

# **Globaltrans Investment PLC**

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

**for the six months ended 30 June 2023**

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30 June 2023

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# Condensed consolidated interim income statement

for the six months ended 30 June 2023

	Note	Six months ended 30 June	
		2023	2022
		RUB'000 Unaudited	RUB'000 Unaudited
Revenue	11	51,972,038	48,414,907
Cost of sales	12	(29,563,331)	(27,451,748)
<b>Gross profit</b>		<b>22,408,707</b>	20,963,159
Selling and marketing costs	12	(164,972)	(118,159)
Administrative expenses	12	(2,548,744)	(2,493,209)
Profit from sale of subsidiary	28	3,400,047	-
Other gains – net		(85,698)	18,539
<b>Operating profit</b>		<b>23,009,340</b>	18,370,330
Finance income	14	496,705	427,181
Finance costs	14	(1,293,566)	(1,514,815)
Net foreign exchange transaction gains / (losses) on financing activities	14	2,501,467	(473,259)
Finance gains / (costs) – net		1,704,606	(1,560,893)
<b>Profit before income tax</b>		<b>24,713,946</b>	16,809,437
Income tax expense	22	(3,810,969)	(4,468,788)
<b>Profit for the period</b>		<b>20,902,977</b>	12,340,649
<i>Profit attributable to:</i>			
Owners of the Company		20,905,641	11,804,343
Non-controlling interests		(2,664)	536,306
		<b>20,902,977</b>	12,340,649
<hr/>			
Weighted average number of ordinary shares outstanding (thousand)	23	178,318	178,420
<hr/>			
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	117.24	66.16

<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 26 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 2023

	Six months ended 30 June	
	2023	2022
	RUB'000 Unaudited	RUB'000 Unaudited
<b>Profit for the period</b>	<b>20,902,977</b>	12,340,649
<i>Other comprehensive income:</i>		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Currency translation differences	(3,332,461)	(2,866,377)
Total items that may be reclassified subsequently to profit or loss	(3,332,461)	(2,866,377)
<i>Items that will not be reclassified subsequently to profit or loss</i>		
Currency translation differences attributable to non-controlling interest	3,473	(1,325,647)
<b>Other comprehensive income for the period, net of tax</b>	<b>(3,328,988)</b>	(4,192,024)
<b>Total comprehensive income for the period</b>	<b>17,573,989</b>	8,148,625
<i>Total comprehensive income for the period attributable to:</i>		
- owners of the Company	17,573,180	8,937,966
- non-controlling interests	809	(789,341)
	<b>17,573,989</b>	8,148,625

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 26 are an integral part of this condensed consolidated interim financial information.

# Condensed consolidated interim balance sheet

at 30 June 2023

		30-Jun-2023	31-Dec-2022
		RUB'000	RUB'000
	Note	Unaudited	Audited
<b>ASSETS</b>			
<i>Non-current assets</i>			
Property, plant and equipment	15	76,460,532	77,606,926
Right-of-use assets	16	2,848,841	3,838,027
Intangible assets	10	1,545	1,760
Other assets	18	160,554	1,011,970
<b>Total non-current assets</b>		<b>79,471,472</b>	<b>82,458,683</b>
<i>Current assets</i>			
Inventories		907,779	798,621
Other assets	18	2,121,028	6,047,171
Loans and other receivables	17(b)	83,076	433,091
Trade receivables	17(a)	4,441,616	3,750,433
Current income tax assets		157,307	613,758
Cash and cash equivalents		30,950,934	16,052,345
		<b>38,661,740</b>	<b>27,695,419</b>
Assets classified as held for sale	15	9,320	-
<b>Total current assets</b>		<b>38,671,060</b>	<b>27,695,419</b>
<b>TOTAL ASSETS</b>		<b>118,142,532</b>	<b>110,154,102</b>
<b>EQUITY AND LIABILITIES</b>			
<i>Equity attributable to the owners of the Company</i>			
Share capital	25	515,735	516,957
Share premium	25	27,929,478	27,929,478
Treasury shares		-	(145,993)
Common control transaction reserve		(8,458,334)	(10,429,876)
Translation reserve		-	3,332,461
Capital contribution		2,694,851	2,694,851
Retained earnings		59,456,998	43,579,823
<b>Total equity attributable to the owners of the Company</b>		<b>82,138,728</b>	<b>67,477,701</b>
Non-controlling interests		-	(15,506)
<b>TOTAL EQUITY</b>		<b>82,138,728</b>	<b>67,462,195</b>
<i>Non-current liabilities</i>			
Borrowings	20	10,173,162	9,052,778
Other lease liabilities	21	908,271	1,794,464
Contract liabilities	11	15,553	14,454
Deferred tax liabilities		8,648,150	9,081,239
<b>Total non-current liabilities</b>		<b>19,745,136</b>	<b>19,942,935</b>
<i>Current liabilities</i>			
Borrowings	20	10,251,246	11,595,872
Other lease liabilities	21	2,287,997	2,400,332
Trade and other payables	19	2,877,934	6,384,348
Contract liabilities	11	720,940	813,406
Current tax liabilities		120,551	1,555,014
<b>Total current liabilities</b>		<b>16,258,668</b>	<b>22,748,972</b>
<b>TOTAL LIABILITIES</b>		<b>36,003,804</b>	<b>42,691,907</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>118,142,532</b>	<b>110,154,102</b>

By order of the Board

  
.....  
Sergey Tolmachev, Director

Limassol, 28 August 2023

  
.....  
Konstantin Shirokov, Director

The notes on pages 7 to 26 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 2023

	Attributable to the owners of the Company										
	Note	Share capital	Share premium	Treasury shares	Common control transaction reserve	Translation reserve	Capital contribution	Retained earnings	Total	Non-controlling interests	Total
		RUB'000	RUB'000	RUB'000	RUB'000	RUB'000	RUB'000	RUB'000	RUB'000	RUB'000	RUB'000
<b>Balance at 1 January 2022</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		-	-	-	-	-	-	11,804,343	11,804,343	536,306	12,340,649
<i>Other comprehensive income</i>											
Currency translation differences		-	-	-	-	(2,866,377)	-	-	(2,866,377)	(1,325,647)	(4,192,024)
Total comprehensive income for the period ended 30 June 2022		-	-	-	-	(2,866,377)	-	11,804,343	8,937,966	(789,341)	8,148,625
<i>Transactions with owners</i>											
Dividends to owners of the Company	24	-	-	-	-	-	-	-	-	-	-
Dividends to non-controlling interests	24	-	-	-	-	-	-	-	-	(291,003)	(291,003)
Acquisition of NCI		-	-	-	-	-	-	(6,302,174)	(6,302,174)	(2,797,826)	(9,100,000)
Purchasing of treasury shares		-	-	(114,497)	-	-	-	-	(114,497)	-	(114,497)
Total transactions with owners		-	-	(114,497)	-	-	-	(6,302,174)	(6,416,671)	(3,088,829)	(9,505,500)
<b>Balance at 30 June 2022 (unaudited)</b>		<b>516,957</b>	<b>27,929,478</b>	<b>(145,993)</b>	<b>(10,429,876)</b>	<b>2,012,498</b>	<b>2,694,851</b>	<b>30,190,746</b>	<b>52,768,661</b>	<b>2,379,687</b>	<b>55,148,348</b>

The notes on pages 7 to 26 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 2023

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	Capital contribution RUB'000	Retained earnings RUB'000	Total RUB'000	Non-controlling interests RUB'000	Total RUB'000
<b>Balance at 1 January 2023</b>	<b>516,957</b>	<b>27,929,478</b>	<b>(145,993)</b>	<b>(10,429,876)</b>	<b>3,332,461</b>	<b>2,694,851</b>	<b>43,579,823</b>	<b>67,477,701</b>	<b>(15,506)</b>	<b>67,462,195</b>
<i>Comprehensive income</i>										
Profit for the period	-	-	-	-	-	-	20,905,641	20,905,641	(2,664)	20,902,977
<i>Other comprehensive income</i>										
Currency translation differences	-	-	-	-	(3,332,461)	-	-	(3,332,461)	3,473	(3,328,988)
Total comprehensive income for the period ended 30 June 2023	-	-	-	-	(3,332,461)	-	20,905,641	17,573,180	809	17,573,989
<i>Transactions with owners</i>										
Dividends to owners of the Company	24	-	-	-	-	-	-	-	-	-
Dividends to non-controlling interests	24	-	-	-	-	-	-	-	-	-
Sale of SC	-	-	-	1,971,542	-	-	(4,883,695)	(2,912,153)	14,697	(2,897,456)
Cancellation of treasury shares	(1,222)	-	145,993	-	-	-	(144,771)	-	-	-
Total transactions with owners	(1,222)	-	145,993	1,971,542	-	-	(5,028,466)	(2,912,153)	14,697	(2,897,456)
<b>Balance at 30 June 2023 (unaudited)</b>	<b>515,735</b>	<b>27,929,478</b>	<b>-</b>	<b>(8,458,334)</b>	<b>-</b>	<b>2,694,851</b>	<b>59,456,998</b>	<b>82,138,728</b>	<b>-</b>	<b>82,138,728</b>

The notes on pages 7 to 26 are an integral part of this condensed consolidated interim financial information.

# Condensed consolidated interim cash flow statement

for the six months ended 30 June 2023

	Note	Six months ended 30	
		2023 RUB'000 Unaudited	2022 RUB'000 Unaudited
<i>Cash flows from operating activities</i>			
Profit before tax		24,713,946	16,809,437
Adjustments for:			
Depreciation of property, plant and equipment	12	4,525,020	3,359,884
Depreciation of right-of-use assets	12	1,157,702	1,348,720
Amortisation of intangible assets	12	215	8
Net loss / (gain) on sale of property, plant and equipment	12	(70,758)	9,777
Loss on derecognition arising on capital repairs	12	144,471	189,940
(Reversal of)/Impairment charge on property, plant and equipment	12	(24,181)	3,712,569
Interest income	14	(496,705)	(424,742)
Interest expense and other finance costs	14	1,293,566	1,514,815
Foreign exchange losses on financing activities	14	(2,501,467)	473,259
Profit on sale of subsidiary	28	(3,400,047)	-
Other losses		3,327	2,896
		<b>25,345,089</b>	<b>26,996,563</b>
<i>Changes in working capital:</i>			
Inventories		224,152	219,277
Trade receivables		(1,643,902)	(1,478,354)
Other assets		2,495,027	674,838
Other receivables		(25,060)	282,800
Trade and other payables		(2,142,556)	354,594
Contract liabilities		(83,671)	(1,044,166)
Cash generated from operations		<b>24,169,079</b>	<b>26,005,552</b>
Tax paid		(3,664,046)	(4,398,659)
Net cash from operating activities		<b>20,505,033</b>	<b>21,606,893</b>
<i>Cash flows from investing activities</i>			
Payment for acquisition of non-controlling interest		-	(8,800,000)
Proceeds from sale of subsidiaries (net of cash disposed)		4,771,748	-
Purchases of property, plant and equipment		(4,271,784)	(3,697,115)
Payment for rolling stock to disposed subsidiary		(6,603,141)	-
Proceeds from disposal of property, plant and equipment		135,481	11,605
Loans granted to third parties		(859,000)	-
Loans granted to related parties		-	(400,000)
Loan repayments received from third parties		856,000	-
Loan repayments received from related parties		400,000	-
Interest received		468,003	430,392
Receipts from finance lease receivable		25,586	22,584
Other		-	(31,095)
Net cash used in investing activities		<b>(5,077,107)</b>	<b>(12,463,629)</b>
<i>Cash flows from financing activities</i>			
Proceeds from bank borrowings		8,800,000	-
Repayments of borrowings		(8,938,959)	(6,568,523)
Principal elements of lease payments for other lease liabilities		(1,152,172)	(1,200,009)
Interest paid on bank borrowings and non-convertible unsecured bonds		(1,164,742)	(1,074,388)
Interest paid on other lease liabilities		(218,585)	(479,185)
Dividends paid to non-controlling interests in subsidiaries	24	(334,269)	(111,412)
Purchase of treasury shares		-	(114,497)
Net cash used in financing activities		<b>(3,008,727)</b>	<b>(9,548,014)</b>
Net decrease in cash and cash equivalents		<b>12,419,199</b>	<b>(404,750)</b>
Effect of exchange rate changes on cash and cash equivalents		2,479,390	(506,788)
Cash and cash equivalents at beginning of period		16,052,345	12,854,707
Cash and cash equivalents at end of period		<b>30,950,934</b>	<b>11,943,169</b>

The notes on pages 7 to 26 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 Nizhnyaya 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 in Moscow Exchange.

Russian Rouble denominated bonds, issued by the Company's subsidiary New Forwarding Company, AO, for a total nominal amount of RUB 5 billion (31 December 2022: RUB 10 billion), out of a RUB 100 billion registered program, are listed in the Moscow Exchange.

This condensed consolidated interim financial information was approved by the Board of Directors of the Company on 25 August 2023, who authorized the Directors to sign on 28 August 2023.

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 2023 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 2022, 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 2022, as described in those annual consolidated financial statements, and those of the corresponding interim reporting period, with the exception of the estimation of taxes for the six-month period ended 30 June 2023, 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 2022, became effective for the Group from 1 January 2023 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 2022, no new standards, amendments to existing standards or interpretations were issued that are effective for annual periods after 1 January 2023 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 2022, 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 2022, 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 2023. 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 2023 both would have decreased by RUB 6,804,661 thousand (for six months ended 30 June 2022: RUB 4,661,649 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 2023 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 2023 is higher than the one that would have been charged for the same period if there was no revision in residual value by RUB 475,354 thousand (lower for six months ended 30 June 2022: RUB 163,171 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 2022. 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 2023, Group's current assets exceeded its current liabilities RUB 22,412,392 thousand (31 December 2022: current assets exceeded its current liabilities by RUB 4,946,447 thousand). Due to availability of committed credit lines amounting to RUB 32,150,000 thousand as of 30 June 2023 (31 December 2022: RUB 42,783,333 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-2023 RUB'000	As at 31-Dec-2022 RUB'000	As at 30-Jun-2023 RUB'000	As at 31-Dec-2022 RUB'000
Bank borrowings	<b>17,843,658</b>	15,493,079	<b>17,737,863</b>	15,134,443
Non-convertible unsecured bonds	<b>2,580,750</b>	5,155,571	<b>2,499,250</b>	5,028,375
	<b>20,424,408</b>	20,648,650	<b>20,237,113</b>	20,162,818

The fair value as at 30 June 2023 and 31 December 2022 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 11.20% p.a. (31 December 2022: 11.10% p.a.). The fair value measurement of the bank borrowings is within level 2 (31 December 2022: level 2) of the fair value hierarchy.

The fair value as at 30 June 2023 and 31 December 2022 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 2023 and 31 December 2022 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.

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	<b>Gondola cars</b>	<b>Rail tank cars</b>	<b>Other railcars</b>	<b>Total</b>
	RUB'000	RUB'000	RUB'000	RUB'000
<i>Six months ended 30 June 2023</i>				
Total revenue – operator's services	32,027,831	17,580,381	312	49,608,524
Total revenue – operating lease	99,444	1,557,540	417,275	2,074,259
Inter-segment revenue	-	-	-	-
Revenue (from external customers)	32,127,275	19,137,921	417,587	51,682,783
less Services provided by other transportation organisations	(1,686,749)	(157,837)	-	(1,844,586)
less Infrastructure and locomotive tariffs: loaded trips	(3,369,528)	(3,435,133)	-	(6,804,661)
<b>Adjusted revenue for reportable segments</b>	<b>27,070,998</b>	<b>15,544,951</b>	<b>417,587</b>	<b>43,033,536</b>
<i>Six months ended 30 June 2022</i>				
Total revenue – operator's services	32,273,496	13,899,372	10,230	46,183,098
Total revenue – operating lease	361,941	1,111,136	452,475	1,925,552
Inter-segment revenue	-	-	-	-
Revenue (from external customers)	32,635,437	15,010,508	462,705	48,108,650
less Services provided by other transportation organisations	(994,142)	(131,982)	-	(1,126,124)
less Infrastructure and locomotive tariffs: loaded trips	(1,985,322)	(2,672,755)	(3,572)	(4,661,649)
<b>Adjusted revenue for reportable segments</b>	<b>29,655,973</b>	<b>12,205,771</b>	<b>459,133</b>	<b>42,320,877</b>
<i>Reportable segment assets</i>				
	<b>Gondola Cars</b>	<b>Rail tank cars</b>	<b>Other railcars</b>	<b>Total</b>
	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 2023	4,332,208	1,173,105	19,419	5,524,732
Six months ended 30 June 2022	4,584,168	1,968,885	10,258	6,563,311
<i>Depreciation and amortisation</i>				
Six months ended 30 June 2023	(3,951,364)	(1,478,557)	(125,171)	(5,555,092)
Six months ended 30 June 2022	(3,433,539)	(1,003,018)	(122,602)	(4,559,159)
<i>Loss on derecognition arising on capital repairs</i>				
Six months ended 30 June 2023	(122,897)	(21,567)	(7)	(144,471)
Six months ended 30 June 2022	(85,706)	(104,230)	(4)	(189,940)
<i>Reversal of/(Impairment charge on PPE)</i>				
Six months ended 30 June 2023	24,181	-	-	24,181
Six months ended 30 June 2022	(3,617,720)	(39,332)	(43,000)	(3,700,052)
<i>Reportable segment assets</i>				
30 June 2023	53,699,547	21,379,475	3,078,941	78,157,963
31 December 2022	54,065,755	23,148,079	3,233,340	80,447,174

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-2023 RUB'000</b>	Six months ended 30-Jun-2022 RUB'000
Adjusted revenue for reportable segments	43,033,536	42,320,877
Other revenues	289,255	306,257
Total adjusted revenue for reportable segments	<b>43,322,791</b>	42,627,134
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>(15,210,750)</b>	(13,167,283)
Selling, marketing and administrative expenses (excl. depreciation, amortisation and impairments)	<b>(2,579,622)</b>	(2,496,218)
Depreciation and amortisation	<b>(5,682,937)</b>	(4,708,612)
Reversal of expected credit losses / (Impairment losses on trade and other receivables)	<b>(34,201)</b>	(721)
Reversal of/(Impairment charge on PPE)	<b>24,181</b>	(3,712,569)
Loss on derecognition arising on capital repairs	<b>(144,471)</b>	(189,940)
Other gains – net	<b>3,314,349</b>	18,539
Operating profit	<b>23,009,340</b>	18,370,330
Finance income	<b>496,706</b>	427,181
Finance costs	<b>(1,293,566)</b>	(1,514,815)
Net foreign exchange transaction losses on financing activities	<b>2,501,466</b>	(473,259)
Profit before income tax	<b>24,713,946</b>	16,809,437

## 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 2023 and 30 June 2022 and its reconciliation to Total revenue.

	<b>Six months ended 30-Jun-2023 RUB'000</b>	Six months ended 30-Jun-2022 RUB'000
Total revenue	51,972,038	48,414,907
Minus "pass through" items:		
Infrastructure and locomotive tariffs: loaded trips	(6,804,661)	(4,661,649)
Services provided by other transportation organisations	(1,844,586)	(1,126,124)
<b>Adjusted Revenue</b>	<b>43,322,791</b>	<b>42,627,134</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) / gains on trade and other receivables", "Impairment of property, plant and equipment", "Net (loss) / gain 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) / gains on trade and other receivables”, “Impairment of property, plant and equipment” and “Net (loss) / gain 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”.

	Six months ended 30-Jun-2023 RUB'000	Six months ended 30-Jun-2022 RUB'000
<b>“Pass through” cost items</b>	<b>(8,649,247)</b>	<b>(5,787,773)</b>
Infrastructure and locomotive tariffs: loaded trips	(6,804,661)	(4,661,649)
Services provided by other transportation organisations	(1,844,586)	(1,126,124)
<b>Total cost of sales, selling and marketing costs and administrative expenses (adjusted for “pass through” cost items)</b>	<b>(23,627,800)</b>	<b>(24,275,343)</b>
<b>Total Operating Cash Costs</b>	<b>(17,861,130)</b>	<b>(15,653,724)</b>
Infrastructure and locomotive tariffs - empty runs and other tariffs	(10,387,026)	(8,597,353)
Repairs and maintenance	(2,133,661)	(1,927,837)
Employee benefit expense	(3,873,927)	(3,560,161)
Expense relating to short-term leases - rolling stock	(12,924)	(27,486)
Fuel and spare parts – locomotives	(934,448)	(994,376)
Engagement of locomotive crews	(47,581)	(71,879)
Other Operating Cash Costs	(471,563)	(474,632)
<i>Advertising and promotion</i>	(22,513)	(18,238)
<i>Auditors' remuneration</i>	(21,641)	(22,172)
<i>Communication costs</i>	(12,631)	(11,662)
<i>Information services</i>	(9,741)	(8,481)
<i>Legal, consulting and other professional fees</i>	(62,148)	(46,597)
<i>Expense relating to short-term leases - office</i>	(47,534)	(46,164)
<i>Taxes (other than on income and value added taxes)</i>	(6,689)	(13,492)
<i>Other expenses</i>	(288,666)	(307,826)
<b>Total Operating Non-Cash Costs</b>	<b>(5,766,670)</b>	<b>(8,621,619)</b>
Depreciation of property, plant and equipment	(4,525,020)	(3,359,884)
Depreciation of right-of-use assets	(1,157,702)	(1,348,720)
Amortisation of intangible assets	(215)	(8)
Loss on derecognition arising on capital repairs	(144,471)	(189,940)
Net impairment (losses) / gains on trade and other receivables	(34,201)	(721)
(Reversal of)/Impairment charge on property, plant and equipment	24,181	(3,712,569)
Net (loss) / gain on sale of property, plant and equipment	70,758	(9,777)
<b>Total cost of sales, selling and marketing costs and administrative expenses</b>	<b>(32,277,047)</b>	<b>(30,063,116)</b>

#### Adjusted EBITDA

**Adjusted EBITDA** represents EBITDA excluding “Net foreign exchange transaction losses on financing activities”, Other gains - net”, “Net (loss) / gain 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 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 2023 and 30 June 2022 and its reconciliation to EBITDA and Profit for the period:

	<b>Six months ended 30-Jun-2023 RUB'000</b>	Six months ended 30-Jun-2022 RUB'000
<b>Profit for the period</b>	<b>20,902,977</b>	<b>12,340,649</b>
<i>Plus (Minus)</i>		
Income tax expense	<b>3,810,969</b>	4,468,788
Finance costs – net	<b>(1,704,606)</b>	1,560,893
Net foreign exchange transaction losses on financing activities	<b>2,501,467</b>	(473,259)
Amortisation of intangible assets	<b>215</b>	8
Depreciation of property, plant and equipment	<b>4,525,020</b>	3,359,884
Depreciation of right-of-use assets	<b>1,157,702</b>	1,348,720
<b>EBITDA</b>	<b>31,193,744</b>	<b>22,605,683</b>
<i>Minus (Plus)</i>		
Loss on derecognition arising on capital repairs	<b>(144,471)</b>	(189,940)
Net foreign exchange transaction losses on financing activities	<b>2,501,467</b>	(473,259)
Profit from sale of subsidiaries	<b>3,400,047</b>	-
Other (losses) / gains – net	<b>(85,698)</b>	18,539
Net (loss) / gain on sale of property, plant and equipment	<b>70,758</b>	(9,777)
(Reversal of)/Impairment charge on property, plant and equipment	<b>24,181</b>	(3,712,569)
<b>Adjusted EBITDA</b>	<b>25,427,460</b>	<b>26,972,689</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”, “Principal elements of lease payments for other lease payments”, “Payment for rolling stock to disposed subsidiary”, “Payment for acquisition of non-controlling interest” and increased by “Cash inflow from disposal of subsidiary undertakings - net of cash disposed of”.

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” and “Purchases of intangible assets”.

**Total CAPEX adjusted for M&A** represents Total CAPEX increased by “Payment for rolling stock to disposed subsidiary”, “Cash inflow from disposal of subsidiary undertakings - net of cash disposed of” and decreased by “Payment for acquisition of non-controlling interest” and “Acquisition of subsidiary undertakings not 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 2023 and 30 June 2022, and its reconciliation to Cash generated from operations.

	<b>Six months ended 30-Jun-2023 RUB'000</b>	Six months ended 30-Jun-2022 RUB'000
Cash generated from operations	<b>24,169,079</b>	26,005,552
Tax paid	<b>(3,664,046)</b>	(4,398,659)
Interest paid on bank borrowings and non-convertible unsecured bonds	<b>(1,164,742)</b>	(1,074,388)
Interest paid on other lease liabilities	<b>(218,585)</b>	(479,185)
Purchases of property, plant and equipment	<b>(4,271,784)</b>	(3,697,115)
Principal elements of lease payments for other lease liabilities	<b>(1,152,172)</b>	(1,200,009)
Payment for rolling stock to disposed subsidiary	<b>(6,603,141)</b>	-
Payment for acquisition of non-controlling interest	-	(8,800,000)
Cash inflow from disposal of subsidiary undertakings - net of cash disposed of	<b>4,771,748</b>	-
<b>Free Cash Flow</b>	<b>11,866,357</b>	<b>6,356,196</b>

	Six months ended 30-Jun-2023 RUB'000	Six months ended 30-Jun-2022 RUB'000
Free Cash Flow	11,866,357	6,356,196
<i>Minus</i>		
Adjusted profit attributable to non-controlling interests	(2,664)	536,306
<b>Attributable Free Cash Flow</b>	<b>11,869,021</b>	<b>5,819,890</b>
	Six months ended 30-Jun-2023 RUB'000	Six months ended 30-Jun-2022 RUB'000
Purchase of property, plant and equipment	4,271,784	3,697,115
<b>Total CAPEX</b>	<b>4,271,784</b>	<b>3,697,115</b>
Acquisition of non-controlling interest	-	8,800,000
Payment for rolling stock to disposed subsidiary	6,603,141	-
Cash inflow from disposal of subsidiary undertakings - net of cash disposed of	(4,771,748)	-
<b>Total CAPEX adjusted for M&amp;A</b>	<b>6,103,177</b>	<b>12,497,115</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 2023 and 31 December 2022 and reconciliation of Net Debt to Total Debt.

	30 June 2023 RUB'000	31 December 2022 RUB'000
Total debt	20,424,408	20,648,650
<i>Minus</i>		
Cash and cash equivalents	30,950,934	16,052,345
<b>Net Debt</b>	<b>(10,526,526)</b>	<b>4,596,305</b>
<b>Net Debt to Adjusted LTM EBITDA</b>	<b>(0.22x)</b>	<b>0.09x</b>

#### 9. SHARE-BASED PAYMENTS

The Group has recognised an employee benefit expense of RUB Nil in this respect for the six months ended 30 June 2023 (RUB 43,024 thousand for the six months ended 30 June 2022) (Note 13) and share based payment liability as at 30 June 2023 of RUB Nil (31 December 2022: RUB 125,739 thousand) under the existing cash-settled share-based remuneration program of the Company.

#### 10. INTANGIBLE ASSETS

<i>Six months ended 30 June 2022</i>	Software RUB'000	Other RUB'000	Total RUB'000
Opening net book amount on 1 January 2022	-	85	85
Amortisation charge (Note 12)	-	(8)	(8)
<b>Closing amount on 30 June 2022</b>	<b>-</b>	<b>77</b>	<b>77</b>



Six months ended 30 June 2023	Software RUB'000	Other RUB'000	Total RUB'000
Opening net book amount on 1 January 2023	1,690	70	1,760
Amortisation charge (Note 12)	(207)	(8)	(215)
<b>Closing amount on 30 June 2023</b>	<b>1,483</b>	<b>62</b>	<b>1,545</b>

## 11. REVENUE

### (a) Disaggregation of revenue

	Six months ended	
	30-Jun-2023 RUB'000	30-Jun-2022 RUB'000
Railway transportation – operators services (tariff borne by the Group)	19,018,515	13,959,398
Railway transportation – operators services (tariff borne by the client)	30,590,009	32,223,700
Other	289,255	306,257
Total revenue from contracts with customers recognised over time	49,897,779	46,489,355
Operating leasing of rolling stock	2,074,259	1,925,552
<b>Total revenue</b>	<b>51,972,038</b>	<b>48,414,907</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 2023 amounting to RUB 6,804,661 thousand (for the six months ended 30 June 2022: RUB 4,661,649 thousand) and the cost of engaging the fleet from third parties recharged to clients of the Group amounting to RUB 1,844,586 thousand (for the six months ended 30 June 2022: RUB 1,126,124 thousand).

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

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

	As at	
	30-Jun-2023 RUB'000	31-Dec-2022 RUB'000
<i>Contract liabilities relating to railway transportation contracts</i>		
Non-current contract liabilities - third parties	10,674	9,575
Non-current contract liabilities - related parties (Note 27 (g))	4,879	4,879
Current contract liabilities - third parties	720,609	811,178
Current contract liabilities - related parties (Note 27 (g))	331	2,228
<b>Total contract liabilities</b>	<b>736,493</b>	<b>827,860</b>

Contract liabilities represent advances from customers for transportation services. The decrease in advances from customers as at 30 June 2023 as compared to those as at 31 December 2022 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 2023 includes RUB 794,333 thousand out of the balance of contract liabilities as of 31 December 2022 (for the six-month period to 30 June 2022: RUB 1,296,190 thousand out of the balance of contract liabilities as of 31 December 2021).

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-2023 RUB'000	30-Jun-2022 RUB'000
<i>Cost of sales</i>		
Infrastructure and locomotive tariffs: loaded trips	6,804,661	4,661,649
Infrastructure and locomotive tariffs: empty run trips and other tariffs	10,387,026	8,597,353
Services provided by other transportation organisations	1,844,586	1,126,124
Expense relating to short-term leases - rolling stock	12,924	27,486
Employee benefit expense	1,662,113	1,432,535

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Repairs and maintenance	2,133,661	1,927,837
Depreciation of property, plant and equipment	4,484,124	3,313,488
Depreciation of right-of-use assets	1,098,713	1,280,695
Loss on derecognition arising on capital repairs	144,471	189,940
Amortisation of intangible assets	207	-
Fuel and spare parts – locomotives	934,448	994,376
Engagement of locomotive crews	47,581	71,879
Loss / (gain) on sale of property, plant and equipment	(69,410)	10,585
(Reversal of)/Impairment charge on property, plant and equipment (Note 15)	(24,181)	3,712,569
Other expenses	102,407	105,232
<b>Total cost of sales</b>	<b>29,563,331</b>	<b>27,451,748</b>

	Six months ended	
	30-Jun-2023	30-Jun-2022
	RUB'000	RUB'000
<i>Selling, marketing and administrative expenses</i>		
Depreciation of property, plant and equipment	40,896	46,396
Depreciation of right-of-use assets	58,989	68,025
Amortisation of intangible assets	8	8
Gain on sale of property, plant and equipment	(1,348)	(808)
Employee benefit expense	2,211,814	2,127,626
Net impairment losses / (gains) on trade and other receivables	34,201	721
Expense relating to short-term leases - office	47,534	46,164
Auditors' remuneration	21,641	22,172
Legal, consulting and other professional fees	62,148	46,597
Advertising and promotion	22,513	18,238
Communication costs	12,631	11,662
Information services	9,741	8,481
Taxes (other than income tax and value added taxes)	6,689	13,492
Other expenses	186,259	202,594
<b>Total selling, marketing and administrative expenses</b>	<b>2,713,716</b>	<b>2,611,368</b>

	Six months ended	
	30-Jun-2023	30-Jun-2022
	RUB'000	RUB'000
<b>Total expenses</b>		
Depreciation of property, plant and equipment (Note 15)	4,525,020	3,359,884
Depreciation of right-of-use assets (Note 16)	1,157,702	1,348,720
Loss on derecognition arising on capital repairs (Note 15)	144,471	189,940
Amortisation of intangible assets (Note 10)	215	8
Net loss / (gain) on sale of property, plant and equipment	(70,758)	9,777
Expense relating to short-term leases – tank containers	-	-
Employee benefit expense (Note 13)	3,873,927	3,560,161
Net impairment losses / (gains) on trade and other receivables	34,201	721
(Reversal of)/Impairment charge on property, plant and equipment (Note 15)	(24,181)	3,712,569
Expense relating to short-term leases – rolling stock	12,924	27,486
Expense relating to short-term leases – office	47,534	46,164
Repairs and maintenance	2,133,661	1,927,837
Fuel and spare parts – locomotives	934,448	994,376
Engagement of locomotive crews	47,581	71,879
Infrastructure and locomotive tariffs: loaded trips	6,804,661	4,661,649
Infrastructure and locomotive tariffs: empty run trips and other tariffs	10,387,026	8,597,353
Services provided by other transportation organisations	1,844,586	1,126,124
Auditors' remuneration	21,641	22,172
Legal, consulting and other professional fees	62,148	46,597
Advertising and promotion	22,513	18,238
Communication costs	12,631	11,662
Information services	9,741	8,481
Taxes (other than income tax and value added taxes)	6,689	13,492

Other expenses	288,666	307,826
<b>Total cost of sales, selling and marketing costs and administrative expenses</b>	<b>32,277,047</b>	30,063,116

Infrastructure and locomotive tariffs: loaded trips for the six-month period to 30 June 2023 increased by RUB 2,143,012 thousand, representing a 46% increase as compared to the six-month period to 30 June 2022, 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 2023 increased by RUB 1,789,673 thousand, representing a 21% increase as compared to the six-month period to 30 June 2022, reflecting accelerated cost inflation primarily in the regulated RZD tariffs for the traction of empty railcars.

### 13. EMPLOYEE BENEFIT EXPENSE

	Six months ended	
	30-Jun-2023 RUB'000	30-Jun-2022 RUB'000
Wages and salaries	1,636,089	1,466,335
Bonuses	1,611,586	1,457,204
Share based payment expense (Note 9)	-	43,024
Social insurance costs	626,252	593,598
<b>Total employee benefit expense</b>	<b>3,873,927</b>	3,560,161

Employee benefit expense increased by RUB 313,766 thousand during the six-month period ended 30 June 2023 as compared to the corresponding period in 2022. The increase was the result of the inflation driven growth in wages and increase in bonuses.

### 14. FINANCE INCOME AND COSTS

	Six months ended	
	30-Jun-2023 RUB'000	30-Jun-2022 RUB'000
<i>Interest expense:</i>		
Bank borrowings	(944,530)	(709,966)
Non-convertible bond	(134,929)	(321,236)
Total interest expense calculated using the effective interest rate method	(1,079,459)	(1,031,202)
Other lease liabilities	(214,052)	(483,566)
Total interest expense	(1,293,511)	(1,514,768)
Other finance costs	(55)	(47)
Total finance costs	(1,293,566)	(1,514,815)
<i>Interest income:</i>		
Bank balances	453,250	238,314
Short term deposits	24,202	166,966
Loans to related parties (Note 27(f))	9,665	9,863
Loans to third parties	2,464	-
Total interest income calculated using the effective interest rate method	489,581	415,143
Finance leases – related parties (Note 27(f))	437	913
Finance leases – third parties	6,687	8,686
Total interest income	496,705	424,742
Other finance income	-	2,439
Total finance income	496,705	427,181
Net foreign exchange transaction (losses) on borrowings and other liabilities	-	(1,557)
Net foreign exchange transaction gains / (losses) on cash and cash equivalents and other monetary assets	2,501,467	(471,702)
Net foreign exchange transaction (losses)/gains on financing activities	2,501,467	(473,259)
<b>Net finance income / costs</b>	<b>1,704,606</b>	(1,560,893)

## 15. PROPERTY, PLANT AND EQUIPMENT

	Six months ended	
	30-Jun-2023 RUB'000	30-Jun-2022 RUB'000
Opening net book amount on 1 January 2023 / 1 January 2022	77,606,926	81,101,184
Additions	5,090,539	4,311,035
Disposals	(75,686)	(32,581)
Disposed through disposals of subsidiary (Note 28)	(1,163,815)	-
Transfer to inventories	(344,579)	(296,242)
Depreciation charge (Note 12)	(4,525,020)	(3,359,884)
Loss on derecognition arising on capital repairs (Note 12)	(144,471)	(189,940)
Currency translation differences	1,777	(4,164,746)
Reversal of/(Impairment charge) (Note 12)	24,181	(3,712,569)
Assets held for sale <sup>(1)</sup>	(9,320)	-
Closing net book amount on 30 June 2023 / 30 June 2022	76,460,532	73,656,257

<sup>(1)</sup> Management approved the plan to sell two locomotives and one vehicle on June 1, 2023. The Group is actively offering these assets for sale and plans to complete the sale by September 30, 2023

Additions during the period ended 30 June 2023 related to purchases of tank cars contracted in 2022, 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 2022.

'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 2022.

## 16. RIGHT-OF-USE ASSETS

	Six months ended	
	30-Jun-2023 RUB'000	30-Jun-2022 RUB'000
Opening net book amount on 1 January 2023 / 1 January 2022	3,838,027	5,606,845
Additions	771,377	2,303,918
Disposals	(192,043)	-
Disposed through disposals of subsidiary (Note 28)	(8,426)	-
Depreciation charge (Note 12)	(1,157,702)	(1,348,720)
Currency translation differences	7	(4,461)
Other	(402,399)	16,861
Closing net book amount on 30 June 2023 / 30 June 2022	2,848,841	6,574,443

## 17. FINANCIAL ASSETS

### (a) Trade receivables

	As at	
	30-Jun-2023 RUB'000	31-Dec-2022 RUB'000
Trade receivables – third parties	4,451,420	3,760,501
Trade receivables – related parties (Note 27 (e))	688	275
Less: provision for impairment of trade receivables	(10,492)	(10,343)
Trade receivables – net	4,441,616	3,750,433
Total non-current portion	-	-
Total current portion	4,441,616	3,750,433

**(b) Loans and other receivables**

	As at	
	30-Jun-2023	31-Dec-2022
	RUB'000	RUB'000
<i>Current</i>		
Loans receivables – third parties	3,002	-
Loans receivables – related parties (Note 27 (h))	-	401,151
Other receivables – third parties	105,118	36,519
Other receivables – related parties (Note 27 (e))	26	23
Less: provision for impairment of other receivables	(25,070)	(4,602)
Loans and other receivables – net	83,076	433,091

**18. OTHER ASSETS**

	As at	
	30-Jun-2023	31-Dec-2022
	RUB'000	RUB'000
Prepayments - third parties	2,082,320	3,889,771
VAT recoverable	75,175	3,019,624
Finance leases to third parties	117,535	137,914
Finance leases to related parties (Note 27 (i))	6,552	11,832
Other assets	2,281,582	7,059,141
<i>Less non-current portion:</i>		
Prepayments for property, plant and equipment - third parties	160,554	915,269
Finance leases to third parties	-	95,748
Finance leases to related parties (Note 27 (i))	-	953
Total non-current portion	160,554	1,011,970
Total current portion	2,121,028	6,047,171

**19. TRADE AND OTHER PAYABLES**

	As at	
	30-Jun-2023	31-Dec-2022
	RUB'000	RUB'000
<i>Current</i>		
Trade payables - third parties	490,203	338,540
Other payables - third parties	1,634,565	4,284,265
Accrued expenses	114,998	98,140
Accrued key management compensation, including share-based payment (Note 27)	638,168	469,827
Dividends payable to non-controlling interests	-	1,193,576
	2,877,934	6,384,348

**20. BORROWINGS**

	As at	
	30-Jun-2023	31-Dec-2022
	RUB'000	RUB'000
<i>Current</i>		
Bank borrowings	7,670,496	7,690,301
Non-convertible unsecured bonds	2,580,750	3,905,571
Total current borrowings	10,251,246	11,595,872

	As at	
	30-Jun-2023	31-Dec-2022
	RUB'000	RUB'000
<i>Non-current</i>		
Bank borrowings	10,173,162	7,802,778
Non-convertible unsecured bonds	-	1,250,000
Total non-current borrowings	10,173,162	9,052,778
Total borrowings	20,424,408	20,648,650

Movements in borrowings are analysed as follows:

	Six months ended
	30-Jun-2023
	RUB'000
Opening amount as at 1 January 2023	20,648,650
Cash flows:	
Proceeds from bank borrowings	8,800,000
Repayments of bank borrowings	(6,438,959)
Interest charged	1,079,459
Interest paid	(1,164,742)
<b>Closing amount as at 30 June 2023</b>	<b>20,424,408</b>

	As at	
	30-Jun-2023	31-Dec-2022
	RUB'000	RUB'000
<i>Maturity of non-current borrowings (excluding lease liabilities with financial institutions)</i>		
Between 1 and 2 years	4,584,628	6,165,311
Between 2 and 5 years	5,588,534	2,887,467
	10,173,162	9,052,778

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

	As at	
	30-Jun-2023	31-Dec-2022
	RUB'000	RUB'000
Russian Rouble	20,424,408	20,648,650
	20,424,408	20,648,650

The Group has the following undrawn borrowing facilities:

	As at	
	30-Jun-2023	31-Dec-2022
	RUB'000	RUB'000
Fixed rate:		
- expiring within one year	4,450,000	10,083,333
- expiring beyond one year	27,700,000	32,700,000
Total undrawn borrowing facilities	32,150,000	42,783,333

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

	As at	
	30-Jun-2023	31-Dec-2022
	%	%
Bank borrowings	9.7	7.9
Non-convertible unsecured bonds	8.8	8.5

## 21. OTHER LEASE LIABILITIES

	As at	
	30-Jun-2023	31-Dec-2022
	RUB'000	RUB'000
<i>Other lease liabilities</i>		
Current other lease liabilities	2,287,997	2,400,332
Non-current other lease liabilities	908,271	1,794,464
<b>Total other lease liabilities</b>	<b>3,196,268</b>	<b>4,194,796</b>

	As at	
	30-Jun-2023	31-Dec-2022
	RUB'000	RUB'000
<i>Maturity of other lease liabilities</i>		
Between 1 and 2 years	774,924	1,694,562
Between 2 and 5 years	131,105	96,970
Over 5 years	2,242	2,932
<b>Total</b>	<b>908,271</b>	<b>1,794,464</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 2023 is 15.42% (30 June 2022: 26.58%).

The average interim tax rate for the six months to 30 June 2023 decreased due to reduction of intra-group dividends and realizing profit from sale of subsidiary and foreign exchange differences which are exempt from tax on a level of parent company.

## 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-2023	30-Jun-2022
Profit for the period attributable to equity holders of the Company (RUB'000)	20,905,641	11,804,343
Weighted average number of ordinary shares outstanding (thousand)	178,318	178,420
Earnings per share for profit attributable to the equity holders of the Company:		
- basic and diluted (expressed in RUB per share)	117.24	66.16

## 24. DIVIDENDS

### Dividends to Company shareholders

During the period ended 30 June 2023, the Group did not declare or pay any dividends (six months ended 30 June 2022: did not declare or pay any dividends) in favor of shareholders of the Company.

### Dividends to non-controlling interests

During the period ended 30 June 2023, the Group did not declare any dividends and paid RUB 334,269 thousand (six months ended 30 June 2022: declared RUB 291,003 thousand and paid RUB 111,412 thousand) 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 2022 / 1 January 2023</b>	<b>178,740,916</b>	<b>516,957</b>	<b>27,929,478</b>	<b>28,446,435</b>
<b>Cancellation of treasury shares</b>	<b>(422,657)</b>	<b>(1,222)</b>	<b>-</b>	<b>(1,222)</b>
<b>At 30 June 2023</b>	<b>178,318,259</b>	<b>515,735</b>	<b>27,929,478</b>	<b>28,445,213</b>

As of 31 December 2022, the Company had purchased a total of 422,657 GDRs which were converted to treasury shares and were held in treasury for a total consideration of 1.254 thousand US Dollars (equivalent to RUB 145,993 thousand). In June 2023 all of the 422,657 treasury shares were cancelled.



## 26. CONTINGENCIES AND COMMITMENTS

### Operating environment

During the six month period to 30 June 2023 and as at 30 June 2023 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 2022.

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 influence of coronavirus (COVID-19) pandemic significantly decreased during the six-month period to 30 June 2023. 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.

The geopolitical situation in Eastern Europe intensified on 24 February 2022 with the commencement of the conflict between Russia and Ukraine. As at the date of authorising these financial statements for issue, the conflict continues to evolve as military activity proceeds. In addition to the impact of the events on entities that have operations in Russia, Ukraine, or Belarus or that conduct business with their counterparties, the conflict is increasingly affecting economies and financial markets globally and exacerbating ongoing economic challenges.

The European Union as well as United States of America, Switzerland, United Kingdom and other countries imposed a series of restrictive measures (sanctions) against the Russian government, various companies, and certain individuals. The sanctions imposed include an asset freeze and a prohibition from making funds available to the sanctioned individuals and entities. The Republic of Cyprus has adopted the United Nations and European Union measures. The rapid deterioration of the conflict in Ukraine may as well lead to the possibility of further sanctions in the future. Russian Federation have also imposed a series of restrictive measures against companies from non-friendly jurisdictions and on number of transactions in currency of non-friendly countries. Emerging uncertainty regarding global supply of commodities due to the conflict between Russia and Ukraine conflict may also disrupt certain global trade flows and place significant upwards pressure on commodity prices and input costs as seen through early March 2023. Challenges for companies may include availability of funding to ensure access to raw materials, ability to finance margin payments and heightened risk of contractual non-performance. The impact on the Group largely depends on the nature and duration of uncertain and unpredictable events, such as further military action, additional sanctions, and reactions to ongoing developments by global financial markets.

The financial effect of the current crisis on the global economy and overall business activities cannot be estimated with reasonable certainty at this stage, due to the pace at which the conflict prevails and the high level of uncertainties arising from the inability to reliably predict the outcome.

Management has considered the unique circumstances and the risk exposures of the Group and has concluded that there is no significant impact in the Group's profitability or liquidity position. The event is not expected to have an immediate material negative impact on the business operations. Management will continue to monitor the situation closely and will assess the need for financial support in case the crisis becomes prolonged.

### Legal proceedings

In the opinion of management, there are no legal proceedings or other claims outstanding, as of 30 June 2023 which could have a material effect on the results of operations or financial position of the Group and which have not been accrued or disclosed in these financial statements.

### 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 2023.



## Commitments

### (a) Capital commitments

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

	As at	
	30-Jun-2023	31-Dec-2022
	RUB'000	RUB'000
Property, plant and equipment	135,123	879,341

### (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-2023	31-Dec-2022
	RUB'000	RUB'000
Not later than 1 year	2,765,847	2,635,180
Later than 1 year not later than 5 years	430,358	856,038
	3,196,205	3,491,218
<i>Including Related parties</i>	1,277,958	1,692,998

## 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 2023 of 5.1% and 3.1%, respectively (31 December 2022: 5.1% and 3.1%, respectively).

As at 30 June 2023, another 0.1% of the shares of the Company (31 December 2022: 0.1%) 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-2023	30-Jun-2022
	RUB'000	RUB'000
Key management salaries and other short term employee benefits	1,776,966	1,533,868
Share based compensation (Note 9)	-	43,024
	1,776,966 <sup>(1)</sup>	1,576,892 <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 595,439 thousand for the six months ended 30 June 2023 (six months ended 30 June 2022: RUB 452,265 thousand).

### (b) Sales of goods and services

	Six months ended	
	30-Jun-2023	30-Jun-2022
	RUB'000	RUB'000
Revenue from entity under control of member of key management:		
Railway transportation - freight forwarding	-	24
Operating leasing of rolling stock	410,874	403,664
Other revenue	-	470
	410,874	404,158

(c) Purchases of goods and services

	Six months ended	
	30-Jun-2023	30-Jun-2022
	RUB'000	RUB'000
Expenses from entity under control of member of key management:		
Purchases of Inventories	30	-
	<b>30</b>	-

(d) Other gains

	Six months ended	
	30-Jun-2023	30-Jun-2022
	RUB'000	RUB'000
Revenue from entity under control of member of key management:		
Other gains	1,896	1,390
	<b>1,896</b>	1,390

(e) Year-end balances arising from sale of shares/purchases of goods or services

	As at	As at
	30-Jun-2023	31-Dec-2022
	RUB'000	RUB'000
Trade receivables from related parties - current (Note 17):		
Entity under control of member of key management	688	275
	<b>688</b>	275
Other receivables from related parties – current (Note 17):		
Entity under control of member of key management	26	23
	<b>26</b>	23
Accrued key management remuneration – current (Note 19):		
Accrued salaries and other short-term employee benefits	638,168	344,088
Share based payment liability	-	125,739
	<b>638,168</b>	469,827

(f) Interest income

	Six months ended	
	30-Jun-2023	30-Jun-2022
	RUB'000	RUB'000
Loans (Note14):		
Entity under control of members of key management	9,665	9,863
	<b>9,665</b>	9,836
Finance leases (Note14):		
Entity under control of members of key management	437	913
	<b>437</b>	913

(g) Contract liabilities

	As at	As at
	30-Jun-2023	31-Dec-2022
	RUB'000	RUB'000
Contract liabilities relating to railway transportation contracts - current (Note 11b):		
Entity under control of member of key management	331	2,228
	<b>331</b>	2,228
Contract liabilities relating to railway transportation contracts – non-current (Note 11b):		
Entity under control of member of key management	4,879	4,879
	<b>4,879</b>	4,879

(h) Loans

	As at 30-Jun-2023 RUB'000	As at 31-Dec-2022 RUB'000
Loans (Note 17(b)):		
Entity under control of member of key management	-	400,000
Interest receivable (Note 17(b)):		
Entity under control of member of key management	-	1,151
	-	401,151
	As at 30-Jun-2023 RUB'000	As at 31-Dec-2022 RUB'000
At the beginning of the period	401,151	-
Loans advanced during the period		800,000
Loans repaid during the period	(400,000)	(400,000)
Interest charged	9,665	18,033
Interest received	(10,816)	(16,882)
At the end of the period	-	401,151

(i) Finance leases

	As at 30-Jun-2023 RUB'000	As at 31-Dec-2022 RUB'000
Finance leases - current (Note 18):		
Entity under control of member of key management	6,552	11,832
	6,552	11,832
Finance leases – non-current (Note 18):		
Entity under control of member of key management	-	953
	-	953

(j) Operating lease commitments – Group as lessor

	As at 30-Jun-2023 RUB'000	As at 31-Dec-2022 RUB'000
Entity under control of member of key management		
Not later than 1 year	847,600	836,960
Later than 1 year not later than 5 years	430,358	856,038
At the end of the period	1,277,958	1,692,998

## 28. BUSINESS COMBINATIONS

### Disposal of subsidiary

In January 2023 the Group disposed of 65.25% of Spacecom AS, Estonia for EUR 65,300,000 (RUB 4,948,427 thousand) realising a profit from sale of RUB 3,400,047 thousand.

## 29. SUBSEQUENT EVENTS

On 16 August 2023 with the special resolution of the shareholders of the Company, it was decided that the Company will transfer its statutory seat outside the Republic of Cyprus and will be registered as a continuing company Abu Dhabi Global Markets (ADGM) of the United Arab Emirates.

In August 2023, Federal Law No. 414-FZ “On windfall tax” was passed; the tax shall enter into force from 01 January 2024, but from the date of signing the law, it is treated as substantively enacted. According to the law the Group is obliged to

pay windfall tax, which is a one-off tax on the excess of average taxable profit received in 2021-2022 compared to the one received in 2018-2019; tax rate is 10%, however, there is an established possibility to decrease tax rate to 5% by paying a security deposit of 50% of the total tax amount in October-November 2023. The Group plans to make a tax payment until November 30, 2023 with the estimated additional tax liability in amount RUB 233,394 thousand.

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.

### **30. 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 2023 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.



Michalis Lambrianides

**Certified Public Accountant and Registered Auditor  
for and on behalf of  
GAC Auditors Ltd**

28 August 2023  
Larnaca  
Cyprus