combined CGU. Intangible assets include goodwill in the amount of US\$6,485 thousand as at 30 June 2022 (31 December 2021: US\$7,868 thousand) that is related to VSC CGU.

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13 INVENTORIES

(in thousands of US dollars)

	As at	
	30 June 2022	31 December 2021
Spare parts and consumables	13,127	8,237
Total	13,127	8,237

All inventories are stated at cost.

14 TRADE AND OTHER RECEIVABLES

(in thousands of US dollars)

	As at	
	30 June 2022	31 December 2021
Trade receivables - third parties	28,093	25,130
Trade receivables - related parties (Note 21(e))	3,775	12,441
Total trade receivables	31,868	37,571
Other receivables	1,005	2,783
Loans to related parties (Note 21(h))	22,132	13,857
VAT and other taxes recoverable	6,822	10,885
Total financial assets at amortised cost	29,959	27,525
Prepayments for goods and services	8,234	4,819
Prepayments for goods and services - related parties (Note 21(e))	14,002	13,096
Total trade and other receivables	84,063	83,011
<i>Less non-current portion:</i>		
Loans to related parties	(21,884)	(13,636)
Total non-current portion	(21,884)	(13,636)
Current portion	62,179	69,375

15 BORROWINGS

(in thousands of US dollars)

	As at	
	30 June 2022	31 December 2021
Non-current	599,770	536,110
Current	8,225	211,816
Total	607,995	747,926

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15 Borrowings (continued)

Movements in borrowings are analysed as follows:

(in thousands of US dollars)

	For the six month period ended 30 June	
	2022	2021
At the beginning of the period	747,926	786,201
Repayments of borrowings and interest	(250,914)	(163,713)
Fair value gain on discounting of bonds	(551)	-
Interest charged (Note 10)	20,926	25,429
Exchange differences	90,608	1,921
At the end of the period	607,995	649,838

The weighted average effective interest rate on borrowings is 7.45% (2021: 7.27%).

The maturity of non-current borrowings (excluding lease liabilities) is analysed as follows:

(in thousands of US dollars)

	As at	
	30 June 2022	31 December 2021
Between 1 and 2 years	301,830	302,523
Between 2 and 5 years	297,940	233,587
Total	599,770	536,110

The carrying amounts of the Group's borrowings are denominated in the following currencies:

(in thousands of US dollars)

	As at	
	30 June 2022	31 December 2021
Russian rouble	305,304	241,037
US dollar	302,691	506,889
Total	607,995	747,926

16 LEASES

(in thousands of US dollars)

	As at	
	30 June 2022	31 December 2021
Non-current	53,285	36,725
Current	4,722	3,439
Total	58,007	40,164

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16 Leases (continued)

Movements in leases are analysed as follows:

(in thousands of US dollars)

	For the six month period ended 30 June	
	2022	2021
At the beginning of the period	40,164	32,898
New leases	617	6,330
Repayments of leases	(1,902)	(1,643)
Repayments of interest	(2,658)	(2,143)
Interest charged	2,597	2,270
Adjustments relating to changes in the index affecting lease payments	1,181	727
Exchange differences	18,008	816
At the end of the period	58,007	39,249

The maturity of non-current lease liabilities is analysed as follows:

(in thousands of US dollars)

	As at	
	30 June 2022	31 December 2021
Between 1 and 2 years	4,231	2,701
Between 2 and 5 years	8,778	7,296
Over 5 years	40,276	26,728
Total	53,285	36,725

The carrying amounts of the Group's lease liabilities are denominated in the following currencies:

(in thousands of US dollars)

	As at	
	30 June 2022	31 December 2021
Russian rouble	58,007	39,995
US dollar	-	169
Total	58,007	40,164

17 DERIVATIVE FINANCIAL INSTRUMENTS

During the six month period ended 30 June 2022 a forward contract was settled with the resulting net cash inflow US\$6,593 thousand.

As of 30 June 2022 there were no outstanding option or forward contracts (31 December 2021: the net fair value of options contracts was positive US\$20 thousand and net fair value of forward contracts was positive US\$5,444 thousand).

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18 TRADE AND OTHER PAYABLES

(in thousands of US dollars)

	As at	
	30 June 2022	31 December 2021
Trade payables - third parties	2,759	4,089
Trade payables - related parties (Note 21(g))	58	104
Payables for property, plant and equipment	1,307	930
Other payables - third parties	2,961	2,072
Other payables - related parties (Note 21(g))	4,101	2,048
Payroll payable	2,386	2,138
Accrued expenses	18,709	15,213
Contract liabilities	5,416	4,024
Contract liabilities - related parties (Note 21(g))	420	1,985
Employee benefits provision	7,191	1,944
Taxes payable (other than income tax)	4,426	3,890
Total trade and other payables	49,734	38,437
Employee benefits provision	6,399	1,732
Less non-current portion	6,399	1,732
Current portion	43,335	36,705

19 INVESTMENTS IN JOINT VENTURES

The Group has the following investments in joint ventures – MLT group and CD Holding group. See Note 1 and Note 7 for more details.

The summarised investments in joint ventures accounted for using the equity method as at 30 June 2022 and 30 June 2021 are as follows:

(in thousands of US dollars)

	Six month period ended 30 June 2022		
	MLT	CD Holding	Total
As at the beginning of the period	19,873	-	19,873
Recognised share of profit/(loss)	(324)	1,662	1,338
Share of profit of joint ventures applied against other long-term interests (Note 21(h))	-	(1,545)	(1,545)
Translation differences (through other comprehensive income/(loss))	5,503	(110)	5,393
As at the end of the period	25,052	7	25,059

(in thousands of US dollars)

	Six month period ended 30 June 2021		
	MLT	CD Holding	Total
As at the beginning of the period	23,383	-	23,383
Recognised share of profit/(loss)	(1,520)	1	(1,519)
Share of loss of joint ventures applied against other long-term interests (Note 21(h))	-	41	41
Translation differences (through other comprehensive income/(loss))	26	(42)	(16)
As at the end of the period	21,889	-	21,889

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20 EARNINGS PER SHARE

The basic and diluted earnings per share attributable to the equity holders of the Company are as follows:

(in thousands of US dollars)	Six month period ended 30 June	
	2022	2021
Basic and diluted earnings per share for profit/(loss) attributable to the owners of the Company during the period (expressed in US\$ per share)	(0.69)	0.09

The weighted average number of shares used for calculating earnings per share is 573,171 thousand for the six month periods ended 30 June 2022 and 2021.

21 RELATED PARTY TRANSACTIONS

The Group is jointly controlled by APM Terminals B.V. and LLC Management Company "Delo".

For the purposes of the interim financial information, parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operational decisions as defined by IAS 24 "Related Party Disclosures". In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form. Related parties may enter into transactions, which unrelated parties might not, and transactions between related parties may not be effected on the same terms, conditions and amounts as transactions between unrelated parties.

The following transactions were carried out with related parties:

(a) Sales of services

(in thousands of US dollars)

	Six month period ended 30 June	
	2022	2021
Entities under control of owners of controlling entities	50,863	46,159
Joint ventures in which GPI is a venturer	133	200
Total	50,996	46,359

(b) Sales of property, plant and equipment

(in thousands of US dollars)

	Six month period ended 30 June	
	2022	2021
<i>Profit on sales of property, plant and equipment</i>		
Entities under control of owners of controlling entities	3,794	-
<i>Net book amount of sold property, plant and equipment</i>		
Entities under control of owners of controlling entities	6,571	-

(c) Purchases of services and incurred expenses

(in thousands of US dollars)

	Six month period ended 30 June	
	2022	2021
Entities under control of owners of controlling entities	48,655	47,539
Joint ventures in which GPI is a venturer	133	1,068
Total	48,788	48,607

(d) Interest income

(in thousands of US dollars)

	Six month period ended 30 June	
	2022	2021
Interest income from loans to joint ventures in which GPI is a venturer	319	309
Total	319	309

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21 Related party transactions (continued)

(e) Key management compensation

(in thousands of US dollars)

	Six month period ended 30 June	
	2022	2021
<i>Key management compensation:</i>		
Salaries, payroll taxes and other short-term employee benefits	2,086	1,788

(f) Trade, other receivables and prepayments

(in thousands of US dollars)

	As at	
	30 June 2022	31 December 2021
Entities under control of owners of controlling entities	17,757	25,499
Joint ventures in which GPI is a venturer	20	38
Total	17,777	25,537

(g) Trade and other payables

(in thousands of US dollars)

	As at	
	30 June 2022	31 December 2021
Entities under control of owners of controlling entities	4,579	4,076
Joint ventures in which GPI is a venturer	-	61
Payroll payable and accrued expenses related to key management	955	2,590
Total	5,534	6,727

(h) Loans to related parties

The details of loans provided to joint ventures in which GPI is a venturer are presented below:

(in thousands of US dollars)

	Six month period ended 30 June 2022	Year ended 31 December 2021
At the beginning of the period/year	13,857	13,673
Interest charged (Note 10)	319	628
Loan and interest repaid	-	(409)
GPI's share of profits/(losses) of joint ventures applied against other long-term interests (Note 19)	1,545	42
Foreign exchange differences	6,411	(77)
At the end of the period/year	22,132	13,857

The loans are not secured, were provided at fixed interest rate and are repayable in 2022. However, the loans are classified as non-current because of the Group's intention to defer repayment for more than 12 months.

22 EVENTS AFTER THE BALANCE SHEET DATE

On 1 July 2022, District Court of Limassol approved the reduction of the share premium account of the Company by crediting the amount of US\$550 million to the retained earnings reserve.



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INDEPENDENT AUDITORS' REPORT ON THE REVIEW OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

TO THE BOARD OF DIRECTORS OF GLOBAL PORTS INVESTMENTS PLC

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Global Ports Investments Plc ("the Company") and its subsidiaries and joint ventures (hereinafter collectively referred to as the "Group") as at 30 June 2022, and the related interim condensed consolidated income statement and statements of comprehensive income, changes in equity and cash flows for the six month period then ended, and notes (the "interim financial information"). The Board of Directors is responsible for the preparation and fair presentation of this interim financial information in accordance with International Accounting Standard 34 "Interim Financial Reporting" as adopted by the European Union. Our responsibility is to express a conclusion on the interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information as at 30 June 2022 is not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting" as adopted by the European Union.

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Limassol, 18 August 2022

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