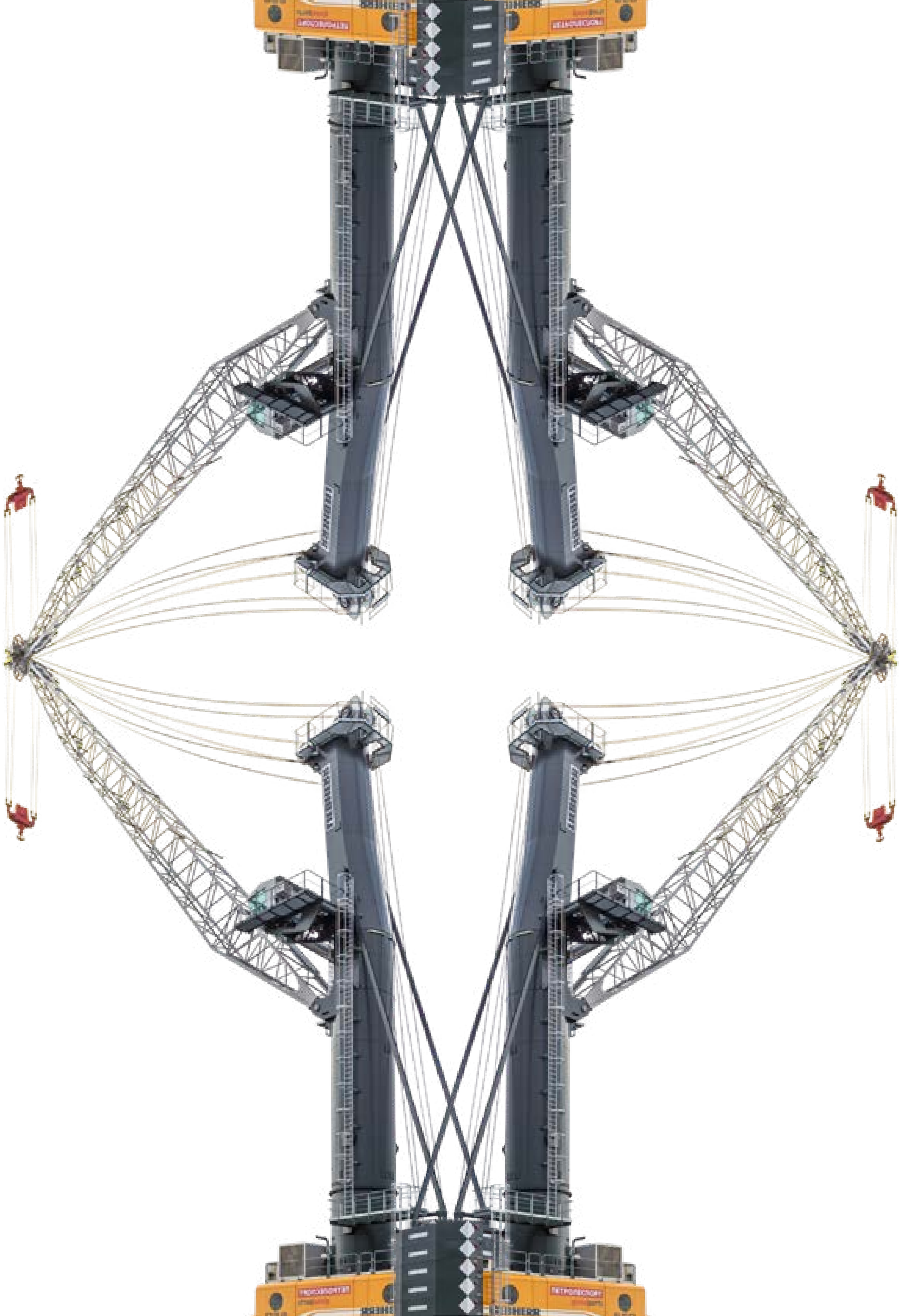
ADAPTING
INNOVATING
DELIVERING

Global Ports Investments PLC

Corporate Social Responsibility Report 2021



Chief Executive Officer's Statement

Albert Likholet

Chief Executive Officer of Global Ports Management LLC

Welcome to Global Ports Sustainability Report for 2021. The report provides our stakeholders with information on the Group's sustainability strategy and how we performed in 2021.

Our vision is to be a partner of choice for shipping lines and freight forwarders as the best-connected independent container terminal operator in Russia with unequalled access to domestic and international trade flows. Therefore, we regard sustainability with its pillars of environment, society and governance (ESG) as an essential part of our strategy. And we are committed to driving Global Ports on a more sustainable path, in order to maximise the positive impact of ESG practices.

As the leading container ports group in Russia, we have long understood the importance of sustainability and we work hard to meet our ESG responsibilities. Our ambition is to be a sustainability leader in the container ports and logistics sector, underpinned and supported by the Group's strong governance culture. We have made steady year on year progress in our ESG practices, increasing the level of ESG disclosures, expanding our standard metrics, and obtaining our sustainability ratings whose scores are increasingly considered by investors.

To implement our sustainability ambitions, our development strategy needs to evolve to keep pace with our stakeholders' expectations and an expanding reporting landscape. Consequently, in 2021, we undertook a wide-ranging review of our sustainability approach. Recognising that sustainability is not a 'one size-fits-all' approach, we worked with a leading global sustainability consulting firm to create a detailed understanding of our sustainability positioning, including peer group comparisons, surveys of stakeholders, and analysis of best practices. The purpose of the review is to set new sustainability targets and goals, the achievement of which will add value for our stakeholders and maximise our ESG impact.

Although the past year has been an extremely challenging one, we have made good progress on achieving our ESG priorities during 2021. We continue to take our environmental stewardship responsibilities very seriously; over the past year, we focused on maintaining rigorous regulatory compliance and making improvements in three key areas: energy efficiency, environmental protection, and marine conservation. Safety is at the core of everything we do at Global Ports, and we elevated our focus on safety culture last year in our pursuit of a zero-harm environment. And we also continued to invest in building our employer brand, encouraging staff development and supporting the communities we serve.

As the industry leader, Global Ports has long advocated the importance of being a responsible business, and we continue to work hard to meet our broader responsibilities to society. As an organisation, we have reached the stage where if we are to continue to create sustainable long-term value, we need to chart a new, more sustainable course for the Group.

We recognise we are at the start of our sustainability journey, but we are committed to becoming a fully sustainable business and meeting the expectations of our stakeholders and society.

GLOBAL PORTS AT A GLANCE

OUTPERFORMING EXPECTATIONS

Global Ports features best-in-class operational management, excellent logistics expertise, an outstanding asset base, and innovative IT systems.

GROWTH IN FREE CASH[1] FLOW

+46.9%

+17.4%

GROWTH IN ADJUSTED EBITDA

ruAA

RATING UPGRADE FROM RA EXPERT

[1] Free Cash Flow definition and calculation were changed, for details and reconciliation please see: Reconciliation of Additional data (non-IFRS) to the consolidated financial statements in Business Review, and Definitions.

Global Ports Today

Global Ports proved that its business is fundamentally stable, sustainable and cash generative, despite an extremely volatile operating environment and disruptions to global supply chains in 2021.

In 2021 the Group continued to deliver excellent quality of operations launching a range of new services and supporting its clients in this uncertain time, consolidating its market share and achieving long-term deleveraging targets.

The Group produced strong financial results in 2021 achieving Adjusted EBITDA growth of 17.4% coupled with exceptional Free Cash Flow growth of 46.9%.

The Group continued its deleveraging strategy and decreased Net Debt / Adjusted EBITDA from 2.9x to 2.0x, allowing for the possibility of revising its capital allocation approach in the future should we see a more predictable environment with greater visibility.

Improved credit profile confirmed by rating agencies: Moody's upgraded rating of the Company and Group's financial instruments by 1 notch to Ba1, RA Expert by 2 notches to ruAA, Fitch Ratings affirmed at BB+[1].

KEY STRENGTHS

No.1 container terminal operator in Russia[2]

7 marine container and multipurpose terminals in Russia and Finland

The only player with a network of terminals in key container gateways of Russia

GDR listed on the Main Market of the LSE (free-float of 20.5%)

Sustainable and responsible business: MSCI ESG rating at BB level, Sustainalytics estimated Global Ports risk of material financial impacts driven by ESG factors at medium level

2021 RESULTS

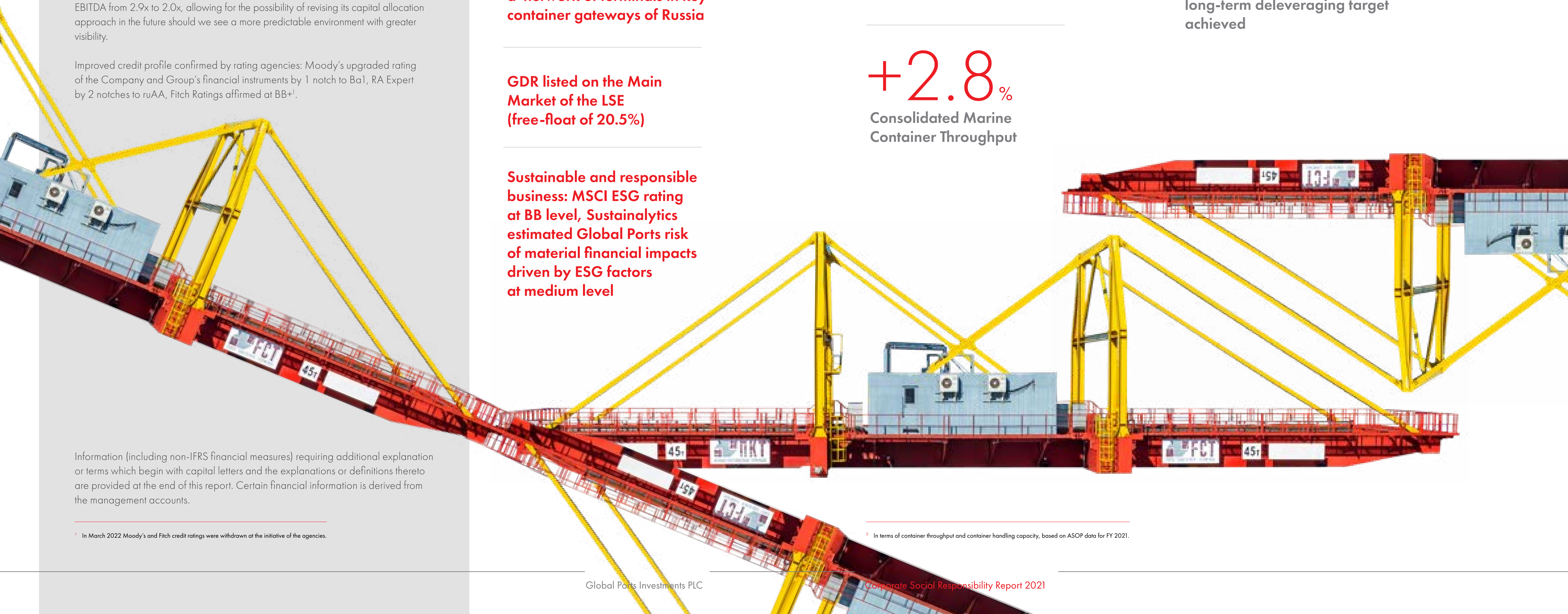
0.71 LTIFR for 2021 well below 7y-average

+17.4% Adjusted EBITDA to USD **246.2** million

+2.8% Consolidated Marine Container Throughput

+46.9% Free Cash Flow to USD **129.1** million

2.0x Net Debt to Adjusted EBITDA, long-term deleveraging target achieved



Information (including non-IFRS financial measures) requiring additional explanation or terms which begin with capital letters and the explanations or definitions thereto are provided at the end of this report. Certain financial information is derived from the management accounts.

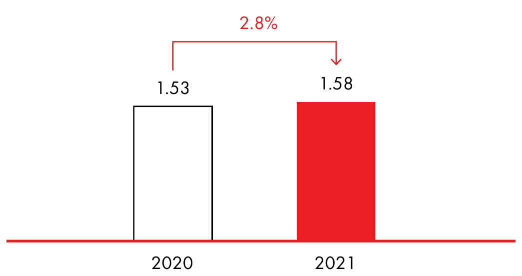
[1] In March 2022 Moody's and Fitch credit ratings were withdrawn at the initiative of the agencies.

[2] In terms of container throughput and container handling capacity, based on ASOP data for FY 2021.

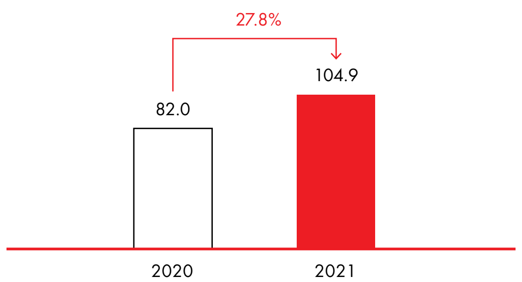
About us / Performance

In 2021, on the back of an extremely volatile operating environment and disruption across global supply chains, we not only enhanced our leading market positions in both basins of presence but also delivered solid growth in Adjusted EBITDA growth and Free Cash Flow.

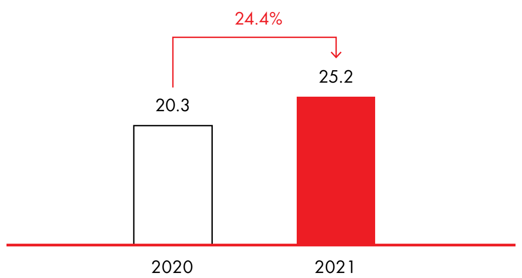
Consolidated Marine Container throughput, mln TEU



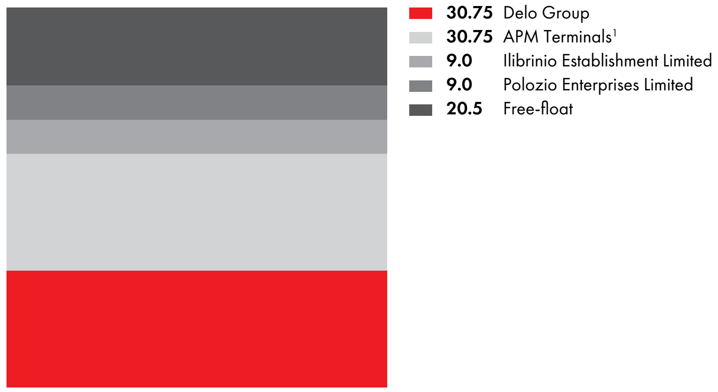
Cars, thousand units



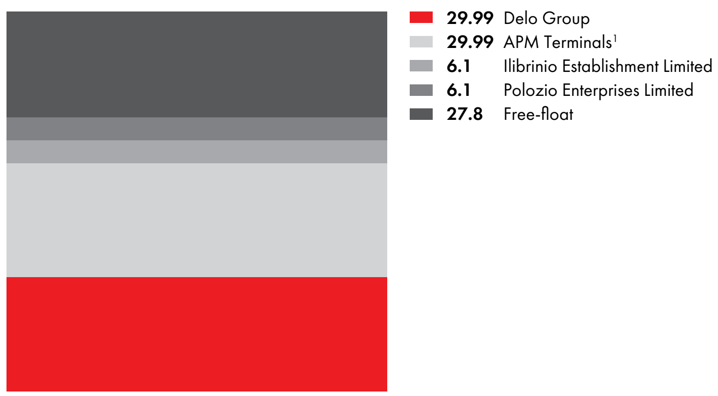
Ro-Ro, thousand units



Ownership Structure, %



Ordinary Voting Shares, %



Delo Group is the leading Russian integrated container logistics player[2] operating marine terminals in all major basins of Russia, a network of inland terminals and a fleet of flatcars and containers.

APM Terminals operate a global terminal network of 22 thousand professionals with 76 operating port facilities. APM Terminals is a part of A.P. MollerMaersk, the world's largest integrator of container and ports logistics.

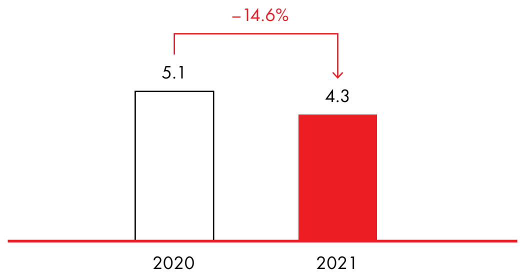
[1] On 11 March 2022, APM Terminals announced its intention to commence a process to divest its shareholding in the Global Ports Investments PLC. Please see the press release dated 11 March 2022 on www.globalports.com.
[2] According to Delo Group data.

Net Debt / Adjusted EBITDA

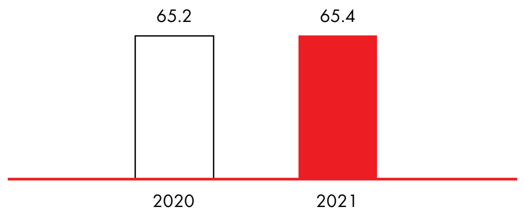
2020 2021

2.9x → 2.0x

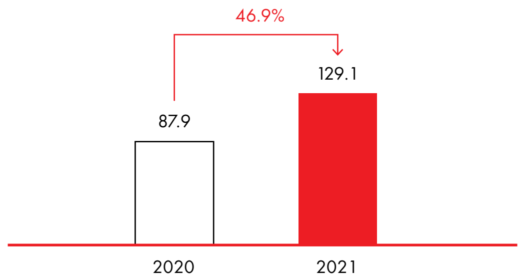
Consolidated Marine Bulk throughput, mln tonnes



Like-for-like Adjusted EBITDA Margin, %



Free Cash Flow, USD mln



Key consolidated financial and operational data

Selected IFRS Financial Information, USD million

	2021	2020	Change	Change, %
Revenue	502.8	384.4	118.4	30.8%
Cost of sales and administrative, selling and marketing expenses	(303.8)	(225.0)	(78.8)	35.0%
Gross profit	226.0	184.1	41.9	22.8%
Operating profit	197.1	157.4	39.7	25.2%
Net profit / loss	143.9	50.0	93.9	187.8%

Selected operational information

	2021	2020	Change	Change, %
Consolidated Marine Container throughput, mln TEU	1.58	1.53	0.0	2.8%
Consolidated Marine Bulk throughput, mln TEU	4.3	5.1	(0.7)	(14.6%)
Ro-Ro, thousand units	25.2	20.3	4.9	24.4%
Cars, thousand units	104.9	82.0	22.8	27.8%

Balance sheet and cash statement, USD million

	2021	2020	Change	Change, %
Total assets	1,443.5	1,327.2	116.3	8.8%
Cash and cash equivalents	296.7	207.0	89.7	43.3%
Net cash from operating activities	226.0	190.9	35.1	18.4%

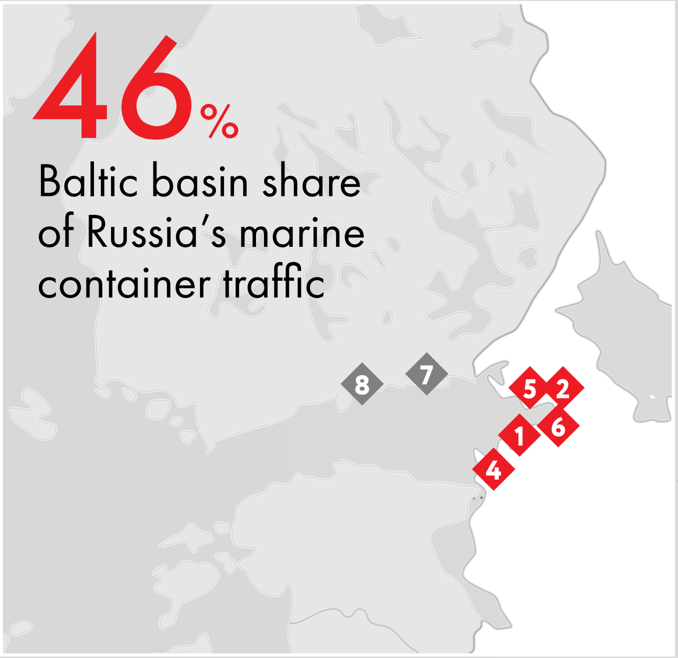
Selected non-IFRS financial information, USD million

	2021	2020	Change	Change, %
Like-for-like Revenue[1]	376.7	321.7	55.1	17.1%
Total Operating Cash Costs	(257.9)	(176.0)	(81.9)	46.5%
Like-for-like Total Operating Cash costs[1]	(131.8)	(113.2)	(18.6)	16.4%
Adjusted EBITDA	246.2	209.7	36.5	17.4%
Like-for-like Adjusted EBITDA Margin[1]	65.4%	65.2%		
Free Cash Flow[2]	129.1	87.9	41.2	46.9%
Net Debt	491.4	612.1	(120.7)	(19.7%)
Net Debt to Adjusted EBITDA	2.0x	2.9x	(0.9)	(31.0%)

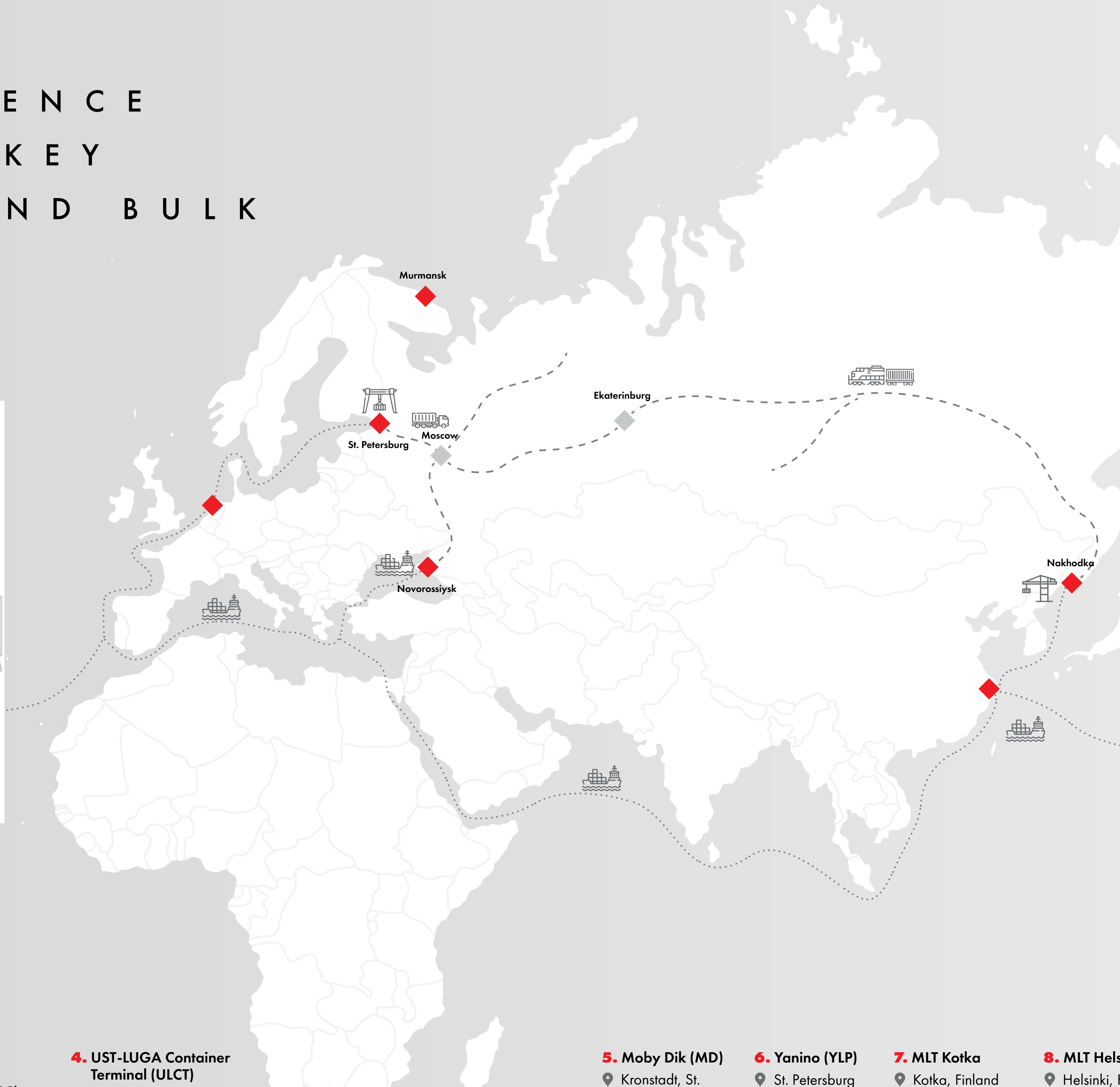
[1] Like-for-like figures are given to provide historical consistency with the data before the accounting change in 2019. As a result of the new terms of certain sales agreements, in 2020 and 2021 VSC acted as a principal vs as an agent at the beginning of 2019: previously the net result of revenue from transportation services and associated cost was included in the consolidated revenue. Since the middle of the first half of 2019 full revenue and associated costs have been gradually recognised in consolidated revenue and transportation expenses accordingly. This Adjusted EBITDA neutral change resulted in additional USD 126.0 million to consolidated revenue (USD 62.8 million in 2020) and USD 126.0 million to the cost of sales in 2021 (USD 62.8 million in 2020).
Information (including non-IFRS financial measures) requiring additional explanation or terms which begin with capital letters and the explanations or definitions thereto are provided at the end of this report. Certain financial information is derived from the management accounts.
[2] FCF definition and calculation were changed, for details and reconciliation please see Reconciliation of Additional data (non-IFRS) to the consolidated financial statements in Business Review and Definitions.

STRONG PRESENCE IN RUSSIA'S KEY CONTAINER AND BULK GATEWAYS[1]

Baltic Sea Basin



The Baltic Sea Basin's container terminals are close to key transhipment hubs for Russia's inbound and outbound containers, such as Hamburg and Rotterdam. The basin has a strong customer base due to its economic development, access to Russia's most populous regions and cost-effective transportation of containers to major Russian cities.



Far Eastern Basin

The Far Eastern Basin is the fastest route for transporting containers from Asia to the European part of Russia and many CIS countries and transit to EU. The shorter transit time is a key advantage for customers shipping high-value and time-sensitive cargo.

1. First Container Terminal (FCT)
- St. Petersburg
- Containers
- 1.25 mln/0.9 mln TEU per year
- 88.6 ha
- 100%

2. Petrolesport (PLP)
- St. Petersburg
- Containers, Ro-Ro, bulk cargo
- 1 mln/0.55 mln TEU per year
- 120.7 ha
- 100%

3. Vostochnaya Stevedorings Company (VSC)
- Vrangel, Nakhodka
- Containers, general cargo
- 0.7 mln/0.7 mln TEU per year
- 77.1 ha
- 100%

4. UST-LUGA Container Terminal (ULCT)
- Ust-Luga port cluster
- Containers, bulk cargo
- 0.44 mln/0.22 mln TEU per year
- 54.0 ha
- 80%

Location
Cargo handled
Container throughput berth/yard capacity[2]
Land total
Ownership

5. Moby Dik (MD)
- Kronstadt, St. Petersburg
- Ro-Ro, bulk and general cargo
- 13.0 ha
- 75%

6. Yanino (YLP)
- St. Petersburg
- Containers, bulk cargo
- 0.2 mln TEU per year
- 51.3 ha
- 75%

7. MLT Kotka
- Kotka, Finland
- Containers, Ro-Ro, bulk cargo
- 0.15 mln TEU per year
- 4.3 ha
- 75%

8. MLT Helsinki
- Helsinki, Finland
- Containers, Ro-Ro, bulk cargo
- 0.27 mln TEU per year
- 7.0 ha
- 75%

Russian Ports segment:
PLP, VSC, FCT, ULCT, Yanino, MD
Finnish Ports segment:
MLT Kotka and MLT Helsinki

OUR PARTNERS:
Entity: Moby Dik, Finnish Ports, Yanino
Partner: CMA Terminals S.A.S.
Share: 25% in each
Entity: ULCT
Partner: Eurogate
Share: 20%

[1] Numbers for the Group are presented on a consolidated basis.
[2] Company estimates are based on annual potential berth and yard throughput capacity.

Fully consolidated in IFRS

JV accounting

EXPANDING
BEYOND BOUNDARIES

In the context of an unprecedented demand for container processing, Global Ports' ability to significantly outperform the Russian sector is a testament to its position as the market leader.

Because of the company's foresight and quick response to market trends, it has been able to reap maximum benefit from this situation, stemming from its desire to improve constantly.

LIKE-FOR-LIKE ADJUSTED EBITDA MARGIN

65.4%

+17.4%

ADJUSTED EBITDA GROWTH

+46.9%

GROWTH IN FREE CASH FLOW

Delivering Quality and Leadership

GLOBAL PORTS MISSION

To increase long-term value for all our stakeholders by shaping and determining the trends in the container segment of the Russian transportation and logistics market, thereby driving international trade.

Strategically we remain focused on expanding our business through both organic growth and investment projects that offer tangible opportunities to the Group.

We will achieve our fundamental Strategic goal by:

- Providing the best services to our clients
- Maintaining operational excellence
- Using technology effectively
- Attracting and retaining a workforce with the right skills

VISION

To be the partner of choice for shipping lines and freight forwarders in our role as Russia's best-connected independent container terminal operator offering unparalleled access to international and domestic trade flows.

VALUES

Professionalism — Respect — Cooperation

Strategy

Our strategy aims to produce value growth by offering unparalleled access to international and domestic trade flows through our network of terminals sited at Russian key marine locations.

TO SUCCEED, WE REMAIN FOCUSED ON:

Our key market: Russia

Our key services: terminal operations

PREFERRED PORT IN EVERY LOCATION, PARTNER OF CHOICE FOR ALL PARTIES INVOLVED
Our strong knowledge and ability to add value to the Russian container market sets us apart.

ASSURED HEALTHY, SAFE AND EFFECTIVE ORGANISATION
We provide our clients with first class port and related logistics services.

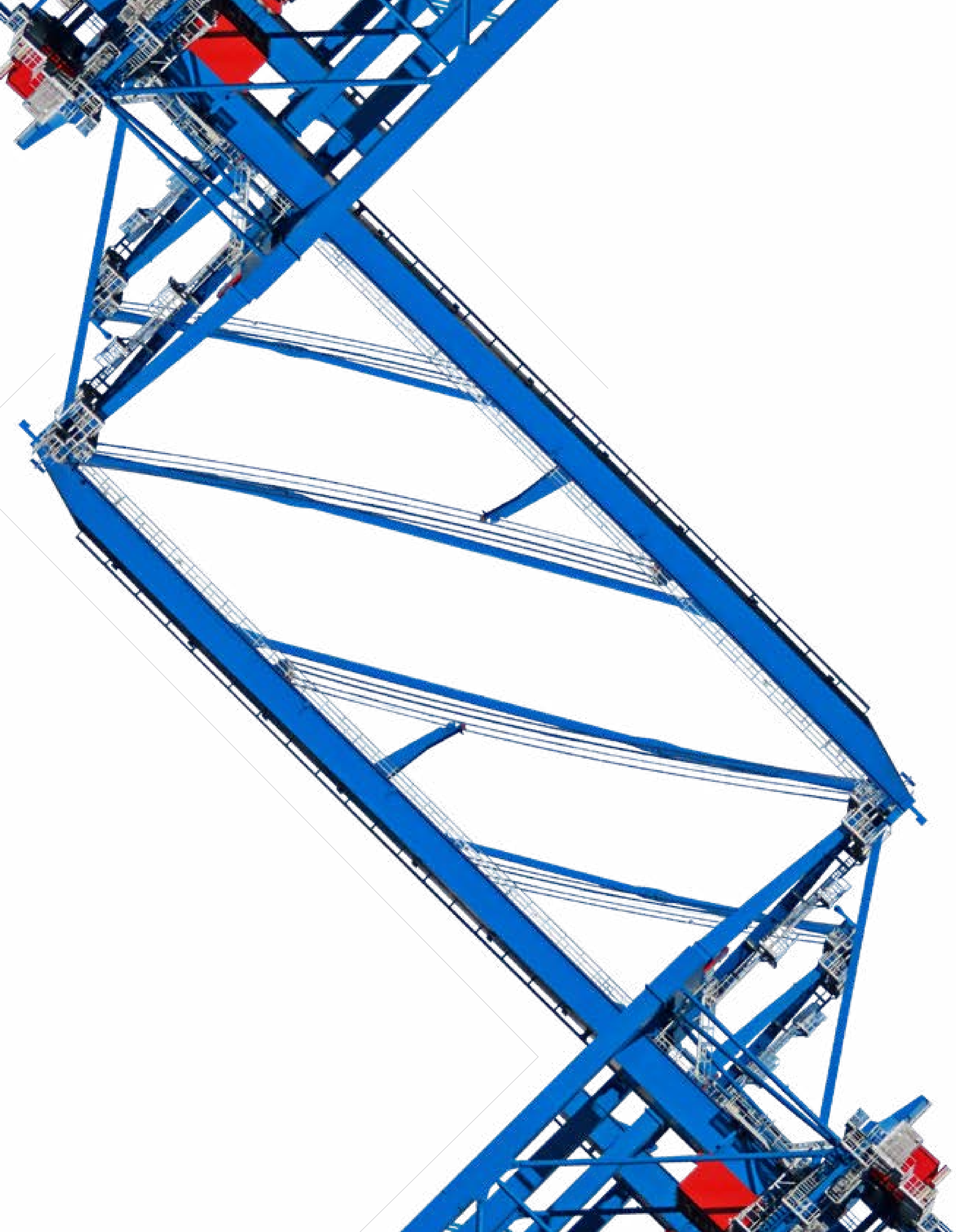
INTEGRAL PART OF IMPORT/EXPORT AND TRANSIT LOGISTICS CHAINS
By connecting and simplifying supply chains, we enable our customers to grow their businesses.

SOLID BUSINESS PROFILE AND PRUDENT CAPITAL ALLOCATION
Our non-container operations diversify our revenues and increase our terminals' utilisation rates.

Our key clients: shipping lines and freight forwarders

Our business focus: containers

SUSTAINABLE AND SAFE BUSINESS



Environmental, Social and Governance

Environment

Our industry, like others, is working to develop sustainable business practices that reduce its impact on the environment. At Global Ports, environmental sustainability is a critical part of our business strategy, requiring a careful balance be struck between our growth aspirations and our sustainability obligations. We are committed to accelerating the integration of sustainable practices into our business operations, improving our carbon footprint and lowering emissions across our value chain.

The Group has a strong track record of compliance with environmental legislation. We are fully transparent and accountable when it comes to issues relating to the environment. Our environmental management system requires that all companies within the group evaluate and manage their environmental impacts, enforce local environmental laws and regulations, and make continuous improvements. All of the Group's terminals carry comprehensive sustainability plans and these are embedded in all the Group's investment programmes.

Strategically and operationally the Group made good progress in its environmental approach in 2021. The Group announced at its interim results in August 2021 it had made the strategic decision to cease all coal handling operations at its VSC terminal as of September 2021. This decision significantly reduced the environmental impact of VSC, and means it fully focused on handling more environmentally-friendly container handling.

Operationally, the Group intensified its efforts to support the environment. Priority projects included ones focused on energy conservation, emissions and green recycling.

Climate Change

Climate change is one of the most significant challenges facing mankind. Inaction is not an option if the world is to reverse the effects of climate change, and limit global warming to well below 2.0 degree above pre-industrial levels. At Global Ports we are determined to play our part by reducing our emissions, becoming more energy efficient, and improving climate change adaptation.

Compared to other modes of transportation, shipping is one of the most energy efficient ways to transport freight, moving 90% of the world's goods. As leaders of the region's logistics infrastructure, our ports can play an important part in the drive to decarbonise and be part of the solution to addressing climate change. Because our container terminals are strategically situated in the key gateways of Russia, they act as hubs connecting two of the most environmentally-friendly transport options, marine shipping and freight rail to create eco-friendly value chains.

At the same time, ports infrastructure faces increased risks from climate-related threats such as rising sea levels or severe weather events, which will require port operators like Global Ports to strengthen our climate change adaptation by upgrading our infrastructure and operations. Our approach to climate change, therefore, focuses on both adaptation and mitigation measures through cutting our greenhouse gas emissions, improving infrastructure resilience, and continuing to innovate.

While the Group complies with all mandatory rules and regulations regarding Greenhouse Gas Emissions (GHG), we recognise that the Group needs to improve its decarbonisation efforts. And in 2021 the Group made the environmentally significant decision to discontinue coalhandling at its VSC terminal in Russia's Far East since September of the last year, reducing its carbon footprint.

The Group continued to make progress in its decarbonisation initiatives, with ongoing measure such as the introduction of more energy-efficient lighting systems and heating systems being supplemented by new initiatives in 2021 including introduction of green electricity charging points; greater use of electric vehicles and electric cranes; introduction of more efficient plant and machinery.

We stopped generating electricity using natural gas at one of the terminals.

As a result, we have again reduced our energy usage across the Group, with electricity and fuel consumption per tonne of cargo handled both falling for the fourth straight year.

Meantime, we continue to collaborate closely with other participants in the logistics value chain to find solutions that create more eco-efficient logistics chains. We are working with our shipping clients, our suppliers, rail freight companies and trucking firms to make changes in this area.

Environmental Protection and Conservation

We are committed to being stewards of the natural environments in which we operate. A key strategic focus is minimising the environmental impacts of our port operations on the local ecosystems. The land, waterways and estuaries that we manage are valuable natural assets, and we continually review our operations to ensure that we are acting in an environmentally responsible way. At the heart of our approach is effective environmental management, acting to conserve, regenerate and protect the natural habitats, marine and land-based, around our terminals.

We implemented a number of environmental schemes and pilot projects to improve the environment at our locations during 2021. In 2021, the Group's expenditure on environmental protection schemes was mainly focused on our VSC and ULCT terminals. For example, at VSC, in the Russian Far East, in cooperation with the Green Patrol organisation, we financed the work to de-pollute Lake Solyonoye and rid it of harmful oil products. This resulted in positive improvements to the ecology of the lake and its surrounding area based on analyses carried out by experts from the Admiral Nevelsky Maritime University.

Sustainability is also an important part of our port infrastructure capacity planning, in preparing for future expansion. We continue to work closely with local and regional governments ensuring that any potential environmental impacts resulting from land reclamation, reconstruction or development are properly quantified and addressed.

Water Usage

Global Ports is committed to actively manage its water resources, including being more efficient in how we use water. Across our terminals, waste is treated and recycled back to the waterways. The terminals are actively working to improve the efficiency of wastewater treatment to ensure the discharge of clean water in any conditions.

We are also working to conserve water usage across the Group through monitoring of water usage, and installing more water-efficient equipment. All water consumers have been equipped with water flow meters, which ensures 100% leakage control and monitoring of consumption at all times. Monitoring of water use is carried out monthly by taking readings from flow meters, which are equipped with all releases to water bodies and metering units of tap water from suppliers. The data is submitted as part of reports to the Federal Agency for Water Resources. We use recycled water for car washing in one of our terminals.

Waste Management

Waste is a major global issue and we have a responsibility to minimise the impacts of our operations. Tackling the waste challenge is therefore an important pillar of our environmental activities. Waste management is the subject of several Group programmes, focused on minimising how much waste we produce, repurposing and recycling where we can, and ensuring that disposing of waste takes place in the most eco-friendly way.

Energy Usage

	2019	2020	2021
Electricity consumption per 1 tonne of cargo handled by Russian Ports' marine terminals, kWh	2.08	1.69	1.87
Fuel consumption per 1 tonne of cargo handled by Russian Ports' marine terminals, l/t	0.46	0.44	0.44
Energy intensity of Russian Ports' marine terminals, MWh per million of sales revenue in USD	120	108	91

Social

As a provider of critical national infrastructure, Global Ports already has a big impact on people's lives as a facilitator of global trade, connecting economies. But we also are intimately connected to our local economies, where our presence has a significant social impact: supporting communities, funding social investment, providing employment, and creating job training and development opportunities.

As a responsible business, we recognise that the well-being of our employees and the communities directly affects the long term prospects for the Group's development. We are committed to advancing our social agenda which aims at providing safe working conditions, motivated employees, equal opportunities, engaged communities, and economic and social support for the regions where we operate.

Safety

The health and safety of everyone who works at Global Ports is our top priority. We have a fundamental duty of care to ensure that our people are safe at all times and we are committed to placing safety assurance at the core of our operations and corporate culture.

Our zero-harm strategy has as its objective the removal of the risk of harm from all of our operations. To meet our zero-harm objective, our focus is on building a sustainable safety culture among our employees, contractors and other terminal visitors. We pride ourselves on setting high safety standards and continually seek to drive improvements in our performance.

The nature of the working environment at our terminals places high demands on our employees and contractors, meaning that they are regularly exposed to risks while doing their jobs. Every day of the year, we are tasked with ensuring that the safety of our employees, contractors and others who visit our terminals is accorded the highest priority.

Our approach to developing a sustainable safety culture is based on three principles:
- providing a safe working environment
- providing comprehensive implementation plans built around best practice safety and compliance standards
- offering comprehensive training focused on risk awareness and reduction

We constantly monitor health and safety risks to ensure that our risk controls and working practices are the safest they can be. We believe this approach leads to better safety outcomes. Our safety management system focuses on ensuring compliance with our safety standards to provide a safe work environment, based:
- Global Minimum Safety requirements (GMR) that are aligned with industry best practices
- Safety audits to improve compliance of individual terminals with GMR
- Safety briefings and information updates for our staff and contractors
- Safety walks programme of daily audits at each terminal
- Health and safety training for line management and employees staff
- General safety training drills
- Specialised training programmes for handling dangerous or hazardous cargoes
- Monitoring employees' health and wellbeing to improve wellbeing and reduce incidence of occupational illnesses.

Safety Governance

The Board has overall responsibility for health and safety matters and is committed to continuous improvement in our safety culture and systems. The Board sets Health and Safety policy, agrees on safety standards and reviews performance.

The Chief Operating Officer is the senior executive responsible for health and safety compliance and performance monitoring. The Chief Operating Officer regularly reviews feedback and performance reports supplied by the individual business units and the Board receives monthly performance reports. The Group's safety performance is regularly reviewed by the Board and any decisions taken are discussed and agreed with the executive team.

Safety Performance

In 2021, against the backdrop of COVID-19 Global Ports maintained its unwavering commitment to safety, paying a high level of attention to protecting the health and wellbeing of our employees, contractors, customers and suppliers.

Our group-wide programmes to improve safety awareness and build a strong safety culture made progress against the priorities we had set for 2021. These included improving our safety processes and controls and implementing our Fatal 5 programme, a behaviour-based safety campaign, focused on reducing five major recurring risks: working under the cranes, working at height, working with hazardous cargoes, obeying speed limits and working of contractors.

Improving safety compliance with our GMRs remains a core area of focus, as these are the cornerstone of our safety compliance framework. Management maintained its strict cycle of annual safety audits of terminals assessing compliance levels, agreeing safety improvements and issuing instructions. This focus on continuous safety has improved safety assurance across the Group, and contributed to a consistent reduction in the risk of fatality.

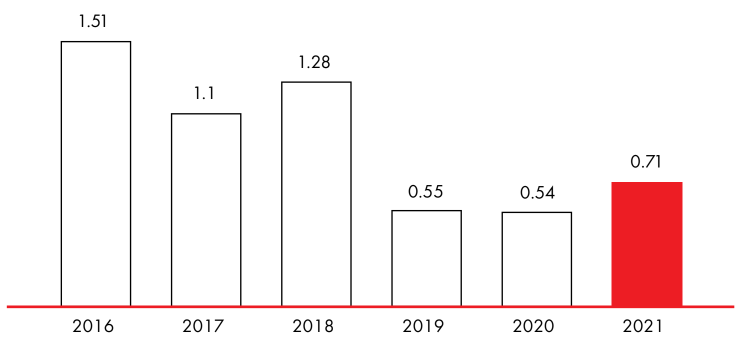
We recognise the importance of leadership and behaviours in creating a positive safety culture and encourage our managers to lead their teams by example. Our Safety Walk programme of daily safety audits continues to deliver high levels of compliance.

The ritual of daily safety audits has taken firm root among our terminal operations teams, helping to foster the zero-harm safety culture we aspire to.

We also acknowledge the importance of listening to, and acting upon, our regular safety feedback sessions with our employees. In 2020, to improve our safety audits, the Group introduced its unique GP Alarm mobile application, one version of which allows responsible employees to promptly monitor record safety violations, while another version, distributed to all employees, enables all individuals to sound the alarm on safety grounds. The feedback provided by employees using the app during 2021 was invaluable in making improvements to the functionality of the application and driving user engagement.

Our flagship Fatal 5 safety programme, which focuses on five high risk activities, achieved most of its planned activities for the year, delivering further improvement in critical safety processes and risk reduction:
- Working under cranes: working with cranes and other types of lifting equipment creates risks for individuals working underneath. As cranes play an essential role in terminal operations, loading and unloading cargo, it is incumbent on the Group to ensure the safety of those working in the vicinity of crane operators. Objects falling from height are one of the most common threats, as falling loads can cause serious injuries and fatalities. To avoid such events, we introduced a number of technical solutions to delimit work zones under cranes. Where these were difficult to implement, we introduced greater surveillance, appointing crane supervisors and introducing safety zones
- Working at height: many of the activities carried out in our ports could lead to a fall from height. These activities may be during routine operations or during one-off maintenance activities. To reduce the risks involved in working at height, we introduced a number of improvements to help keep colleagues working at height safely. We tested and upgraded the safety of the equipment used for working at height and at the same time introduced a number of additional features. For instance, in July 2021, we installed sophisticated video systems at all six ship-to-shore (STS) cranes operating at the Petrolesport terminal, enabling crane operators to monitor cargo movement far more effectively, making loading and offloading operations far safer as well as more efficient
- Working with hazardous cargo: we established a single protocol across all our terminals for the handling of hazardous materials, modelled on APM Terminals' guidelines and the requirements laid down in the International Maritime Dangerous Goods Code (IMDG). We introduced training for employees involved in handling hazardous materials, based on the new requirements, alongside further controls and more audits
- Working with contractors: at Global Ports our safety culture extends to all visitors to our terminals, including those working for other companies at our terminals. Our safety management system aims to protect all individuals on our premises so that everyone can return home safely. Contractor safety was a priority focus in 2021, as contractors are an important stakeholder group and a key part of Global Ports' overall safety management system. To address the issue of contractor safety, the Health & Safety Security Environment Office of the Management Committee took an in-depth look at how we protect our contractors. As a result, we introduced a new safety regulation specifically for contractors. This is an important step in the Group's drive to meet its target of zero harm, as the directive establishes a uniform set of safety requirement and procedures for companies performing tasks at terminals and facilities owned by Global Ports, and these stipulations now form part of the Group's standard contractual terms for contractors. The Group has now begun the formal process of working with contractors and their employees on the new contractor safety regime, and that work will continue
- Speed awareness: traffic incidents represent a serious risk in marine terminals, as they operate 24 hours a day, in all weathers, with multiple types of vehicles in use. The Group has traffic-safety programmes designed to reduce the risk of traffic incidents, including those caused by speeding. In 2021, a series of measures were introduced to ensure that speed limits are observed at the terminals. Alongside the annual traffic maintenance and renewal programmes, the Group installed speed sign boards that display live speeds of vehicles, and radar-activated speed traps to detect and deter persistent violators. These actions have significantly increased traffic safety across our container terminals

LTIFR



The Group also increased its commitment to improving and expanding its emergency response programme. The number and variety of emergency drills increased over 2021, to include emergency simulation events including dealing with hazardous cargo spills, warehouse fires, individuals falling into water, and fires at height including on cranes. Training staff in how to respond to emergency incidents is an important part of building an awareness of risk and eliminating accidents among employees. In conjunction, our terminal employees attend regular safety seminars to discuss safety issues and receive updates including on rule changes, new legislation, safety incidents and general safety progress. Alongside increasing the time allocated to safety training, last year the Group upgraded the emergency facilities at its terminals, establishing round the clock emergency medical support stations and equipping each with defibrillators.

Our absolute commitment to occupational health and safety means increasing the level of general safety awareness across the Group is an ongoing process. In 2021, our safety programme focused on safety culture and contractor safety. In 2022, the Group's safety plan will focus on building greater safety awareness and involvement among terminal staff and improving the levels of industrial safety compliance. The plan also contains specific initiatives to improve the safety of our engineering and technical staff who are involved in carrying out repairs and maintenance of buildings, structures, plants and equipment.

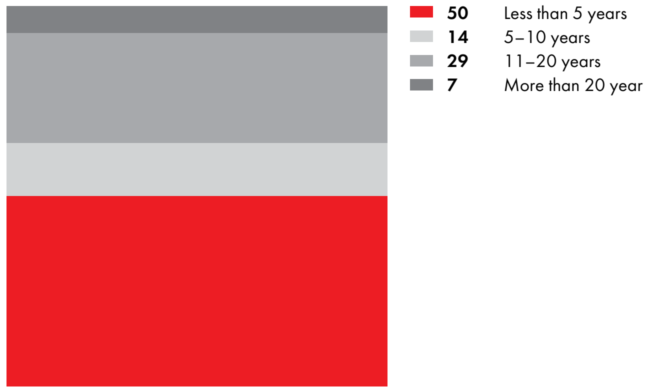
To provide greater transparency of its safety performance, the Group began formally benchmarking its Lost Time Injury Frequency Rate (LTIFR) in 2020. In 2021, we maintained a low rate of reportable incidents, despite the fact that our terminals were operating at full stretch to cope with the surge in demand. In 2021, Global Ports companies had a Lost Time Injury Frequency Rate (LTIFR) of 0.71 up from 0.54 in 2020 on the back of growing throughput volumes and utilisation rate of out terminals as well as increased construction works at the terminals.

Employ more than

2,900

people[1]

Length of average service (years), %



Our People

We are focused on building our reputation as a responsible employer. Across our seven terminals, we employ over 2,900 employees, who are critical to the long term success of the Group and the creation of sustainable value for all our stakeholders. We are committed to investing in our people to help them fulfil their ambitions, to keeping them safe, to recruiting the right people by offering rewarding career opportunities and to creating a work culture which is inclusive and where every individual feels respected and supported.

Building a Culture of Engagement

Employee engagement is a strategic priority as our long-term success rests on building a culture where our employees feel engaged and valued. How our employees feel about the Group is of utmost importance to the Group, so proactively consulting with them is a priority, as their feedback is vitally important in shaping the future of the organisation.

We communicate regularly with our people through a range of channels ensuring we maintain effective and consistent engagement with our workforce. These channels include regular briefings, workshops, surveys and feedback sessions. We believe that regular communications help build a strong employee brand and supportive company culture.

Diversity data, females as a percentage

68% of administration staff

25% of production staff

29% of total

[1] As at 31 December 2021.

We run periodic employee surveys to give our employees an opportunity to say what they think about working at Global Ports and what we can do to make it even better. Our most recent survey showed that high satisfaction levels among our employees. In 2021, we focused on improving working conditions and personal development opportunities.

Attracting and Retaining Talent

In order to recruit and retain the best people, we strive to offer competitive benefits packages that reward success, recognise individual contributions, and incentivise our people to succeed. Our performance management systems are designed to ensure that staff remuneration packages are transparent, simple to understand, and closely tied to corporate performance. Global Ports is working to improve executive remuneration disclosure and ensure alignment with shareholders. In 2021, the Group added sustainability performance indicators linking sustainability performance to bonus incentives for some of the senior management.

As a responsible employer, the Group strives to offer an attractive package of non-financial incentives for its staff and prospective employees. The package of incentives includes: voluntary health insurance, gifts for celebrations, the companies of the group hold corporate events for employees and their children, provide team buildings, reimbursing or financing sports activities. Global Ports terminals can provide bonuses to anniversaries, partial compensation of sanatoriums and children's camps, material assistance in various life situations.

Training and Development

Training and development are important elements of the Group's overall people development strategy and considered crucial to the future success of the Group. We value all our employees, and we are committed to providing them with training and development opportunities, both to develop their talents, and ensure we are developing the next generation of leaders. So we invest in a wide selection of training and development opportunities to help individuals develop their careers at Global Ports.

In 2021, over 1,900 employees of the Group underwent advanced training and training in development programmes in format of external and internal training. Particular attention was paid to the wide range of business topics, incl. advanced training of operational staff, risk-oriented approaches, compliance, financial modeling, project management in construction, security of information technologies and networks, features of legal regulation and dispute resolution and business performance management.

Succession planning and developing the next generation of leaders is a priority area for the Group. In 2021, we continued to develop our management development programmes for aspiring fast-track leaders and more experienced managers, with the objective of improving their skillsets. These programmes provide personalised development based on a mix of one-to-one coaching, mentoring, and management courses.

Diversity, Inclusion and Equality

Our people are critical to our success, so it is vital that we create a workplace that is inclusive and increases diversity. By doing so, and creating a work culture that embraces diversity, we can access a wider talent pool and build a more resilient business.

We do not discriminate against employees on the basis of race, religious or political beliefs, marital status, age, gender, sexual orientation or disability. Our approach is enshrined in our Code of Ethics which all employees must observe. All forms of discrimination are prohibited and all allegations of harassment, including sexual and racial harassment are taken seriously and investigated thoroughly.

We continue to promote diversity and equal opportunity through staff communications and training. Traditionally, the logistics industry has employed more men than women, and female representation within the industry has been low.

As at the year-end, 29% of our total workforce was female, including 25% of production staff and 68% of administrative staff. Of our Board of Directors, women accounted for 27% of the membership and two out of the three independent directors.

Human Rights

At Global Ports, we recognise the fundamental civil, political, economic and social human rights and freedoms of every individual and we strive to reflect them in our business activities. Our Code of Ethics incorporates our commitment to human rights which is strictly in accordance with Russian and international human rights laws.

Our Human Rights approach is aligned with the UN Guiding Principles on Business and Human Rights. The policy establishes minimum thresholds with regard to human rights that employees and those who work with the Group must meet.

Our Communities

Global Ports is committed to giving back to society. As a major employer, investor and purchaser of goods and services, we make a significant contribution to the overall economy. And we are proud to be an integral part of the communities where we operate. Our port locations are more than sources of local employment; they are part of the fabric of the community and play an essential role in everyday life. We want to support our employees and their communities and improve their quality of life.

Social Investment

As a Group, we are committed to giving back to society through our social investment programme. Our aim is to bring about positive social change and have a lasting impact on people and communities. Our approach is based around supporting our communities through targeted social investment and staff volunteering.

We are a significant employer in our communities and our employees are encouraged to volunteer and support our social investment schemes. In 2021, the Group contributed to its social and community initiatives, which are focused around the themes of health, education, welfare and culture. Our welfare and education support is directed toward supporting community-based projects. We support a number of cultural projects including those focused on heritage restoration, and we also fund a number of community-based sports programmes as part of our work to deliver better health outcomes.

VSC's Atmosphere Foundation contributed a total of RUB 20 million for medical, sports, environmental, social, and cultural projects for the residents of the Nakhodka urban district. The Foundation continued its ongoing support of a kindergarten No. 65 in the Wrangel neighbourhood. The Foundation gave over RUB 4.5 million to support various public events including the annual City Day, and a further RUB 3.5 million was donated to supply sound and lighting equipment to a youth centre, where the Nakhodka's Rampa theatre group is based.

Governance[1]

In 2021, we continued to make improvements to ensure the Group continues to meet high standards of governance.

Business Ethics
Good governance and ethical behaviour are the cornerstones of our operations and the foundation of our licence to operate. As a business, we are committed to complying with all relevant laws and regulations while upholding the highest standards of ethics. We expect everyone who works with us, from our employees to contractors and suppliers, to share our values and behave in an ethical and responsible way as a matter of course.

Our Code of Ethics establishes the governance framework for how we conduct business. The principles laid out in the Code are further detailed in individual policy documents that address specific aspects of our business ethics including anti-corruption, whistleblowing, human rights, and supplier relations.

The purpose of The Code is to clearly articulate our ethical standards and provide employees with a guide to what is expected of them in their behaviour and business activities. It provides information on how they can get help, and also guidance on their responsibility to report issues if they identify a problem. The Code provides guidance to ensure employees are aware of, and understand, their ethical and legal responsibilities, and covers issues relating to employees, customers, shareholders and the community. On joining, new employees are required to read the Code and then sign to demonstrate that they have read and understood it. All employees are kept up to date with the Group's governance policies and we provide ongoing training to cover any policy changes.

Anti-Bribery & Corruption
We are committed to upholding the highest ethical standards and operate a zero tolerance approach to bribery and corruption in any form; our approach is reflected in the Group's Code of Ethics, which sets out the standards of conduct expected.

Our Anti-Bribery and Corruption Policy ensures that all our business is conducted in an honest and ethical manner and in compliance with the law. The policy applies to all employees of Global Ports, as well as those working on our behalf in any capacity.

Whistleblowing
Global Ports encourages its employees, clients and other stakeholders to report any potentially unethical, unlawful or suspicious conduct or practices. The Group operates a 24/7 confidential whistle blower service that offers a variety of routes to report concerns:

- Via a dedicated e-mail address
- Via a free confidential telephone number
- Face-to-face with a senior member of Group Internal Audit Department responsible for managing the whistleblowing service

Details of the service are available on the Group's intranet as well as on information boards located throughout the offices and prominently displayed at the Group's terminals.

The service is run by the Internal Audit Department which operates independently of management and reports directly to the Audit & Risk Committee of the Board. Calls to the hotline service are treated in confidence, and investigated thoroughly and without bias.

In 2021, 20 reports were submitted to the confidential whistle blower service, 70% came via email, with the remainder reported via the telephone hotline. Out of the 20 reports submitted, 15 required full investigation and follow-up actions and five did not as these did not meet the threshold required. There was just one allegation relating to fraud, which on further investigation was not upheld.

Responsible Procurement
We aim to develop strong supplier relationships, working together to maintain the highest ethical standards. This is an important part of our approach to sustainability and important to how we manage risk in our business. We expect suppliers to comply with the Group's high ethical standards and behaviours which are set out in the Group's Code of Ethics.

The Group's Procurement Policy sets out the guidelines for suppliers. The Procurement Department of Global Ports Management LLC has purchasing responsibility for the terminals of the Group based on the following principles:

- Full compliance with the legislation of the Russian Federation
- Competitiveness and transparency
- Supplier selection based on price, quality and timeliness
- Total cost of ownership

All procurement information is placed on www.etprf.ru and www.fabrikant.ru electronic marketplaces. All necessary information is also shared on the EIS (Electronic Information System) website www.zakupki.gov.ru.

All tender requests are published on the websites stated above to ensure fairness and transparency in the tendering process.

The Group conducts periodic reviews and audits of its suppliers to ensure compliance. And the procurement department continues to monitor the development of responsible procurement practices.

[1] Please also see Corporate Governance section on page 59 of this Annual Report.

	Units	2019	2020	2021
ENVIRONMENT				
Electricity Used	Thousand MWh	42.0	39.8	43.9
Fuel Used (diesel, petrol)	Mln litre	9.6	10.6	10.6
Electricity consumption per 1 tonne of cargo handled by Russian Ports' marine terminals	kWh	2.08	1.69	1.87
Fuel consumption per 1 tonne of cargo handled by Russian Ports' marine terminals	l/t	0.46	0.44	0.44
Energy intensity of Russian Ports' marine terminals	MWh per million of sales revenue in USD	120	108	91
SOCIAL				
Diversity				
Diversity of staff				
• male	%	68	70	71
• female	%	32	30	29
Administration staff				
• male	%	35	34	32
• female	%	65	66	68
Production staff				
• male	%	73	74	75
• female	%	27	26	25
Executive management				
• male	%	87	100	100
• female	%	13	0	0
Health and Safety				
LTIFR	number	0.55	0.54	0.71
Fatalities	number	1	0	0
Fatalities / Thousand employees	number	0.35	0	0
Sustainability Governance				
Length of service (years)				
• Less than 5 years	%	40	44	50
• 5–10 years	%	19	18	14
• 11–20 years	%	28	31	29
• More than 20 year	%	12	7	7
Number of Sites	number	7	7	7
Political Donations	number	0	0	0
Business Ethics Policy	yes / no	yes	yes	yes
Anti-Bribery Ethics Policy	yes / no	yes	yes	yes
Number of Employees - CSR	number	2,870	2,797	2,929
Number of Part-Time Employees	number	5	52	37
Employee Turnover	%	12	14	16
Employee Voluntary Turnover	%	9	8	10
Employee Involuntary Turnover	%	2	5	6
Employee Training Cost	mln USD	0.1	0.1	0.1
Employee Average Age	number	x	43.3	43.6
GOVERNANCE				
Board of Directors				
The Board of Directors size	number	11	11	11
Number of Independent Directors	number	3	3	3
Senior Independent Directors	number	1	1	1
Independent Directors	%	27	27	27
Number of Executive Directors	number	0	0	0
Number of Non-Executive Directors	number	11	11	11
Percentage of Non-Executive Directors on Board	%	100.0	100.0	100.0

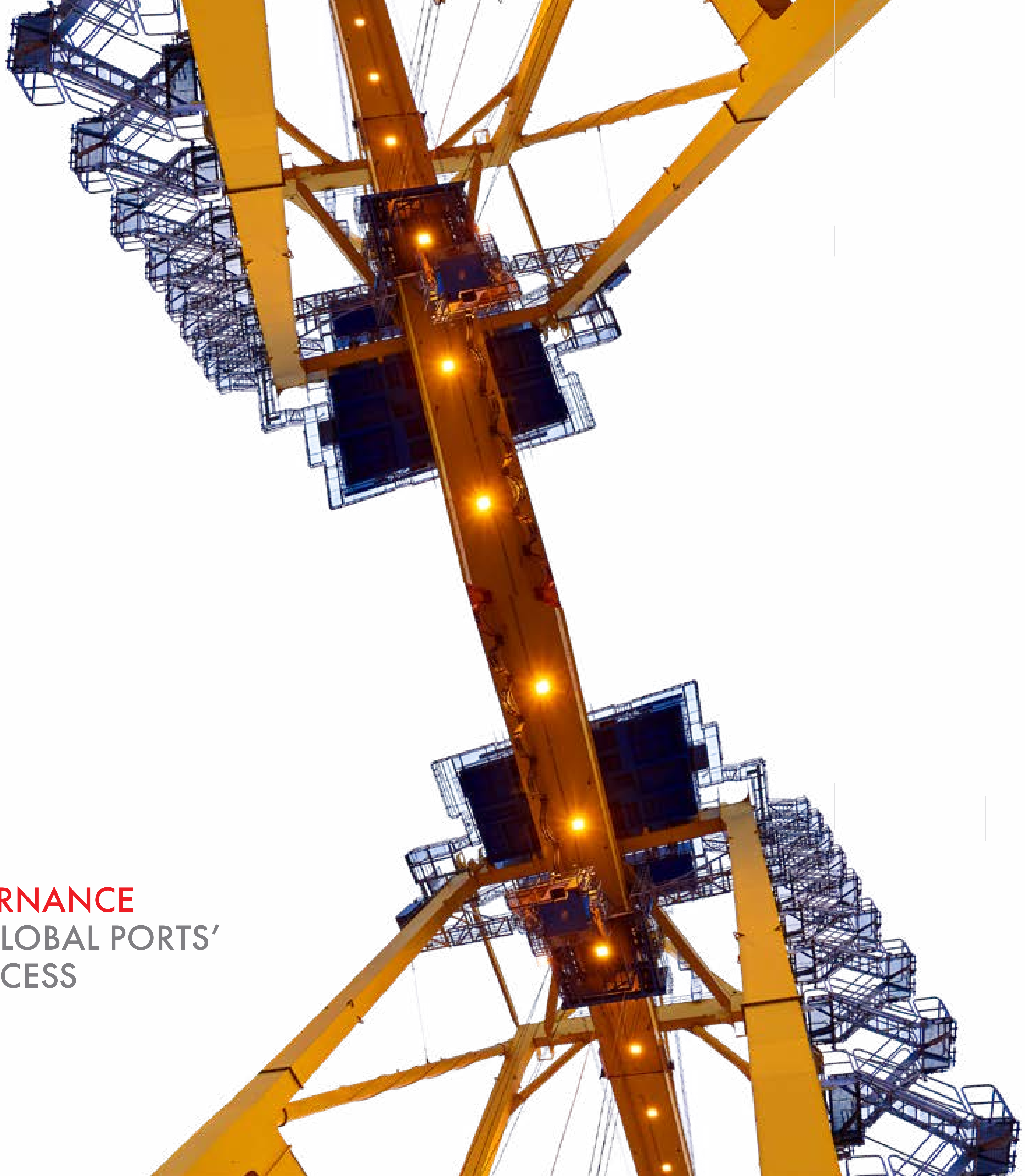
	Units	2019	2020	2021
Tenure of Board				
• < 1 year	%	36	9	27
• 1–4 year	%	64	91	64
• > 4 years	%	0	0	9
Number of Board Meetings for the Year	number	18	13	12
Board Meeting Attendance %	%	96.0	100.0	97.7
Num of Directors Attending less than 75% of Mtg	number	1	0	0
Independent Directors Board Meeting Attendance	%	98.10	100.00	100.00
# Board Members Serving > 10 Years	number	0	0	0
# Board Members Serving > 5 Years	number	0	0	0
Longest Serving Board Member Name		Mr. Morten Engelstoft	Ms. Britta Dalunde	Ms. Britta Dalunde
Chair Name		Mr. Morten Engelstoft	Mr. Soren Sjostrand Jakobsen	Mr. Soren Sjostrand Jakobsen
Independent Chairperson	yes / no	no	no	no
Date of Last Board of Director Change	date	14 May 2018	29 May 2020	27 May 2021
Number of Board of Director Changes During FY	number	4	2	3
CEO on the Board (Y/N)	yes / no	no	no	no
CEO Duality	yes / no	no	no	no
# Board Positions CEO Holds	number	0	0	0
Executive Chair (Y/N)	yes / no	no	no	no
Former CEO or its Equivalent on Board	yes / no	no	no	no
Board Duration (Years)	number	3	3	3
Non Employee Board Members Holding Shares	%	18.18	18.18	18.18
# Executive Directors on 2+ Boards	number	0	0	0
of Executive Directors on 2+ Boards	%	0	0	0
# of Non-Executive Board Members on 3+ Boards	number	3	3	3
Executive Management (Global Ports Management LLC)				
CEO Name		Mr. Vladimir Bychkov	Mr. Albert Likholet	Mr. Albert Likholet
Last Chief Executive Officer Start Date	date	16 July 2018	15 July 2020	15 July 2020
CEO Promoted from Within	yes / no	no	yes	yes
Number of CEO and Equivalent Changes During FY	number	0	1	0
Chief Executive Officer Tenure as of FY End	number	1.6	0.5	1.5
Chief Executive Officer Age	number	52	39	40
Chief Financial Officer Name		Mr. Alexander Roslavtsev	Mr. Alexander Roslavtsev	Mr. Alexander Roslavtsev
Last Chief Financial Officer Start Date	date	25 September 2017	25 September 2017	25 September 2017
Number of CFO and Equivalent Changes During FY	number	0	0	0
Chief Financial Officer Tenure as of FY End	number	2.25	3.25	4.25
Last Chief Operating Officer Start Date	date	21 March 2016	1 October 2020	1 October 2020
Number of COO and Equivalent Changes During FY	number	0	1	0
Chief Operating Officer Tenure as of FY End	number	3.75	0.25	1.25
Diversity				
Board diversity				
• male	%	73	73	73
• female	%	27	27	27
Independent Directors Diversity				
• male	%	33	33	33
• female	%	67	67	67
Number of Women on Board	number	3	3	3
Age of the Youngest Director	number	31	32	33
Age of the Oldest Director	number	66	62	62
Board of Directors Age Range	number	35	30	29
Board Average Age	number	52	50	51
Female Chief Executive Officer or Equivalent	yes / no	no	no	no
Female Chairperson or Equivalent	yes / no	no	no	no
Board has at Least One Female Director	yes / no	yes	yes	yes
Chief Executive Officer or Equivalent a Woman	yes / no	no	no	no

	Units	2019	2020	2021
Board Committee				
Number of Board Committees	number	3	3	3
Strategy Committee	yes / no	yes	yes	yes
CSR/Sustainability Committee (Y/N)	yes / no	no	no	no
Audit and Risk Committee				
Audit and Risk Committee size	number	5	5	5
Number of Indepentant Directors in Committee	number	3	3	3
Percent of Independent Directors on Audit and Risk Committee	%	60	60	60
Independent Audit and Risk Committee Chairperson	yes / no	yes	yes	yes
Number of Non-Executive Directors on Audit and Risk Committee	number	5	5	5
Non Executive Directors on Audit and Risk Committee	%	100	100	100
Number of Audit and Risk Committee Meetings	number	13	10	12
Audit and Risk Committee Meeting Attendance Percentage	%	99	100	100
Nomination and Remuneration Committee[1]				
Nomination and Remuneration Committee size	number	3	3	3
Number of Indepentant Directors in Committee	number	1	1	1
Percent of Independent Directors on Nomination and Remuneration Committee	%	33	33	33
Independent Nomination and Remuneration Committee Chairperson	yes / no	yes	yes	yes
Number of Non-Executive Directors on Nomination and Remuneration Committee	number	3	3	3
Non Executive Directors on Nomination and Remuneration Committee	%	100	100	100
Number of Nomination and Remuneration Committee Meetings	number	15	16	13
Nomination and Remuneration Committee Meeting Attendance Percentage	%	97.7	100.0	100.0
Strategy Committee				
Strategy Committee size	number	4	5	5
Number of Indepentant Directors in Committee	number	1	1	1
Percent of Independent Directors on Strategy Committee	%	25	20	20
Independent Strategy Committee Chairperson	yes / no	no	no	no
Number of Non-Executive Directors on Strategy Committee	number	4	5	5
Non Executive Directors on Strategy Committee	%	100	100	100
Number of Strategy Committee Meetings	number	5	8	13
Strategy Committee Meeting Attendance	%	100	100	98
Investor Relations				
IR Contact Name		1. Mikhail Grigoriev 2. Tatiana Khansuvarova	1. Mikhail Grigoriev 2. Tatiana Khansuvarova	1. Mikhail Grigoriev 2. Tatiana Khansuvarova
IR Title		1. Head of IR and Capital Markets 2. IR Analyst	1. Head of IR and Capital Markets 2. IR Analyst	1. Head of IR and Capital Markets 2. IR Analyst
IR Phone Number		1. +357 25 313 475 / +7 916 991 73 96 2. +7 812 677 15 57	1. +357 25 313 475 / +7 916 991 73 96 2. +7 812 677 15 57	1. +357 25 313 475 / +7 916 991 73 96 2. +7 812 677 15 57
IR Tenure		1. 8 years 2. 2 years	1. 9 years 2. 3 years	1. 10 years 2. 4 years
IR Email Address		ir@globalports.com	ir@globalports.com	ir@globalports.com
Other				
Total Board of Director Compensation Paid	th.USD	818	245	278
Total Salaries and Bonuses Paid to Executives	th.USD	8,311	3,743	6,142
Auditor Ratification	yes / no	yes	yes	yes

Source: Company data

[1] The Nomination and Remuneration Committee was established in June 2019 following the merger of the Nomination Committee and the Remuneration Committee in order to simplify the work of the committees and Board members. The data on 2019 relate to the meetings of former separate Nomination and former Remuneration committees and also to the meetings of the new merged Nomination and Remuneration Committee.

CORPORATE GOVERNANCE



EFFECTIVE GOVERNANCE
IS CENTRAL TO GLOBAL PORTS'
LONG-TERM SUCCESS

Risk Management

Global Ports is exposed to a variety of risks and opportunities that can have commercial, financial, operational and compliance impacts on its business performance, reputation and licence to operate. The Board recognises that creating shareholder value involves the acceptance of risk. Effective management of risk is therefore critical to achieving the corporate objective of delivering long-term growth and added value to our shareholders.

Global Ports bases its risk management activities on a series of well-defined risk management principles, derived from experience, best practice, and corporate governance regimes. The Group's enterprise risk management processes (ERM) are designed to identify, assess, respond, monitor and, where possible, mitigate or eliminate threats to the business caused by changes in the business, financial, regulatory and operating environment.

The Board has overall oversight responsibility for GPI's risk management and for the establishment of the framework of prudent and effective controls. As such, it systematically monitors and assesses the risks attributable to the Group's performance and delivery of the GPI strategy. Where a risk has been identified and assessed, the Group selects the most appropriate risk measure available in order to reduce the likelihood of its occurrence and mitigate any potential adverse impact.

The Board delegates to the Chief Executive Officer of LLC Global Ports Management LLC the responsibility for the effective implementation and maintenance of the risk management system. Day-to-day responsibility for risk management lies with the management team. The Audit and Risk Committee is authorised by the Board to monitor, review and report on the organisation, functionality and effectiveness of the Group's Enterprise Risk Management (ERM) system.

Global Ports is exposed to a variety of risks which are listed below. The order in which these risks are presented is not intended to be an indication of the probability of their occurrence or the magnitude of their potential effects.

Not all of these risks are within the Group's control, and the list cannot be considered to be exhaustive, as other risks and uncertainties may emerge in a changing external and internal environment that could have a material adverse effect on the Group's ability to achieve its business objectives and deliver its overall strategy.

Further information on our risk management system, including a detailed description of identified risk factors, is in the notes to the Consolidated Financial Statements attached to this report.

The Group's financial risk management and critical accounting estimates and judgments are disclosed in Notes 3 and 4 to the Consolidated Financial Statements.

The Group's contingencies are disclosed in Note 28 to the Consolidated Financial Statements.

Risk factor	Risk management approach
Strategic risks	
Market conditions: Global Ports' operations are dependent on the global macroeconomic environment and resulting trade flows, including in particular container volumes. Container market throughput is closely correlated to the volume of imported goods, which is driven by domestic consumer demand, and influenced by RUB currency fluctuations against USD/Euro, and exported goods, which in turn correlate with the Russian rouble exchange rate fluctuations and global commodity markets` trends. The Group remains exposed to the risk of contraction in the Russian and world economy which, if it were to occur, could further dampen consumer demand and lead to a disruption in the container market which could have an adverse impact on the Group. At the same time being part of Russian and world logistics chains, the terminals of the Group are exposed and feel the impact of the disruptions and disbalances in these logistics chains caused by COVID-19 and such cases like Ever Given accident.	The Group has responded to throughput volatility in the container market by: • Focusing on quality and value-driven services (getting closer to the customer) • Greater focus on balancing export and import container flows as well as the cargo mix • Offering operational flexibility to all clients via operational excellence • Investments in infrastructure development and equipment • Termination of handling coal at VSC to optimise the handling of containers • Effective cost containment • Development of IT solutions • Adopting new revenue streams and attracting new cargoes
Competition: Barriers to entry are typically high in the container terminal industry due to the capital-intensive nature of the business. However, challenging market trading conditions mean that competition from other container terminals continues to be a significant factor, which is also supported by the existing excess capacity in the market, i.e., in the North-West of Russia. Further consolidation between container terminal operators and container shipping companies, the creation of new strategic alliances, the introduction of new/upgraded capacity and carrier consolidation could result in greater price competition, lower utilisation, and potential deterioration in profitability. Strategic international investors may develop or acquire stakes in existing competitor Russian container terminals, which could bring new expertise into the market and divert clients and cargoes away from the Group. Also, Beneficial Cargo Owners may optimise their logistics chains and decide to control them, which may lead to changes in the competitive environment. Given the historically high margins in the Russian container handling industry, this trend may continue, which is demonstrated by growing competition in the Russian Far-East where a number of new projects were announced at the Far-Eastern Economic Forum in September 2021. Though we do not expect new major capacity to come to the market in the next 3–4 years, the conversion of some of the existing terminals into the handling of containers already started.	The Group actively monitors the competitive landscape and adjusts its strategy accordingly, i.e., the Group prioritises building close long-term strategic relationships with its leading customers (locally, regionally and with headquarters). The Group's focus on service quality is a key differentiator from its competition and the Group believes this is one of its key competitive advantages. The Group continues to invest in its terminals and infrastructure to ensure competitive levels of service. It takes a long-term approach to managing its network of terminals that represent core infrastructure assets in Russia with an expected operating lifespan of 10 to 20 years and beyond. The Group owns a significant land bank giving it flexibility should market conditions require it. The Group maintains level of capital expenditure in line with the requirements needed to maintain effective development of its existing capacity. The Group has developed long-term operating master plans for each of its terminals that enable it to react quickly in the case of additional market demands being placed on its facilities' infrastructure and equipment. The Group's healthy cash flow generation and decreasing leverage allow financial flexibility in terms of timing and size of the required capital expenditure programme.

Risk factor	Risk management approach
Political, Geopolitical, military conflicts and economic and social instability: Russian foreign affairs and geopolitics could lead to instability in the Russian economy. Therefore, uncertain operating environment and decreasing, as a result of social and political instability, could affect the Group's profitability and ability to sell its services due to significant economic and political risks. Certain government policies or the selective and arbitrary enforcement of such policies could make it more difficult for the Group to compete effectively and/or impact its profitability. The current geopolitical situation and conflict surrounding Russia and Ukraine will adversely affect operations of the Group, i.e. the management of the Group is aware of the fact that some shipping lines have announced that they temporarily suspend shipments to and from Russian Federation. It is possible that other shipping lines will follow with similar restrictions. The Group may also be adversely indirectly affected by US, EU, UK and other jurisdictions sanctions against Russian business/companies – measures that have had and may continue to have an adverse effect on the Russian economy and demand for goods, commodities and services as well as supply of equipment and spare parts, interest rates and RUB/USD exchange rate. Ongoing sanctions could also slow down or make it very challenging to process the settlements with clients and suppliers and to deal with certain persons and entities in Russia or in other countries. Following already imposed sanctions on Russian Central Bank, its restrictions for capital movements outside Russian Federation and other developments of the confrontation, there is an uncertainty about the availability of the options for refinancing in 2023 when principal payments of Eurobonds 2023 fall due. The situation is largely dependent on actions of Russian Government and Central Bank that are difficult to foresee.	In light of the geopolitical and macroeconomic challenges faced by the ports industry in recent years, the Group has focused on improving its resilience, in particular its ability to withstand short-term economic fluctuations in Russia, as well as the wider regional and global environment. This has included a strong focus on cost containment measures, and on strengthening its financial position by refinancing its debt, switching to longer maturities at fixed rates, execute the investment programmes ahead of time and increase the resilience of its treasury operations. In addition, the Group has developed its growth strategy to embrace exports and new revenue streams to counteract the impact of any fall in consumer sentiment or any macro-economic downturn. The Group has strengthened its system to monitor compliance with restrictions posed by international sanctions and fend off the risk of secondary sanctions. The Group continues to maintain an international base of shareholders, bondholders and business partners. The Group's management is closely monitoring events in Russia and Ukraine, as well as the possibility of the imposition of further sanctions in connection with the escalating confrontation and any resulting increase of tensions between Russia, and the US, UK and/or the EU. The management understands what needs to be done under current circumstances and believes that it has required resources to lead the Group through these difficult times. The Group has a strong track record in promptly meeting all its debt obligations, successful refinancing and deleveraging and enjoys high credibility in local and international banking and capital markets that we expect should support the Group in its efforts to refinance in September 2023 or earlier. The Group is not aware of any specific sanctions related to its ownership or operations.
Coronavirus (COVID-19): The global coronavirus (COVID-19) pandemic that emerged during 2020 impacted the container ports industry and Global Ports own operations, resulting in significant interruption to global trade, disruption to supply chains, reshuffling of vessel calls, and high FX volatility. Despite the introduction of vaccination programmes, visibility remains low, new strains of virus are emerging, and the risk of future outbreaks and disruption to business operations remains. Risks include: • personnel shortages due to COVID-19 related illness • inability to deliver contracted services due to regulatory or safety requirements • loss of revenue due to business interruption, loss of customer volumes or customer withdrawals • additional process steps or safety measures • liquidity issues associated with delays in customer payments, potential customer failures or availability of financing.	The authorities in Russia demanded that the transport industry enterprises ensure that at least 80% of employees are vaccinated, which the Group's terminals completed within the required time frame. Group measures to mitigate risk are grouped under/focused on four main priorities: • **Protecting all employees (operations and admin) and communities**: including on-site vaccination at the terminals, medical examinations, restrictions on travelling and external/internal meetings, social distancing, additional disinfection according to the schedule, personal protective equipment provided for personnel, improved cleaning, purchasing protective masks, gloves and COVID-19 tests for the local hospital in Nakhodka, Far East. Administrative staff had been either recommended or moved to work from home. The Group tried to establish the maximum comfort for its employees during remote work. The IT infrastructure was adapted to new challenges and was working without major failures. As of the date of signing the financial statements, the employees were not fully returned from working from home. The Group has not taken a final decision, on whether some of the employees shall continue working from home going forward. Any return to the office is and will be accompanied by following the strict safety protocols including social distancing, disinfection, use of masks, limitation of external contacts. • **Supporting customers**: uninterrupted 24/7 operations (quay, yard and gates), to support and protect customers' supply chains in Russia, improved commercial and operational flexibility; • **Strengthening online channels**, including maximum digitalisation of documentation and customer integration, further development of online solutions to decrease the necessity of client's presence at the terminal, improvement of resilience of IT systems to external shocks and cyber attacks; • **Ensuring financial stability and cash preservation**, including proactive management of costs, receivables and capacity for effective adaptation to crisis and its consequences, Stress testing of financial performance and liquidity position, revisiting financial plans. All these measures implemented ensured that the terminals of the Group (quay, yard and gates) remained 100% operational to service vessels/handle cargoes throughout the pandemic as well as the call and service centres of the Group were working without interruption.
Operational risks	
Leases of terminal land: The Group leases a significant amount of the land and quays required to operate its terminals from government agencies and to a lesser extent from private entities. Any revision or alteration to the terms of these leases or the termination of these leases, or changes to the underlying property rights under these leases, could adversely affect the Group's business.	The Group believes it has a stable situation at present regarding its land leases and its terminals have been in operation for a number of years. The Group owns the freehold on 66% of the total land of its terminals and 70% of the land of its container and inland terminals in Russia. The remainder is held under short and long-term leases routinely renewable at immaterial costs.
Customer Profile and Concentration: The Group is dependent on a relatively limited number of major customers (shipping lines, freight forwarders etc.) for a significant portion of its business. These customers are affected by conditions in their market sector which can result in contract changes and renegotiations as well as spending constraints, and this is further exacerbated by carrier consolidation.	The Group conducts extensive and regular dialogue with key customers and actively monitors changes that might affect our customers' demand for our services. The Group has a clear strategy to reduce its dependence on its major customers, by targeting new customers, increasing the share of business from other existing global customers, and new cargo segments. The Group is also relying on the contribution from non-container revenues through building its presence in marine bulk cargoes like coal and scrap metal (share of non-container revenue was 22% and 17% in 2020 and 2021 respectively).

Risk factor	Risk management approach
Reliance on third parties: The Group is dependent on the performance of services by third parties outside its control, including all those other participants in the logistics chain, such as customs inspectors, supervisory authorities, Russian Railways, rolling stock operators and others, and the performance of security procedures carried out at other port facilities and by its shipping line customers.	The Group strives to maintain a continuous dialogue and cooperation with third parties across the supply chain. In addition, its geographic diversification provides it with some flexibility in its logistics, should bottlenecks develop in one area.
Tariff regulation: Tariffs for certain services at certain of the Group's terminals have in the past, been regulated by the Russian Federal Antimonopoly Service (FAS). As a result, the tariffs charged for such services were, and may potentially in the future be, subject to a maximum tariff rate and/or fixed in Russian roubles as PLP, VSC, and FCT, like many other Russian seaport operators, are classified as natural monopolies under Russian law.	All tariffs are set in Russian roubles. To the best of the knowledge of the Group's management, the Group is in full compliance with the tariff legislation. The Group continues to monitor for any legislative proposals and regulatory actions that could lead to changes to the existing tariff regulations and its natural monopoly status. It seeks a proactive dialogue with the relevant Russian federal authorities. It believes it is as well placed as any market participant to adapt to any future changes in tariff regulation.
Human resources management: The Group's competitive position and prospects depend on the expertise and experience of its key management team and its ability to continue to attract, retain and motivate qualified personnel. Lack of qualified workers in the market and active competitions can lead to a deficiency of human resources. Industrial action or adverse labour relations could disrupt the Group's operating activities and have an adverse effect on performance results. Changes in work conditions as well as growing competition on the labour market may lead to higher staff turnover.	The Group annually reviews labour market trends and aligns employee salaries and benefits at all levels to foster and retain skilled labour. The Group invests in the professional development of its staff at all levels, including international best practices implementation and internal development/ training programmes. The Group engages in socially responsible business practices and the support of local communities. The Group is regularly exploring employee's satisfaction and loyalty and provide measures to keep a sufficient level of these metrics. The Group strives to maintain a positive working relationship with labour unions at its facilities. Moreover, it pursues overall labour policies designed to provide a salary and COVID support benefit package in line with the expectations of our employees.
Health, safety, security: Accidents involving the handling of hazardous materials at the Group's terminals could disrupt its business and operations and/or subject the Group to environmental and other liabilities. The risk of safety incidents is inherent in the Group's businesses. The Group's operations could be adversely affected by terrorist attacks, natural disasters or other catastrophic events beyond its control.	The Group has implemented clear safety policies designed around international best practices and benchmarks using such measures as GPI Global Minimum Requirements. Safety is one of the Group's top priorities. A safety strategy and annual action plans have been developed and are being implemented, to build a sustainable safety culture across the whole Group. The detailed roadmap is designed to ensure sustainable implementation of safety culture over the medium term. GPI is constantly improving its safety practices by involving the employees in identifying and mitigating potential safety risks. Similarly, GPI works with all its stakeholders to maintain high level of physical security around port facilities and vessel operations to minimise the risk of terrorist attacks.
Environment: Degradation of the environment and the consequences from stringent environmental regulations and investor sustainability expectations may influence the profitability of the business.	The Group constantly monitors the environmental, legislation changes and expectations and in response is developing its ESG targets which will be aligned with its business strategy, governance and risk management processes. In 2021, the coal handling operations were ceased in one of the Company's subsidiaries.
Information technology and security: The Group's container terminals rely on IT and technology systems to keep their operations running efficiently, prevent disruptions to logistic supply chains, and monitor and control all aspects of their operations. Any IT glitches or incidents can create major disruptions for complex logistic supply chains. Any prolonged failure or disruption of these IT systems, whether a result of a human error, a deliberate data breach or an external cyber threat could create major disruptions in terminal operations. This could dramatically affect the Group's ability to render its services to customers, leading to reputational damage, disruption to business operations and an inability to meet its contractual obligations.	The Group has centralised its IT function in recent years which is an important step in ensuring both the efficiency and consistency of the Group's security protocols implementation. We are continuing to align our IT strategy with the business objectives. We regularly review, update and evaluate all software, applications, systems, infrastructure and security, i.e., in November 2021 VSC and Solvo completed testing and commissioning of a new terminal operating system (TOS). The new TOS enables real-time tracking of all ship and container handling procedures at the terminal and critical functions like operational accounting, warehouse management, railhead container handling and planning, vehicle handling, and oversight of containers during customs clearance. All software and systems are upgraded or patched regularly to ensure that we minimise vulnerabilities. Each of our business units has an IT disaster recovery plan. Our security policies and infrastructure tools are updated or replaced regularly to keep pace with changing and growing threats. Our security infrastructure is updated regularly and employs multiple layers of defence. Connectivity to our partners' systems is controlled, monitored and logged.
Regulatory and compliance risks	
Regulatory compliance: The Group is subject to a wide variety of regulations, standards and requirements and may face substantial liability if it fails to comply with existing regulations applicable to its businesses. The Group's terminal operations are subject to extensive laws and regulations governing, among other things, the loading, unloading and storage of hazardous materials, environmental protection and health and safety.	The Group strives to be in compliance at all times with all regulations governing its activities and devotes considerable management and financial resources to ensure compliance.
Changes in regulations: Changes to existing regulations or the introduction of new regulations, procedures or licensing requirements are beyond the Group's control and may be influenced by political or commercial considerations not aligned with the Group's interests. Any expansion of the scope of the regulations governing the Group's environmental obligations, in particular, would likely involve substantial additional costs, including costs relating to maintenance and inspection, development and implementation of emergency procedures and insurance coverage or other financial assurance of its ability to address environmental incidents or external threats.	The Group maintains a constructive dialogue with relevant federal, regional and local authorities regarding existing and planned regulations. The Group does not have the power to block any or all regulations it may judge to be harmful, but this dialogue should ensure it has time to react to changes in the regulatory environment.

Risk factor	Risk management approach
Conflict of interests: The Group's controlling beneficial shareholders may have interests that conflict with those of the holders of the GDRs or notes. The major implications of this risk are that (i) co-controlling shareholders pursue other businesses not related to GPI and hence may not be deeply involved with developing GPI and (ii) one of the major shareholders is also a major customer of the Group. The employees of the Group may have interests in the companies, that may or potentially may have the business with the Group.	The Group's corporate governance system is designed to maximise the company's value for all shareholders and ensure the interests of all stakeholders are taken into account. The Group's LSE listing ensures our compliance with the highest international standards. In addition, the Board consists of highly experienced individuals including strong independent directors. In 2020, the Group adopted the Policy on Conflicts of Interest regulating the potential conflicts of interest by the employees of the Group and updated it in 2021.
Legal and tax risks: An adverse determination of pending and potential legal actions involving the Group's subsidiaries could have an adverse effect on the Group's business, revenues and cash flows and the price of the GDRs. Weaknesses relating to the Russian legal and tax system and appropriate Russian law create an uncertain environment for investment and business activity and legislation may not adequately protect against expropriation and nationalisation. The lack of independence of certain members of the judiciary, the difficulty of enforcing court decisions and governmental discretion claims could prevent the Group from obtaining effective redress in court proceedings.	The Group maintains a strong and professional legal function designed to monitor legal risks, avoid legal actions where possible and carefully oversee any changes in applicable legislation that may occur. The Group performs ongoing monitoring of changes in relevant tax legislation and court practice in the countries where its companies are located and develops the Group's legal and tax position accordingly.
Financial risks	
Foreign exchange risks: The Group is subject to foreign-exchange risk arising from various currency exposures, primarily the Russian rouble and the US dollar. Foreign-exchange risk is the risk of fluctuations in profits and cash flows of the Group arising from the movement of foreign-exchange rates. Risk also arises from the revaluation of assets and liabilities denominated in foreign currency.	As of 2021, all Group tariffs are denominated in Russian roubles, and part of the Group's debt is denominated in US Dollars. Most of the Group's operating expenses, on the other hand, are and will continue to be denominated and settled in Russian roubles. In order to mitigate the possibility of foreign exchange risks arising from a significant mismatch between the currency of revenue and the currency of debt ('open FX position'), the Group is converting part of its existing USD debt into RUB, the currency of revenue. During 2018–2022, the Group bought back and / or redeemed part of its USD denominated Eurobonds exposure and currently~57% of the total issued Eurobonds have been bought back and/ or fully redeemed. New debt in 2020–2021 was attracted/raised only in Russian rouble, i.e., VSC bonds in the amount of 12.5 billion RUB–USD equivalent of USD 168.25 mln. In addition, the Group has negotiated with some of its customers the right to change its Russian rouble tariffs in conjunction with RUB/USD exchange rate fluctuations within a range of +/–15% each time when the average RUB/USD exchange rate for a given month falls beyond 5% from the base exchange rate used for translating original USD tariffs to RUB, however, the risk above the levels of these currency moves remains.
Credit risk: The Group may be subject to credit risk, arising primarily from trade and other receivables, loans receivable and cash and its equivalents and derivative financial instruments. The Group's business is also dependent on several large key customers.	The Group closely tracks its accounts receivable overall and the creditworthiness of key customers and suppliers.
Debt, leverage and liquidity: The Group's indebtedness or the enforcement of certain provisions of its financing arrangements could affect its business or growth prospects. Failure to promptly monitor and forecast compliance with loan covenants both at the Group and individual terminal levels may result in covenant breaches and technical defaults. If the Group is unable to access funds (liquidity) it may be unable to meet financial obligations when they fall due, or on an ongoing basis, to borrow funds in the market at an acceptable price to fund its commitments.	The Group has been able to reduce its total debt level. FCT Series 2–3 Bonds were repaid in 2021 using their own funds. Debt reduction beyond minimum repayment requirements remains a management priority in 2022. Liquidity risk is carefully monitored, with regular forecasts prepared for the Group and its operating entities. As of the end of 2021 Group Net debt/EBITDA ratio reached 2.0x. The Group deleveraging strategy together with the better business development outlook led to Moody's upgrade rating of the Companyand the Group financial instruments by 1 notch to Ba1, RA Expert by 2 notches to ruAA, Fitch Ratings affirmation at BB+ in 2021. The risk of liquidity has been significantly reduced via extensions of debt maturities through public debt issuance in 2021: VSC issued Russian rouble bonds in the amount of 7.5 billion RUB – USD equivalent of USD 100.95 mln, which is a part of the rouble-denominated Bond Programme of VSC with Moscow Exchange which provides VSC with the potential to issue additional bonds of RUB 17.5 billion – USD equivalent of USD 235.56 mln, over an unlimited period of time with a maturity of up to 10 years. FCT has a similar Bond Programme for RUB 50 billion – USD equivalent of USD 673.01 mln. In addition, the Group has over USD 300 million of open uncommitted limits for credit line facilities from the banks which in combination with VSC and FCT bonds can facilitate financial flexibility and diversification of the debt portfolio of the Group and the refinancing of the existing debt of the Group and ensure all obligations of the Group falling due in the next 12 months are met. The Group regularly stress tests scenarios when different negative trends that could affect cash flows are identified. The liquidity position is carefully monitored in case of further deterioration of financial performance.

Additional information

Directors' Responsibility Statement

We confirm that to the best of our knowledge:
This Annual Report includes a fair, balanced and understandable review of the development and performance of the business and the position of the Group and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

Board of Directors of Global Ports Investments PLC

Definitions

Terms that require definitions are marked with capital letters in this Report and the definitions of which are provided below in alphabetical order. The non-IFRS financial measures defined below are presented as supplemental measures of the Group's operating performance, which the Group uses as key performance indicators of the Group's business and to provide a supplemental tool to assist in evaluating current business performance. The Group believes these metrics are frequently used by securities analysts, investors and other interested parties in the evaluation of companies in the Russian market and global ports sector. These non-IFRS financial measures are measures of the Group's operating performance that are not required by, or prepared in accordance with, IFRS. All of these non-IFRS financial measures have limitations as analytical tools, and investors should not consider any one of them in isolation, or any combination of them together, as a substitute for analysis of the Group's operating results as reported under IFRS and should not be considered as alternatives to revenues, profit, operating profit, or any other measures of performance derived in accordance with IFRS or as alternatives to cash flow from operating activities or as measures of the Group's liquidity. In particular, the non-IFRS financial measures should not be considered as measures of discretionary cash available to the Group businesses.

Adjusted EBITDA (a non-IFRS financial measure) for Global Ports Group is defined as profit for the period before income tax expense, finance income/(costs)—net, depreciation, write-off and impairment of property plant and equipment, depreciation and impairment of right-of-use assets, amortisation, write-off and impairment of intangible assets, share of profit/(loss) of joint ventures accounted for using the equity method, other gains/(losses)—net.

Adjusted EBITDA Margin (a non-IFRS financial measure) is calculated as Adjusted EBITDA divided by revenue, expressed as a percentage.

ASOP is "Association of Sea Commercial Ports" (www.morport.com).

Baltic Sea Basin is the geographic region of northwest Russia, Estonia and Finland surrounding the Gulf of Finland on the eastern Baltic Sea, including St. Petersburg, Ust-Luga, Tallinn, Helsinki and Kotka.

Cash Administrative, Selling and Marketing Expenses (a non-IFRS financial measure) is defined as administrative, selling and marketing expenses, adjusted for depreciation, write-off and impairment of property, plant and equipment, depreciation and impairment of right-of-use assets, amortisation, write-off and impairment of intangible assets.

Cash Cost of Sales (a non-IFRS financial measure) is defined as cost of sales, adjusted for depreciation, write-off and impairment of property, plant and equipment, depreciation and impairment of right-of-use assets, amortisation, write-off and impairment of intangible assets.

CD Holding Group consists of Yanino Logistics Park (an inland terminal in the vicinity of St. Petersburg) and CD Holding Oy. The results of CD Holding Group are accounted in the Global Ports' financial information using equity method of accounting (proportionate share of the net profit shown below Adjusted EBITDA).

Consolidated Container Revenue is defined as revenue generated from containerised cargo services.

Consolidated Marine Bulk Throughput is defined as combined marine bulk throughput by consolidated terminals: PLP, VSC, FCT and ULCT.

Consolidated Marine Container Throughput is defined as combined marine container throughput by consolidated marine terminals: PLP, VSC, FCT and ULCT.

Consolidated Non-Container Revenue is defined as a difference between total revenue and Consolidated Container Revenue.

Container Throughput in the Russian Federation Ports is defined as the total container throughput of the ports located in the Russian Federation, excluding half of cabotage cargo volumes. Respective information is sourced from ASOP ("Association of Sea Commercial Ports", www.morport.com).

Far Eastern basin is the geographic region of southeast Russia, surrounding the Peter the Great Gulf, including Vladivostok and the Nakhodka Gulf, including Nakhodka on the Sea of Japan.

First Container Terminal (FCT) is located in the St. Petersburg harbour, Russia's primary gateway for container cargo and is one of the first specialised container terminals to be established in the country. The Global Ports Group owns a 100% effective ownership interest in FCT. The results of FCT are fully consolidated.

Finnish Ports segment consists of two terminals in Finland, MLT Kotka and MLT Helsinki (in the port of Vuosaari), in each of which CMA Terminals currently has a 25% effective ownership interest. The results of the Finnish Ports segment are accounted in the Global Ports' financial information using the equity method of accounting (proportionate share of net profit shown below EBITDA).

Free Cash Flow (a non-IFRS financial measure) is calculated as net cash from operating activities less net cash used in investing activities and interest paid on borrowings and lease liabilities.

Functional Currency is defined as the currency of the primary economic environment in which the entity operates. The functional currency of the Company and certain other entities in the Global Ports Group is US dollars. The functional currency of the Global Ports Group's operating companies for the years under review was (a) for the Russian Ports segment, the Russian Rouble and (b) for the Finnish Ports segment, the Euro.

Gross Container Throughput represents the total container throughput of a Group's terminal or a Group's operating segment shown on a 100% basis. For the Russian Ports segment it excludes the container throughput of the Group's inland container terminal – Yanino.

High and Heavy Ro-Ro, roll on-roll off is cargo that can be driven into the belly of a ship rather than lifted aboard. Includes cars, buses, trucks and other vehicles.

MLT Group consists of Moby Dik (a terminal in the vicinity of St. Petersburg) and Multi-Link Terminals Oy (terminal operator in Vuosaari (near Helsinki, Finland) and Kotka, Finland), MLT-Ireland and some other entities. The results of MLT Group are accounted in the Global Ports' financial information using the equity method of accounting (proportionate share of the net profit shown below EBITDA).

Moby Dik (MD) is located on the St. Petersburg ring road, approximately 30 kilometers from St. Petersburg, at the entry point of the St. Petersburg channel. It is the only container terminal in Kronstadt. The Global Ports Group owns a 75% effective ownership interest in MD, CMA Terminals currently has a 25% effective ownership interest. The results of MD are accounted in the Global Ports' financial information using the equity method of accounting (proportionate share of the net profit shown below EBITDA).

Net Debt (a non-IFRS financial measure) is defined as the sum of current borrowings, non-current borrowings, current and non-current lease liabilities (following the adoption of IFRS 16) and swap derivatives less cash and cash equivalents and bank deposits with maturity over 90 days.

Petrolesport (PLP) is located in the St. Petersburg harbour, Russia's primary gateway for container cargo. The Group owns a 100% effective ownership interest in PLP. The results of PLP are fully consolidated.

Revenue per TEU is defined as the Global Ports Group's Consolidated Container Revenue divided by total Consolidated Container Marine Throughput.

Russian Ports segment consists of the Global Ports Group's interests in PLP (100%), VSC (100%), FCT (100%), ULCT (80%) (in which Eurogate currently has a 20% effective ownership interest), Moby Dik (75%), Yanino (75%) (in each of Moby Dik and Yanino, CMA Terminals currently has a 25% effective ownership interest), as well as certain other entities. The results of Moby Dik and Yanino are accounted in the Global Ports' consolidated financial information using the equity method of accounting (proportionate share of the net profit shown below EBITDA).

TEU is defined as twenty-foot equivalent unit, which is the standard container used worldwide as the uniform measure of container capacity; a TEU is 20 feet (6.06 metres) long and eight feet (2.44 metres) wide and tall.

Total Debt (a non-IFRS financial measure) is defined as a sum of current borrowings, non-current borrowings, current and non-current lease liabilities (following the adoption of IFRS 16) and swap derivatives.

Total Operating Cash Costs (a non-IFRS financial measure) is defined as Global Ports Group's cost of sales, administrative, selling and marketing expenses, less depreciation, write-off and impairment of property, plant and equipment, less depreciation and impairment of right-of-use assets, less amortisation, write-off and impairment of intangible assets.

Ust-Luga Container Terminal (ULCT) is located in the large multi-purpose Ust-Luga port cluster on the Baltic Sea, approximately 100 kilometres westwards from St. Petersburg city ring road. ULCT began operations in December 2011. The Global Ports Group owns an 80% effective ownership interest in ULCT, Eurogate, the international container terminal operator, currently has a 20% effective ownership interest. The results of ULCT are fully consolidated.

Vostochnaya Stevedoring Company (VSC) is located in the deep-water port of Vostochny near Nakhodka on the Russian Pacific coast, approximately eight kilometers from the Nakhodka-Vostochnaya railway station, which is connected to the Trans-Siberian Railway. The Group owns a 100% effective ownership interest in VSC. The results of VSC are fully consolidated.

Weighted Average Effective Interest Rate is the average of interest rates weighted by the share of each loan in the total debt portfolio.

Yanino Logistics Park (YLP) is the first terminal in the Group's inland terminal business and is one of only a few multi-purpose container logistics complexes in Russia providing a comprehensive range of container and logistics services at one location. It is located approximately 70 kilometres from the Moby Dik terminal in Kronstadt and approximately 50 kilometres from PLP. The Global Ports Group owns a 75% effective ownership interest in YLP, CMA Terminals currently has a 25% effective ownership interest. The results of YLP are accounted in the Global Ports' financial information using the equity method of accounting (proportionate share of the net profit shown below EBITDA).

Shareholder information and key contacts

Global Ports Investments PLC

Legal Address
Omirou 20
Agios Nikolaos CY-3095 Limassol, Cyprus

Postal Address
Christodoulides Business Centre, office No. 31, 3rd floor
8 Alassias Street, CY-3095 Limassol, Cyprus

Investor Relations
Mikhail Grigoriev
Head of Capital Markets and Investor Relations
Tel: +7 812 459 42 42
Mob: +7 916 991 7396

Tatiana Khansuvarova
Investor Relations Analyst
E-mail: ir@globalports.com

Media Relations
Margarita Potekhina
Head of Media Relations
Tel: +7 812 459 42 42 ext. 2889
Mob: +7 921 963 54 27
E-mail: media@globalports.com

Depositary
J.P. Morgan Depositary Receipts
383 Madison Avenue, Floor
11 New York, NY 10179
www.adr.com/contact/jpmorgan

Stock Exchange
London Stock Exchange PLC
10 Paternoster Square, London EC4M 7LS, UK Tel:
+44 20 7797 1000
www.londonstockexchange.com

Independent Auditors
KPMG Limited
11, 16th June 1943 Str.
3022 Limassol, Cyprus
Tel: +357 25 86 90 00
Fax: +357 25 36 38 42

Customer Service Department
Service Call Centre
Tel: +7 812 335 77 77
8 800 201 24 24
E-mail: customer_service@globalports.com

Client portal
www.globalports.com

GP Tools client app

Google Play

App Store