Novorossiysk Commercial Sea Port

Interim Condensed Consolidated
Financial Statements
For the Six Months Ended 30 June 2018

NOVOROSSIYSK COMMERCIAL SEA PORT

TABLE OF CONTENTS

NOVOROSSIYSK COMMERCIAL SEA PORT

STATEMENT OF MANAGEMENT'S RESPONSIBILITIES FOR THE PREPARATION AND APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2018

Management is responsible for the preparation of interim condensed consolidated financial statements that present fairly the financial position of Public Joint Stock Company Novorossiysk Commercial Sea Port and its subsidiaries (the "Group") as at 30 June 2018, and the consolidated results of its operations, cash flows and changes in shareholder's equity for the six months then ended, in compliance with International Standard of Financial Statements IAS 34 "Interim Financial Reporting" ("IAS 34").

In preparing the interim condensed consolidated financial statements, management is responsible for:

- properly selecting and applying accounting policies;
- presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- providing additional disclosures when compliance with the specific requirements in IAS 34 are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group's consolidated financial position, financial performance and cash flows; and
- making an assessment of the Group's ability to continue as a going concern.

Management is also responsible for:

- designing, implementing and maintaining an effective and sound system of internal controls, throughout the Group;
- maintaining adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the consolidated financial position of the Group, and which enable them to ensure that the interim condensed consolidated financial statements of the Group comply with IAS 34;
- maintaining statutory accounting records in compliance with statutory legislation and accounting standards;
- taking such steps as are reasonably available to them to safeguard the assets of the Group; and
- preventing and detecting fraud and other irregularities.

The interim condensed consolidated financial statements of the Group for the six months ended 30 June 2018 were approved by management on 29 August 2018:

S.G. Kireev
Chief Executive Officer

G.I. Kachan
Chief Accountant

Report on Review of Interim Financial Information

To the Shareholders and Board of Directors of Public Joint Stock Company Novorossiysk Commercial Sea Port:

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of Public Joint Stock Company Novorossiysk Commercial Sea Port and its subsidiaries (the "Group") as of 30 June 2018 and the related condensed consolidated statements of comprehensive income, changes in equity and cash flows for the six-month period then ended. Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with International Accounting Standard 34, "Interim Financial Reporting". Our responsibility is to express a conclusion on this condensed consolidated 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 condensed consolidated interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34, "Interim Financial Reporting".

AO PricewaterhouseCoopers Audit

29 August 2018
Moscow, Russian Federation

V.V. Solovyev, certified auditor (licence no. 01-000269), AO PricewaterhouseCoopers Audit

Audited entity: Public Joint Stock Company Novorossiysk Commercial Sea Port

State registration certificate № 3207, issued by Novorossiysk Administration on 11 December 1992

Certificate of inclusion in the Unified State Register of Legal Entities issued on 23 August 2002 under registration № 1022302380638

353901, Russian Federation, Krasnodarskiy kray, Novorossiysk, Portovaya street, h.14

Independent auditor: AO PricewaterhouseCoopers Audit

State registration certificate № 008.890, issued by the Moscow Registration Chamber on 28 February 1992

Certificate of inclusion in the Unified State Register of Legal Entities issued on 22 August 2002 under registration № 1027700148431

Member of Self-regulated organization of auditors «Russian Union of auditors» (Association)

ORNZ 11603050547 in the register of auditors and audit organizations

NOVOROSSIYSK COMMERCIAL SEA PORT

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 JUNE 2018 (UNAUDITED)
(in thousands of US Dollars, except for earnings per share)

	Notes	Six months ended 30 June 2018	Six months ended 30 June 2017*
Revenue	6	480,478	448,859
Finance income		5,401	11,377
Salaries		(43,368)	(40,913)
Depreciation and amortisation		(37,264)	(35,162)
Finance costs	7	(36,728)	(36,461)
Rent		(23,803)	(24,624)
Subcontractors		(21,811)	(6,087)
Fuel for resale and own consumption		(19,200)	(11,519)
Taxes directly attributable to salaries		(11,106)	(10,365)
Repair and maintenance		(7,666)	(7,243)
Materials		(4,306)	(3,845)
Taxes other than income tax		(3,977)	(2,576)
Energy and utilities		(3,472)	(3,530)
Charitable donation		(2,814)	(3,566)
Security services		(2,163)	(1,529)
Foreign exchange (loss) / gain, net		(98,982)	37,040
Share of profit in joint venture, net	12	4,552	2,951
Other income / (expenses)		1,224	(6,532)
PROFIT BEFORE INCOME TAX EXPENSE		**174,995**	**306,275**
Income tax	8	(34,709)	(60,274)
PROFIT FOR THE PERIOD		**140,286**	**246,001**
OTHER COMPREHENSIVE (LOSS) / INCOME FOR THE PERIOD, NET OF TAX			
Items that may be subsequently reclassified to profit or loss:			
Effect of translation to presentation currency		(75,614)	20,857
Items that will not be subsequently reclassified to profit or loss:			
Remeasurement of net defined benefit liability		2	2
OTHER COMPREHENSIVE (LOSS) / INCOME FOR THE PERIOD, NET OF TAX		**(75,612)**	**20,859**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**64,674**	**266,860**
Profit for the period attributable to:			
Equity shareholders of the parent company		137,840	243,991
Non-controlling interests		2,446	2,010
		140,286	**246,001**
Total comprehensive income attributable to:			
Equity shareholders of the parent company		63,067	264,531
Non-controlling interests		1,607	2,329
		64,674	**266,860**
Weighted average number of ordinary shares outstanding		18,481,516,593	18,481,516,593
Basic and diluted earnings per share, US Dollars		0.007	0.013

S.G. Kireev
Chief Executive Officer

G.I. Kachan
Chief Accountant

The notes on pages 7 to 22 are an integral part of these interim condensed consolidated financial statements.
* Presentation of comparative information was revised to conform with the current period presentation.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018 (UNAUDITED)

(in thousands of US Dollars, except as otherwise stated)

	Notes	30 June 2018	31 December 2017 (restated)
ASSETS			
NON-CURRENT ASSETS:			
Property, plant and equipment	10	1,168,531	1,280,130
Goodwill	11	566,426	617,131
Mooring rights		2,226	2,577
Investment in joint venture		30,043	28,549
Spare parts		8,360	7,485
Deferred tax assets		80,133	88,777
Other intangible assets		2,496	1,970
Other non-current assets		23,526	25,520
		1,881,741	2,052,139
CURRENT ASSETS:			
Inventories		14,525	16,453
Advances to suppliers		26,946	13,837
Trade and other receivables, net	13	28,712	25,465
VAT recoverable and other taxes receivable		16,410	13,533
Income tax receivable		8,129	1,037
Cash and cash equivalents	14	227,191	121,528
		321,913	191,853
TOTAL ASSETS		**2,203,654**	**2,243,992**
EQUITY AND LIABILITIES			
EQUITY:			
Share capital		10,471	10,471
Treasury shares		(423)	(423)
Foreign currency translation reserve		(500,534)	(425,688)
Retained earnings		1,385,881	1,248,040
Equity attributable to shareholders of the parent company		895,395	832,400
Non-controlling interests		10,233	10,404
TOTAL EQUITY		**905,628**	**842,804**
NON-CURRENT LIABILITIES:			
Long-term debt	15	903,037	990,581
Obligations under finance leases	16	-	65
Defined benefit obligation		6,479	6,920
Deferred tax liabilities		130,098	141,233
Other non-current liabilities		4,055	4,623
		1,043,669	1,143,422
CURRENT LIABILITIES:			
Current portion of long-term debt and short-term borrowing	15	202,528	202,623
Current portion of obligations under finance leases	16	1,413	3,156
Trade and other payables		10,071	12,099
Advances received from customers		14,692	12,463
Taxes payable, excluding income tax		4,657	3,915
Income tax payable		3,783	7,085
Accrued expenses	17	17,213	16,425
		254,357	257,766
TOTAL EQUITY AND LIABILITIES		**2,203,654**	**2,243,992**

The notes on pages 7 to 22 are an integral part of these interim condensed consolidated financial statements.

NOVOROSSIYSK COMMERCIAL SEA PORT

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2018 (UNAUDITED)
(in thousands of US Dollars, except as otherwise stated)

		Attributable to shareholders of the parent company						
	Notes	**Share capital**	**Treasury shares**	**Foreign currency translation reserve**	**Retained earnings**	**Total**	**Non-controlling interests**	**Total**
At 1 January 2017		**10,471**	**(423)**	**(465,655)**	**1,035,134**	**579,527**	**11,774**	**591,301**
Profit for the period		-	-	-	243,991	**243,991**	2,010	**246,001**
Other comprehensive income for the period, net of tax		-	-	20,539	1	**20,540**	319	**20,859**
Total comprehensive income for the period		**-**	**-**	**20,539**	**243,992**	**264,531**	**2,329**	**266,860**
Dividends	9	-	-	-	(253,609)	**(253,609)**	(3,228)	**(256,837)**
Acquisition of non-controlling interests under business combinations		-	-	-	(1,328)	**(1,328)**	(1,155)	**(2,483)**
At 30 June 2017		**10,471**	**(423)**	**(445,116)**	**1,024,189**	**589,121**	**9,720**	**598,841**
At 1 January 2018		**10,471**	**(423)**	**(425,688)**	**1,248,040**	**832,400**	**10,404**	**842,804**
Profit for the period		-	-	-	137,840	**137,840**	2,446	**140,286**
Other comprehensive loss for the period, net of tax		-	-	(74,774)	1	**(74,773)**	(839)	**(75,612)**
Total comprehensive income for the period		**-**	**-**	**(74,774)**	**137,841**	**63,067**	**1,607**	**64,674**
Dividends	9	-	-	-	-	**-**	(1,778)	**(1,778)**
At 30 June 2018		**10,471**	**(423)**	**(500,462)**	**1,385,881**	**895,467**	**10,233**	**905,700**

The notes on pages 7 to 22 are an integral part of these interim condensed consolidated financial statements.

NOVOROSSIYSK COMMERCIAL SEA PORT

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2018 (UNAUDITED)
(in thousands of US Dollars, except as otherwise stated)

	Notes	Six months ended 30 June 2018	Six months ended 30 June 2017
Cash flows from operating activities			
Profit for the period		**140,286**	**246,001**
Adjustments for:			
Finance income		(5,401)	(11,377)
Finance costs	7	36,728	36,461
Share of profit in joint venture, net	12	(4,552)	(2,951)
Foreign exchange loss / (gain), net		98,982	(37,040)
Income tax	8	34,709	60,274
Depreciation and amortisation		37,264	35,162
Change in defined benefit obligation		359	365
Impairment loss recognised on trade and other receivables	13	58	3,513
Loss on disposal of property, plant and equipment		92	986
Other adjustments		774	599
		339,299	**331,993**
Working capital changes:			
Increase in inventories		(913)	(4,368)
Increase in receivables		(13,532)	(4,717)
Increase / (decrease) in liabilities		5,704	(15,642)
Cash flows generated from operating activities		**330,558**	**307,266**
Income tax paid		(43,173)	(48,645)
Interest paid		(36,395)	(35,255)
Net cash generated by operating activities		**250,990**	**223,366**
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment		64	280
Purchases of property, plant and equipment		(29,908)	(66,026)
Proceeds from disposal of other financial assets		-	6,773
Interest received		4,991	11,950
Purchases of other intangible assets		(1,187)	(609)
Dividends received from joint venture, net of dividend tax		-	5,293
Net cash used in investing activities		**(26,040)**	**(42,339)**
Cash flows from financing activities			
Proceeds from long-term borrowings	15	11,339	-
Repayments of loans and borrowings	15	(100,000)	(100,000)
Increase of ownership in subsidiary		-	(2,483)
Dividends paid	9	(1,413)	(193,541)
Advances paid under lease contracts		(12,071)	(2,191)
Net cash used in financing activities		**(102,145)**	**(298,215)**
Net increase / (decrease) in cash and cash equivalents		**122,805**	**(117,188)**
Cash and cash equivalents at the beginning of the period	14	121,528	234,138
Effect of exchange rate changes on the balance of cash held in foreign currencies and effect of translation into presentation currency on cash and cash equivalents		(17,142)	5,793
Cash and cash equivalents at the end of the period	14	**227,191**	**122,743**

The notes on pages 7 to 22 are an integral part of these interim condensed consolidated financial statements.

1. GENERAL INFORMATION

Organisation

Public Joint Stock Company ("PJSC") Novorossiysk Commercial Sea Port ("NCSP" or "Company") was founded in 1845. NCSP was transformed from a state-owned enterprise to a joint-stock company in December 1992. NCSP's principal activities include stevedoring, additional port services, and sea vessel services. NCSP and its subsidiaries (the "Group") are primarily incorporated and operate in the Russian Federation.

Statement of compliance with International Financial Reporting Standards

These interim condensed consolidated financial statements of the Group have been prepared using accounting policies as set forth in the consolidated financial statements for the year 2017 (with the exception of new standards implemented during the period, detailed below) and in compliance with the requirements of International Accounting Standard ("IAS") 34 *Interim Financial Reporting*. The interim condensed consolidated financial statements are unaudited, do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the last issued audited consolidated financial statements for the year 2017, prepared in accordance with International Financial Reporting Standards ("IFRS"). These financial statements reflect all adjustments which are, in the opinion of Group management, necessary to fairly state the results of interim periods. Interim results are not necessarily indicative of results to be expected for the full year.

2. SIGNIFICANT ACCOUNTING POLICIES

New and revised standards

The Group has adopted ***IFRS 9 – Financial instruments*** and ***IFRS 15 – Revenue from contracts with Customers*** from 1 January 2018 which resulted in changes in accounting policies and adjustments to the amounts recognized in the financial statements:

- IFRS 9 was generally adopted without restating comparative information; no significant adjustments were recognized in financial statements. The changes in classification categories didn't result in changes of presentation in Interim Condensed Consolidated Statement of Financial Position.
- IFRS 15 also was adopted without restating comparative information.

Other new standards and pronouncements

The following other new standards and pronouncements which became effective did not have any material impact on the Group:

- Amendments to IFRS 2 – Share-based Payment (issued on 20 June 2016 and effective for annual periods beginning on or after 1 January 2018).
- Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts - Amendments to IFRS 4 (issued on 12 September 2016 and effective, depending on the approach, for annual periods beginning on or after 1 January 2018 for entities that choose to apply temporary exemption option, or when the entity first applies IFRS 9 for entities that choose to apply the overlay approach).
- Transfers of Investment Property – Amendments to IAS 40 (issued on 8 December 2016 and effective for annual periods beginning on or after 1 January 2018).
- Annual Improvements to IFRSs 2014-2016 cycle – Amendments to IFRS 1 an IAS 28 (issued on 8 December 2016 and effective for annual periods beginning on or after 1 January 2018).
- IFRIC 22 – Foreign currency transactions and advance consideration (issued on 8 December 2016 and effective for annual periods beginning on or after 1 January 2018).

Accounting policies applied

IFRS 9 – Financial Instruments (amended in July 2014 and effective for annual periods beginning on or after 1 January 2018).

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

From 1 January 2018 the Group classifies its financial assets in the following measurement categories: those to be measured subsequently at fair value through profit or loss (FVPL), those to be measured subsequently at fair value through other comprehensive income (FVOCI), and those to be measured subsequently at amortized cost.

The classification of debt instruments depends on the organization's business model for managing financial assets and whether contractual cash flows of an asset give rise to payments on specified dates that are solely payments of principal and interest ("SPPI").

The Group presents in OCI changes in the fair value of all its equity investments previously classified as available-for-sale, because these investments are held as long-term strategic investments that are not expected to be sold in the short-to-medium term.

Financial assets and liabilities previously classified in accordance with IAS 39 "Financial Instruments: Recognition and Measurement" within categories loans and receivables, investments held to maturity and other financial liabilities measured at amortised cost using the effective interest method, in accordance with IFRS 9 "Financial instruments" are classified as financial assets and financial liabilities carried at amortised cost. Measurement of cash and cash equivalents, trade and other receivables and payables, long-term and short-term loans and investments, held-to-maturity investments has not changed and these financial instruments are measured at amortised cost.

The adoption of IFRS 9 did not significantly impact balance sheet classification of financial assets and liabilities in the Interim Condensed Consolidated Financial Statements of the Group. The amount of expected credit losses as at 1 January 2018 does not materially differ from the amount of recognized provisions and allowances in the Consolidated Financial Statements as at 31 December 2017 and therefore there is no quantitative effect of transition as of 1 January 2018.

IFRS 15 – Revenue from Contracts with Customers (amended in April 2016 and effective for annual periods beginning on or after 1 January 2018).

Group recognizes revenue from the following main services:

- Stevedoring services;
- Additional port services;
- Fleet services.

The Group recognizes Revenue from stevedoring services, fleet services and additional port services when it satisfies a performance obligation during the period in which the services are rendered (which, in accordance with the conditions for the implementation of cargo transhipment services takes place after carrying out the loading and unloading operations). Time of the above services doesn't exceed, as rule, one month.

The adoption of IFRS 15 did not have a significant impact on the amounts recognized in this condensed consolidated interim financial report.

New accounting standards

IFRS 16 – Leases (issued on 13 January 2016 and effective for annual periods beginning on or after 1 January 2019). The new standard sets out the principles for the recognition, measurement, presentation and disclosure of leases. All leases result in the lessee obtaining the right to use an asset at the start of the lease and, if lease payments are made over time, also obtaining financing. Accordingly, IFRS 16 eliminates the classification of leases as either operating leases or finance leases as is required by IAS 17 and, instead, introduces a single lessee accounting model. Lessees will be required to recognise: (a) assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value; and (b) depreciation of lease assets separately from interest on lease liabilities in the statement of profit or loss and other comprehensive income. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17.

(in thousands of US Dollars, except as otherwise stated)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

The Group rents mooring facilities in operating lease. Transfer to the new standard IFRS 16 “Leases” will have a significant impact on the consolidated financial statements. The Group plans to apply simplified transition method. The Group expects that the impact of the adoption of the new standard may have a significant effect. The Group is currently assessing the impact of the new standard on its financial statements.

The following other new standards and pronouncements are not expected to have any material impact on the Group when adopted:

- IFRS 17 – Insurance Contracts (issued on 18 May 2017 and effective for annual periods beginning on or after 1 January 2021).
- IFRIC 23 – Uncertainty over Income Tax Treatments (issued on 7 June 2017 and effective for annual periods beginning on or after 1 January 2019).
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28 (issued on 11 September 2014 and effective for annual periods beginning on or after a date to be determined by the IASB).
- Prepayment Features with Negative Compensation – Amendments to IFRS 9 (issued on 12 October 2017 and effective for annual periods beginning on or after 1 January 2019).
- Long-term Interests in Associates and Joint Ventures – Amendments to IAS 28 (issued on 12 October 2017 and effective for annual periods beginning on or after 1 January 2019).

Functional and presentation currency

The functional currency of NCSP and principally all of its subsidiaries is the Russian Rouble (“RUR”). The interim condensed consolidated financial statements are presented in US Dollars (“USD”) as management considers the USD to be a more relevant presentation currency for international users of the interim condensed consolidated financial statements of the Group.

Exchange rates

The Group used the following exchange rates in the preparation of the interim condensed consolidated financial statements:

Period-end rates	**30 June 2018**	**31 December 2017**
RUR / 1 USD	62.76	57.60
RUR / 1 EUR	72.99	68.87

	Six months ended	
Average for the period	**30 June 2018**	**30 June 2017**
RUR / 1 USD	59.35	57.99
RUR / 1 EUR	71.82	62.72

3. CORRECTION OF AN ERROR

Subsequent to the issuance of the financial statements for the year ended 31 December 2017, a material error was identified in the annual goodwill impairment test that had been performed for SFP. The impairment test utilized a value in use model. The cash flow forecast prepared in order to compute the recoverable amount of the SFP cash generating unit erroneously included the future cash flow impacts such as indexation of certain fixed expenses and inclusion of non-related to CGU costs which both significantly impacted SFP's costs.

The recalculation of the recoverable amount, taking into account the correction of the cash outflows related to the above mentioned items, showed that the CGU was not impaired and thus there was no impairment of goodwill to be recognized.

In accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" the error was corrected in the incoming balances. As such, the previously recognized impairment amount of 33,077 (RUR 1,930 million) was reversed. The impact of the error correction is as outlined below:

	Value as of 31 December 2017 and for 2017 when correcting error in the reporting year, (in thousands of US Dollars)		
	Initial value	**Correction**	**Corrected value**
Consolidated statement of comprehensive income for the year ended 31 December 2017			
Impairment of goodwill	(33,077)	33,077	-
Profit for the year	**438,952**	**33,077**	**472,029**
Effect of translation to presentation currency	40,113	432	40,545
Total comprehensive income for the year	**478,736**	**33,509**	**512,245**
Basic and diluted earnings per share, US Dollars	**0.024**	**0.001**	**0.025**
Consolidated statement of financial position as at 31 December 2017			
Goodwill	583,622	33,509	617,131
Foreign currency translation reserve	(426,120)	432	(425,688)
Retained earnings	1,214,963	33,077	1,248,040
Total equity	**809,295**	**33,509**	**842,804**
Consolidated statement of changes in equity for the year ended 31 December 2017			
Profit for the year	438,952	33,077	472,029
Other comprehensive income for the year	39,784	432	40,216
Total comprehensive income for the year	**478,736**	**33,509**	**512,245**
Consolidated statement of cash flows for the year ended 31 December 2017			
Profit for the year	438,952	33,077	472,029
Impairment of goodwill	(33,077)	33,077	-
Net cash generated by operating activities	**463,669**	**-**	**463,669**

4. THE KEY ESTIMATES AND ASSUMPTIONS

The critical accounting judgments, estimates and assumptions made by the management of the Group and applied in the accompanying interim condensed consolidated financial statements for the six months ended 30 June 2018 are consistent with those applied in the preparation of the annual consolidated financial statements of the Group for the 2017.

In the course of the legal proceedings, disclosed in the consolidated financial statements of the Group for the 2017, the Group has no significant changes in its position. The Russian tax authority's claims to the Group's subsidiaries do not lead to the accrual of estimated liabilities or commitments, except for those disclosed in Note 21.

Management believes that as at 30 June 2018 the carrying values of financial assets (Notes 13 and 14) and financial liabilities recorded at amortised cost (Note 15) and also finance lease liability (Note 16) in the interim condensed consolidated financial statements approximate their fair values.

Price monitoring

Some activities of the Group fall within the scope of the law "Act on natural monopolies" and, as a result, prices on cargo-loading services are subject to price monitoring by the Federal Antimonopoly Service of Russia ("FAS").

In 2016 FAS initiated a return to state price regulation of the stevedoring services tariffs (i.e. FAS will approve the fixed maximum rates for such services in Russian Roubles). At the same time, according to the methodology drafted by FAS, the maximum profitability of stevedoring operations will be set and FAS will repeal the Federal Tariff Service of Russia ("FTS") orders on cancellation of price regulation in ports. As at the moment, the probability of implementation of this initiative cannot be estimated. In 2016 FAS initiated litigation against NCSP and PTP upon the breach of antimonopoly law № FZ-135 "On Protection of Competition". At the date of issue, the proceedings have not been completed. The Group does not expect significant cash outflow as a results of these legal cases.

5. SEGMENT INFORMATION

The Group's operations are managed by type of services: stevedoring services and additional port services; fleet services; and other services mainly comprising rent, resale of energy and utilities to external customers (which individually do not constitute separate reportable segments). Stevedoring services, additional port services and fleet services are then managed by regions. As a result, all decisions regarding allocation of resources and further assessment of performance are made separately for Novorossiysk, Primorsk and Baltiysk in respect of stevedoring and additional services and for Novorossiysk and Primorsk in respect of fleet services. All segments have different segment managers responsible for each segment's operations. The chief operating decision maker is responsible for allocating resources to and assessing the performance of each segment of the business.

Segment results are evaluated based on segment profit as disclosed in the management accounts, which are determined under Russian statutory accounting standards. Adjustments to reconcile segment profit to profit before income tax under IFRS include the following: unallocated operating and other income and expenses, differences between Russian statutory accounting standards and IFRS, finance income, finance costs, share of profit in joint venture (net), foreign exchange (loss) / gain (net).

The difference in depreciation and amortisation relates to a difference arising on transition to IFRS when the remeasurement of property, plant and equipment was performed by an independent appraiser and gave rise to a difference with the underlying Russian accounting standards measurement basis.

Financial leases under IFRS are recognised at the time of receipt of the leased asset by reflecting the asset and the related liability with the calculation of depreciation and interest expenses. No assets and liabilities are recognised the Russian accounting standards, and all expenses are recorded immediately through profit and loss.

(in thousands of US Dollars, except as otherwise stated)

5. SEGMENT INFORMATION (CONTINUED)

Segment revenue and segment results

Sales transactions between segments are made at prices which are defined in the Group companies' price lists. The price list contains both services for which tariffs are monitored by the state and other services for which prices are not monitored by FAS. Prices for services are at market rates.

The segment revenue and results for the six months ended 30 June 2018 and 2017 are as follows:

	Segment revenue from external customers		**Inter-segment sales**		**Segment profit**	
	Six months ended		**Six months ended**		**Six months ended**	
	30 June 2018	**30 June 2017**	**30 June 2018**	**30 June 2017**	**30 June 2018**	**30 June 2017**
Stevedoring and additional port services	469,245	406,704	631	1,021	286,833	269,045
Novorossiysk	371,436	315,174	488	856	230,801	210,274
Primorsk	89,769	84,672	143	165	51,382	55,299
Baltiysk	8,040	6,858	-	-	4,650	3,472
Fleet services	6,715	36,973	33,205	1,036	13,615	18,443
Novorossiysk	817	17,979	18,401	971	10,410	7,460
Primorsk	5,898	18,994	14,804	65	3,205	10,983
Total reportable segments	**475,960**	**443,677**	**33,836**	**2,057**	**300,448**	**287,488**
Other	4,518	5,182	5,354	5,276	(1,728)	5,289
Total segments	**480,478**	**448,859**	**39,190**	**7,333**	**298,720**	**292,777**
Unallocated amounts (see following table)					(123,725)	13,498
Profit before income tax					**174,995**	**306,275**

During the six months ended 30 June 2018 there were no counterparties whose revenue amounted to more than 10% of revenue from stevedoring and additional services for respective period. Management of the Group believes that it adequately manages the corresponding credit risk by, inter alia, monitoring the schedule of payments based on agreed repayment terms.

Total reportable segment profit reconciles to the Group consolidated profit before income tax through the following adjustments and eliminations:

	Six months ended	
	30 June 2018	**30 June 2017**
Total segment profit	**298,720**	**292,777**
Differences between management accounts and IFRS:		
Depreciation and amortisation	(1,059)	(3,370)
Finance lease	2,048	2,242
Impairment loss recognised on trade and other receivables	(58)	(3,513)
Other	(3,560)	338
Unallocated operating income and expenses:		
Defined benefit obligation expense	(137)	(139)
Finance income	5,401	11,377
Finance costs	(36,728)	(36,461)
Share of profit in joint venture, net	4,552	2,951
Foreign exchange (loss) / gain, net	(98,982)	37,040
Other income, net	4,798	3,033
Profit before income tax	**174,995**	**306,275**

(in thousands of US Dollars, except as otherwise stated)

5. SEGMENT INFORMATION (CONTINUED)

Other segment information

	Depreciation and amortisation charge		Capital expenditures	
	Six months ended		Six months ended	
	30 June 2018	30 June 2017	30 June 2018	30 June 2017
Stevedoring and additional port services	29,957	28,801	23,525	58,146
Novorossiysk	25,520	23,205	23,179	55,907
Primorsk	3,448	4,467	204	1,429
Baltiysk	989	1,129	142	810
Fleet services	2,167	2,096	1,059	965
Novorossiysk	1,210	1,249	606	424
Primorsk	957	847	453	541
Total reportable segments	**32,124**	**30,897**	**24,584**	**59,111**
Other	974	972	662	190
Total segments	**33,098**	**31,869**	**25,246**	**59,301**
Unallocated amounts	4,166	3,293	3,788	30,069
Consolidated	**37,264**	**35,162**	**29,034**	**89,370**

Capital expenditures consist of additions of property, plant and equipment, which include construction in progress and the related advances paid for the period (Note 10).

6. REVENUE

	Six months ended	
	30 June 2018	30 June 2017
Stevedoring services	379,218	349,697
Additional port services	90,027	57,007
Fleet services	6,715	36,973
Other	4,518	5,182
Total	**480,478**	**448,859**

7. FINANCE COSTS

	Six months ended	
	30 June 2018	30 June 2017
Interest on loans and borrowings	36,530	35,980
Interest expense – finance lease	198	481
Total	**36,728**	**36,461**

8. INCOME TAX EXPENSE

	Six months ended	
	30 June 2018	30 June 2017
Current income tax expense	32,785	43,476
Deferred income tax charge	1,924	16,798
Total	**34,709**	**60,274**

(in thousands of US Dollars, except as otherwise stated)

8. INCOME TAX EXPENSE (CONTINUED)

Income tax expense relating to the Group's activities in the Russian Federation, with the exception of the activities of PTP which is permitted to apply a reduced income tax rate of 16.5% until 31 December 2021 inclusively, is calculated at 20% of the taxable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

During the six months ended 30 June 2018 the Group utilised tax loss carry forward incurred in the previous periods in the amount of 7,124 (the six months ended 30 June 2017: 20,284).

9. DIVIDENDS

Dividends declared by the Group during the six months ended 30 June 2018 and 30 June 2017 were 1,778 and 256,837, respectively, including dividends to non-controlling interest. During the six months ended 30 June 2018 no dividends were declared by the parent company. Dividends declared by the parent company per share for the six months ended 30 June 2017 were US cents 1.372. The total dividends paid during the six months ended 30 June 2018 and 30 June 2017 were 1,413 and 193,541, respectively.

As at 30 June 2018 the dividend liability of the Group amounted to 2,358 (31 December 2017: 2,193). It is included in accrued expenses in consolidated statement of financial position as at 30 June 2018 and 31 December 2017 (Note 17).

10. PROPERTY, PLANT AND EQUIPMENT

	Property, plant and equipment
Net book value	
As at 1 January 2017	**1,144,539**
Additions	89,370
Disposals	(1,022)
Depreciation expense	(34,471)
Effect of translation into presentation currency	29,142
As at 30 June 2017	**1,227,558**
As at 1 January 2018	**1,280,130**
Additions	29,034
Disposals	(143)
Depreciation expense	(36,552)
Effect of translation into presentation currency	(103,938)
As at 30 June 2018	**1,168,531**

During the six months ended 30 June 2018 and 30 June 2017, the Group disposed of assets resulting in a net loss on disposal of 92 and 986, respectively.

As at 30 June 2018 the total amount of advances paid for property, plant and equipment and construction works recorded in construction in progress equals 20,681 (31 December 2017: 19,914).

The carrying value of property, plant and equipment held under finance leases as at 30 June 2018 was 5,634 (31 December 2017: 7,468). During the six months ended 30 June 2018, the Group purchased 1 leased asset in the end of lease agreement. There were no additions of property, plant and equipment under finance leases during the the six months ended 30 June 2017. Leased assets are pledged as security for the related finance liabilities.

(in thousands of US Dollars, except as otherwise stated)

11. GOODWILL

The carrying amount of goodwill was allocated to cash-generating units ("CGU") as follows:

	Carrying amount	
	30 June 2018	31 December 2017
Stevedoring and additional services segment:		
PTP	289,261	315,156
NGT	75,664	82,437
NLE	61,061	66,528
IPP	13,161	14,339
NSY	4,458	4,856
Baltic Stevedore Company	1,362	1,484
Fleet services segment:		
SFP	86,980	94,766
FNCSP	34,479	37,565
Total	**566,426**	**617,131**

12. INVESTMENT IN JOINT VENTURE

NFT is a fuel oil terminal in Novorossyisk with maximum transshipment capacity of four million tons per year.

The Group owns 50% of NFT and its share in profit of the joint venture for the six months ended 30 June 2018 and 30 June 2017 recognised in the interim condensed consolidated statement of comprehensive income amounted to 4,552 and 2,951, respectively.

	Ownership % held	
Joint venture	30 June 2018	31 December 2017
NFT	50.00%	50.00%

13. TRADE AND OTHER RECEIVABLES, NET

	30 June 2018	31 December 2017
Trade receivables (RUR)	17,664	18,282
Trade receivables (USD)	10,431	7,602
Trade receivables (EUR)	40	17
Other receivables and prepayments	10,260	10,610
Interest receivable	569	197
Less: allowance for doubtful trade and other receivables	(10,252)	(11,243)
Total	**28,712**	**25,465**

The movement in the allowance for doubtful trade and other receivables is as follows:

	Six months ended	
	30 June 2018	30 June 2017
As at beginning of the period	**11,243**	**6,946**
Impairment loss recognised in the interim condensed consolidated statement of comprehensive income	58	3,513
Amounts written-off as uncollectable	(129)	(177)
Effect of translation into presentation currency	(920)	122
As at end of the period	**10,252**	**10,404**

(in thousands of US Dollars, except as otherwise stated)

13. TRADE AND OTHER RECEIVABLES, NET (CONTINUED)

Past due trade receivables and other receivables were provided for based on estimated irrecoverable amounts. These were determined by reference to past experience, and are regularly reassessed based on the facts and circumstances existing as at each reporting date.

14. CASH AND CASH EQUIVALENTS

	30 June 2018	31 December 2017
Bank deposits in RUR	187,662	98,151
Bank deposits in USD	34,173	17,930
Current accounts in USD	2,652	1,918
Current accounts in RUR	2,210	3,332
Current accounts in EUR	459	161
Cash in hand	35	36
Total	**227,191**	**121,528**

Bank deposits as at 30 June 2018 are summarised below:

Bank	Currency	Rate, %	30 June 2018
PJSC Sberbank Russia ("Sberbank")	RUR	4.23 – 5.80	73,818
Sberbank	USD	1.18 – 1.73	9,476
PJSC VTB Bank ("Bank VTB")	RUR	6.20 – 6.55	68,439
Bank VTB	USD	1.75 – 2.40	22,697
JSC Russian Agricultural Bank ("Rosselkhozbank")	RUR	6.30 – 6.55	27,981
Rosselkhozbank	USD	2.05 – 2.35	2,000
Other	RUR	5.00 – 6.55	17,424
Total			**221,835**

Bank deposits as at 31 December 2017 are summarised below:

Bank	Currency	Rate, %	31 December 2017
Sberbank	RUR	4.54 – 6.70	57,812
Sberbank	USD	0.69 – 1.40	8,220
Bank VTB	RUR	6.15 – 7.45	20,469
Rosselkhozbank	RUR	7.20 - 7.80	10,243
Rosselkhozbank	USD	1.45 - 1.80	6,927
Other	RUR	5.10 - 8.45	9,627
Other	USD	1.35 - 1.40	2,783
Total			**116,081**

(in thousands of US Dollars, except as otherwise stated)

15. DEBT

	Interest rate	Maturity date	30 June 2018	31 December 2017
Unsecured borrowings				
NFT (RUR)	7.0%	July 2018	2,554	2,693
Secured bank loans				
Bank VTB (USD)	LIBOR 3M + 3.99%	June 2023	1,092,284	1,190,511
Federal State Independent Institution "Russian Industrial Development Fund" (RUR)	1.0%	December 2022	5,770	-
Industrial Development Fund (RUR)	1.0%	December 2022	4,957	-
Total debt			**1,105,565**	**1,193,204**
Short-term borrowing			(2,554)	(2,693)
Current portion of long-term debt			(199,974)	(199,930)
Total non-current debt			**903,037**	**990,581**

Bank VTB

On 20 June 2016 NCSP received a loan in the amount of 1,500,000 from Bank VTB to be used for the repayment of financial debt to Sberbank prior to maturity under the following terms:

- The term of the facility is seven years;
- Floating interest of LIBOR 3M + 3.99% per annum;
- A lump sum commission of 12,985 was paid for the receipt of the loan;
- The loan is secured by independent guarantees of PTP and SFP as well as by the indemnity guarantee of Novoport Holding Ltd.;
- Certain financial covenants are imposed on the Group (such as: the ratio of total net debt of the Group to earnings before interest, taxes, depreciation and amortisation ("Adjusted EBITDA"), adjusted EBITDA to financial expenses ratio, share of cumulative indicators of adjusted EBITDA, revenue and fixed assets of the NCSP and guarantors in similar indicators of the Group, and other covenants). As at the reporting date the Group met all the financial covenants under the loan agreement with Bank VTB.

Other debt

On 14 February 2018 NCSP has obtained two special-purpose loans totaling 11,650 (RUR 673 million) from the Industrial Development Fund to finance an advance payment of the acquired all-wheel drive bridge cranes "Aist" and "Vityaz" comprising 9 pieces. Both loans are granted at 1% interest rate per annum. Principal amounts are repayable in equal instalments at the end of each quarter starting from 31 March 2021; maturity date is in December 2022. Interest is charged monthly and paid quarterly.

As at 30 June 2018 the long-term borrowings are disclosed net of unamortised expense for raising a loan in amount of 9,620 (31 December 2017: 11,526).

(in thousands of US Dollars, except as otherwise stated)

15. DEBT (CONTINUED)

The Group borrowings as at 30 June 2018 are repayable as follows:

	Principal amount	Contractual interest liability	Total
Due within three months	2,390	17,718	20,108
Due from three to six months	100,000	17,273	117,273
Due from six months to twelve months	100,000	31,482	131,482
	202,390	**66,473**	**268,863**
Between 1 and 2 years	200,000	53,804	253,804
Between 2 and 5 years	710,724	85,094	795,818
Total	**1,113,114**	**205,371**	**1,318,485**

The Group borrowings as at 31 December 2017 are repayable as follows:

	Principal amount	Contractual interest liability	Total
Due within three months	-	16,665	16,665
Due from three to six months	100,000	16,958	116,958
Due from six months to twelve months	102,603	31,166	133,769
	202,603	**64,789**	**267,392**
Between 1 and 2 years	200,000	53,342	253,342
Between 2 and 5 years	600,000	92,566	692,566
Over 5 years	200,000	5,617	205,617
Total	**1,202,603**	**216,314**	**1,418,917**

For variable rate borrowing, the contractual interest liability for future periods was calculated based on the effective borrowing rate relating to the Group's variable rate borrowings as at 30 June 2018 of 6.32% (31 December 2017: 5.63%).

The main part of financial obligations of the Group is denominated in USD. The fluctuation of the USD exchange rate leads to foreign exchange rate gains or losses which affect the financial performance of the Group. During the six months ended 30 June 2018, the foreign exchange loss on financial obligations decreased the Group's profit before income tax by 106,195 (during the six months ended 30 June 2017 the foreign exchange gain on financial obligations increased the Group's profit before income tax by 41,452).

16. FINANCE LEASE

The Group rents transshipment machinery and equipment under finance lease agreements with five years terms. The Group has the right to purchase the equipment after expiration of lease contracts at a purchase price close to zero. Interest rates for all obligations under the finance lease agreements are fixed at the dates of the agreements at rates ranging from 15.26% to 17.14% per annum.

	Minimum lease payments as at 30 June 2018	Minimum lease payments as at 31 December 2017	Present value of lease payments as at 30 June 2018	Present value of lease payments as at 31 December 2017
Less than one year	1,479	3,409	1,413	3,156
In the second and fifth year	-	78	-	65
Less: future financing costs	(66)	(266)	-	-
Present value of minimum lease payments	**1,413**	**3,221**	**1,413**	**3,221**

The Group's obligations under finance leases are secured by the lessors' rights over the leased assets disclosed in Note 10.

(in thousands of US Dollars, except as otherwise stated)

17. ACCRUED EXPENSES

	30 June 2018	31 December 2017
Accrued salaries and wages	11,568	12,268
Dividend liability (Note 9)	2,358	2,193
Compensation for tanker bulk	1,811	-
Accrued rent expenses	300	-
Accrued expenses due to increase in tariffs	-	887
Accrued professional service expenses	-	400
Other accrued expenses	1,176	677
Total	**17,213**	**16,425**

18. RELATED PARTY TRANSACTIONS

Parent controlling company owning 50.1% of Group as at 30 June 2018 is «Novoport Holding Ltd.», which is registered under the laws of the Republic of Cyprus. The ultimate parent of the Group is «OMIRICO LIMITED», which is registered under the laws of the Republic of Cyprus. «OMIRICO LIMITED» is controlled by PJSC Transneft and members of the Magomedov family. The owner of 100% of the PJSC Transneft ordinary shares of is Russian Federation represented by the Federal Agency for state property management.

Due to the fact that the Federal Property Agency of the Russian Federation owns a direct 20% interest in NCSP and has significant influence over the Group, significant balances and transactions with state-controlled entities are considered to be transactions with related parties. During the six months ended 30 June 2018 and 30 June 2017, the Group transacted with Sberbank, VTB Bank, PJSC Rosneft Oil Company, OJSC Russian Railways and other state-controlled entities (apart from PJSC Transneft).

Transactions with related parties are carried out in the normal course of business and on an arm's length basis. The amounts outstanding will be settled in cash. No guarantees in regards to related parties have been given or received during the reporting period. Provisions have been made in respect of the amounts owed by related parties in respect of trade and other receivables in the amount 4,055 (31 December 2017: 4,661).

Transactions with state-controlled entities (apart from PJSC Transneft):

	Six months ended	
	30 June 2018	30 June 2017
Sales		
Sales of goods and services	49,379	53,272
Interest income	4,807	7,582
Purchases		
Services and materials received	1,997	2,322
Finance costs	36,400	35,980

(in thousands of US Dollars, except as otherwise stated)

18. RELATED PARTY TRANSACTIONS (CONTINUED)

Balances with state-controlled entities (apart from PJSC Transneft):

	30 June 2018	31 December 2017
Cash and cash equivalents		
Cash and cash equivalents	223,932	111,701
Receivables		
Trade and other receivables, net of allowance for doubtful trade and other receivables of 0 (2017: 0)	2,062	2,079
Advances to suppliers	385	360
Payables		
Trade and other payables	8	14
Advances received from customers	157	357
Debt		
Long-term debt	892,313	990,581
Current portion of long-term debt	199,971	199,930

Other related parties include the shareholders (including PJSC Transneft) of the ultimate parent, parties controlled by them and their subsidiaries and associates.

Transactions with shareholders of the parent company and other related parties:

	Six months ended	
	30 June 2018	30 June 2017
Sales		
Sales of goods and services	45,820	52,935
Purchases		
Services and materials received	32,544	20,679
Other selling expenses	2,419	2,476

Balances with shareholders of the parent company and other related parties:

	30 June 2018	31 December 2017
Receivables		
Trade and other receivables, net of allowance for doubtful trade and other receivables of 4,055 (2017: 4,661)	1,041	944
Advances to suppliers	1,796	368
Payables		
Trade and other payables	2,089	3,141
Advances received from customers	878	1,567

Transactions and balances with NFT, a joint venture of the Group, are disclosed below:

Transactions with NFT:

	Six months ended	
	30 June 2018	30 June 2017
Sales and income		
Sales of goods and services	5,986	3,605
Purchases		
Services and materials received	1,415	1,620
Finance costs	88	-

(in thousands of US Dollars, except as otherwise stated)

18. RELATED PARTY TRANSACTIONS (CONTINUED)

Balances with NFT:

	30 June 2018	31 December 2017
Receivables		
Trade and other receivable	227	354
Payables to related parties		
Advances received from customers	7	36
Financial debt to related parties		
Short-term debt	2,554	2,693

Compensation of key management personnel

For the six months ended 30 June 2018 and 30 June 2017, the remuneration of the directors and members of key management was 4,113 (including termination benefits in the amount of 229) and 4,037 (including termination benefits in the amount of 11), respectively, which represented short-term employee benefits and social security contributions.

The remuneration of directors and key executives is determined by the Board of Directors with regard to the performance of individuals and market trends.

19. COMMITMENTS AND CONTINGENCIES

Operating lease arrangements

The Group rents land plots, mooring installations, vessels and equipment under operating lease agreements with the Russian Federation and related parties. These arrangements have lease terms between 1 and 49 years. All operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. The lessee does not have an option to purchase the land, mooring installations, vessels and equipment at the expiry of the lease period.

Future minimum lease payments under non-cancellable operating leases with initial terms in excess of one year are as follows:

	30 June 2018	31 December 2017
Within 1 year	48,366	54,348
Between 1 and 2 years	46,841	51,066
Between 2 and 3 years	46,896	51,181
Between 3 and 4 years	46,738	50,893
Between 4 and 5 years	46,738	50,893
Thereafter	750,991	845,069
Total	**986,570**	**1,103,450**

As at 30 June 2018 minimum lease payments were calculated according to the existing contract terms.

(in thousands of US Dollars, except as otherwise stated)

20. CAPITAL COMMITMENTS

As at 30 June 2018 and 31 December 2017, the Group commitments for acquisition of property, plant and equipment and construction works are as follows:

	30 June 2018	31 December 2017
NCSP	36,809	47,340
IPP	7,069	1,528
NLE	4,018	4,070
NSY	800	47
NZT	730	944
SFP	216	2
PTP	152	120
Baltic Stevedore Company	144	261
FNCSP	103	-
Total	**50,041**	**54,312**

As at 30 June 2018 and 31 December 2017, there were no capital commitments relating to obligations under finance lease contracts.

21. EVENTS AFTER THE BALANCE SHEET DATE

PJSC NCSP received a decision of the tax authority on the results of consideration of the materials of the tax audit of PJSC NCSP activities during 2014-2015. The amount of additional charges, including fines and penalties, according to the decision amounted to 791.9 thousands of US Dollars, where 650.1 thousands of US Dollars were added taxes, 76.5 thousands of US Dollars -penalties and 65.3 thousands of US Dollars - fines. The receivables generated as a result of additional charges were repaid by sending an application to the tax authority on 6 August 2018 for the offset of the amount of the tax to be reimbursed for the payment of additional amounts. The tax authority adopted the decision on the offset of this amount on the 10 August 2018. The results of the audit are reflected in the interim condensed consolidated financial statements for the six months ended 30 June 2018.

On 21 March 2018 FAS initiated a case against PJSC NCSP on the grounds of violation of the Federal Law № 135 FZ "On Protection of Competition", upon the fact of imposing the tariffs for transshipment of goods for 2016-2017 in US dollars. The commission meeting of FAS that was scheduled for 28 August 2018 did not take place due to lack of quorum, the new date has not yet been determined.

PJSC NCSP will appeal against the Arbitration Court's of Krasnodar region (case №A32-22095/2018) decision and prescription in respect of the case №71/2018 for recognition in the actions of the company of the violation of p.9 p.1 en. 10 FZ "On protection of Competition" expressed in the adoption (approval) of the Guidelines for the processing of ships in the terminals of PJSC NCSP and the establishment in it of conditions aimed at preventing, limiting and eliminating competition.

The prescription is suspended until the court decision on this dispute comes into force. The risk of occurrence of obligations for the Group in this case is remote.