

The indicator for “Change of Group market share for general and bulk cargo in Russian segment of Azov-Black Sea basin compared to 2014” was not achieved because transshipment of dry cargo in the basin grew faster than at NCSP Group. The Group increased dry cargo handling in the Azov-Black Sea basin by 33.1% in 2014-2019, while average market growth, including NCSP figures, amounted to 36.4%.

In 2018, the main reasons that the indicator was not achieved were the opening of two grain terminals at the Azov port (Louis Dreyfus's Ustye Dona LLC terminal and the Rif Trading House LLC terminal), and growth of grain handling at the CJSC Yug Rusi and JSC Aston terminals at the Rostov port and at Taman Grain Terminal Complex LLC.

The “reduction of energy costs” indicator was not achieved due to a significant change in the structure of transshipments at NCSP Group, with a decrease in the share of liquid cargo and increase in the share of more energy-intensive dry cargo.

The other KPI for 2018 were achieved. Taking into account the review of the project portfolio and satisfactory KPI values, NCSP Group's LDP was fulfilled for 2018.

1.4.4. Coordination of NCSP Group development plans with federal strategic documents on transport

The Roadmap for the Development of Seaports in the Azov-Black Sea Basin in the period to 2020 (with possible extension to 2030), as well as the development of short- and long-distance railway and road approaches to these seaports (hereinafter, Roadmap)¹ was approved in 2016. The Roadmap was updated² in 2017 and includes the following projects:

- ▶ Reconstruction of specialized grain handling terminal at the Port of Novorossiysk
- ▶ Reconstruction of container terminal at the Port of Novorossiysk
- ▶ Reconstruction of cargo area terminals at the Port of Novorossiysk

The Roadmap is an outline plan combining all projects by timeframe. The Roadmap will be elaborated as project business plans and design documentation are developed.

The Russian president's decree “On National and Strategic Objectives for the Development of the Russian Federation for the Period to 2024”³ (hereinafter, the Decree) notes the need to develop transport corridors by expanding the capacity of Russian seaports, including ports in the Azov-Black Sea basin, and increasing the throughput capacity of railways to these ports.

Pursuant to the Decree, on September 30, 2018 the Russian government approved a “Comprehensive Plan to Modernize and Expand Mainline Infrastructure for the period to 2024” (hereinafter, the Plan). The Plan sets the objectives of carrying out measures to develop port infrastructure in the Azov-Black Sea basin and developing and modernizing railway infrastructure on approaches to ports in this region in the period to 2024.

The development strategy that NCSP Group plans to approve is aimed at achieving the national goals and objectives of developing the stevedoring and transport sector.

1. Approved by Russian Prime Minister Dmitry Medvedev on July 11, 2016 with order No. 5011p-P9.

2. Changes to the Roadmap were approved on December 21, 2017 following a meeting of the Government Commission for Transport that was chaired by Deputy Prime Minister Arkady Dvorkovich (Minutes No. 7, dated December 21, 2017).

3. No. 204 dated May 7, 2018