

Global Ports Investments Plc

**Interim condensed consolidated financial information (unaudited)
for the six month period ended 30 June 2021**

GLOBAL PORTS INVESTMENTS PLC

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INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

(in thousands of US dollars)

	Note	Six month period ended 30 June	
		2021	2020
Revenue	7	229,790	184,436
Cost of sales	8	(128,955)	(89,920)
Gross profit		100,835	94,516
Administrative, selling and marketing expenses	8	(12,174)	(15,005)
Other income		650	650
Share of profit/(loss) of joint ventures accounted for using the equity method	18	(1,518)	(1,401)
Other gains/(losses) – net	9	(346)	(14)
Operating profit/(loss)		87,447	78,746
Finance income	10	1,060	1,021
Finance costs	10	(27,700)	(36,831)
Change in fair value of derivatives	10	(4,984)	15,951
Net foreign exchange gains/(losses) on financing activities	10	6,079	(29,811)
Finance income/(costs) – net		(25,545)	(49,670)
Profit/(loss) before income tax		61,902	29,076
Income tax expense	11	(8,023)	(5,233)
Profit/(loss) for the period		53,879	23,843
<i>Attributable to:</i>			
Owners of the Company		54,006	22,879
Non-controlling interest		(127)	964
		53,879	23,843
Basic and diluted earnings per share for profit/(loss) attributable to the owners of the parent of the Company during the period (expressed in US\$ per share)	19	0.09	0.04

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in thousands of US dollars)

	Note	Six month period ended 30 June	
		2021	2020
Profit/(loss) for the period		53,879	23,843
<i>Other comprehensive income/(loss)</i>			
<i>Items that may be subsequently reclassified to profit or loss</i>			
Currency translation differences		11,176	(56,432)
Share of currency translation differences of joint ventures accounted for using the equity method	18	(16)	(2,064)
Total items that can be reclassified subsequently to profit or loss		11,160	(58,496)
<i>Items that may not be subsequently reclassified to profit or loss</i>			
Share of currency translation differences attributable to non-controlling interest		335	(1,967)
Total items that cannot be reclassified subsequently to profit or loss		335	(1,967)
Other comprehensive income/(loss) for the period, net of tax		11,495	(60,463)
Total comprehensive income/(loss) for the period		65,374	(36,620)
<i>Total comprehensive income/(loss) attributable to:</i>			
Owners of the Company		65,166	(35,617)
Non-controlling interest		208	(1,003)
Total comprehensive income/(loss) for the period		65,374	(36,620)

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

GLOBAL PORTS INVESTMENTS PLC

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

(in thousands of US dollars)

	Note	As at	
		30 June 2021	31 December 2020
ASSETS			
Non-current assets		1,070,103	1,059,995
Property, plant and equipment	12	425,482	417,481
Right-of-use assets	12	542,097	530,362
Intangible assets	12	12,029	12,060
Investments in joint ventures	18	21,889	23,383
Prepayments for property, plant and equipment		1,817	2,842
Deferred tax assets		52,650	50,788
Derivative financial instruments	16	95	9,572
Trade and other receivables	13	14,044	13,507
Current assets		213,283	267,174
Inventories		7,972	7,127
Derivative financial instruments	16	6,504	627
Trade and other receivables	13	58,397	48,882
Income tax receivable		5,258	3,570
Cash and cash equivalents		135,152	206,968
TOTAL ASSETS		1,283,386	1,327,169
EQUITY AND LIABILITIES			
Total equity		426,752	361,378
Equity attributable to the owners of the Company		410,663	345,497
Share capital		57,317	57,317
Share premium		923,511	923,511
Capital contribution		101,300	101,300
Currency translation reserve		(819,526)	(830,686)
Transactions with non-controlling interest		(209,122)	(209,122)
Retained earnings		357,183	303,177
Non-controlling interest		16,089	15,881
Total liabilities		856,634	965,791
Non-current liabilities		605,511	786,791
Borrowings	14	439,192	632,925
Lease liabilities	15	36,357	31,088
Deferred tax liabilities		129,962	122,778
Current liabilities		251,123	179,000
Borrowings	14	210,646	153,276
Lease liabilities	15	2,892	1,810
Trade and other payables	17	36,196	23,540
Current income tax liabilities		1,389	374
TOTAL EQUITY AND LIABILITIES		1,283,386	1,327,169

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

Soren Jakobsen, Chairman of the Board

Britta Dalunde, Director

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(in thousands of US dollars)		Six month period ended 30 June	
	Note	2021	2020
<i>Cash flows from operating activities</i>			
Cash generated from operations		109,162	83,626
Income tax paid		(4,878)	(2,659)
Net cash from operating activities		104,284	80,967
<i>Cash flows from investing activities</i>			
Purchases of intangible assets	12	(122)	(322)
Purchases of property, plant and equipment	7	(10,723)	(11,531)
Proceeds from sale of property, plant and equipment		149	258
Interest received from third parties, bank balances and deposits		751	495
Net cash generated from/ (used in) investing activities		(9,945)	(11,100)
<i>Cash flows from financing activities</i>			
Proceeds from borrowings	14	-	4,451
Repayments of borrowings	14	(133,036)	(11,042)
Repayments of leases	15	(1,643)	(721)
Proceeds from/(settlements of) derivative financial instruments not used for hedging	16	295	(209)
Interest paid on borrowings	14	(30,679)	(33,746)
Interest paid on leases	15	(2,143)	(2,055)
Net cash used in financing activities		(167,206)	(43,322)
Net increase/ (decrease) in cash and cash equivalents		(72,867)	26,545
Cash and cash equivalents at the beginning of the period		206,968	124,353
Exchange gains/(losses) on cash and cash equivalents		1,051	(1,255)
Cash and cash equivalents at the end of the period		135,152	149,643

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

GLOBAL PORTS INVESTMENTS PLC

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(in thousands of US dollars)

	Attributable to the owners of the Company							Total	Non-controlling interest	Total
	Note	Share capital	Share premium	Capital contribution	Translation reserve	Transactions with non-controlling interest	Retained earnings			
Balance at 1 January 2020		57,317	923,511	101,300	(748,814)	(209,122)	254,778	378,970	17,114	396,084
Total other comprehensive income/(loss)		-	-	-	(58,496)	-	-	(58,496)	(1,967)	(60,463)
Profit/(loss) for the period		-	-	-	-	-	22,879	22,879	964	23,843
Total comprehensive income/(loss) for the six month period ended 30 June 2020		-	-	-	(58,496)	-	22,879	(35,617)	(1,003)	(36,620)
Balance at 30 June 2020		57,317	923,511	101,300	(807,310)	(209,122)	277,657	343,353	16,111	359,464
Balance at 1 January 2021		57,317	923,511	101,300	(830,686)	(209,122)	303,177	345,497	15,881	361,378
Total other comprehensive income/(loss)		-	-	-	11,160	-	-	11,160	335	11,495
Profit/(loss) for the period		-	-	-	-	-	54,006	54,006	(127)	53,879
Total comprehensive income/(loss) for the six month period ended 30 June 2021		-	-	-	11,160	-	54,006	65,166	208	65,374
Balance at 30 June 2021		57,317	923,511	101,300	(819,526)	(209,122)	357,183	410,663	16,089	426,752

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1 GENERAL INFORMATION

Reporting entity

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

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

This interim condensed consolidated financial information as at and for the six months ended 30 June 2021 (“interim financial information”) comprise the Company, its subsidiaries and joint ventures (hereinafter collectively referred to as the “Group”).

Principal activities

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

Composition of the Group and its joint ventures

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

- five terminals in Russia – Petrolesport (PLP), First Container Terminal (FCT), Ust-Luga Container Terminal (ULCT) and Moby Dik (MD) in the St. Petersburg and Ust-Luga port cluster, and Vostochnaya Stevedoring Company (VSC) in the Port of Vostochny;
- two terminals in Finland – Multi-Link Terminals Helsinki and Multi-Link Terminals Kotka (Multi-Link Terminals); and
- inland Yanino Logistics Park (YLP), located in the vicinity of St. Petersburg.

See also Note 5 to the annual consolidated financial statements for the year ended 31 December 2020 for the description of segmental information of the Group.

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

- MLT and CD Holding groups are joint ventures with CMA Terminals where the Company has 75% effective ownership interest (Note 18). Moby Dik, Multi-Link Terminals and Multi-Link Terminals Ltd, constitute the MLT group. Yanino Logistics Park and CD Holding constitute the CD Holding group.
- Ust-Luga Container Terminal is an 80% subsidiary where Eurogate, one of the leading container terminals operators in Europe, has a 20% non-controlling interest.

Approval of the interim condensed consolidated financial information

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

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

2 BASIS OF PREPARATION

The interim financial information has been prepared in accordance with IFRS as adopted by the European Union (EU) applicable to interim financial reporting International Accounting Standard 34 “Interim Financial Reporting”. The interim financial information should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2020 which have been prepared in accordance with IFRS as adopted by the EU and the requirements of the Cyprus Companies Law, Cap 113. They do not include all of the information required for a complete set of financial statements prepared in accordance with IFRS as adopted by the EU. However selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance since the last annual financial statements.

The interim financial information has been prepared on a going concern basis.

2 Basis of preparation (continued)

At 30 June 2021 the Group is in net current liability position of approximately US\$38 million as a result of classification of Eurobonds in the amount US\$204,432 thousand as current liabilities. The Group plans to repay these obligations from operating activities and own cash, which amounts to approximately US\$135 million as at 30 June 2021, as well as potential borrowings. The Group also has open bank credit limits in the amount of up to US\$411 million to successfully pass its Eurobond repayment in January 2022. Additionally, this Eurobond repayment is covered by derivative financial instruments, see Note 16.

Based on the above, the Board of Directors concluded that the interim condensed consolidated financial information of the Group for the six month period ended 30 June 2021 has been appropriately drawn up on a going concern basis.

3 ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the financial year ended 31 December 2020 and corresponding interim reporting period, except for the estimation of income tax and the adoption of new and amended standards.

New and amended standards adopted by the Group

The Group adopted all new and revised IFRSs as adopted by the EU that are relevant to its operations and are effective for accounting periods beginning on 1 January 2021. This adoption did not have a material effect on the accounting policies of the Group and, therefore, the Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

Since the Group has published its last annual consolidated financial statements for the year ended 31 December 2020 to date, there are no new standards and interpretations issued and adopted by the EU that could have a material impact on the accounting policies of the Group.

Taxes on income

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected annual earnings for each material tax jurisdiction and applied individually to the interim period pre-tax income of the relevant jurisdiction. Adjustments due to changes in estimates of prior year taxes are not taken into account in the calculation of the estimated average annual tax rate but are charged in full in the period in which it becomes probable that such adjustment is needed.

4 ESTIMATES AND JUDGEMENTS

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

Impairment or reversal of impairment

The Group tests goodwill and other non-financial assets for possible impairment or reversal of impairment. Because of COVID-19 outbreak the Group performed updated tests of the estimated recoverable amount for all CGUs in the course of the preparation of the interim financial information.

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

Forecasts used for estimating discounted future cash flows for impairment testing purposes have been updated for all CGUs tested based on the value-in-use method. Cash flow projections cover a period of five years based on the assumptions of the next 12 months. Cash flows beyond that five-year period have been extrapolated using a steady terminal growth rate. The terminal growth rate used does not exceed the long-term average growth rate for the market in which entities operate. For projections prepared for CGUs in Russian ports segments a terminal growth rate of 3% has been applied (31 December 2020: 3%). The discount rate applied for Russian ports CGUs in projections prepared as at 30 June 2021 is 8.5% (31 December 2020: 9.4%).

4 Estimates and judgements (continued)

Impairment or reversal of impairment (continued)

Key assumptions for Russian ports CGUs tested based on discounted future cash flows are the same as in the Group's last annual consolidated financial statements for the year ended 31 December 2020. They are throughput volume, price per unit, growth rates, and discount rates.

Based on the results of the impairment tests for CGUs carried out on 30 June 2021, the Board of Directors did not identify any impairment losses and also believes that there are no indications for reversal of impairments recognised in previous periods for non-financial assets.

In VSC, management believes that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause carrying amount to exceed the recoverable amount.

In ULCT, the recoverable amount calculated based on the value in use exceeded the carrying value by US\$16 million. A decrease in the average coal tariffs by approximately 4.6% each year or increase of the discount rate by 2.3%, as opposed to those used in projections would remove the headroom. Reasonable changes in other key parameters do not result in the elimination of the existing headroom.

In PLP and FCT combined CGU, the recoverable amount calculated based on the value in use exceeded the carrying value by US\$149 million. A decrease in terminal growth rate by approximately 1.2% each year or increase in discount rate by approximately 1%, as opposed to those used in projections would remove the headroom. Reasonable changes in other key parameters do not result in the elimination of the existing headroom.

For the Group's joint venture, MLT group (Note 18), a decrease in the average tariffs by approximately 3.3% each year or container handling volumes by approximately 5.8% each year or increase of the discount rate by 2.9%, as opposed to those used in the projections included in the value in use model for MLT Oy, one of MLT group's two CGUs, would remove the identified headroom. Reasonable changes in other key parameters do not result in the elimination of the existing headroom for the Group's joint venture.

Contingencies and commitments

As at 30 June 2021 there are no significant developments in relation to the events and circumstances disclosed in contingencies and commitments note in the consolidated financial statements for the year ended 31 December 2020.

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

In 2020, the World Health Organisation declared the outbreak of COVID-19 a global pandemic. In response to the pandemic, the Russian authorities implemented numerous measures attempting to contain the spreading and impact of COVID-19.

Management is continuing to take necessary measures to ensure sustainability of the Group's operations and support its customers and employees. All the anti-COVID measures previously introduced in the Group continue to be strictly observed. Additionally, the management believes that the key to limiting the exposure to COVID is to increase the percentage of vaccination. There are vaccination opportunities at the terminals (or a bus-service from the terminal to the clinic), incentives and information sessions by medical experts for employees, so any questions and concerns can be addressed.

These new and previously introduced measures made it possible to prevent the explosive growth of disease at the Group terminals against the background of the current wave of COVID in the Russian Federation as a whole and in St. Petersburg in particular. They ensured that the terminals of the Group (quay, yard and gates) remained 100% operational to service vessels and handle cargoes throughout the pandemic, as well as the call and service centres of the Group were working without interruption.

The future effects of the current economic situation and the outbreak of COVID-19 are difficult to predict, and management's current expectations and estimates could differ from actual results.

Capital expenditure commitments at 30 June 2021 are disclosed in Note 12.

5 FINANCIAL RISK MANAGEMENT

Financial risk factors

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

The interim financial information does not include all financial risk management information and disclosures required in the annual consolidated financial statements; they should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2020. There have been no changes in the risk management policies since the last year end.

Liquidity risk

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

At 30 June 2021 the Group is in net current liability position of approximately US\$38 million as a result of classification of Eurobonds in the amount US\$204,432 thousand as current liabilities. The Group plans to repay these obligations from operating activities and own cash, which amounts to approximately US\$135 million as at 30 June 2021, as well as potential borrowings. The Group also has open bank credit limits in the amount of up to US\$411 million to successfully pass its Eurobond repayment in January 2022. Additionally, this Eurobond repayment is covered by derivative financial instruments, see Note 16.

Fair value estimation

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

Financial liabilities not measured at fair value

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

(in thousands of US dollars)

	Fair value hierarchy	As at	
		30 June 2021	31 December 2020
Non-convertible bonds	Level 1	74,616	209,945
Non-convertible bonds	Level 2	533,855	536,645
Bank loans	Level 2	64,524	63,591
Total		672,995	810,181

The total carrying value of bonds is US\$585,232 thousand (31 December 2020: US\$722,514 thousand). The total carrying value of bank loans is US\$64,606 thousand (31 December 2020: US\$63,687 thousand).

The Group's only financial instruments carried at fair value are derivative financial instruments in the form of currency forward and option contracts. They are valued using Level 2 valuation techniques as described in the annual financial statements for the year ended 31 December 2020. Specifically,

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

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

As at 30 June 2021 the net fair values of these currency forward and option contracts was positive US\$6,599 thousand (31 December 2020: positive US\$10,200 thousand) – see note 16. There were no changes in valuation techniques during the period.

6 SEASONALITY OF OPERATIONS

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

7 SEGMENTAL INFORMATION

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

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

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

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

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

The segments are consistent with segments presented in the annual consolidated financial statements for the year ended 31 December 2020.

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

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7 Segmental information (continued)

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

(in thousands of US dollars)

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

*CAPEX represents purchases of property, plant and equipment

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

7 Segmental information (continued)

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

(in thousands of US dollars)

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

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

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7 Segmental information (continued)

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

(in thousands of US dollars)

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

7 Segmental information (continued)

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

(in thousands of US dollars)

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

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7 Segmental information (continued)

The total segment assets and liabilities as at 30 June 2021 are presented below:

(in thousands of US dollars)

	Russian ports	Finnish ports	Total of proportionally combined operating segments	Holdings	Consolidation adjustments		Group as per proportionate combination
					Effect of proportionate consolidation	Other adjustments	
Property, plant and equipment (including prepayments for PPE)	448,054	13,807	461,861	503	(8,765)	-	453,599
Right-of-use assets	546,321	4,193	550,514	83	(2,126)	-	548,471
Investments in joint ventures	-	-	-	165,818	-	(165,818)	-
Intangible assets	13,458	15	13,473	2,963	(478)	-	15,958
Other non-current assets	80,727	126,708	207,435	1,071,614	(33,016)	(1,189,302)	56,731
Inventories	8,510	-	8,510	15	(138)	-	8,387
Trade and other receivables (including income tax prepayment)	70,612	1,742	72,354	2,555	(841)	(1,725)	72,343
Cash and cash equivalents	134,565	805	135,370	4,883	(1,275)	-	138,978
Total assets	1,302,247	147,270	1,449,517	1,248,434	(46,639)	(1,356,845)	1,294,467
Long-term borrowings	443,110	3,482	446,592	19,688	(4,788)	(19,687)	441,805
Long-term lease liabilities	38,535	3,505	42,040	4	(1,424)	-	40,620
Other long-term liabilities	129,910	240	130,150	-	(47)	-	130,103
Trade and other payables	34,002	1,802	35,804	4,889	(861)	(1,140)	38,692
Short-term borrowings	210,694	713	211,407	-	(226)	-	211,181
Short-term lease liabilities	3,331	808	4,139	63	(325)	-	3,877
Other short-term liabilities	1,398	166	1,564	-	(44)	-	1,520
Total liabilities	860,980	10,716	871,696	24,644	(7,715)	(20,827)	867,798
Non-controlling interest	16,089	-	16,089	-	-	-	16,089

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

7 Segmental information (continued)

The reconciliation of total segment assets and liabilities as at 30 June 2021 calculated with proportionate consolidation to the results presented in the interim condensed consolidated balance sheet above is as follows:

(in thousands of US dollars)

	Group as per proportionate combination	Adjustments to recognize for the components under the equity method	Total consolidated results
Property, plant and equipment (including prepayments for PPE)	453,599	(26,300)	427,299
Right-of-use assets	548,471	(6,374)	542,097
Investments in joint ventures	-	21,889	21,889
Intangible assets	15,958	(3,929)	12,029
Other non-current assets	56,731	10,058	66,789
Inventories	8,387	(415)	7,972
Trade and other receivables (including income tax prepayment)	72,343	(2,184)	70,159
Cash and cash equivalents	138,978	(3,826)	135,152
Total assets	1,294,467	(11,081)	1,283,386
Long-term borrowings	441,805	(2,613)	439,192
Long-term lease liabilities	40,620	(4,263)	36,357
Other long-term liabilities	130,103	(141)	129,962
Trade and other payables	38,692	(2,496)	36,196
Short-term borrowings	211,181	(535)	210,646
Short-term lease liabilities	3,877	(985)	2,892
Other short-term liabilities	1,520	(131)	1,389
Total liabilities	867,798	(11,164)	856,634
Non-controlling interest	16,089	-	16,089

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7 Segmental information (continued)

The segment results for the six month period ended 30 June 2020 are as follows:

(in thousands of US dollars)

	Russian ports	Finnish ports	Total of proportionally combined operating segments	Holdings	Consolidation adjustments		Group as per proportionate combination
					Effect of proportionate consolidation	Other adjustments	
Revenue from container operations	145,648	3,776	149,424	-	(1,170)	-	148,254
Non-containerized cargo	44,053	480	44,533	-	(1,316)	-	43,217
Inter-segment revenue	-	-	-	225	-	(225)	-
Total revenue	189,701	4,256	193,957	225	(2,486)	(225)	191,471
Cost of sales	(95,553)	(4,231)	(99,784)	(198)	2,623	5	(97,354)
Administrative, selling and marketing expenses	(4,582)	(393)	(4,975)	(11,565)	343	162	(16,035)
Other income	-	-	-	650	-	-	650
Other gains/(losses) – net	27	4	31	3,262	(66)	(3,033)	194
Operating profit/(loss)	89,593	(364)	89,229	(7,626)	414	(3,091)	78,926
Finance income/(costs) – net	(49,965)	(132)	(50,097)	(16)	106	-	(50,007)
<i>incl. interest income</i>	837	-	837	34	(3)	(253)	615
<i>incl. interest expenses</i>	(36,767)	(101)	(36,868)	(629)	202	253	(37,042)
<i>incl. change in the fair value of derivative instruments</i>	15,951	11	15,962	-	(3)	-	15,959
<i>incl. net foreign exchange gains/(losses) on financing activities</i>	(29,986)	(42)	(30,028)	579	(90)	-	(29,539)
Profit/(loss) before income tax	39,628	(496)	39,132	(7,642)	520	(3,091)	28,919
Income tax expense	(5,077)	99	(4,978)	(46)	(52)	-	(5,076)
Profit/(loss) after tax	34,551	(397)	34,154	(7,688)	468	(3,091)	23,843
CAPEX** on cash basis	7,665	7,131	14,796	61	(1,944)	-	12,913

**CAPEX represents purchases of property, plant and equipment

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

7 Segmental information (continued)

The reconciliation of results for the six month period ended 30 June 2020 calculated with proportionate consolidation to the results presented in the interim condensed consolidated income statement above is as follows:

(in thousands of US dollars)

	Group as per proportionate combination	Adjustments to recognize for the components under the equity method	Total consolidated results
Revenue from container operations	148,254	(3,509)	144,745
Non-containerized cargo	43,217	(3,526)	39,691
Inter-segment revenue	-	-	-
Total revenue	191,471	(7,035)	184,436
Cost of sales	(97,354)	7,434	(89,920)
Administrative, selling and marketing expenses	(16,035)	1,030	(15,005)
Other income	650	-	650
Share of profit/(loss) of joint ventures accounted for using the equity method	-	(1,401)	(1,401)
Other gains/(losses) – net	194	(208)	(14)
Operating profit/(loss)	78,926	(180)	78,746
Finance income/(costs) – net	(50,007)	337	(49,670)
<i>incl. interest income</i>	<i>615</i>	<i>406</i>	<i>1,021</i>
<i>incl. interest expenses</i>	<i>(37,042)</i>	<i>211</i>	<i>(36,831)</i>
<i>incl. change in the fair value of derivative instruments</i>	<i>15,959</i>	<i>(8)</i>	<i>15,951</i>
<i>incl. net foreign exchange gains/(losses) on financing activities</i>	<i>(29,539)</i>	<i>(272)</i>	<i>(29,811)</i>
Profit/(loss) before income tax	28,919	157	29,076
Income tax expense	(5,076)	(157)	(5,233)
Profit/(loss) after tax	23,843	-	23,843
CAPEX on cash basis	12,913	(5,833)	7,080

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7 Segmental information (continued)

The segment operating expenses for the six month period ended 30 June 2020 are as follows:

(in thousands of US dollars)

	Russian ports	Finnish ports	Total of proportionally combined operating segments	Holdings	Consolidation adjustments		Group as per proportionate combination
					Effect of proportionate consolidation	Other adjustments	
Depreciation of property, plant and equipment	18,787	531	19,318	416	(388)	-	19,346
Depreciation of right-of-use assets	6,038	375	6,413	238	(131)	-	6,520
Amortisation of intangible assets	216	2	218	256	(22)	-	452
Staff costs	28,036	2,167	30,203	9,169	(1,258)	1	38,115
Transportation expenses	23,694	292	23,986	-	(241)	-	23,745
Fuel, electricity and gas	4,977	251	5,228	3	(156)	-	5,075
Repair and maintenance of property, plant and equipment	2,544	527	3,071	8	(210)	(4)	2,865
Total	84,292	4,145	88,437	10,090	(2,406)	(3)	96,118
Other operating expenses	15,843	479	16,322	1,673	(560)	(164)	17,271
Total cost of sales, administrative, selling and marketing expenses	100,135	4,624	104,759	11,763	(2,966)	(167)	113,389

7 Segmental information (continued)

The reconciliation of operating expenses for the six month period ended 30 June 2020 calculated with proportionate consolidation to the results presented in the interim condensed consolidated income statement above is as follows:

(in thousands of US dollars)

	Group as per proportionate combination	Adjustments to recognize for the components under the equity method	Total consolidated results
Depreciation of property, plant and equipment	19,346	(1,162)	18,184
Depreciation of right-of-use assets	6,520	(394)	6,126
Amortisation of intangible assets	452	(64)	388
Staff costs	38,114	(3,774)	34,340
Transportation expenses	23,745	(723)	23,022
Fuel, electricity and gas	5,075	(469)	4,606
Repair and maintenance of property, plant and equipment	2,873	(636)	2,237
Total	96,125	(7,222)	88,903
Other operating expenses	17,264	(1,242)	16,022
Total cost of sales, administrative, selling and marketing expenses	113,389	(8,464)	104,925

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7 Segmental information (continued)

The total segment assets and liabilities as at 31 December 2020 are presented below:

(in thousands of US dollars)

	Russian ports	Finnish ports	Total of proportionally combined operating segments	Holdings	Consolidation adjustments		Group as per proportionate combination
					Effect of proportionate consolidation	Other adjustments	
Property, plant and equipment (including prepayments for PPE)	442,864	15,082	457,946	868	(9,623)	-	449,191
Right-of-use assets	532,990	4,784	537,774	223	(1,909)	-	536,088
Investments in joint ventures	784	-	784	165,870	-	(166,654)	-
Intangible assets	13,257	11	13,268	3,119	(471)	-	15,916
Other non-current assets	88,589	126,711	215,300	1,071,622	(33,016)	(1,189,654)	64,252
Inventories	7,658	-	7,658	20	(138)	-	7,540
Trade and other receivables (including income tax prepayment)	50,972	3,241	54,213	3,988	(1,126)	(866)	56,209
Cash and cash equivalents	207,822	1,241	209,063	2,979	(1,268)	-	210,774
Total assets	1,344,936	151,070	1,496,006	1,248,689	(47,551)	(1,357,174)	1,339,970
Long-term borrowings	636,897	3,964	640,861	19,099	(4,814)	(19,099)	636,047
Long-term lease liabilities	33,320	4,038	37,358	10	(1,570)	-	35,798
Other long-term liabilities	123,283	1,027	124,310	-	(275)	(573)	123,462
Trade and other payables	20,920	1,929	22,849	4,727	(817)	(664)	26,095
Short-term borrowings	153,479	855	154,334	-	(296)	-	154,038
Short-term lease liabilities	1,997	885	2,882	202	(318)	-	2,766
Other short-term liabilities	374	-	374	-	(2)	-	372
Total liabilities	970,270	12,698	982,968	24,038	(8,092)	(20,336)	978,578
Non-controlling interest	15,881	-	15,881	-	-	-	15,881

Included within 'Russian ports', 'Finnish ports' and 'Holdings' segments 'Other non-current assets' are investments in subsidiaries in the total amount of US\$5,353 thousand, US\$126,614 thousand and US\$1,071,189 thousand respectively (fully eliminated on consolidation).

7 Segmental information (continued)

The reconciliation of total segment assets and liabilities as at 31 December 2020 calculated with proportionate consolidation to the results presented in the interim condensed consolidated balance sheet above is as follows:

(in thousands of US dollars)

	Group as per proportionate combination	Adjustments to recognize for the components under the equity method	Total consolidated results
Property, plant and equipment (including prepayments for PPE)	449,191	(28,868)	420,323
Right-of-use assets	536,088	(5,726)	530,362
Investments in joint ventures	-	23,383	23,383
Intangible assets	15,916	(3,856)	12,060
Other non-current assets	64,252	9,615	73,867
Inventories	7,540	(413)	7,127
Trade and other receivables (including income tax prepayment)	56,209	(3,130)	53,079
Cash and cash equivalents	210,774	(3,806)	206,968
Total assets	1,339,970	(12,801)	1,327,169
Long-term borrowings	636,047	(3,122)	632,925
Long-term lease liabilities	35,798	(4,710)	31,088
Other long-term liabilities	123,462	(684)	122,778
Trade and other payables	26,095	(2,555)	23,540
Short-term borrowings	154,038	(762)	153,276
Short-term lease liabilities	2,766	(956)	1,810
Other short-term liabilities	372	2	374
Total liabilities	978,578	(12,787)	965,791
Non-controlling interest	15,881	-	15,881

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

The adjusted EBITDA of the Group is calculated as follows:

(in thousands of US dollars)

	Note	For the six month period ended 30 June	
		2021	2020
Profit/(loss) for the period		53,879	23,843
<i>Adjusted for:</i>			
Income tax expense	11	8,023	5,233
Finance income/(costs) - net	10	25,545	49,670
Amortisation of intangible assets	8	394	388
Depreciation of property, plant and equipment	8	17,669	18,184
Depreciation of right-of-use assets	8	6,385	6,126
Share of (profit)/loss of joint ventures accounted for using the equity method	18	1,518	1,401
Other (gains)/losses - net	9	346	14
Adjusted EBITDA		113,759	104,859

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

8 EXPENSES BY NATURE

(in thousands of US dollars)

For the six month period
ended 30 June

	2021	2020
Staff costs	33,257	34,340
Depreciation of property, plant and equipment (Note 12)	17,669	18,184
Depreciation of right-of-use assets (Note 12)	6,385	6,126
Amortisation of intangible assets (Note 12)	394	388
Transportation expenses	57,514	23,022
Fuel, electricity and gas	4,853	4,606
Repair and maintenance of property, plant and equipment	2,318	2,237
Taxes other than on income	1,245	1,314
Legal, consulting and other professional services	1,330	1,531
Expense relating to short-term leases and/or leases of low-value assets	307	261
Purchased services	10,208	7,735
Other expenses	5,649	5,181
Total cost of sales, administrative, selling and marketing expenses	141,129	104,925

Cost of sales

(in thousands of US dollars)

For the six month period
ended 30 June

	2021	2020
Staff costs	24,780	23,615
Depreciation of property, plant and equipment	17,063	17,396
Depreciation of right-of-use assets	6,385	6,126
Amortisation of intangible assets	316	314
Transportation expenses	57,514	23,020
Fuel, electricity and gas	4,756	4,515
Repair and maintenance of property, plant and equipment	2,298	2,208
Taxes other than on income	1,185	1,247
Expense relating to short-term leases and/or leases of low-value assets	149	63
Purchased services	10,208	7,735
Other expenses	4,301	3,681
Total cost of sales	128,955	89,920

Administrative and selling expenses

(in thousands of US dollars)

For the six month period
ended 30 June

	2021	2020
Staff costs	8,477	10,725
Depreciation of property, plant and equipment	606	788
Amortisation of intangible assets	79	74
Transportation expenses	-	2
Fuel, electricity and gas	97	91
Repair and maintenance of property, plant and equipment	20	29
Taxes other than on income	60	67
Legal, consulting and other professional services	1,330	1,531
Expense relating to short-term leases and/or leases of low-value assets	158	198
Other expenses	1,347	1,500
Total administrative and selling expenses	12,174	15,005

9 OTHER GAINS/(LOSSES) – NET

(in thousands of US dollars)

	For the six month period ended 30 June	
	2021	2020
Other gains/(losses) – net	(507)	(284)
Currency exchange gains/(losses) on non-financing activities – net	161	270
Total	(346)	(14)

10 FINANCE INCOME/(COSTS) – NET

(in thousands of US dollars)

	For the six month period ended 30 June	
	2021	2020
<i>Included in finance income:</i>		
Interest income on bank balances	751	495
Interest income on loans to related parties (Note 20(g))	309	526
Total finance income calculated using effective interest rate method	1,060	1,021
<i>Included in finance costs:</i>		
Interest expenses on bank borrowings	(3,005)	(3,071)
Interest expenses on leases	(2,270)	(2,148)
Interest expenses on bonds	(22,425)	(31,175)
Loss on extinguishment of financial liabilities	-	(437)
Total finance costs	(27,700)	(36,831)
Change in fair value of currency forward and option agreements (Note 16)	(4,984)	15,951
Net foreign exchange gains/(losses) on financing activities	6,079	(29,811)
Finance income/(costs) – net	(25,545)	(49,670)

11 INCOME TAX

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

(in thousands of US dollars)

	For the six month period ended 30 June	
	2021	2020
Profit/(loss) before tax	61,902	29,076
Tax calculated at the applicable tax rate – 20%	12,380	5,815
Tax effect of expenses not deductible for tax purposes	1,303	924
Tax effect of different tax rates in Group	(2,949)	(636)
Tax credit claimed	(9,682)	(1,872)
Tax effect of share of profit in jointly controlled entities	304	280
Withholding tax on undistributed profits	6,667	722
Tax charge	8,023	5,233

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

(in thousands of US dollars)

Period ended 30 June 2021	Right-of-use assets	Property, plant and equipment	Intangible assets
Opening net book amount as at 1 January 2021	530,362	417,481	12,060
Additions	6,330	17,064	122
Adjustments related to changes in the index affecting lease payments (Note 15)	727	-	-
Disposals	-	(90)	-
Depreciation and amortisation (Note 8)	(6,385)	(17,669)	(394)
Exchange differences	11,063	8,696	241
Closing net book amount as at 30 June 2021	542,097	425,482	12,029

Period ended 30 June 2020	Right-of-use assets	Property, plant and equipment	Intangible assets
Opening net book amount as at 1 January 2020	639,699	499,335	13,964
Additions	810	11,672	322
Adjustments related to changes in the index affecting lease payments (Note 15)	301	-	-
Disposals	-	(360)	-
Depreciation and amortisation (Note 8)	(6,126)	(18,184)	(388)
Exchange differences	(73,536)	(57,617)	(1,351)
Closing net book amount as at 30 June 2020	561,148	434,846	12,547

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

Capital expenditure contracted for at the balance sheet date but not yet incurred is US\$20,410 thousand (31 December 2020: US\$9,207 thousand).

Intangible assets include goodwill in the amount of US\$8,077 thousand as at 30 June 2021 (31 December 2020: US\$7,913 thousand).

13 TRADE AND OTHER RECEIVABLES

(in thousands of US dollars)

	As at	
	30 June 2021	31 December 2020
Trade receivables - third parties	21,777	16,501
Trade receivables - related parties (Note 20(e))	11,723	7,988
Total trade receivables	33,500	24,489
Other receivables	1,615	2,739
Loans to related parties (Note 20(g))	14,237	13,673
VAT and other taxes recoverable	6,344	8,219
Total financial assets at amortised cost	22,196	24,631
Prepayments for goods and services	3,667	5,073
Prepayments for goods and services - related parties (Note 20(e))	13,078	8,196
Total trade and other receivables	72,441	62,389
<i>Less non-current portion:</i>		
Loans to related parties	(14,044)	(13,507)
Total non-current portion	(14,044)	(13,507)
Current portion	58,397	48,882

14 BORROWINGS

(in thousands of US dollars)

	As at	
	30 June 2021	31 December 2020
Non-current	439,192	632,925
Current	210,646	153,276
Total	649,838	786,201

Movements in borrowings are analysed as follows:

(in thousands of US dollars)

	For the six month period ended 30 June	
	2021	2020
At the beginning of the period	786,201	837,211
Proceeds from borrowings	-	4,451
Repayments of borrowings and interest	(163,713)	(44,788)
Loss on extinguishment of financial liabilities	-	437
Interest charged (Note 10)	25,429	34,246
Exchange differences	1,921	(36,962)
At the end of the period	649,838	794,595

The weighted average effective interest rate on borrowings is 6.92% (2020: 7.99%).

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14 Borrowings (continued)

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

(in thousands of US dollars)

	As at	
	30 June 2021	31 December 2020
Between 1 and 2 years	297,945	198,745
Between 2 and 5 years	141,247	434,180
Total	439,192	632,925

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

(in thousands of US dollars)

	As at	
	30 June 2021	31 December 2020
Russian rouble	143,458	280,330
US dollar	506,380	505,871
Total	649,838	786,201

15 LEASES

(in thousands of US dollars)

	As at	
	30 June 2021	31 December 2020
Non-current	36,357	31,088
Current	2,892	1,810
Total	39,249	32,898

Movements in leases are analysed as follows:

(in thousands of US dollars)

	For the six month period ended 30 June	
	2021	2020
At the beginning of the period	32,898	34,181
New leases	6,330	816
Repayments of leases	(1,643)	(721)
Repayments of interest	(2,143)	(2,055)
Interest charged	2,270	2,148
Adjustments relating to changes in the index affecting lease payments	727	305
Exchange differences	816	(3,776)
At the end of the period	39,249	30,898

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

(in thousands of US dollars)

	As at	
	30 June 2021	31 December 2020
Between 1 and 2 years	2,268	1,416
Between 2 and 5 years	6,594	3,251
Over 5 years	27,495	26,421
Total	36,357	31,088

GLOBAL PORTS INVESTMENTS PLC

15 Leases (continued)

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

(in thousands of US dollars)

	As at	
	30 June 2021	31 December 2020
Russian rouble	38,876	32,343
US dollar	373	555
Total	39,249	32,898

16 DERIVATIVE FINANCIAL INSTRUMENTS

During the six month period ended 30 June 2021 a forward contract was settled with the resulting net cash inflow US\$295 thousand.

As of 30 June 2021, the net fair value of options contracts was positive US\$95 thousand (31 December 2020: positive US\$753 thousand), and net fair value of forward contracts was positive US\$6,504 thousand (31 December 2020: positive US\$9,446 thousand).

As of 30 June 2021, there are outstanding forward contracts to acquire US\$118,600 thousand and currency options contracts with the possibility to acquire US\$87,000 thousand.

17 TRADE AND OTHER PAYABLES

(in thousands of US dollars)

	As at	
	30 June 2021	31 December 2020
Trade payables - third parties	3,170	3,011
Trade payables - related parties (Note 20(f))	86	237
Payables for property, plant and equipment	6,243	461
Other payables - third parties	89	1,328
Other payables - related parties (Note 20(f))	6,024	2,257
Payroll payable	2,329	1,700
Accrued expenses	10,492	6,509
Contract liabilities	5,452	5,174
Taxes payable (other than income tax)	2,311	2,863
Total trade and other payables	36,196	23,540
Less non-current portion	-	-
Current portion	36,196	23,540

18 INVESTMENTS IN JOINT VENTURES

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

The summarised investments in joint ventures accounted for using the equity method as at 30 June 2021 and 30 June 2020 are as follows:

(in thousands of US dollars)

	Six month period ended 30 June 2021		
	MLT	CD Holding	Total
As at the beginning of the period	23,383	-	23,383
Recognised share of profit / (loss)	(1,520)	1	(1,519)
Translation differences (through other comprehensive income/(loss))	26	(42)	(16)
Share of profit of joint ventures applied against other long-term interests (Note 20(g))	-	41	41
As at the end of the period	21,889	-	21,889

(in thousands of US dollars)

	Six month period ended 30 June 2020		
	MLT	CD Holding	Total
As at the beginning of the period	27,590	-	27,590
Recognised share of loss	(972)	(429)	(1,401)
Translation differences (through other comprehensive income/(loss))	(2,146)	82	(2,064)
Share of profit of joint ventures applied against other long-term interests (Note 20(g))	-	347	347
As at the end of the period	24,472	-	24,472

19 EARNINGS PER SHARE

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

(in thousands of US dollars)

	Six month period ended 30 June	
	2021	2020
Basic and diluted earnings per share for profit/(loss) attributable to the owners of the Company during the period (expressed in US\$ per share)	0.09	0.04

The weighted average number of shares used for calculating earnings per share is 573,171 thousand for the six month periods ended 30 June 2021 and 2020.

20 RELATED PARTY TRANSACTIONS

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

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

20 Related party transactions (continued)

The following transactions were carried out with related parties:

(a) Sales of services

(in thousands of US dollars)

	Six month period ended 30 June	
	2021	2020
Entities under control of owners of controlling entities	46,159	50,176
Other related parties	-	8
Joint ventures in which GPI is a venturer	200	66
Total	46,359	50,250

(b) Purchases of services and incurred expenses

(in thousands of US dollars)

	Six month period ended 30 June	
	2021	2020
Entities under control of owners of controlling entities	47,539	15,439
Joint ventures in which GPI is a venturer	1,068	606
Other related parties	-	849
Total	48,607	16,894

(c) Interest income

(in thousands of US dollars)

	Six month period ended 30 June	
	2021	2020
Interest income from loans to joint ventures in which GPI is a venturer	309	526
Total	309	526

(d) Key management compensation

(in thousands of US dollars)

	Six month period ended 30 June	
	2021	2020
<i>Key management compensation:</i>		
Salaries, payroll taxes and other short-term employee benefits	1,788	2,142

(e) Trade, other receivables and prepayments

(in thousands of US dollars)

	As at	
	30 June 2021	31 December 2020
Entities under control of owners of controlling entities	24,776	16,048
Joint ventures in which GPI is a venturer	25	136
Total	24,801	16,184

20 Related party transactions (continued)

(f) Trade and other payables

(in thousands of US dollars)

	As at	
	30 June 2021	31 December 2020
Entities under control of owners of controlling entities	6,019	2,310
Joint ventures in which GPI is a venturer	91	122
Other related parties	-	62
Payroll payable and accrued expenses related to key management	527	876
Total	6,637	3,370

(g) Loans to related parties

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

(in thousands of US dollars)

	Six month period ended 30 June 2021	Year ended 31 December 2020
At the beginning of the period/year	13,673	16,690
Interest charged (Note 10)	309	1,030
Loan and interest repaid	-	(572)
GPI's share of profits/(losses) of joint ventures applied against other long-term interests (Note 18)	(41)	(827)
Foreign exchange differences	296	(2,648)
At the end of the period/year	14,237	13,673

The loans are not secured, were provided at fixed interest rate and are repayable in 2021. However, the loans are classified as non-current because of the Group's intention to defer repayment for more than 12 months.



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

TO THE BOARD OF DIRECTORS OF GLOBAL PORTS INVESTMENTS PLC

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Global Ports Investments Plc ("the Company") and its subsidiaries and joint ventures (hereinafter collectively referred to as the "Group") as at 30 June 2021, and the related interim condensed consolidated income statement and statements of comprehensive income, changes in equity and cash flows for the six month period then ended, and notes comprising a summary of significant accounting policies and other explanatory information (the "interim financial information"). The Board of Directors is responsible for the preparation and fair presentation of this interim financial information in accordance with International Accounting Standard 34 "Interim Financial Reporting" as adopted by the European Union. Our responsibility is to express a conclusion on the interim financial information based on our review.

Scope of review

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

Conclusion

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

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Limassol, 18 August 2021

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