

# **Globaltrans Investment PLC**

**Condensed consolidated interim financial information  
(unaudited)**

**for the six months ended 30 June 2021**

# Contents

Condensed consolidated interim financial information (unaudited) for the six months ended  
30 June 2021

	Page
CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT.....	1
CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME .....	2
CONDENSED CONSOLIDATED INTERIM BALANCE SHEET .....	3
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY.....	4
CONDENSED CONSOLIDATED INTERIM CASH FLOW STATEMENT .....	6
1. GENERAL INFORMATION .....	7
2. BASIS OF PREPARATION .....	7
3. SIGNIFICANT ACCOUNTING POLICIES .....	7
4. ADOPTION OF NEW AND AMENDED STANDARDS .....	7
5. ESTIMATES AND JUDGEMENTS .....	8
6. FINANCIAL RISK MANAGEMENT.....	8
7. SEGMENT INFORMATION .....	9
8. NON-IFRS FINANCIAL INFORMATION .....	11
9. SHARE-BASED PAYMENTS.....	14
10. INTANGIBLE ASSETS .....	14
11. REVENUE .....	14
12. EXPENSES BY NATURE .....	15
13. EMPLOYEE BENEFIT EXPENSE.....	17
14. FINANCE INCOME AND COSTS .....	17
15. PROPERTY, PLANT AND EQUIPMENT .....	18
16. RIGHT-OF-USE ASSETS .....	18
17. FINANCIAL ASSETS .....	19
18. OTHER ASSETS .....	19
19. TRADE AND OTHER PAYABLES.....	20
20. BORROWINGS.....	20
21. OTHER LEASE LIABILITIES .....	21
22. INCOME TAXES .....	21
23. EARNINGS PER SHARE.....	22
24. DIVIDENDS .....	22
25. SHARE CAPITAL AND SHARE PREMIUM.....	22
26. CONTINGENCIES AND COMMITMENTS .....	22
27. RELATED PARTY TRANSACTIONS .....	23
28. SUBSEQUENT EVENTS .....	24
29. SEASONALITY .....	24
Report on review of condensed consolidated interim financial information.....	25

# Condensed consolidated interim income statement

for the six months ended 30 June 2021

	Note	Six months ended 30 June	
		2021	2020
		RUB'000 Unaudited	RUB'000 Unaudited
Revenue	11	32,078,608	35,414,434
Cost of sales	12	(23,885,976)	(23,453,524)
<b>Gross profit</b>		<b>8,192,632</b>	<b>11,960,910</b>
Selling and marketing costs	12	(113,870)	(85,237)
Administrative expenses	12	(1,720,458)	(1,415,775)
Other income		157,749	149,435
Other gains/(losses) – net		86,508	(132,720)
<b>Operating profit</b>		<b>6,602,561</b>	<b>10,476,613</b>
Finance income	14	92,224	175,383
Finance costs	14	(1,168,372)	(1,307,745)
Net foreign exchange transaction (losses)/gains on financing activities	14	(11,829)	53,663
Finance costs – net		(1,087,977)	(1,078,699)
<b>Profit before income tax</b>		<b>5,514,584</b>	<b>9,397,914</b>
Income tax expense	22	(1,352,200)	(2,347,935)
<b>Profit for the period</b>		<b>4,162,384</b>	<b>7,049,979</b>
<i>Profit attributable to:</i>			
Owners of the Company		3,281,025	6,297,653
Non-controlling interests		881,359	752,326
		<b>4,162,384</b>	<b>7,049,979</b>
Weighted average number of ordinary shares outstanding (thousand)	23	178,664	178,741
Basic and diluted earnings per share for profit attributable to the equity holders of the Company during the period (expressed in RUB per share) <sup>(1)</sup>	23	18.36	35.23

<sup>(1)</sup> Basic and diluted earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the period.

The notes on pages 7 to 24 are an integral part of this condensed consolidated interim financial information.

# Condensed consolidated interim statement of comprehensive income

for the six months ended 30 June 2021

	Six months ended 30 June	
	2021	2020
	RUB'000 Unaudited	RUB'000 Unaudited
<b>Profit for the period</b>	<b>4,162,384</b>	7,049,979
<i>Other comprehensive income:</i>		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Currency translation differences	(391,606)	900,808
Losses on cash flow hedging instrument	(62,095)	(578,507)
Reclassification adjustment to the income statement	62,095	578,507
<b>Total items that may be reclassified subsequently to profit or loss</b>	<b>(391,606)</b>	900,808
<i>Items that will not be reclassified subsequently to profit or loss</i>		
Currency translation differences attributable to non-controlling interest	(208,975)	476,284
<b>Other comprehensive income for the period, net of tax</b>	<b>(600,581)</b>	1,377,092
<b>Total comprehensive income for the period</b>	<b>3,561,803</b>	8,427,071
<i>Total comprehensive income for the period attributable to:</i>		
- owners of the Company	2,889,419	7,198,461
- non-controlling interests	672,384	1,228,610
	<b>3,561,803</b>	8,427,071

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

The notes on pages 7 to 24 are an integral part of this condensed consolidated interim financial information.

## Condensed consolidated interim balance sheet

at 30 June 2021

	Note	30-Jun-2021 RUB'000 Unaudited	31-Dec-2020 RUB'000 Audited
<b>ASSETS</b>			
<i>Non-current assets</i>			
Property, plant and equipment	15	83,945,990	84,420,941
Right-of-use assets	16	2,242,556	1,080,415
Intangible assets	10	814	1,460
Other assets	18	409,492	549,493
Trade receivables	17(a)	231,822	236,165
Loans and other receivables	17(b)	-	3,887
<b>Total non-current assets</b>		<b>86,830,674</b>	<b>86,292,361</b>
<i>Current assets</i>			
Inventories		694,720	691,033
Other assets	18	2,257,692	2,586,593
Loans and other receivables	17(b)	266,292	47,483
Trade receivables	17(a)	3,994,084	3,465,381
Current income tax assets		318,394	266,024
Cash and cash equivalents		4,372,616	4,978,322
		<b>11,903,798</b>	<b>12,034,836</b>
Assets classified as held for sale		-	10
<b>Total current assets</b>		<b>11,903,798</b>	<b>12,034,846</b>
<b>TOTAL ASSETS</b>		<b>98,734,472</b>	<b>98,327,207</b>
<b>EQUITY AND LIABILITIES</b>			
<i>Equity attributable to the owners of the Company</i>			
Share capital	25	516,957	516,957
Share premium	25	27,929,478	27,929,478
Treasury shares		(31,496)	(31,496)
Common control transaction reserve		(10,429,876)	(10,429,876)
Translation reserve		5,051,581	5,443,187
Capital contribution		2,694,851	2,694,851
Retained earnings		19,002,519	20,724,107
<b>Total equity attributable to the owners of the Company</b>		<b>44,734,014</b>	<b>46,847,208</b>
Non-controlling interests		6,341,091	5,926,605
<b>TOTAL EQUITY</b>		<b>51,075,105</b>	<b>52,773,813</b>
<i>Non-current liabilities</i>			
Borrowings	20	21,329,315	21,084,067
Other lease liabilities	21	1,415,628	720,487
Trade and other payables	19	4,378	-
Contract liabilities	11	8,710	8,710
Deferred tax liabilities		9,314,318	8,862,587
<b>Total non-current liabilities</b>		<b>32,072,349</b>	<b>30,675,851</b>
<i>Current liabilities</i>			
Borrowings	20	10,981,886	10,931,172
Other lease liabilities	21	1,105,912	684,109
Trade and other payables	19	2,098,145	2,197,994
Contract liabilities	11	1,194,752	964,042
Current tax liabilities		206,323	100,226
<b>Total current liabilities</b>		<b>15,587,018</b>	<b>14,877,543</b>
<b>TOTAL LIABILITIES</b>		<b>47,659,367</b>	<b>45,553,394</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>98,734,472</b>	<b>98,327,207</b>

By order of the Board

  
Sergey Tolmachev, Director

Limassol, 30 August 2021

  
Konstantin Shirokov, Director

The notes on pages 7 to 24 are an integral part of this condensed consolidated interim financial information.

# Condensed consolidated interim statement of changes in equity

for the six months ended 30 June 2021

	Attributable to the owners of the Company										
	Note	Share capital RUB'000	Share premium RUB'000	Common control transaction reserve RUB'000	Translation reserve RUB'000	Cash flow hedge reserve RUB'000	Capital contribution RUB'000	Retained earnings RUB'000	Total RUB'000	Non- controlling interests RUB'000	Total RUB'000
<b>Balance at 1 January 2020</b>		<b>516,957</b>	<b>27,929,478</b>	<b>(10,429,876)</b>	<b>3,392,675</b>	<b>-</b>	<b>2,694,851</b>	<b>26,774,750</b>	<b>50,878,835</b>	<b>5,647,230</b>	<b>56,526,065</b>
<i>Comprehensive income</i>											
Profit for the period		-	-	-	-	-	-	6,297,653	6,297,653	752,326	7,049,979
<i>Other comprehensive income</i>											
Currency translation differences		-	-	-	900,808	-	-	-	900,808	476,284	1,377,092
Losses on cash flow hedging instrument	3	-	-	-	-	(578,507)	-	-	(578,507)	-	(578,507)
Reclassification adjustment to income statement	3	-	-	-	-	578,507	-	-	578,507	-	578,507
Total comprehensive income for the period ended 30 June 2020		-	-	-	900,808	-	-	6,297,653	7,198,461	1,228,610	8,427,071
<i>Transactions with owners</i>											
Dividends to owners of the Company	24	-	-	-	-	-	-	(8,320,390)	(8,320,390)	-	(8,320,390)
Dividends to non-controlling interests	24	-	-	-	-	-	-	-	-	(852,870)	(852,870)
Total transactions with owners		-	-	-	-	-	-	(8,320,390)	(8,320,390)	(852,870)	(9,173,260)
<b>Balance at 30 June 2020 (unaudited)</b>		<b>516,957</b>	<b>27,929,478</b>	<b>(10,429,876)</b>	<b>4,293,483</b>	<b>-</b>	<b>2,694,851</b>	<b>24,752,013</b>	<b>49,756,906</b>	<b>6,022,970</b>	<b>55,779,876</b>

The notes on pages 7 to 24 are an integral part of this condensed consolidated interim financial information.

# Condensed consolidated interim statement of changes in equity

for the six months ended 30 June 2021

Attributable to the owners of the Company												
	Note	Share capital RUB'000	Share premium RUB'000	Treasury shares RUB'000	Common control transaction reserve RUB'000	Translation reserve RUB'000	Cash flow hedge reserve RUB'000	Capital contribution RUB'000	Retained earnings RUB'000	Total RUB'000	Non-controlling interests RUB'000	Total RUB'000
<b>Balance at 1 January 2021</b>		<b>516,957</b>	<b>27,929,478</b>	<b>(31,496)</b>	<b>(10,429,876)</b>	<b>5,443,187</b>	-	<b>2,694,851</b>	<b>20,724,107</b>	<b>46,847,208</b>	<b>5,926,605</b>	<b>52,773,813</b>
<i>Comprehensive income</i>												
Profit for the period		-	-	-	-	-	-	-	3,281,025	3,281,025	881,359	4,162,384
<i>Other comprehensive income</i>												
Currency translation differences		-	-	-	-	(391,606)	-	-	-	(391,606)	(208,975)	(600,581)
Losses on cash flow hedging instrument	3	-	-	-	-	-	(62,095)	-	-	(62,095)	-	(62,095)
Reclassification adjustment to income statement	3	-	-	-	-	-	62,095	-	-	62,095	-	62,095
Total comprehensive income for the period ended 30 June 2021		-	-	-	-	(391,606)	-	-	3,281,025	2,889,419	672,384	3,561,803
<i>Transactions with owners</i>												
Dividends to owners of the Company	24	-	-	-	-	-	-	-	(5,002,613)	(5,002,613)	-	(5,002,613)
Dividends to non-controlling interests	24	-	-	-	-	-	-	-	-	-	(257,898)	(257,898)
Total transactions with owners		-	-	-	-	-	-	-	(5,002,613)	(5,002,613)	(257,898)	(5,260,511)
<b>Balance at 30 June 2021 (unaudited)</b>		<b>516,957</b>	<b>27,929,478</b>	<b>(31,496)</b>	<b>(10,429,876)</b>	<b>5,051,581</b>	-	<b>2,694,851</b>	<b>19,002,519</b>	<b>44,734,014</b>	<b>6,341,091</b>	<b>51,075,105</b>

The notes on pages 7 to 24 are an integral part of this condensed consolidated interim financial information.

# Condensed consolidated interim cash flow statement

for the six months ended 30 June 2021

	Note	Six months ended 30 June	
		2021 RUB'000 Unaudited	2020 RUB'000 Unaudited
<i>Cash flows from operating activities</i>			
Profit before tax		5,514,584	9,397,914
Adjustments for:			
Depreciation of property, plant and equipment	12	3,268,522	3,324,685
Depreciation of right-of-use assets	12	375,874	367,968
Amortisation of intangible assets	12	646	58,881
Net loss on sale of property, plant and equipment	12	(52,280)	4,868
Loss on derecognition arising on capital repairs	12	283,119	290,303
Interest income	14	(92,224)	(175,383)
Interest expense and other finance costs	14	1,168,372	1,307,745
Foreign exchange losses on financing activities	14	11,829	(53,663)
Other losses		3,628	9,551
		<b>10,482,070</b>	<b>14,532,869</b>
<i>Changes in working capital:</i>			
Inventories		316,841	(53,218)
Trade receivables		(537,301)	(369,536)
Other assets		373,746	1,046,664
Other receivables		(171,965)	(185,343)
Trade and other payables		(230,942)	(623,293)
Contract liabilities		230,710	(556,664)
Cash generated from operations		<b>10,463,159</b>	<b>13,791,479</b>
Tax paid		(826,587)	(1,848,011)
Net cash from operating activities		<b>9,636,572</b>	<b>11,943,468</b>
<i>Cash flows from investing activities</i>			
Purchases of property, plant and equipment		(3,965,936)	(3,337,664)
Proceeds from disposal of property, plant and equipment		70,061	13,743
Loans granted to third parties		(75,000)	-
Loan repayments received from third parties		3,909	-
Interest received		91,828	172,919
Receipts from finance lease receivable		59,770	27,296
Other		(19,525)	-
Net cash used in investing activities		<b>(3,834,893)</b>	<b>(3,123,706)</b>
<i>Cash flows from financing activities</i>			
Proceeds from bank borrowings		9,990,000	12,775,000
Repayments of borrowings		(9,734,047)	(11,241,693)
Principal elements of lease payments for leases with financial institutions		-	(1,715,794)
Principal elements of lease payments for other lease liabilities		(402,601)	(348,694)
Interest paid on bank borrowings and non-convertible unsecured bonds		(1,059,447)	(1,181,481)
Interest paid on leases with financial institutions		-	(80,813)
Interest paid on other lease liabilities		(49,207)	(68,047)
Dividends paid to non-controlling interests in subsidiaries	24	(139,996)	(772,645)
Dividends paid to owners of the Company	24	(5,002,613)	(8,320,390)
Payments to non-controlling interests		-	(166,183)
Net cash used in financing activities		<b>(6,397,911)</b>	<b>(11,120,740)</b>
Net decrease in cash and cash equivalents		<b>(596,232)</b>	<b>(2,300,978)</b>
Effect of exchange rate changes on cash and cash equivalents		(9,474)	36,083
Cash and cash equivalents at beginning of period		4,978,322	6,521,543
Cash and cash equivalents at end of period		<b>4,372,616</b>	<b>4,256,648</b>

The notes on pages 7 to 24 are an integral part of this condensed consolidated interim financial information.



# Notes to the condensed consolidated interim financial information

## 1. GENERAL INFORMATION

Globaltrans Investment PLC (the "Company") and its subsidiaries (together the "Group") are a freight rail transportation group operating in Russia, the CIS countries and the Baltics.

The main business of the Group is the provision of freight rail transportation services with a focus on the transportation of key industrial freight including metallurgical cargoes, oil products and oil, coal and various construction materials. The Group is also engaged in operating lease of rolling stock.

The Company is a public limited company incorporated and domiciled in Cyprus in accordance with the provisions of the Cyprus Companies Law, Cap. 113. The address of its registered office is 20 Omirou Street, Agios Nikolaos, CY-3095 Limassol, Cyprus. The Group's principal place of business is at Nizhnaya Krasnoselskaya st. 39, bld. 1, Moscow, Russia.

Global Depository Receipts, each representing one ordinary share of the Company, are listed on the Main market of London Stock Exchange, and as of October 2020, in Moscow Stock Exchange.

Russian Rouble denominated bonds, issued by the Company's subsidiary New Forwarding Company, AO, for a total amount of RUB 10 billion, out of a RUB 100 billion registered program, are listed in the Moscow Stock Exchange.

This condensed consolidated interim financial information was approved by the Board of Directors of the Company on 27 August 2021, who authorized the Directors to sign on 30 August 2021.

This condensed consolidated interim financial information has been reviewed, not audited.

## 2. BASIS OF PREPARATION

The condensed consolidated interim financial information for the six months ended 30 June 2021 has been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting", as adopted by the European Union.

This condensed consolidated interim financial information does not include all the notes of the type normally included in annual consolidated financial statements. Accordingly, the condensed consolidated 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 International Financial Reporting Standards, as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

## 3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation applied in the preparation of this condensed consolidated interim financial information are consistent with those of the annual consolidated financial statements for the year ended 31 December 2020, as described in those annual consolidated financial statements, and those of the corresponding interim reporting period, with the exception of the estimation of taxes in the six-month period ended 30 June 2021, as set out below:

### (a) Taxes

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to the expected annual earnings for each 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 interim period in which it becomes probable that such adjustments are needed.

## 4. ADOPTION OF NEW AND AMENDED STANDARDS

### (a) New and amended standards and interpretations adopted by the Group

A number of new or amended standards, as disclosed in the Group's consolidated financial statements for the year ended 31 December 2020, became effective for the Group from 1 January 2021 and were adopted by the Group. 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.

### (b) New and amendment standards and interpretations not yet adopted by the Group

Since the Company published its annual consolidated financial statements for the year ended 31 December 2020, no new standards, amendments to existing standards or interpretations were issued that are effective for annual periods after 1 January 2021 and could have a material impact on the accounting policies of the Group.

## 5. 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 expense. Actual results may differ from these estimates.

In preparing this condensed consolidated interim financial information, the significant estimates and judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2020, with the additions of the estimation of residual value of rolling stock and wheel pairs described below.

### *Revenue recognition*

As discussed in the consolidated financial statements for the year ended 31 December 2020, critical judgement is required in determining the number of performance obligations in the Group's operator's services contracts and whether the Group is acting as a principal or as an agent in certain arrangements for operators' services. There were no changes in the terms of these arrangements during the six-month period to 30 June 2021. Had OAO "Russian Railways" tariff directly attributable to such services been excluded from revenues and cost of sales for the six months ended 30 June 2021 both would have decreased by RUB 6,441,989 thousand (for six months ended 30 June 2020: RUB 5,279,945 thousand).

### *Estimation of residual value of rolling stock and wheel pairs*

Management has reassessed the residual value of the Group's rolling stock and wheel pairs as of 1 January 2021 based on market levels of cost of scrap metal.

As a result of a significant change in the scrap prices and the revision of the residual values of the Group's rolling stock and wheel pairs, the depreciation charged in the income statement for the six-month period ended 30 June 2021 is lower than the one that would have been charged for the same period if there was no revision in residual value by RUB 541,024 thousand.

## 6. 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 condensed consolidated interim financial information does not include all financial risk management information and disclosures required in the annual consolidated financial statements; it should be read in conjunction with the Group's consolidated financial statements as at and for the year ended 31 December 2020. There have been no changes in the Group's risk management policies since the 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. As at 30 June 2021, Group's current liabilities exceeded its current assets by RUB 3,683,220 thousand (31 December 2020: RUB 2,842,697 thousand). Due to availability of committed credit lines amounting to RUB 29,732,000 thousand as of 30 June 2021 (31 December 2020: RUB 29,449,091 thousand), together with long-term borrowings (Note 20) the Group has the ability to meet its liabilities as they fall due and mitigate risks of adverse changes in the financial markets environment.

### *Fair value of financial assets and liabilities measured at amortised cost*

The estimated fair values of financial instruments have been determined by the Group using available market information, where it exists, appropriate valuation methodologies and assistance of experts, as relevant. However, judgement is necessarily required to interpret market data to determine the estimated fair value. The Russian Federation continues to display some characteristics of an emerging market and economic conditions continue to limit the volume of activity in the financial markets. Market quotations may be outdated or reflect distress sale transactions and therefore do not always represent the fair values of financial instruments. The Group has used all available market information in estimating the fair value of financial instruments.

Fair value measurements are analysed by level in the fair value hierarchy. The different levels in fair value hierarchy have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The carrying values and fair values of current and non-current borrowings are as follows:

	Carrying values		Fair values	
	As at 30-Jun-2021 RUB'000	As at 31-Dec-2020 RUB'000	As at 30-Jun-2021 RUB'000	As at 31-Dec-2020 RUB'000
Bank borrowings	<b>22,024,741</b>	21,728,265	<b>21,763,815</b>	21,784,011
Non-convertible unsecured bonds	<b>10,286,460</b>	10,286,974	<b>10,189,500</b>	10,440,500
	<b>32,311,201</b>	32,015,239	<b>31,953,315</b>	32,224,511

The fair value as at 30 June 2021 and 31 December 2020 of fixed interest rate bank borrowings with stated maturity denominated in Russian Rouble was estimated based on expected cash flows discounted using the rate of similar Russian Rouble denominated instruments entered into by the Group close to the reporting dates. The discount rate used was 8.3% p.a. (31 December 2020: 6.3% p.a.). The fair value measurement of the bank borrowings is within level 2 (31 December 2020: level 2) of the fair value hierarchy.

The fair value as at 30 June 2021 and 31 December 2020 of the fixed interest rate non-convertible bonds was equal to their quoted price and the resulting fair value measurement is within level 1.

The fair value of the following financial assets and liabilities as at 30 June 2021 and 31 December 2020 approximates their carrying amount:

- Trade receivables
- Loans and other receivables
- Finance lease receivables
- Trade and other payables
- Cash and cash equivalents.

## 7. SEGMENT INFORMATION

The chief operating decision-maker has been identified as the Board of Directors of the Company. The Board reviews the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

The Board considers the business from two perspectives: by type of activity and by type of rolling stock used. From a type of activity perspective, the Board reviews revenues with no further analysis of the underlying cost components. From the type of rolling stock used perspective the Board assesses the performance of each type of rolling stock at the level of adjusted revenue. In particular, the Board reviews discrete financial information for gondola cars and rail tank cars, whereas all other types of rolling stock (such as hopper cars and platforms) are reviewed together.

Adjusted revenue for reportable segments is the measure of profit looked at by the chief operating decision-maker and this includes the revenues derived from the relating type of rolling stock used less infrastructure tariff paid for the loaded trips of the relevant rolling stock and services provided by other transportation organisations. Further, the Board receives information in respect of depreciation charges for rolling stock and right-of-use assets relating to rolling stock, amortisation charges for customer relationships, impairment charges/reversals of impairment in respect of rolling stock, right-of-use assets relating to rolling stock and customer relationships and loss on derecognition arising on capital repairs. All other information provided to the Board is measured in a manner consistent with that in the financial statements.

The Board also reviews additions to segment assets. Segment assets consist of rolling stock, right-of-assets relating to rolling stock and customer relationships. Unallocated assets comprise all the assets of the Group except for rolling stock, right-of-assets relating to rolling stock and customer relationships, as included within segment assets. Liabilities are not segmented since they are not reviewed from that perspective by the chief operating decision maker. Capital expenditure comprises additions of rolling stock to property, plant and equipment and additions of right-of-use assets relating to rolling stock.

The Group does not have transactions between different business segments.

	Gondola cars	Rail tank cars	Other railcars	Total
	RUB'000	RUB'000	RUB'000	RUB'000
<i>Six months ended 30 June 2021</i>				
Total revenue – operator's services	16,959,420	12,560,948	363,282	29,883,650
Total revenue – operating lease	11,972	691,209	171,989	875,170
Inter-segment revenue	-	-	-	-
Revenue (from external customers)	16,971,392	13,252,157	535,271	30,758,820
less Services provided by other transportation organisations	(849,923)	(1,356)	-	(851,279)
less Infrastructure and locomotive tariffs: loaded trips	(3,662,339)	(2,593,841)	(81,392)	(6,337,572)
<b>Adjusted revenue for reportable segments</b>	<b>12,459,130</b>	<b>10,656,960</b>	<b>453,879</b>	<b>23,569,969</b>

	Gondola cars	Rail tank cars	Other railcars	Total
	RUB'000	RUB'000	RUB'000	RUB'000
<i>Six months ended 30 June 2020</i>				
Total revenue – operator's services	20,380,568	12,415,475	405,403	33,201,446
Total revenue – operating lease	19,339	835,852	49,599	904,790
Inter-segment revenue	-	-	-	-
Revenue (from external customers)	20,399,907	13,251,327	455,002	34,106,236
less Services provided by other transportation organisations	(1,225,852)	(1,724)	(10,742)	(1,238,318)
less Infrastructure and locomotive tariffs: loaded trips	(2,367,708)	(2,692,060)	(220,177)	(5,279,945)
<b>Adjusted revenue for reportable segments</b>	<b>16,806,347</b>	<b>10,557,543</b>	<b>224,083</b>	<b>27,587,973</b>

Adjusted revenue for reportable segments decreased by RUB 4,018,004 thousand during the six-month period ended 30 June 2021 as compared to the corresponding period in 2020 reflecting mainly the decrease in Average Price per Trip due to the continued, as expected, weak pricing in the gondola segment which is partially compensated by relatively stable pricing in the tank cars segment.

	Gondola cars	Rail tank cars	Other railcars	Total
	RUB'000	RUB'000	RUB'000	RUB'000
<i>Additions to non-current assets (included in reportable segment assets)</i>				
Six months ended 30 June 2021	3,942,980	827,996	108,607	4,879,583
Six months ended 30 June 2020	3,464,861	814,212	794,507	5,073,580
<i>Depreciation and amortisation</i>				
Six months ended 30 June 2021	(2,328,114)	(835,765)	(213,459)	(3,377,338)
Six months ended 30 June 2020	(2,486,137)	(823,878)	(198,949)	(3,508,964)
<i>Loss on derecognition arising on capital repairs</i>				
Six months ended 30 June 2021	(103,092)	(180,027)	-	(283,119)
Six months ended 30 June 2020	(68,376)	(221,927)	-	(290,303)
<i>Reportable segment assets</i>				
30 June 2021	54,037,326	23,893,021	4,251,173	82,181,520
31 December 2020	53,059,276	24,740,326	4,072,741	81,872,343

A reconciliation of total adjusted revenue for reportable segments to total profit before income tax is provided as follows:

	<b>Six months ended 30-Jun-2021 RUB'000</b>	Six months ended 30-Jun-2020 RUB'000
Adjusted revenue for reportable segments	<b>23,569,969</b>	27,587,973
Other revenues	<b>1,319,788</b>	1,308,198
<b>Total adjusted revenue</b>	<b>24,889,757</b>	28,896,171
Cost of sales (excl. infrastructure and locomotive tariffs - loaded trips, services provided by other transportation organisations, depreciation of property, plant and equipment, depreciation of right-of-use assets, amortisation of intangible assets and loss on derecognition arising on capital repairs)	<b>(12,784,230)</b>	(13,001,034)
Cost of sales (containers) - infrastructure and locomotive tariffs - loaded trips, services provided by other transportation organisations	<b>(104,417)</b>	-
Selling, marketing and administrative expenses (excl. depreciation, amortisation and impairments)	<b>(1,716,672)</b>	(1,392,523)
Depreciation and amortisation	<b>(3,645,042)</b>	(3,751,534)
Reversal of expected credit losses / (Impairment losses on trade and other receivables)	<b>2,027</b>	(879)
Loss on derecognition arising on capital repairs	<b>(283,119)</b>	(290,303)
Other income	<b>157,749</b>	149,435
Other gains/ (losses) – net	<b>86,508</b>	(132,720)
<b>Operating profit</b>	<b>6,602,561</b>	10,476,613
Finance income	<b>92,224</b>	175,383
Finance costs	<b>(1,168,372)</b>	(1,307,745)
Net foreign exchange transaction (losses)/gains on financing activities	<b>(11,829)</b>	53,663
<b>Profit before income tax</b>	<b>5,514,584</b>	9,397,914

## 8. NON-IFRS FINANCIAL INFORMATION

In addition to financial information under IFRS, as adopted by the EU (“EU IFRS”), the Group also uses certain measures not recognised by EU IFRS (referred to as “non-IFRS measures”) as supplemental measures of the Group’s operating and financial performance. The management believes that these non-IFRS measures provide valuable information to readers, because they enable them to focus more directly on the underlying day-to-day performance of the Group’s business. These might not be consistent with measures (of similar description) used by other entities.

### Adjusted Revenue

**Adjusted Revenue** is defined as “Total revenue” adjusted for “pass through” items: “Infrastructure and locomotive tariffs: loaded trips” and “Services provided by other transportation organisations”. “Infrastructure and locomotive tariffs: loaded trips” comprises revenue resulting from tariffs that customers pay to the Group and the Group pays on to OAO “Russian Railways”, which are reflected in equal amounts in both the Group’s Total revenue and Cost of sales. “Services provided by other transportation organisations” is revenue resulting from the tariffs that customers pay to the Group and the Group pays on to third-party rail operators for subcontracting their rolling stock, which are reflected in equal amounts in both the Group’s Total revenue and Cost of sales.

The following table provides details of Adjusted revenue for the six months ended 30 June 2021 and 30 June 2020 and its reconciliation to Total revenue.

	<b>Six months ended 30-Jun-2021 RUB'000</b>	Six months ended 30-Jun-2020 RUB'000
Total revenue	32,078,608	35,414,434
Minus “pass through” items:		
Infrastructure and locomotive tariffs: loaded trips	(6,441,989)	(5,279,945)
Services provided by other transportation organisations	(851,279)	(1,238,318)
<b>Adjusted Revenue</b>	<b>24,785,340</b>	<b>28,896,171</b>

### Total Operating Cash Costs and Non-cash Costs

In order to show the dynamics and nature of the Group’s cost base, individual items of Total cost of sales, selling and marketing costs and administrative expenses have been regrouped into Operating cash costs and Operating non-cash costs.

**Total Operating Cash Costs** represent operating cost items payable in cash and calculated as “Total cost of sales, selling and marketing costs and administrative expenses” less the “pass through” items: “Infrastructure and locomotive tariffs: loaded trips” and “Services provided by other transportation organisations” and non-cash items: “Depreciation of property, plant and equipment”, “Depreciation of right-of-use assets”, “Amortisation of intangible assets”, “Net impairment losses on trade and other receivables”, “Impairment of property, plant and equipment”, “Net loss on sale of property, plant and equipment” and “Loss on derecognition arising on capital repairs”.

**Total Operating Non-cash Costs** include cost items such as “Depreciation of property, plant and equipment”, “Depreciation of right-of-use assets”, “Amortisation of intangible assets”, “Loss on derecognition arising on capital repairs”, “Net impairment losses on trade and other receivables”, “Impairment of property, plant and equipment” and “Net loss on sale of property, plant and equipment”.

**Other Operating Cash Costs** include cost items such as “Advertising and promotion”, “Auditors’ remuneration”, “Communication costs”, “Information services”, “Legal, consulting and other professional fees”, “Expense relating to short-term leases – tank containers”, “Expense relating to short-term leases – office”, “Taxes (other than income tax and value added taxes)” and “Other expenses”.

	<b>Six months ended 30-Jun-2021</b>	Six months ended 30-Jun-2020
	RUB'000	RUB'000
<b>“Pass through” cost items</b>	<b>(7,293,268)</b>	<b>(6,518,263)</b>
Infrastructure and locomotive tariffs: loaded trips	(6,441,989)	(5,279,945)
Services provided by other transportation organisations	(851,279)	(1,238,318)
<b>Total cost of sales, selling and marketing costs and administrative expenses (adjusted for “pass through” cost items)</b>	<b>(18,427,036)</b>	<b>(18,436,273)</b>
<b>Total Operating Cash Costs</b>	<b>(14,553,182)</b>	<b>(14,388,689)</b>
Infrastructure and locomotive tariffs - empty runs and other tariffs	(8,306,918)	(8,527,938)
Repairs and maintenance	(2,163,294)	(2,126,670)
Employee benefit expense	(2,281,483)	(1,750,850)
Expense relating to short-term leases - rolling stock	(209,270)	(379,054)
Fuel and spare parts – locomotives	(911,116)	(874,731)
Engagement of locomotive crews	(163,423)	(241,068)
Other Operating Cash Costs	(517,678)	(488,378)
<i>Advertising and promotion</i>	<i>(21,054)</i>	<i>(12,257)</i>
<i>Auditors' remuneration</i>	<i>(15,240)</i>	<i>(22,093)</i>
<i>Communication costs</i>	<i>(12,283)</i>	<i>(13,073)</i>
<i>Information services</i>	<i>(7,768)</i>	<i>(8,393)</i>
<i>Legal, consulting and other professional fees</i>	<i>(36,642)</i>	<i>(22,364)</i>
<i>Expense relating to short-term leases – tank containers</i>	<i>(13,937)</i>	<i>(9,404)</i>
<i>Expense relating to short-term leases - office</i>	<i>(50,067)</i>	<i>(57,254)</i>
<i>Taxes (other than on income and value added taxes)</i>	<i>(14,049)</i>	<i>(9,031)</i>
<i>Other expenses</i>	<i>(346,638)</i>	<i>(334,509)</i>
<b>Total Operating Non-Cash Costs</b>	<b>(3,873,854)</b>	<b>(4,047,584)</b>
Depreciation of property, plant and equipment	(3,268,522)	(3,324,685)
Depreciation of right-of-use assets	(375,874)	(367,968)
Amortisation of intangible assets	(646)	(58,881)
Loss on derecognition arising on capital repairs	(283,119)	(290,303)
Net impairment losses on trade and other receivables	2,027	(879)
Net loss on sale of property, plant and equipment	52,280	(4,868)
<b>Total cost of sales, selling and marketing costs and administrative expenses</b>	<b>(25,720,304)</b>	<b>(24,954,536)</b>

#### Adjusted EBITDA

**Adjusted EBITDA** represents EBITDA excluding “Net foreign exchange transaction gains/(losses) on financing activities”, “Share of profit/(loss) of associate”, “Other (losses)/gains - net”, “Net gain/(loss) on sale of property, plant and equipment”, “Impairment of property, plant and equipment”, “Impairment of intangible assets”, “Loss on derecognition arising on capital repairs” and “Reversal of impairment of intangible assets”.

**EBITDA** represents “Profit for the period” before “Income tax expense”, “Finance costs - net” (excluding “Net foreign exchange transaction (gains)/losses on financing activities), “Depreciation of property, plant and equipment”, “Depreciation of right-of-use assets” and “Amortisation of intangible assets”.

The following table provides details on Adjusted EBITDA for the six months ended 30 June 2021 and 30 June 2020 and its reconciliation to EBITDA and Profit for the period:

	<b>Six months ended 30-Jun-2021 RUB'000</b>	Six months ended 30-Jun-2020 RUB'000
<b>Profit for the period</b>	<b>4,162,384</b>	<b>7,049,979</b>
<i>Plus (Minus)</i>		
Income tax expense	1,352,200	2,347,935
Finance costs – net	1,087,977	1,078,699
Net foreign exchange transaction (losses)/gains on financing activities	(11,829)	53,663
Amortisation of intangible assets	646	58,881
Depreciation of property, plant and equipment	3,268,522	3,324,685
Depreciation of right-of-use assets	375,874	367,968
<b>EBITDA</b>	<b>10,235,774</b>	<b>14,281,810</b>
<i>Minus (Plus)</i>		
Loss on derecognition arising on capital repairs	(283,119)	(290,303)
Net foreign exchange transaction (losses)/gains on financing activities	(11,829)	53,663
Other gains/ (losses) – net	86,508	(132,720)
Net gain/ (loss) on sale of property, plant and equipment	52,280	(4,868)
<b>Adjusted EBITDA</b>	<b>10,391,934</b>	<b>14,656,038</b>

#### Free Cash Flow

**Free Cash Flow** is calculated as “Cash generated from operations” (after “Changes in working capital”) less “Tax paid”, “Interest paid on bank borrowings and non-convertible unsecured bonds”, “Interest paid on leases with financial institutions”, “Interest paid on other lease liabilities”, “Purchases of property, plant and equipment”, “Purchases of intangible assets”, “Acquisition of subsidiary undertakings - net of cash acquired” and “Principal elements of lease payments for other lease payments”.

The **Attributable Free Cash Flow** means Free Cash Flow less Adjusted profit attributable to non-controlling interests.

**Total CAPEX** calculated on a cash basis as the sum of “Purchases of property, plant and equipment”, “Purchases of intangible assets” and “Acquisition of subsidiary undertakings - net of cash acquired”.

**Adjusted Profit Attributable to Non-controlling Interests** is calculated as “Profit attributable to non-controlling interests” less share of “Impairment of property, plant and equipment” and “Impairment of intangible assets” attributable to non-controlling interests.

The following tables set out details on Free Cash Flow and Attributable Free Cash Flow for the six months ended 30 June 2021 and 30 June 2020, and its reconciliation to Cash generated from operations.

	<b>Six months ended 30-Jun-2021 RUB'000</b>	Six months ended 30-Jun-2020 RUB'000
Cash generated from operations	10,463,159	13,791,479
Tax paid	(826,587)	(1,848,011)
Interest paid on bank borrowings and non-convertible unsecured bonds	(1,059,447)	(1,181,481)
Interest paid on leases with financial institutions	-	(80,813)
Interest paid on other lease liabilities	(49,207)	(68,047)
Purchases of property, plant and equipment	(3,965,936)	(3,337,664)
Principal elements of lease payments for other lease liabilities	(402,601)	(348,694)
<b>Free Cash Flow</b>	<b>4,159,381</b>	<b>6,926,769</b>

	<b>Six months ended 30-Jun-2021 RUB'000</b>	<b>Six months ended 30-Jun-2020 RUB'000</b>
Free Cash Flow	4,159,381	6,926,769
<i>Minus</i>		
Adjusted profit attributable to non-controlling interests	881,359	752,326

Attributable Free Cash Flow	3,278,022	6,174,443
	Six months ended 30-Jun-2021 RUB'000	Six months ended 30-Jun-2020 RUB'000
Purchase of property, plant and equipment	3,965,936	3,337,664
<b>Total CAPEX</b>	<b>3,965,936</b>	<b>3,337,664</b>

#### Net Debt and Net Debt to Adjusted LTM EBITDA

**Net Debt** is defined as the sum of total borrowings (including interest accrued) less "Cash and cash equivalents".

**Total Debt** is defined as total borrowings (including interest accrued).

**Adjusted LTM EBITDA** represents Adjusted EBITDA for the last twelve months ended at the balance sheet date.

The following table sets out the details on the Group's Net Debt and Net Debt to Adjusted EBITDA at 30 June 2021 and 31 December 2020 and reconciliation of Net Debt to Total Debt.

	30 June 2021 RUB'000	31 December 2020 RUB'000
Total debt	32,311,201	32,015,239
<i>Minus</i>		
Cash and cash equivalents	4,372,616	4,978,322
<b>Net Debt</b>	<b>27,938,585</b>	<b>27,036,917</b>
<b>Net Debt to Adjusted LTM EBITDA</b>	<b>1.24x</b>	<b>1.01x</b>

#### 9. SHARE-BASED PAYMENTS

The Group has recognised an employee benefit expense of RUB 47,776 thousand in this respect for the six months ended 30 June 2021 (RUB 5,375 thousand for the six months ended 30 June 2020) and share based payment liability as at 30 June 2021 of RUB 47,775 thousand (31 December 2020: RUB 104,366 thousand) under the existing cash-settled share-based remuneration program of the Company.

#### 10. INTANGIBLE ASSETS

<i>Six months ended 30 June 2020</i>	Customer relationships RUB'000	Software RUB'000	Total RUB'000
Opening net book amount on 1 January 2020	57,903	3,413	61,316
Amortisation charge (Note 12)	(57,903)	(978)	(58,881)
<b>Closing amount on 30 June 2020</b>	<b>-</b>	<b>2,435</b>	<b>2,435</b>

<i>Six months ended 30 June 2021</i>	Customer relationships RUB'000	Software RUB'000	Total RUB'000
Opening net book amount on 1 January 2021	-	1,460	1,460
Amortisation charge (Note 12)	-	(646)	(646)
<b>Closing amount on 30 June 2021</b>	<b>-</b>	<b>814</b>	<b>814</b>

#### 11. REVENUE

##### (a) Disaggregation of revenue

	Six months ended 30-Jun-2021 RUB'000	30-Jun-2020 RUB'000
Railway transportation – operators services (tariff borne by the Group)	15,242,135	13,627,349
Railway transportation – operators services (tariff borne by the client)	14,641,515	19,574,097
Revenue from specialised container transportation	1,042,499	1,127,189
Other	277,289	181,009
Total revenue from contracts with customers recognised over time	31,203,438	34,509,644
Operating leasing of rolling stock	875,170	904,790
<b>Total revenue</b>	<b>32,078,608</b>	<b>35,414,434</b>



Note: Revenue from railway transportation – operators services (tariff borne by the Group) includes infrastructure and locomotive tariffs for loaded trips for the six months ended 30 June 2021 amounting to RUB 6,441,989 thousand (for the six months ended 30 June 2020: RUB 5,279,945 thousand) and the cost of engaging the fleet from third parties recharged to clients of the Group amounting to RUB 851,279 thousand (for the six months ended 30 June 2020: RUB 1,238,318 thousand).

#### (b) Liabilities related to contracts with customers

The Group has recognised the following liabilities related to contracts with customers:

	As at	
	30-Jun-2021 RUB'000	31-Dec-2020 RUB'000
<i>Contract liabilities relating to railway transportation contracts</i>		
Non-current contract liabilities	8,710	8,710
Current contract liabilities	1,194,752	964,042
<b>Total contract liabilities</b>	<b>1,203,462</b>	<b>972,752</b>

Contract liabilities represent advances from customers for transportation services. The increase in advances from customers as at 30 June 2021 as compared to those as at 31 December 2020 mainly arose as a result of timing of advances from customers close to the year end.

#### (c) Revenue recognised in relation to contract liabilities

The Group's revenue for the six-month period to 30 June 2021 includes RUB 944,950 thousand out of the balance of contract liabilities as of 31 December 2020 (for the six-month period to 30 June 2020: RUB 1,220,925 thousand out of the balance of contract liabilities as of 31 December 2019).

The Group does not have any contracts where the period of provision of the services (that is, the period between the start and completion of a trip) exceeds one year. As permitted under IFRS 15, the transaction price allocated to unsatisfied (or partially unsatisfied) performance obligations as of the balance sheet date is not disclosed.

## 12. EXPENSES BY NATURE

	Six months ended	
	30-Jun-2021 RUB'000	30-Jun-2020 RUB'000
<i>Cost of sales</i>		
Infrastructure and locomotive tariffs: loaded trips	6,441,989	5,279,945
Infrastructure and locomotive tariffs: empty run trips and other tariffs	8,306,918	8,527,938
Services provided by other transportation organisations	851,279	1,238,318
Expense relating to short-term leases - rolling stock	209,270	379,054
Expense relating to short-term leases – tank containers	13,937	9,404
Employee benefit expense	919,891	697,986
Repairs and maintenance	2,163,294	2,126,670
Depreciation of property, plant and equipment <sup>(1)</sup>	3,225,530	3,288,053
Depreciation of right-of-use assets	299,191	297,000
Loss on derecognition arising on capital repairs	283,119	290,303
Amortisation of intangible assets	638	58,871
Fuel and spare parts – locomotives	911,116	874,731
Engagement of locomotive crews	163,423	241,068
Loss on sale of property, plant and equipment	(51,502)	8,072
Other expenses	147,883	136,111
<b>Total cost of sales</b>	<b>23,885,976</b>	<b>23,453,524</b>

	Six months ended	
	30-Jun-2021 RUB'000	30-Jun-2020 RUB'000
<i>Selling, marketing and administrative expenses</i>		
Depreciation of property, plant and equipment	42,992	36,632
Depreciation of right-of-use assets	76,683	70,968
Amortisation of intangible assets	8	10
Gain on sale of property, plant and equipment	(778)	(3,204)
Employee benefit expense	1,361,592	1,052,864
Net impairment losses on trade and other receivables	(2,027)	879
Expense relating to short-term leases - office	50,067	57,254
Auditors' remuneration	15,240	22,093
Legal, consulting and other professional fees	36,642	22,364
Advertising and promotion	21,054	12,257
Communication costs	12,283	13,073
Information services	7,768	8,393
Taxes (other than income tax and value added taxes)	14,049	9,031
Other expenses	198,755	198,398
<b>Total selling, marketing and administrative expenses</b>	<b>1,834,328</b>	<b>1,501,012</b>

	Six months ended	
	30-Jun-2021 RUB'000	30-Jun-2020 RUB'000
Total expenses		
Depreciation of property, plant and equipment <sup>(1)</sup> (Note 15)	3,268,522	3,324,685
Depreciation of right-of-use assets (Note 16)	375,874	367,968
Loss on derecognition arising on capital repairs (Note 15)	283,119	290,303
Amortisation of intangible assets (Note 10)	646	58,881
Net (gain)/loss on sale of property, plant and equipment	(52,280)	4,868
Expense relating to short-term leases – tank containers	13,937	9,404
Employee benefit expense (Note 13)	2,281,483	1,750,850
Net impairment losses on trade and other receivables	(2,027)	879
Expense relating to short-term leases – rolling stock	209,270	379,054
Expense relating to short-term leases – office	50,067	57,254
Repairs and maintenance	2,163,294	2,126,670
Fuel and spare parts – locomotives	911,116	874,731
Engagement of locomotive crews	163,423	241,068
Infrastructure and locomotive tariffs: loaded trips	6,441,989	5,279,945
Infrastructure and locomotive tariffs: empty run trips and other tariffs	8,306,918	8,527,938
Services provided by other transportation organisations	851,279	1,238,318
Auditors' remuneration	15,240	22,093
Legal, consulting and other professional fees	36,642	22,364
Advertising and promotion	21,054	12,257
Communication costs	12,283	13,073
Information services	7,768	8,393
Taxes (other than income tax and value added taxes)	14,049	9,031
Other expenses	346,638	334,509
<b>Total cost of sales, selling and marketing costs and administrative expenses</b>	<b>25,720,304</b>	<b>24,954,536</b>

<sup>(1)</sup> Depreciation of property, plant and equipment for the six-month period to 30 June 2021 includes RUB Nil thousand (for the six-month period to 30 June 2020: RUB 90,047 thousand) relating to depreciation of right-of-use assets presented within property, plant and equipment (Note 15), in accordance with the Group's accounting policy for leases as disclosed in the Group's consolidated financial statements for the year ended 31 December 2020. The entire amount is recognised within 'Cost of sales'.

Infrastructure and locomotive tariffs: loaded trips for the six-month period to 30 June 2021 increased by RUB 1,162,044 thousand, representing a 22% increase as compared to the six-month period to 30 June 2020, mainly due to increase in the proportion of clients that pay Infrastructure and locomotive tariffs: loaded trips through the Group.

Infrastructure and locomotive tariffs: empty run trips and other tariffs for the six-month period to 30 June 2021 decreased by RUB 221,020 thousand, representing a 3% decrease as compared to the six-month period to 30 June 2020, due to the decline in Group's Freight Rail Turnover in the reporting period which was partially offset by a 3.7% year-on-year increase in regulated RZD tariffs for the traction of empty railcars .

### 13. EMPLOYEE BENEFIT EXPENSE

	Six months ended	
	30-Jun-2021	30-Jun-2020
	RUB'000	RUB'000
Wages and salaries	1,314,935	1,193,366
Bonuses	496,764	230,171
Share based payment expense (Note 9)	47,776	5,375
Social insurance costs	422,008	321,938
<b>Total employee benefit expense</b>	<b>2,281,483</b>	<b>1,750,850</b>

Employee benefit expense increased by RUB 530,633 thousand during the six-month period ended 30 June 2021 as compared to the corresponding period in 2020. The increase was the result of the increase in average headcount reflecting the move to having in-house locomotive crews, inflation driven growth in wages and increase in bonuses.

### 14. FINANCE INCOME AND COSTS

	Six months ended	
	30-Jun-2021	30-Jun-2020
	RUB'000	RUB'000
<i>Interest expense:</i>		
Bank borrowings	(699,821)	(736,700)
Non-convertible bond	(399,635)	(401,894)
Loans to third parties	-	(5,193)
Other interest expense	-	(1,752)
Total interest expense calculated using the effective interest rate method	(1,099,456)	(1,145,539)
Leases with financial institutions	-	(74,468)
Other lease liabilities	(52,557)	(66,526)
Total interest expense	(1,152,013)	(1,286,533)
Other finance costs	(16,359)	(21,212)
Total finance costs	(1,168,372)	(1,307,745)
<i>Interest income:</i>		
Bank balances	61,667	134,074
Short term deposits	5,396	22,181
Loans to third parties	773	98
Total interest income calculated using the effective interest rate method	67,836	156,353
Finance leases	24,388	19,030
Total finance income	92,224	175,383
Net foreign exchange transaction gains/(losses) on borrowings and other liabilities	1,115	(4,492)
Net foreign exchange transaction (losses)/gains on cash and cash equivalents and other monetary assets	(12,944)	58,155
Net foreign exchange transaction (losses)/gains on financing activities	(11,829)	53,663
<b>Net finance costs</b>	<b>(1,087,977)</b>	<b>(1,078,699)</b>

## 15. PROPERTY, PLANT AND EQUIPMENT

	Six months ended	
	30-Jun-2021 RUB'000	30-Jun-2020 RUB'000
Opening net book amount on 1 January 2021 / 1 January 2020	<b>84,420,941</b>	80,532,645
Additions	<b>4,034,751</b>	5,182,764
Disposals	<b>(22,474)</b>	(29,181)
Transfer to inventories	<b>(324,156)</b>	(292,679)
Depreciation charge (Note 12)	<b>(3,268,522)</b>	(3,324,685)
Loss on derecognition arising on capital repairs (Note 12)	<b>(283,119)</b>	(290,303)
Currency translation differences	<b>(611,431)</b>	1,362,368
Closing net book amount on 30 June 2021 / 30 June 2020	<b>83,945,990</b>	83,140,929

Additions during the period ended 30 June 2021 related to purchases of specialised containers, as well as to capital repairs of rolling stock, which were capitalised to property, plant and equipment, in accordance with the Group's accounting policy regarding capitalisation upon periodic capital repairs, as disclosed in the Group's consolidated financial statements for the year ended 31 December 2020.

'Loss on derecognition arising on capital repairs' represents the loss arising upon the capitalisation of periodic capital repairs of rolling stock as a result of the derecognition of the carrying amount of the rolling stock that is attributable to the previous periodic capital repair, in accordance with the Group's accounting policy regarding capitalisation of repair costs upon periodic capital repairs, as disclosed in the Group's consolidated financial statements for the year ended 31 December 2020.

Property, plant and equipment include right-of-use assets relating to rolling stock held under leases that include purchase options that are reasonably certain to be exercised, in accordance with the Group's accounting policy for leases as disclosed in the Group's consolidated financial statements for the year ended 31 December 2020.

	Six months ended	
	30-Jun-2021 RUB'000	30-Jun-2020 RUB'000
Opening net book amount on 1 January 2021 / 1 January 2020	-	<b>3,198,262</b>
Depreciation charge (Note 12)	-	<b>(90,047)</b>
Transfer to owned rolling stock	-	<b>(3,108,215)</b>
Closing net book amount on 30 June 2021 / 30 June 2020	-	-

## 16. RIGHT-OF-USE ASSETS

	Six months ended	
	30-Jun-2021 RUB'000	30-Jun-2020 RUB'000
Opening net book amount on 1 January 2021 / 1 January 2020	<b>1,080,415</b>	1,410,448
Additions	<b>1,516,948</b>	258,517
Disposals	-	(182,601)
Depreciation charge (Note 12)	<b>(375,874)</b>	(367,968)
Currency translation differences	<b>(376)</b>	1,592
Other	<b>21,443</b>	7,806
Closing net book amount on 30 June 2021 / 30 June 2020	<b>2,242,556</b>	1,127,794

## 17. FINANCIAL ASSETS

### (a) Trade receivables

	As at	
	30-Jun-2021	31-Dec-2020
	RUB'000	RUB'000
Trade receivables – third parties	4,361,768	3,836,670
Less: provision for impairment of trade receivables	(135,862)	(135,124)
Trade receivables – net	4,225,906	3,701,546
<i>Less non-current portion:</i>		
Trade receivables – third parties	256,628	261,437
Less: provision for impairment of trade receivables	(24,806)	(25,272)
Total non-current portion	231,822	236,165
Total current portion	3,994,084	3,465,381

### (b) Loans and other receivables

	As at	
	30-Jun-2021	31-Dec-2020
	RUB'000	RUB'000
Loans receivables – third parties	75,773	3,887
Other receivables	210,920	67,678
Less: provision for impairment of other receivables	(20,401)	(20,195)
Loans and other receivables – net	266,292	51,370
<i>Less non-current portion:</i>		
Loans receivables – third parties	-	3,887
Total non-current portion	-	3,887
Total current portion	266,292	47,483

## 18. OTHER ASSETS

	As at	
	30-Jun-2021	31-Dec-2020
	RUB'000	RUB'000
Prepayments - third parties	1,539,487	1,760,966
VAT recoverable	765,029	952,148
Finance leases to third parties	362,668	422,972
Other assets	2,667,184	3,136,086
<i>Less non-current portion:</i>		
Prepayments for property, plant and equipment - third parties	184,192	252,968
Finance leases to third parties	225,300	296,525
Total non-current portion	409,492	549,493
Total current portion	2,257,692	2,586,593

The decrease in prepayments – third parties as at 30 June 2021 as compared to those as at 31 December 2020 was due to prepayments made in 2020 for wheel pairs that were received within the six-months to 30 June 2021.

## 19. TRADE AND OTHER PAYABLES

	As at	
	30-Jun-2021 RUB'000	31-Dec-2020 RUB'000
<i>Current</i>		
Trade payables - third parties	654,594	843,703
Other payables - third parties	830,880	773,350
Accrued expenses	92,391	79,680
Accrued key management compensation, including share-based payment (Note 27)	271,918	359,435
Dividends payable to non-controlling interests	248,362	141,826
	<b>2,098,145</b>	<b>2,197,994</b>
<i>Non-current</i>		
Other payables	4,378	-
	<b>4,378</b>	<b>-</b>

## 20. BORROWINGS

	As at	
	30-Jun-2021 RUB'000	31-Dec-2020 RUB'000
<i>Current</i>		
Bank borrowings	8,192,556	9,388,591
Non-convertible unsecured bonds	2,789,330	1,542,581
Total current borrowings	<b>10,981,886</b>	<b>10,931,172</b>

	As at	
	30-Jun-2021 RUB'000	31-Dec-2020 RUB'000
<i>Non-current</i>		
Bank borrowings	13,832,185	12,339,674
Non-convertible unsecured bonds	7,497,130	8,744,393
Total non-current borrowings	<b>21,329,315</b>	<b>21,084,067</b>
Total borrowings	<b>32,311,201</b>	<b>32,015,239</b>

Movements in borrowings are analysed as follows:

	Six months ended 30-Jun-2021 RUB'000
Opening amount as at 1 January 2021	32,015,239
Cash flows:	
Proceeds from bank borrowings	9,990,000
Repayments of bank borrowings	(9,734,047)
Interest charged	1,099,456
Interest paid	(1,059,447)
<b>Closing amount as at 30 June 2021</b>	<b>32,311,201</b>

	As at	
	30-Jun-2021 RUB'000	31-Dec-2020 RUB'000
<i>Maturity of non-current borrowings (excluding lease liabilities with financial institutions)</i>		
Between 1 and 2 years	12,126,646	11,554,709
Between 2 and 5 years	9,202,669	9,529,358
	<b>21,329,315</b>	<b>21,084,067</b>

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

	As at	
	30-Jun-2021 RUB'000	31-Dec-2020 RUB'000
Russian Rouble	32,311,201	32,015,239
	<b>32,311,201</b>	<b>32,015,239</b>

The Group has the following undrawn borrowing facilities:

	As at	
	30-Jun-2021 RUB'000	31-Dec-2020 RUB'000
Fixed rate:		
- expiring within one year	6,012,000	7,609,091
- expiring beyond one year	23,720,000	21,840,000
Total undrawn borrowing facilities	<b>29,732,000</b>	<b>29,449,091</b>

The weighted average effective interest rates at the balance sheet were as follows:

	As at	
	30-Jun-2021 %	31-Dec-2020 %
Bank borrowings	6.6	6.3
Non-convertible unsecured bonds	8.1	8.1

## 21. OTHER LEASE LIABILITIES

	As at	
	30-Jun-2021 RUB'000	31-Dec-2020 RUB'000
<i>Other lease liabilities</i>		
Current other lease liabilities	1,105,912	684,109
Non-current other lease liabilities	1,415,628	720,487
Total other lease liabilities	<b>2,521,540</b>	<b>1,404,596</b>

	As at	
	30-Jun-2021 RUB'000	31-Dec-2020 RUB'000
<i>Maturity of other lease liabilities</i>		
Between 1 and 2 years	855,049	475,112
Between 2 and 5 years	555,736	239,943
Over 5 years	4,843	5,432
	<b>1,415,628</b>	<b>720,487</b>

## 22. INCOME TAXES

Income tax expense is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year. The estimated average interim tax rate used for the six months to 30 June 2021 is 24.52% (30 June 2020: 24.98%).

## 23. EARNINGS PER SHARE

### Basic and diluted

Basic and diluted earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the period.

	Six months ended	
	30-Jun-2021	30-Jun-2020
Profit for the period attributable to equity holders of the Company (RUB'000)	3,281,025	6,297,653
Weighted average number of ordinary shares outstanding (thousand)	178,664	178,741
Earnings per share for profit attributable to the equity holders of the Company:		
- basic and diluted (expressed in RUB per share)	18.36	35.23

## 24. DIVIDENDS

### Dividends to Company shareholders

During the period ended 30 June 2021, the Group declared and paid RUB 5,002,613 thousand (six months ended 30 June 2020: declared and paid RUB 8,320,390 thousand) of dividends in favour of shareholders of the Company.

Dividends declared and paid to the equity holders of the Company within the period ended 30 June 2021 excludes RUB 2,133 thousand relating to dividend declared and paid on the treasury shares.

### Dividends to non-controlling interests

During the period ended 30 June 2021, the Group declared RUB 257,898 thousand and paid RUB 139,996 thousand (six months ended 30 June 2020: declared RUB 852,870 thousand and paid RUB 772,645 thousand) of dividends in favour of non-controlling interests.

## 25. SHARE CAPITAL AND SHARE PREMIUM

	Number of shares	Share capital RUB'000	Share premium RUB'000	Total RUB'000
<b>At 31 December 2020 / 1 January 2021/ 30 June 2021</b>	<b>178,740,916</b>	<b>516,957</b>	<b>27,929,478</b>	<b>28,446,435</b>

As of 30 June 2021 and 31 December 2020, the Company had purchased a total of 76,877 GDRs, which are held in treasury for a total consideration of 422 thousand US Dollars (equivalent to RUB 31,496 thousand).

## 26. CONTINGENCIES AND COMMITMENTS

### Operating environment

During the six month period to 30 June 2021 and as at 30 June 2021 there are no other significant developments in relation to the events and circumstances disclosed in the contingencies and commitments note in the annual 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.

The coronavirus (COVID-19) pandemic continued to develop during the six-month period to 30 June 2021. Measures taken by various governments to contain the virus have severely impacted and could continue to negatively impact economic activity and supply chains, both globally and in the Russian Federation and the other territories in which the Group operates for an unknown period of time. Management has taken and continues to take necessary measures to ensure minimum disruption to and sustainability of the Group's operations and support the Group's employees, customers and suppliers.

### Legal proceedings

During the six-month period to 30 June 2021 there have been no significant developments in relation to the legal proceedings and other claims outstanding involving the Company's subsidiaries as claimants or defendants, as disclosed in the contingencies and commitments note in the annual consolidated financial statements for the year ended 31 December 2020, nor have been any new legal proceedings or claims.



## Compliance with covenants

The Group is subject to certain covenants related primarily to its borrowings. Non-compliance with such covenants may result in negative consequences for the Group including claims for early repayment. The Group was in compliance with covenants as of 30 June 2021.

## Commitments

### (a) Capital commitments

Capital expenditure contracted for at the balance sheet date but not yet incurred is as follows:

	As at	
	30-Jun-2021	31-Dec-2020
	RUB'000	RUB'000
Property, plant and equipment	104,810	308,173

### (b) Operating lease commitments – Group as lessor

The Group leases out rolling stock and locomotives under cancellable and non-cancellable operating lease agreements. The future aggregate minimum lease payments receivable under non-cancellable operating leases in which the Group is acting as the lessor are as follows:

	As at	
	30-Jun-2021	31-Dec-2020
	RUB'000	RUB'000
Not later than 1 year	718,903	402,676
Later than 1 year not later than 5 years	183,180	156,395
	902,083	559,071

## 27. RELATED PARTY TRANSACTIONS

Litten Investments Ltd and Goldriver Resources Ltd, both controlled by directors of the Company, have a shareholding in the Company as at 30 June 2021 of 5.1% and 3.1%, respectively (31 December 2020: 5.1% and 4.0%, respectively).

As at 30 June 2021, another 0.2% of the shares of the Company (31 December 2020: 0.2%) is controlled by Directors and key management of the Group.

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

The following transactions were carried out with related parties:

### (a) Key management compensation

	Six months ended	
	30-Jun-2021	30-Jun-2020
	RUB'000	RUB'000
Key management salaries and other short term employee benefits	575,752	424,338
Share based compensation (Note 9)	47,776	5,375
	623,528 <sup>(1)</sup>	429,713 <sup>(1)</sup>

<sup>(1)</sup> Includes directors' remuneration paid to the directors of the Company both by the Company and subsidiaries of the Company in respect of services provided to such subsidiaries amounting to RUB 161,594 thousand for the six months ended 30 June 2021 (six months ended 30 June 2020: RUB 198,916 thousand).

(b) Year-end balances arising from sale of shares/purchases of services

	<b>As at</b>	As at
	<b>30-Jun-2021</b>	31-Dec-2020
	<b>RUB'000</b>	RUB'000
Accrued key management remuneration – current (Note 19):		
Accrued salaries and other short-term employee benefits	<b>202,061</b>	255,069
Share based payment liability (Note 9)	<b>47,775</b>	104,366
Accrued directors' remuneration	<b>22,082</b>	-
	<b>271,918</b>	359,435

## 28. SUBSEQUENT EVENTS

On 27 August 2021, the Board of Directors of the Company approved payment of total dividend in the amount of 22.50 Russian Roubles per ordinary share, amounting to a total dividend of RUB 4,021,671 thousand, including interim dividend in the amount of RUB 1,635,480 thousand or RUB 9.15 per ordinary share/GDR and a special interim dividend in the amount of RUB 2,386,191 thousand or RUB 13.35 per ordinary share/GDR. The dividends will be paid in US Dollars at the rate which will be determined as the average of the official exchange rates of the Russian Central Bank for the 3 business days in Russia from 27 August 2021 to 31 August 2021 inclusive and will be paid out of retained earnings of the Company earned prior to 31 December 2020.

In July 2021 Spacecom AS has assigned its rights, obligations and demands in the Georgian law case, refer to description in the contingencies and commitments note in the annual consolidated financial statements for the year ended 31 December 2020, to a party related to the non-controlling interests under an assignment agreement. This assignment was made for consideration which will substantially settle the recognised receivable and is irrevocable independently whether the result of future Court decision is negative or positive.

On 30 August 2021 the Company signed 3 sale-purchase agreements for the sale of its entire holding (60%) of Syntezrail Ltd (Cyprus), which owns 100% share in Syntezrail LLC (Russia), for a total consideration of RUB 1,128,000 thousand to three of the Company's founders, one of which is also a director of the Company. The transaction shall be closed and transfer of control is expected to take place prior to 1 October 2021. A gain of approximately RUB 760 million is expected from this transaction based on management's best estimate.

There were no other material events after the balance sheet date which have a bearing on the understanding of the condensed consolidated interim financial information.

## 29. SEASONALITY

The operations of the Group are not subject to seasonal fluctuations.



# Report on review of condensed consolidated interim financial information

To Globaltrans Investment Plc

## Introduction

We have reviewed the accompanying condensed consolidated interim balance sheet of Globaltrans Investment Plc and its subsidiaries (the 'Group') as of 30 June 2021 and the related condensed consolidated interim statements of income, comprehensive income, changes in equity and cash flow for the six-month period then ended and notes, comprising a summary of significant accounting policies and other explanatory notes. 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', as adopted by the European Union. 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', as adopted by the European Union.

A handwritten signature in blue ink that reads 'PricewaterhouseCoopers'.

PricewaterhouseCoopers Limited  
Certified Public Accountants and Registered Auditors

30 August 2021  
Limassol  
Cyprus

*PricewaterhouseCoopers Ltd, City House, 6 Karaiskakis Street, CY-3032 Limassol, Cyprus  
P O Box 53034, CY-3300 Limassol, Cyprus  
T: +357 25 - 555 000, F: +357 - 25 555 001, [www.pwc.com/cy](http://www.pwc.com/cy)*

PricewaterhouseCoopers Ltd is a private company registered in Cyprus (Reg. No.143594). Its registered office is at 3 Themistocles Dervis Street, CY-1066, Nicosia. A list of the company's directors, including for individuals the present and former (if any) name and surname and nationality, if not Cypriot and for legal entities the corporate name, is kept by the Secretary of the company at its registered office. PwC refers to the Cyprus member firm, PricewaterhouseCoopers Ltd and may sometimes refer to the PwC network. Each member firm is a separate legal entity. Please see [www.pwc.com/structure](http://www.pwc.com/structure) for further details.