Globaltrans Investment PLC

Annual Report and Accounts for 2024

CONTENTS

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

In this Annual Report and Accounts (“Annual Report”), Globaltrans Investment PLC (the “Company” or “Globaltrans”) has used certain measures not recognised by International Financial Reporting Standards (“IFRS”) (referred to as “non-IFRS measures”) as supplemental measures of the operating 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 business. However, these non-IFRS measures have limitations as analytical tools, and you should not consider them in isolation or place undue reliance on them. Similarly titled measures are used by other companies for a variety of purposes and are often calculated in ways that reflect the circumstances/factors of those companies. You should exercise caution in comparing these measures as reported by us to the same or similar measures as reported by other companies.

Certain financial information which is derived from the management accounts is marked in this Annual Report with an asterisk {*}. Information (non-IFRS financial and operating measures) requiring an additional explanation or defining is marked with initial capital letters and the explanations or definitions are provided at the end of this Annual Report. The presentational currency of the financial results is the Russian rouble (“RUB”).

All information in this Annual Report is presented on a consolidated basis and includes Globaltrans Investment PLC (the "Company") and its subsidiaries (together “the Group”) as of 31 December 2024, unless otherwise stated.

Please note that on 10 April 2025, the Adjourned Extraordinary General Meeting of shareholders of Globaltrans approved the sale of the Company’s five wholly-owned subsidiaries (including their financial obligations) in Russia and Kazakhstan, namely BaltTransServis, GTI Management, New Forwarding Company, Ural Wagonrepair Company and Adaptive Capital Ltd (the "Asset Sale Transaction"). The transfer of the subsidiaries to the purchaser under the Asset Sale Transaction was completed on 17 April 2025.

In this regard, and to avoid confusion, all information presented in this Annual Report – including, among other things, historical operational and financial information, market data, assumptions, and the Company’s intentions, beliefs or expectations – is based on the information available prior to the completion of the Asset Sale Transaction and may not reflect the circumstances as of the date of publication of this Annual Report, unless otherwise stated.

LEGAL DISCLAIMER

Information contained in this Annual Report concerning the Company is for general information purposes only. The statements and any opinions presented herein are based on general information gathered at the time of writing and are subject to change without notice.

None of the Company nor any of its shareholders, directors, officers or any other person accepts any liability whatsoever for any loss howsoever arising from any use of the contents of this Annual Report or otherwise arising in connection therewith. This Annual Report does not constitute an offer or an advertisement of any securities in any jurisdiction. The distribution of this Annual Report in other jurisdictions may be restricted by law and any such restrictions should be observed.

This Annual Report may contain forward-looking statements regarding future events. You can identify forward looking statements by terms such as “expect”, “believe”, “estimate”, “anticipate”, “intend”, “will”, “could”, “may”, or “might”, the negative of such terms or other similar expressions. These forward-looking statements include matters that are not historical facts and statements regarding the Company’s intentions, beliefs or current expectations. By their nature, forward-looking statements involve risks and uncertainties, because they relate to events and depend on circumstances that may or may not occur in the future. The Company cautions you that forward-looking statements are not guarantees of future performance and that Globaltrans’ actual results of operations, financial condition, liquidity, prospects, growth, strategies and the development of the industry in which Globaltrans operates may differ materially from those described in or suggested by the forward-looking statements contained in this Annual Report.

In addition, even if Globaltrans’ results of operations, financial condition, liquidity, prospects, growth strategies and the development of the industry in which the Company operates are consistent with the forward-looking statements contained in this Annual Report, those results or developments may not be indicative of results or developments in future periods. Unless otherwise set out herein, the Company does not intend to update this Annual Report or reflect events and circumstances occurring after the date hereof or to reflect the occurrence of unanticipated events. Many factors could cause actual results to differ materially from those contained in forward-looking statements of Globaltrans, including, among others, general economic conditions, the competitive environment, as well as many of the risks specifically related to Globaltrans and its operations. No reliance may be placed for any purposes whatsoever on the forward-looking statements contained in this Annual Report.

DIRECTORS' STATEMENT

Dear Shareholders,

We are pleased to present the Annual Report of Globaltrans for 2024.

The past year was marked by significant headwinds across the freight rail transportation industry. In 2024, the market faced a combination of considerable operational challenges, railcar infrastructure constraints, subdued demand, and a rising railcar oversupply. In this complex environment the Group delivered relatively solid financial performance, however, its operational results were under pressure.

Throughout the year, the Board remained actively engaged in steering the Group through the challenging market landscape while focusing on various strategic initiatives aimed at safeguarding the best interest of our shareholders.

Key developments in the reporting year included the Company's re-domiciliation to the Abu Dhabi Global Market (ADGM) and the completion of our listings restructuring, which resulted in the Astana International Exchange Limited (AIX) becoming the sole organised trading venue for the Company's global depositary receipts (GDRs). To provide an opportunity for certain GDR holders to monetise their investments in Globaltrans amid current financial market infrastructure limitations, the subsidiaries of the Company (which were subsidiaries as of the date of the tender offers) conducted several voluntary GDR tender offers.

In 2024, the Group reaffirmed its commitment to sustainable development by actively pursuing a range of ESG initiatives. Our key priorities included the wellbeing and professional development of our employees, enhancing safety culture, and minimising our environmental footprint.

In April 2025, the shareholders at the Adjourned Extraordinary General Meeting approved the sale of the Company's five wholly-owned subsidiaries (including their financial obligations) in Russia and Kazakhstan for an aggregate consideration of USD 767 million (payable in RUB). Following the completion of the assets transfer, the Board of Directors approved a special interim dividend which corresponds to approximately 95% of the gross proceeds from the sale of assets.

At present, the Company has no ongoing operating activities. Accordingly, while no specific operational developments are expected in the immediate future, the Company's strategic plans remain under consideration and are expected to be developed by the Board and announced in due course.

The Board of Directors of Globaltrans continues to discharge its responsibilities, ensuring full compliance with applicable laws and regulations.

This Annual Report was approved by the Board of Directors and signed on its behalf by:

Anton Gazizov

Managing Director,
member of the Board of Directors

The Going concern Board Statement can be found on page 8 of the Consolidated Management Report and Consolidated Financial Statements for the year ended 31 December 2024 which form part of this Annual Report. To avoid confusion, please note that all information presented in this Annual Report – including, among other things, historical operational and financial information, market data, assumptions, and the Company's intentions, beliefs or expectations – is based on the information available prior to the completion of the Asset Sale Transaction and may not reflect the circumstances as of the date of publication of this Annual Report, unless otherwise stated.

KEY CORPORATE EVENTS

More details are available on the Globaltrans' corporate website (www.globaltrans.com).

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Re-domiciliation to the Abu Dhabi Global Market

- Re-domiciliation of the Company from Cyprus to the Abu Dhabi Global Market (ADGM) was completed on 26 February 2024.

Listings restructuring

- In October-November 2024, the Company finalised the voluntary delistings from the Moscow Exchange (MOEX), the SPB Exchange (SPBE) and the London Stock Exchange (LSE).
- The Astana International Exchange Limited (AIX) became the sole organised trading venue for the Company's GDRs.

Voluntary GDR tender offers

- Through the GDR tender offers conducted by Globaltrans' subsidiaries (which were subsidiaries as of the date of the tender offers), and over-the-counter transactions carried out by affiliates of the Company's shareholders, GDR holders were provided with an opportunity to monetise their investments in Globaltrans amid current financial market infrastructure limitations.

Asset sale transaction and approval of special interim dividends

- The Adjourned Extraordinary General Meeting of shareholders on 10 April 2025 approved the sale of the Company's five wholly-owned subsidiaries (including their financial obligations) in Russia and Kazakhstan, namely BaltTransServis, GTI Management, New Forwarding Company, Ural Wagonrepair Company and Adaptive Capital Ltd (the "Asset Sale Transaction") to KSP Capital Asset Management LLC being the trust management company (Д.У.) of the Closed-End Unit Investment Combined Fund "Transatlant" (the "Purchaser") for the aggregate consideration of USD 767 million payable in RUB. The transfer of the subsidiaries to the Purchaser under the Asset Sale Transaction was completed on 17 April 2025.
- The distribution of a special interim dividend in the amount of RUB 335 per 1 ordinary share of the Company was approved by the Board of Directors of the Company on 18 April 2025. The amount, in line with previously announced intentions, represents approximately 95% of the gross proceeds from the Asset Sale Transaction. The record date to determine list of persons eligible for the special interim dividend was set as 18 June 2025.

MARKET REVIEW[1]

To avoid confusion, please note that all information presented in this Annual Report – including, among other things, historical operational and financial information, market data, assumptions, and the Company's intentions, beliefs or expectations – is based on the information available prior to the completion of the Asset Sale Transaction and may not reflect the circumstances as of the date of publication of this Annual Report, unless otherwise stated.

The freight rail transportation market is under significant pressure from operational challenges and an oversupply of railcars

- Overall industry freight rail turnover and transportation volumes decreased 4.3% and 4.2% year on year in 2024.
- A persistent downward trend prevailed in the market throughout 2024, driven by both operational challenges and a reduction in the cargo base. In January-February 2025, overall industry transportation volumes declined 5.6% year on year.
- Continued infrastructure constraints due to the changes in logistics, a shortage of throughput capacities and an increase in the size of the industry railcar fleet.
- The average industry railcar turnaround increased 11% year on year to c.21 days in 2024 (the weakest level over the last 15 years), which negatively impacts the efficiency of railcars.
- Over the past 5 years, the industry freight railcar fleet has increased 18%[2], while overall industry transportation volumes declined 5% compared to 2020.
- According to the estimation of the rail infrastructure owner, the railcar oversupply surged from c.200,000 units in September 2024 to c.400,000 units in early February 2025 (about 29% of the industry railcar fleet). In response, the rail infrastructure owner is implementing a range of measures to reduce the number of railcars on the network.
- Intensifying cost pressures for freight rail operators, including the increased regulated tariffs for the traction of empty railcars (which rose by 10.75% from December 2023, then by 13.8% from December 2024, and by an additional 10% for empty gondola cars only from January 2025) along with a rise in the costs of repairs and spare parts.

Gondola segment: intensifying operational challenges, shrinking cargo base and pricing pressures

- Overall industry transportation volumes of bulks (mostly transported in gondola cars)[3] decreased 6.9% year on year in 2024.
- The gondola segment is a key market for Globaltrans (68% of the Group's Total Fleet) and one of the most competitive segments in the industry.
- The industry gondola fleet reached a historical high of c.649,000 units[4], while overall industry bulk cargo volumes are at multi-year lows[5], which results in an oversupply of railcars. Net additions of gondola cars to the network amounted to 4%, or c.26,000 units, in 2024, while the industry gondola fleet rose 16%, or by c.92,000 units[6], over the past 5 years.

[1] Information in this section of the Annual Report is based on public data and the Company's estimates.
[2] The fleet at the end of 2024 compared to the beginning of 2020.
[3] Including coal, metallurgical cargoes and construction materials.
[4] As of 31 December 2024.
[5] Over the last 15 years.
[6] As compared to the beginning of 2020.

- Overall transportation volumes in the key bulk cargo segments decreased throughout 2024 due to ongoing operational challenges, a shortage of throughput capacities and a shrinking cargo base: coal (-5.1% year on year), metallurgical cargoes (-5.4% year on year) and construction materials (-12.9% year on year)[7].
- In the second half of 2024, market pricing conditions began to deteriorate due to the challenging operational environment and oversupply of railcars. This decline extended into early 2025. The downward trend is expected to continue in the medium term.

[7] Coal including coke; metallurgical cargoes including ferrous metals, scrap metal and ores; construction materials including cement.

FINANCIAL AND OPERATIONAL REVIEW

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Operational performance

- The Group's Freight Rail Turnover and Transportation Volumes were down 10% year on year[8] in 2024, largely reflecting a decline in the number of loaded trips per railcar due to operational challenges and a deterioration in industry railcar turnaround. A decrease in the gondola segment's operational performance was partially offset by growth in the liquids segment due to some previously leased-out rail tanks being switched into operation.
- In January-February 2025, the Group's Transportation Volumes fell 17% year on year, driven by the continued operational challenges, a decrease in average rolling stock operated and lower demand in key segments.
- The Group's Total Fleet declined 3% compared to the end of 2023 and amounted to 63,584 units as of the end of 2024, largely due to a decrease in the number of leased-in gondola cars. The average age of the Group's Owned Fleet is 16.2 years.
- Empty Run Ratio for gondola cars improved to 31% in 2024 compared to 36% in 2023. Total Empty Run Ratio for all types of railcars stood at 43% (2023: 45%).
- In the second half of 2024, average pricing terms for all types of railcars started to decrease largely due to the worsening market environment in the gondola segment.

Financial results

- Adjusted Revenue was up 6% year on year to RUB 92.7 billion in 2024.
- Total Operating Cash Costs increased 11% year on year to RUB 38.8 billion in 2024.
    - Empty Run Costs, which accounted for 49% of the Group's Total Operating Cash Costs in 2024, went up 5% year on year. The regulated tariffs for the traction of empty railcars rose by 10.75% from December 2023 and by 13.8% from December 2024. This was partially offset by the improvement in the Empty Run Ratio for gondola cars along with a decrease in the Group's Freight Rail Turnover (-10% year on year).
    - Employee benefit expense, which represented 23% of the Group's Total Operating Cash Costs in 2024, increased 9% year on year. This was due to inflation-driven growth in wages and salaries, with a slight rise in average headcount (+1% year on year).
    - Repairs and maintenance costs, which comprised 13% of the Group's Total Operating Cash Costs in 2024, grew 25% year on year. This reflects a higher number of scheduled and current repairs, along with inflation-driven rises in the costs of repairs, services and certain spare parts.
    - Fuel and spare parts – locomotives expenses, which accounted for 6% of the Group's Total Operating Cash Costs in 2024, increased 20% year on year, reflecting higher fuel prices, coupled with increased volumes transported by the Group's owned block trains.
- Adjusted EBITDA was RUB 53.9 billion in 2024 (+3% compared to 2023).
- Total CAPEX adjusted for M&A[9] amounted to RUB 10.6 billion (2023: RUB 10.1 billion).

[8] Including Engaged Fleet.

[9] Including maintenance CAPEX.

- Free Cash Flow amounted to RUB 26.3 billion (2023: RUB 25.8 billion). However, Free Cash Flow adjusted for expenses related to the acquisition of GDRs[10] decreased by 51% year on year to RUB 12.8 billion in 2024.
- Profit for the year increased 2% year on year to RUB 39.4 billion in 2024.
- Negative Net Debt as of 31 December 2024.

Results in detail

The following tables provide the Group's key financial and operational information for the years ended 31 December 2024 and 2023.

IFRS financial information

	2023 RUB mln	2024 RUB mln	Change, %
Revenue	104,748	**108,727**	4%
Total cost of sales, selling and marketing costs and administrative expenses	(63,740)	**(65,252)**	2%
Profit from sale of subsidiary	3,400	**-**	-100%
Other losses - net	(283)	**(168)**	-41%
Operating profit	44,125	**43,308**	-2%
Finance income - net	2,962	**8,477**	186%
Profit before income tax	47,087	**51,784**	10%
Income tax expense	(8,469)	**(12,338)**	46%
Profit for the year	38,618	**39,447**	2%
Profit attributable to:			
Owners of the Company	38,620	**39,447**	2%
Non-controlling interests	(3)	**-**	-100%
Basic and diluted earnings per share for profit attributable to the equity holders of the Company during the year (RUB per share)	216.58	**228.16**	5%

	2023 RUB mln	2024 RUB mln	Change, %
Cash generated from operations (after changes in working capital)	49,194	**51,253**	4%
Income tax paid	(8,267)	**(10,590)**	28%
Net cash from operating activities	40,926	**40,663**	-1%
Net cash used in investing activities	(6,851)	**(12,475)**	82%
Net cash used in financing activities	(10,462)	**(24,901)**	138%

Non-IFRS financial information

	2023 RUB mln	2024 RUB mln	Change, %
Adjusted Revenue	87,388	**92,654**	6%
Total Operating Cash Costs	35,049	**38,792**	11%
Including			
Empty Run Cost	18,297*	**19,148***	5%
Employee benefit expense	8,174	**8,913**	9%
Repairs and maintenance	4,081	**5,090**	25%
Fuel and spare parts - locomotives	1,958	**2,345**	20%
Adjusted EBITDA	52,289	**53,860**	3%
Total CAPEX adjusted for M&A (including maintenance CAPEX)	10,092	**10,619**	5%
Free Cash Flow	25,845	**26,328**	2%
Free Cash Flow adjusted for expenses related to acquisition of GDRs[10]	25,845	**12,754**	-51%

[10] The expenses related to the acquisition of global depositary receipts (GDRs) in 2024 under the tender offers (excluding the expenses for the acquisition of GDRs undertaken in January 2025).

Debt profile

	as of 31 Dec 2023 RUB mln	as of 31 Dec 2024 RUB mln	Change, %
Total debt	15,377	**7,725**	-50%
Cash and cash equivalents	42,777	**46,080**	8%
Net Debt / (Net Cash Position)	(27,400)	**(38,355)**	40%

Operational Information

	2023	2024	Change, %
Freight Rail Turnover, billion tonnes-km (including Engaged Fleet)	138.8	**125.6**	-10%
Transportation Volumes, million tonnes (including Engaged Fleet)	78.6	**70.4**	-10%
Total Empty Run Ratio (for all types of rolling stock), %	45%	**43%**	-
Empty Run Ratio for gondola cars, %	36%	**31%**	-
Total Fleet, units (at year end), including:	65,644	**63,584**	-3%
Owned Fleet, units (at year end)	61,813	**61,751**	0%
Leased-in Fleet, units (at year end)	3,831	**1,833**	-52%
Leased-out Fleet, units (at year end)	6,164	**5,490**	-11%
Average age of Owned Fleet, years (at year end)	15.2	**16.2**	-
Total number of employees (at year end)	1,802	**1,873**	4%

CORPORATE GOVERNANCE REPORT

All information in this section is presented as of 31 December 2024 unless otherwise stated.

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The Group's Board of Directors, underpinned by an effective and well-functioning corporate governance framework, has always been essential in navigating the Company towards the fulfilment of its strategic goals, enhancing transparency, and ensuring sustainable success for the long haul.

The Group's Board of Directors hereby states that, in its opinion, and based on the Globaltrans' corporate documents and policies, the corporate governance framework of Globaltrans is effective in achieving the outcome required by Astana Financial Services Authority (AIFC) rules and regulations and promoting compliance with the Corporate Governance Principles set out in the AIFC Market Rules.

CORPORATE GOVERNANCE POLICIES

Globaltrans' corporate governance policies and practices are designed to ensure that the Group upholds its responsibilities to shareholders and other stakeholders. The Group promotes and applies this principle across all levels of its organisation, supported by clear and effective governance structures.

Globaltrans had followed the UK Corporate Governance Code until the voluntary delisting of GDRs from the London Stock Exchange. Since 22 October 2024, when the Astana International Exchange Limited (AIX) became the sole trading platform for the Group's GDRs, Globaltrans' Board of Directors has adopted and updated the Company's Code of Corporate Governance Best Practice Standards in accordance with the Corporate Governance Principles set out in the AIFC Market Rules, guaranteeing that the interests of all shareholders are given due consideration.

Globaltrans' Board of Directors is of the opinion that the Company's corporate governance framework is effective in achieving compliance with the outcomes intended by the Corporate Governance Principles and contribute to prudent and sound management of the Company.

For the Group's corporate governance documents and policies, please visit the Company's corporate website at: https://www.globaltrans.com/governance/corporate-documents

BOARD OF DIRECTORS (effective from 20 March 2024 to 21 May 2025)

The composition of the Board of Directors presented below was approved by shareholders at the Extraordinary General Meeting held on 4 April 2024.

The Board of Directors comprised 13 members, including:

- 5 Executive Directors
- 3 Independent Non-Executive Directors
- 5 Non-executive Directors

Further details are available on page 1 of the Consolidated Management Report and Consolidated Financial Statements for the year ended 31 December 2024, which form part of this Annual Report.

BOARD OF DIRECTORS (effective from 21 May 2025)

The composition of the Board of Directors presented below was approved by shareholders at the Annual General Meeting held on 21 May 2025.

The Board of Directors comprises 5 members, including:

- 1 Executive Director
- 4 Non-executive Directors

The Chairman of the Board is Georgy Panfilov.

SENIOR MANAGEMENT TEAM

Anton Gazizov is the Managing Director of the Company.

BOARD’S RESPONSIBILITIES AND ACTIVITIES

The governance structure of Globaltrans establishes a clear and well-defined division of roles and responsibilities between the Board of Directors and the senior management team, ensuring robust oversight and operational efficiency. The Board is responsible for strategic performance of the Group, while the Company’s senior management is in charge of day-to-day business activities and implementation of the Board-approved strategic decisions.

Globaltrans' Board of Directors is accountable to the Company's shareholders for standards of governance across the Group's activities. The Board is committed to providing effective, transparent and ethical oversight of the Group so that it can take decisions which it believes benefit all its stakeholders and communities and create value for the Group.

Responsibilities of the members of the Board of Directors:

- Providing leadership, setting the overall strategy and ensuring that the necessary components are in place for the Group to meet its objectives;
- Setting Group values and standards, and ensuring that obligations to all stakeholders are understood and met;
- Monitoring and reviewing the performance of the Group and its management;
- Maintaining an effective system of internal control and risk management to safeguard shareholders' rights and interests and the Group's assets;
- Ensuring an effective governance framework and compliance with relevant regulations;
- Assessing from time to time whether the Independent Non-executive Directors continue to demonstrate independence.

Responsibilities of the Chairman of the Board of Directors:

- Organising the work of the Board of Directors, convening and chairing its meetings, and ensuring the maintenance of minutes at all meetings of the Board of Directors;
- Overseeing the preparation of the agendas of the meetings of the Board of Directors;
- Organising the proceedings at the meetings of the Board of Directors so that discussion of the matters on the agenda thereof be open, comprehensive, concise, representative of diverse points of view, and conducive to the approval of specific agreed resolutions;
- Facilitating the development of efficient resolutions on the matters on the agenda and, if necessary, encouraging free discussion of the relevant issues to ensure meetings of the Board of Directors occur in a supportive and constructive atmosphere;
- Providing all Directors with accurate, timely and clear information;
- Initiating development of draft resolutions on the matters under consideration;
- Ensuring effective communication with shareholders;
- Ensuring that the Directors continually update their skills, knowledge, and familiarity with the Company required to fulfil their roles on the Board of Directors and its Committees;
- Ensuring that new Directors receive a full, formal and tailored induction on joining the Board of Directors and or its Committees;
- Conducting meetings with the Non-Executive Directors in the absence of executives;
- Maintaining prompt communication with other governing bodies and officers of the Company with a view to not only obtain complete and reliable information as may be required for the purposes of informed decision-making by the members of the Board of Directors, but also to ensure efficient interaction of such governing bodies and officers among themselves and with third parties;

- Facilitating efficient operation of the Committees of the Board of Directors, initiating nomination of the members of the Board of Directors to various Committees based on their professional and personal qualities and subject to the proposals of the members of the Board of Directors as to the creation of such Committees, provided that, if necessary, the matters examined by such Committees are submitted for consideration by the plenary meetings of the Board of Directors;
- Ensuring that the performance of individuals, the Board of Directors as a whole, and its Committees is evaluated at least once a year.

Membership

The Nomination Committee leads the process for Board appointments, and members of the Board are elected at the General Meeting. Board members are nominated based on their industry knowledge, expertise and experience in areas such as accounting, finance, business management and strategic planning. In selecting candidates for the Board, the Group seeks to create an effective and complementary Board whose capability is appropriate for the business' scale, complexity and strategic positioning. Non-executive Directors are drawn from a wide range of industries and backgrounds including infrastructure, transport, audit and financial services, and have appropriate experience working with and for large international organisations. In addition, the Group selects Independent Directors intending to ensure that the views of free-float shareholders are represented and that the interests of all stakeholders are taken into account.

As of 31 December 2024, the Board comprised 13 members, eight of whom were Non-executive Directors. Three of the Non-executive Directors were independent. As of 10 December 2024, members of the Board of Directors held 57,272,701 shares and GDRs in Globaltrans.

On 21 May 2025, shareholders at the Annual General Meeting approved the new composition of the Board (as presented on page 13 of this Annual Report). As of the date of this Annual Report, the new Board of Directors has not established any committees.

Induction and professional development

The Chairman is responsible for ensuring that the induction process for new directors joining the Board is well constructed and timely. Directors have full access to a regular supply of financial, operational, strategic and regulatory information to help them discharge their responsibilities.

Performance evaluation

The Board's performance is assessed annually, and the evaluation process is conducted through a combination of self-assessment and annual appraisals. The Chairman's performance is evaluated by the Non-executive Directors.

Activities

The Board meets at least four times a year. Fixed meetings are scheduled at the end of each quarter, while ad-hoc meetings are called whenever the Board needs to discuss pressing matters in between the scheduled meetings.

The Board met 18 times during 2024 and considered 110 items including the following:

Regular meetings

- Review of the Group's financial and operational performance;
- Approval of the annual budget;
- Review of the Group's performance against the approved annual budget;
- Approval of the annual and semi-annual financial statements and the respective regulatory announcements;
- Review of the results of risk assessments;
- Approval of the Annual General Meeting agenda, including Board reappointments;
- Approval of appointments to the Board of Directors of subsidiaries.

Ad-hoc meetings

- Approval of material borrowings and pledges by the Company and its subsidiaries;
- Approval of the contracts of the Company;
- Approval of the remuneration of key management and executive directors;
- Appointment of the key management of the Group;
- Approval of dividend distribution by subsidiaries;
- Review and consideration of various business development opportunities and major transactions;
- Approval of related party transactions of subsidiaries.

The Board and the Board Committees meetings in 2024 and the attendance of Directors from 1 January 2024 until 20 March 2024 can be found on page 9 of the Consolidated Management Report and Consolidated Financial Statements for the year ended 31 December 2024 which form part of this Annual Report.

The Board and the Board Committees meetings in 2024 and the attendance of Directors from 20 March 2024 until 31 December 2024 can be found page 9 of the Consolidated Management Report and Consolidated Financial Statements for the year ended 31 December 2024 which form part of this Annual Report.

Remuneration of the Board and management

Directors serve on the Board under letters of appointment which specify their terms of appointment and remuneration. Appointments are effective until the following Annual General Meeting. Remuneration levels for Non-executive Directors reflect their expertise, time commitment, responsibilities and membership of any Board Committees. Directors are also reimbursed for expenses associated with the discharge of their duties.

Non-Executive Directors are not eligible for bonuses, retirement benefits or participation in any incentive plans operated by the Group. The Group's shareholders approved the remuneration of Board members for 2024 at the Extraordinary General Meeting held on 4 April 2024.

For further information on the remuneration paid to the Board and key executives in 2024, please see Note 35a of the Group's Consolidated Management Report and Consolidated Financial Statements enclosed to this Annual Report.

The overall remuneration policy and strategy are determined by the General Meeting of Shareholders that may from time to time resolve that the members of the Board of Directors shall be paid remuneration for the work performed by them during their terms in office and/or reimbursed for the expenses associated with discharge of their duties. The amounts of such remuneration and reimbursement are established by resolution of the General Meeting of Shareholders.

The remuneration for any director (both executive and non-executive) is based on individual performance and is paid on the basis of resolution of the General Meeting of Shareholders out of the annual financial results of the Company. For Non-Executive Directors, remuneration levels reflect the time commitment and responsibilities associated with their roles. No Director is involved in deciding his or her own remuneration. Non-Executive Directors do not receive remuneration in form of share options.

The performance of the Board of Directors, its Committees and individual Directors is subject to annual evaluation. The evaluation of the Board of Directors and individual Directors' performance is made through self-assessment and cross-assessment. The Non-Executive Directors, led by the Senior Independent Director, are responsible for performance evaluation of the Chairman of the Board of Directors.

BOARD COMMITTEES

Globaltrans has four principal committees that advise the Board: the Audit Committee, the Nomination Committee, the Remuneration Committee and the ESG Committee.

These committees oversee, review and monitor key areas on behalf of the Board and while they have the authority to make recommendations, ultimate decision-making responsibility for all matters lies with the full Board. Each committee has written terms of reference, approved by the Board, summarising its role and responsibilities.

On 21 May 2025, shareholders at the Annual General Meeting approved the new composition of the Board (as presented on page 13 of this Annual Report). As of the date of this Annual Report, the new Board of Directors has not established any committees.

Audit Committee

The role of the Audit Committee is to ensure the integrity of the Group's published financial information and the effectiveness of the internal audit function and the systems for internal control and risk management, as well as the external audit process.

You can find more information on page 9 of the Consolidated Management Report and Consolidated Financial Statements for the year ended 31 December 2024 which form part of this Annual Report.

Nomination Committee

The role of the Nomination Committee is to monitor and review the size, composition and balance of the Board and its committees to ensure Globaltrans has the right structure, skills and diversity for the effective management of the Group.

You can find more information on page 10 of the Consolidated Management Report and Consolidated Financial Statements for the year ended 31 December 2024 which form part of this Annual Report.

Remuneration Committee

The role of the Remuneration Committee is to ensure that executive remuneration aligns appropriately with the business strategy and that the remuneration policy remains appropriate.

You can find more information on page 10 of the Consolidated Management Report and Consolidated Financial Statements for the year ended 31 December 2024 which form part of this Annual Report.

ESG Committee

The role of the ESG Committee is to monitor the development of the Group's sustainability strategy, review and recommend ESG disclosures for Board approval and approve the Group's sustainability reports.

You can find more information on page 10 of the Consolidated Management Report and Consolidated Financial Statements for the year ended 31 December 2024 which form part of this Annual Report.

SHAREHOLDER ENGAGEMENT

The Board places great importance on its relationships with the Company's shareholders.

The Board engages with shareholders in a variety of ways. Management undertakes a regular schedule of meetings, presentations, conference calls and webcasts with investors and sell-side analysts. The Group has a dedicated Investor Relations team that acts as the primary point of contact with the investor community.

INTERNAL CONTROL AND AUDIT

The Board is primarily responsible for establishing a framework of prudent and effective internal controls and risk management in relation to the financial reporting process for the undertakings included in the Group consolidation that enables risks to be assessed and managed and financial reports to be prepared. The Audit Committee reviews and assesses the Group's internal control and risk management processes. The system of controls is designed to manage rather than eliminate the risks relevant to the Group's operations and, therefore, can only provide reasonable, and not absolute, assurance against material errors, losses, fraud or breaches of laws and regulations. At Globaltrans, the body responsible for internal audit is the Internal Audit Service (“IAS”).

It tests the Group's systems of risk management, internal control and corporate governance to obtain reasonable assurance that:

- The risk management system functions efficiently;
- Material financial, management and operating information is accurate, reliable and up-to-date;
- The actions of employees and management bodies comply with the Group's policies, standards and procedures and applicable laws;
- Resources are procured reasonably and used efficiently, and their safekeeping is fully guaranteed;
- Group companies conduct their business in compliance with applicable laws.

Every year, the Audit Committee approves an internal audit plan, which is developed by identifying the audit universe, performing a risk analysis and obtaining input from management relative to risks, controls and governance processes. The internal auditor regularly reports to the Audit Committee on the progress of planned audits. If any material internal control deficiencies are identified, they are immediately communicated to the Audit Committee and consequently to the Board.

EXTERNAL AUDITOR

The Audit Committee manages the relationship with the external auditor on behalf of the Board. Each year it considers the reappointment of the external auditor, reviews requirements on the rotation of the audit partner and the audit firm when applicable, as well as its remuneration and other terms of engagement, and makes a recommendation to the Board. Shareholders are then asked to approve the appointment at the Annual General Meeting. The Group has a formal policy for assessing the independence and objectivity of the external auditor. It regulates the terms of appointment of the external auditor and the nature of audit and permitted non-audit services provided to the Group.

External auditors periodically (at least annually) provide written confirmation to the Audit Committee that, in their professional judgement, they are independent of the Group. The Committee is satisfied that the independence and objectivity of the external auditors is not impaired and that the external audit process remains effective.

The Audit Committee recommended the appointment of RAI LLP as the Group's external auditor in respect of the audit of the financial year ending 2024. The appointment was approved by the shareholders at the Annual General Meeting on 29 April 2024. On 21 May 2025, shareholders at the Annual General Meeting approved the reappointment of RAI LLP as the Company’s external auditor to audit the financial statements for the financial year ending 31 December 2025.

SHARE CAPITAL

Globaltrans was formed in 2004. The Group's public history commenced with its Initial Public Offering in 2008. Currently Globaltrans' Global Depositary Receipts (GDRs) are traded on the Astana International Exchange Limited (AIX).

Effective from 17 April 2025, the aggregate issued and outstanding share capital of the Company comprises 203,064,235 ordinary shares with a nominal value of USD 0.10 each. This includes 24,745,976 ordinary shares treated as treasury shares underlying Global Depositary Receipts (ISIN US37949E2046), which are non-voting and non-eligible for dividend distribution.

A certain portion of share capital of the Company is held in the form of Global Depositary Receipts (GDRs). The GDRs represent one ordinary share each. Citibank N.A. is the depositary bank for the GDR programme of Globaltrans.

SHAREHOLDER STRUCTURE

Based on the Company's register of shareholders as of 21 May 2025, the following shareholders hold more than 5% of the total voting shares in the Company:

Name	%
NATIONAL CITY NOMINEES LIMITED (acts in its capacity of custodian that issued GDRs)	20.60
AQNIET HOLDING GROUP LTD	14.8
GTI FINANCE LLC	13.88
MARIGOLD INVESTMENTS LTD	11.54
ONYX INVESTMENTS LTD DMCC	11.54
STOCK MARKET JSC (acts in its capacity of the nominee holder in the interest of the member: KSP Capital Asset Management Limited Liability Company (Unified State Registration Number 1077759966756) being the trust management company (Д.У.) of the Closed-End Unit Investment Combined Fund "Investtrans" (КСП Капитал УА ООО Д.У. ЗПИФ комбинированный «Инвесттранс») (trust management rules No. 6723-СД, number assignment date 2 December 2024, as amended)	10.87
LITTEN INVESTMENTS LTD DMCC	5.08

CORPORATE STRUCTURE

Globaltrans Investment PLC is registered in the Abu Dhabi Global Market and has two non-operating 100% subsidiaries as at the date of publication of this Annual Report:

- LLC Ukrainian New Forwarding Company (Ukraine).
- GLTR Cyprus Ltd (Cyprus).

DEFINITIONS

Terms that require definitions are marked with capital letters in this Annual Report and their definitions are provided below in alphabetical order:

Adjusted EBITDA (a non-IFRS financial measure) represents EBITDA excluding “Net foreign exchange transaction gains/(losses) on financing activities”, “Other gains/(losses) - net”, “Net gain/(loss) on sale of property, plant and equipment”, “Impairment/(reversal of impairment) of property, plant and equipment”, “Impairment/(reversal of impairment) of intangible assets”, “Loss on derecognition arising on capital repairs” and “Profit from sale of subsidiary”. EBITDA (a non-IFRS financial measure) 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”, “Amortisation of intangible assets” and “Depreciation of right-of-use assets”.

Adjusted Revenue (a non-IFRS financial measure) is calculated as “Total revenue” less the following “pass through” items “Infrastructure and locomotive tariffs: loaded trips” and “Services provided by other transportation organisations”.

Empty Run or **Empty Runs** means the movement of railcars without cargo for the whole or a substantial part of the journey.

Empty Run Costs (a non-IFRS financial measure meaning costs payable to the rail infrastructure provider for forwarding empty railcars) is derived from management accounts and presented as part of the “Infrastructure and locomotive tariffs: empty run trips and other tariffs” component of “Cost of sales” reported under EU IFRS. Empty Run Costs do not include costs of relocation of rolling stock to and from maintenance, purchased rolling stock in transition to its first place of commercial utilisation, rolling stock leased in or leased out and Engaged Fleet.

Empty Run Ratio is calculated as the total of empty trips in kilometres by respective rolling stock type divided by total loaded trips in kilometres of such rolling stock type. Empty trips are only applicable to rolling stock operated (not including rolling stock in maintenance, purchased rolling stock in transition to its first place of commercial utilisation, rolling stock leased out and Engaged Fleet).

Engaged Fleet is defined as rolling stock subcontracted or otherwise engaged from a third-party rail operator for a loaded trip from the point of origination to the cargo’s destination, at which point the railcar is then released to such third-party.

Free Cash Flow (a non-IFRS financial measure) is calculated as “Cash generated from operations” (after “Changes in working capital”) less “Tax paid”, “Purchases of property, plant and equipment” (including maintenance CAPEX), “Purchases of intangible assets”, “Acquisition of subsidiary undertakings - net of cash acquired”, “Principal elements of lease payments for leases with financial institutions”, “Principal elements of lease payments for other lease liabilities”, “Interest paid on other lease liabilities”, “Interest paid on bank borrowings and non-convertible unsecured bonds”, “Interest paid on leases with financial institutions”, “Payment for acquisition of non-controlling interest”, “Payment for rolling stock to disposed subsidiary” plus “Cash inflow from disposal of subsidiary undertakings - net of cash disposed of”.

Freight Rail Turnover is a measure of freight carriage activity over a particular period calculated as the sum of tonnage of each loaded trip multiplied by the distance of each loaded trip, expressed in tonnes-km. It includes volumes transported by Engaged Fleet (unless otherwise stated).

Leased-in Fleet is defined as fleet leased in under operating leases, including railcars and locomotives.

Leased-out Fleet is defined as fleet leased out to third parties under operating leases.

Net Debt / Net Cash Position (a non-IFRS financial measure) is defined as the sum of total borrowings (including interest accrued) less “Cash and cash equivalents”.

Owned Fleet is defined as the fleet owned and leased in under finance lease as at the end of the reporting period. It includes railcars and locomotives, and excludes Engaged Fleet.

Total CAPEX adjusted for M&A (a non-IFRS financial measure) is calculated as a combination of Total CAPEX (which includes maintenance CAPEX) and cash inflows and outflows from acquisitions and disposals. Total CAPEX (a non-IFRS financial measure) is calculated on a cash basis as the sum of “Purchases of property, plant and equipment” (which includes maintenance CAPEX), “Purchases of intangible assets” and “Principal elements of lease payments for leases with financial institutions”.

Total Fleet is defined as the fleet owned and leased in under finance and operating leases as at the end of reporting period. It includes railcars and locomotives, and excludes Engaged Fleet.

Total Operating Cash Costs (a non-IFRS financial measure) 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”, “Amortisation of intangible assets”, “Depreciation of right-of-use assets”, “Loss on derecognition arising on capital repairs”, “Net impairment gains/(losses) on trade and other receivables”, “Impairment/(reversal of impairment) of property, plant and equipment” and “Net gain/(loss) on sale of property, plant and equipment”.

Transportation Volumes is a measure of freight carriage activity over a particular period, measuring weight of cargo carried in tonnes. It includes volumes transported by Engaged Fleet (unless otherwise stated).

CONTACTS

GENERAL CONTACTS

Globaltrans Investment PLC

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Al Maryah Island, Abu Dhabi, UAE.

Phone: +971 2 877 4166

Email: adgm@globaltrans.com

Website: www.globaltrans.com

FOR INVESTORS AND SHAREHOLDERS

INVESTOR RELATIONS

Phone: +971 2 8776840

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DEPOSITARY BANK

Citibank, N.A.

Phone: +1 212 723 5435 / +44 207 500 2030

Email: citiadr@citi.com

Website: www.citi.com/adr

STOCK EXCHANGE

Astana International Exchange Limited

55/19 Mangilik El st., block C 3.4., Astana, Kazakhstan, Z05T3C4

Website: https://aix.kz/

AUDITORS

RAI LLP

Blue Sky Tower, 17th Floor, P.O. Box 94996, Abu Dhabi, UAE

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FOR MEDIA

Phone: +971 2 877 4166

Email: media@globaltrans.com

CONSOLIDATED MANAGEMENT REPORT AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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Consolidated Management report, IFRS Accounting Standards Consolidated Financial Statements for the year ended 31 December 2024 and Independent Auditor's report

Consolidated Management Report

Board of Directors and other officers

Board of Directors as of 4 March 2025

Mr. Jaafar Borhan
Senior Independent Non-Executive Director
Appointed on 4 April 2024, (Senior Independent director since 5 April 2024)
Chairman of Remuneration Committee
Chairman of Nomination Committee
Member of ESG Committee

Ms. Jouslin Khairallah
Independent Non-Executive Director
Appointed on 4 April 2024
Member of the Audit Committee
Member of Remuneration Committee
Member of Nomination Committee
Chairman of ESG Committee

Mr. Abdulla Belobaida
Independent Non-Executive Director
Appointed on 4 April 2024
Chairman of the Audit Committee

Mr. Abdultaiab Bahrainwala
Non-executive Director
Appointed on 4 April 2024

Ms. Albina Amangeldinova
Non-Executive Director
Appointed on 4 April 2024

Mr. Yerzhan Niyazaliyev
Chairman of the Board of Directors
Appointed on 4 April 2024
Executive Director

Mr. Kairat Itemgenov
Executive Director
Appointed on 4 April 2024

Mr. Anton Gazizov
Executive Director
Appointed on 4 April 2024

Mr. Alexander Storozhev
Executive Director
Appointed on 4 April 2024

Mr. Viacheslav Stanislavskiy
Executive Director
Appointed on 4 April 2024

Mr. Ruslan Izatov
Non-executive Director
Member of the Audit Committee
Appointed on 4 April 2024

Mr. Stefan Henrich
Non-executive Director
Appointed 26 February 2024

Mr. Yousef Abu Laban
Non-executive Director
Appointed 26 February 2024

Board support

The Company Secretary is available to advise all Directors to ensure compliance with the Board procedures. Also a procedure is in place to enable Directors, if they so wish, to seek independent professional advice at the Company's expense.

Company Secretary

Mr. Aleksandr Lavrentjev

Registered office

Office Unit 3, Floor 6, Al Sila Tower
Abu Dhabi Global Market Square
Al Maryah Island, Abu Dhabi, UAE

Consolidated Management Report

The Board of Directors presents its report together with the audited consolidated financial statements for the year ended 31 December 2024. The Group's financial statements have been prepared in accordance with IFRS Accounting Standards®.

Principal activities

The principal activities of the Company (or Globaltrans) together with its subsidiaries (the Group), which are unchanged from last year, are the provision of railway transportation services, using own and leased rolling stock and fleet engaged from third party rail operators, as well as the operating lease of rolling stock.

Review of developments, position and performance of the Group's business

Globaltrans reported solid financial results in 2024 despite challenging market environment and intensified cost pressures. The freight rail transportation market was under pressure from operational challenges and a shrinking cargo base, which had a negative impact on the Group's operational performance. The robust financial profile was maintained.

IFRS financial information

Management considers amongst others the following IFRS measures in analysing the performance of the Group.

The Group's Total revenue increased 4% year on year to RUB 108,727,032 thousand in 2024 (2023: RUB 104,748,023 thousand). Operating profit decreased 2% year on year to RUB 43,307,522 thousand in 2024 (2023: RUB 44,124,702 thousand). The profit for the year ended 31 December 2024 increased 2% year on year to RUB 39,446,610 thousand (2023: RUB 38,617,605 thousand).

On 31 December 2024 the total assets of the Group were RUB 148,522,253 thousand (2023: RUB 130,385,766 thousand) and net assets were RUB 125,374,322 thousand (2023: RUB 99,853,356 thousand).

On 31 December 2024 the total debt of the Group was RUB 7,725,266 thousand which decreased by 50% as compared to end of 2023 which amounted to RUB 15,377,104 thousand. Total cash and cash equivalents on 31 December 2024 increased by 8% and amounted to RUB 46,080,128 thousand (31 December 2023: 42,776,832 thousand).

Non-IFRS financial information

Amongst others, management analyses the following key non-IFRS measures. These non-IFRS measures are marked with capital letters and their definitions are provided at the end of this section in alphabetical order.

Adjusted Revenue increased 6% year on year to RUB 92,654,077 thousand (2023: RUB 87,387,994 thousand). Total Operating Cash Costs were up 11% year on year to RUB 38,792,408 thousand (2023: RUB 35,048,708 thousand).

Adjusted EBITDA increased 3% year on year to RUB 53,859,519 thousand (2023: RUB 52,289,028 thousand).

The Group had a strong balance sheet with Net Debt to Adjusted EBITDA decreasing to (0.71x) (2023 end:(0.52x)). Net Debt reduced to RUB (38,354,862) thousand (2023 end: RUB (27,399,728) thousand).

Free Cash Flow of RUB 26,327,904 thousand increased 5% year on year (RUB 25,845,174 thousand for 2023).

Total CAPEX increased 29% year on year to RUB 10,618,969 thousand (2023: RUB 8,260,603 thousand) and Total CAPEX adjusted for M&A increased 5% year on year to RUB 10,618,969 thousand (2023: RUB 10,091,996 thousand).

Operational information

In 2024, Freight Rail Turnover (including Engaged Fleet) decreased by 10% year on year and the Group's Transportation Volume (including Engaged Fleet) decreased by 10%. The Freight Rail Turnover (including Engaged Fleet) amounted to 125.6 billion tonnes-km (2023: 138.8 billion tonnes-km) and the Group's Transportation Volume (including Engaged Fleet) was 70.4 million tonnes in 2024 (2023: 78.6 million tonnes).

The Empty Run Ratio for gondola cars improved to 31% (2023: 36%) whereas the Total Empty Run Ratio decreased to 43% (2023: 45%). Total Fleet decreased by 3% to 63,584 units (2023 end: 65,644 units).

The financial position, development and performance of the Group as presented in the financial statements is considered satisfactory.

Definitions to Non-IFRS financial measures

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

Adjusted EBITDA Margin is calculated as Adjusted EBITDA divided by Adjusted Revenue.

Adjusted Revenue is calculated as "Total revenue" less the following "pass through" items "Infrastructure and locomotive tariffs: loaded trips" and "Services provided by other transportation organisations".

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

Empty Run Ratio is calculated as the total of empty trips in kilometres by respective rolling stock type divided by total loaded trips in kilometres of such rolling stock type. Empty trips are only applicable to rolling stock operated (not including rolling stock in maintenance, purchased rolling stock in transition to its first place of commercial utilisation, rolling stock leased out and Engaged Fleet).

Engaged Fleet is defined as rolling stock subcontracted or otherwise engaged from a third-party rail operator for a loaded trip from the point of origination to the cargo's destination, at which point the railcar is then released to such third-party.

Free Cash Flow is calculated as "Cash generated from operations" (after "Changes in working capital") less "Tax paid", "Purchases of property, plant and equipment", "Purchases of intangible assets", "Acquisition of subsidiary undertakings - net of cash acquired", "Acquisition of non-controlling interest", "Interest paid on lease liabilities", "Interest paid on bank borrowings and non-convertible unsecured bonds" "Interest paid on leases with financial institutions", "Principal elements of lease payments for other lease liabilities", "Payment for rolling stock to disposed subsidiary" plus "Cash inflow from disposal of subsidiary undertakings - net of cash disposed of".

Freight Rail Turnover is a measure of freight carriage activity over a particular period calculated as the sum of tonnage of each loaded trip multiplied by the distance of each loaded trip, expressed in tonnes-km. It excludes volumes transported by Engaged Fleet (unless otherwise stated).

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

Owned Fleet is defined as the fleet owned and leased in under finance lease as at the end of the reporting period. It includes railcars and locomotives, unless otherwise stated, and excludes Engaged Fleet.

Total CAPEX calculated on a cash basis as the sum of "Purchases of property, plant and equipment", "Purchases of intangible assets".

Total CAPEX adjusted for M&A (a non-IFRS financial measure) is calculated as a combination of Total CAPEX (which includes maintenance CAPEX) and cash inflows and outflows from acquisitions and disposals.

Total Empty Run Ratio is calculated as total kilometres travelled empty divided by the total kilometres travelled loaded by the rolling stock fleet operated by Globaltrans (not including the relocation of rolling stock to and from maintenance, purchased rolling stock in transition to its first place of commercial utilisation, or rolling stock leased out and Engaged Fleet) in the relevant period.

Total Fleet is defined as the fleet owned and leased in under finance and operating leases as at the end of reporting period. It includes railcars and locomotives, unless otherwise stated, and excludes Engaged Fleet.

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", "Amortisation of intangible assets", "Depreciation of right-of-use assets", "Loss on derecognition arising on capital repairs", "Net impairment losses on trade and other receivables", "Reversal of impairment/(impairment) of property, plant and equipment" and "Net gain/(loss) on sale of property, plant and equipment".

Transportation Volume is a measure of freight carriage activity over a particular period, measuring weight of cargo carried in tonnes. It excludes volumes transported by Engaged Fleet (unless otherwise stated).

Changes in group structure

During the year ended 31 December 2024 the Company acquired 100% subsidiary Adaptive Capital Ltd (Kazakhstan). and the Group incorporated of GTI Finance OOO (Russia) as a 100% indirect subsidiary of the Company.

Strategic developments during the year ended 31 December 2024

During the year ended 31 December 2024 the Company finished redomiciliation to United Arab Emirates and the Company's Global Depositary Receipts (GDRs) were admitted to the Astana International Exchange ("AIX") official list of securities and trading on AIX. Also the Company completed delisting of GDRs from Moscow Exchange on 12 November 2024 and from London Stock Exchange International Main Market on 22 November 2024.
The Company's indirect 100% subsidiary GTI Finance OOO (Russian Federation) organised a tender offer for purchase of GDRs from the Moscow Exchange and acquired 13.88% of company's share capital in form of GDR's, and Company's direct 100% subsidiary Adaptive Capital Ltd. (Kazakhstan) organised a tender offer for purchase of GDRs from Astana International Exchange ("AIX") and as of 31 December 2024 acquired 0.77% of company's GDR's. The buyback from AIX was completed in January 2025.

Environmental matters

Rail is one of the most environmentally friendly modes of transport. Nonetheless, any commercial activity has an environmental impact and Globaltrans strives to minimise those from its operations where possible. To this end, the Group ensures that its activities fully comply with local environmental regulations. It also aims to help business and nature co-exist by focusing on applying modern technology in its operations and using natural resources rationally.

Human resources

Globaltrans considers the wellbeing of employees central to its success and strives to maintain exemplary working standards, ensure job satisfaction and create opportunities for professional growth. The Group's personnel policy focuses on creating a positive atmosphere at all offices and facilities to maximise productivity. As part of this, it offers medical insurance, support for education, opportunities to obtain additional qualifications and training, and financial aid in particularly difficult times.

The Group's future success will partly depend on its ability to continue to attract, retain and motivate key employees and qualified personnel, in particular an experienced management team. Competition in Russia for such personnel with relevant expertise is intense due to the small number of qualified individuals with suitable practical experience in the rail industry.

Adequate remuneration packages, which are in line with or in excess of market levels, are offered to all employees and key managers and remuneration is linked to the Group's financial results. The Human Resource function regularly monitors salary levels and other benefits offered by competitors to ensure that the Group's remuneration packages are adequate.

Principal risks and uncertainties

The Group faces a number of diverse potential and actual risks to its business. The Board has adopted a formal process to identify, evaluate and manage principal risks and uncertainties faced by the Group.

To identify, evaluate and mitigate these, the Group has established an in-house system to monitor and control uncertainties and threats throughout its activities. This is overseen by a dedicated Risk Management function, which works directly with the Board of Directors in this area.

The escalation of the conflict in Ukraine and the associated sanctions imposed by the US, European Union and a number of other countries on some of the biggest Russian industrial groups, as described in Note 33 to the consolidated financial statements, may adversely affect the business environment and prospects of the Company and its subsidiaries and create significant new risks, which did not exist as at the balance sheet date.

The Group has grouped the risks that it considers to be significant into key categories – strategic, operational, compliance and financial – and they are presented below.

Strategic risks

The strategic risks faced by the Company and its subsidiaries, together referred to as "Group", that pose risks that influence the Group's ability to achieve its strategy include the general economic situation and operating environment in Russia, Kazakhstan and CIS countries in which the Group operates; the regulatory risk relating to the operation of the Russian railway transportation market including railway tariff regulation and technical requirements for fleet maintenance; the highly competitive Russian rail transportation market with unregulated operators' services tariffs; the significant concentration of the Group's customer base; cost of borrowing and/or deterioration in market conditions with potential impacts on the profitability and recoverability of investments; and reliance on State railway company for issuing permits allowing the Group to operate locomotives.

The Group operates mainly in Russia, other emerging markets. Emerging markets, such as Russia and Kazakhstan, are subject to greater risks than more developed markets, including significant economic, political, social, legal and legislative uncertainties. Moreover, the Group's business depends on the demand in the Russian freight rail transportation market, which in turn depends on certain key commodity sectors and, accordingly, on economic conditions in Russia, Europe and elsewhere. A decrease in production and demand for key commodities in Russia, or in adjacent countries where the commodities of the Group's key customers are shipped by rail, as a result of a technological shift, economic downturn, political crisis or other event in Russia or another relevant country, negatively impacts the Group's business and growth prospects.

The management of the Group constantly monitors the developments in the operating environment and regulatory regime of the railway transportation market in the countries in which the Group operates. The Group's business model is to maintain a balanced fleet between universal gondola cars, adaptable to the demand for transportation of various bulk cargoes and rail tank cars. Further, the Group has long-term, established relationships with its key customers and their affiliates and suppliers and in some cases, the Group becomes an integrated part of its customers' operations. Significant part of the Group's Adjusted Revenue in 2024 was covered by long-term service contracts with several large clients. Such contracts provide additional stability and greater certainty regarding transport volumes for the Group. In addition, the Group's marketing function regularly monitors competitors' strategies, their use of technology, their price strategies and industry trends.

The sanctions imposed on the Russian Central Bank, National Settlement Depositary (NSD) and number of commercial banks, the restrictions for capital movements outside Russian Federation, the sanctions imposed by US, European Union and number of other countries on the biggest Russian industrial groups adversely affects the business environment and prospects of the Group and create significant risks. The restrictions on the export of certain types of Russian commodities or change in directions of supply for Russian commodities may have a negative impact on the freight rail transportation market and the Group's business.

The situation is still evolving and further sanctions and limitations on business activity of companies operating in the region, as well as consequences on the Russian economy in general, may arise but the full nature and possible effects of these are unknown. It is not possible for management to predict with any degree of certainty the impact of this uncertainty on the future operations of the Group and estimate the financial effect on the Group. Management is closely monitoring the situation and is ready to act depending on the developments.

In addition, the appearance of new pandemics or other dangerous illnesses could seriously affect the global and local business environment and lead to negative consequences for Group's business.

Operational risks

The operational risks faced by the Group that could influence the Group's operational efficiency include the physical state of the Russian and CIS countries railway infrastructure which may negatively impact the condition of the Group's rolling stock, ability of relocation of rolling stock between different countries and the performance of the Group; the impact of inflation in Russia on the Group's costs with limited opportunities to increase tariffs to customers; the competition for personnel with relevant expertise and experience in Russia and the impact on the Group's ability to continue to attract, retain and motivate key employees and qualified personnel; reliance on State railway company for locomotive traction and infrastructure usage and the impact of this on the quality of the Group's freight transportation services and therefore customer satisfaction; IT availability and continuity considerations due to reliance on specialised trail transport and logistics software for ensuring efficient and effective logistics, dispatching and rolling stock tracking services; and risks of terrorist attacks, natural disasters or other catastrophic events beyond the Group's control.

The Group is managing operational risk by ensuring that practically all of the Group's rolling stock is insured against damage. Further, the Group monitors its rolling stock through the Group's dispatch centre on a 24/7 basis and plans routes accordingly to minimise the risks of disruption. The Group monitors Russian Federal Antimonopoly Service (FAS) initiatives with the aim of detecting possible changes in tariff-setting methodology and tries to reflect respective changes in contracts with customers. Among the Group's key objectives are to increase operational efficiency and to focus on control and reduction of costs. The Group continuously monitors its costs to maintain efficiency.

The Human Resource function regularly monitors salary levels and other benefits offered by competitors to ensure that the Group's remuneration packages are adequate. Customer satisfaction is one of the key metrics that the Group's management monitors, with customer feedback being analysed and appropriate follow-up actions being taken. Due to recent sanctions imposed by US, European Union and number of other countries, number of IT solutions will no longer be maintained by US and European Union suppliers. Local IT specialists have introduced alternative solutions to maintain the availability of IT services, continuity of business processes and ensure their recovery in case of disruption. The IT function and Internal Audit function monitor all IT-related activities and performance for compliance with IT policies and procedures.

Further the Group permanently monitors any disruptive events and applies a Business Continuity Policy to ensure the safety of employees and human life; maintain continuity of time-critical services; minimise disruptions to clients and partners; and minimise operational, financial and reputational impact.

Compliance risks

The Group is also subject to compliance risk, being the risks that influence the Group's adherence to relevant laws and regulations, including the regulations of the Astana International Exchange ("AIX"), where Company's GDR are listed. The Group is involved in legal actions from time to time. Some of it may have an adverse effect on the Group. The ambiguity of the law in Russia and CIS countries creates regulatory uncertainty and might result in claims from different government authorities. Local tax, currency, sanctions and customs legislation, especially in Russia, other emerging markets, may be subject to varying interpretations, inconsistencies between federal laws, regional and local laws, rules and regulations, frequent changes and a lack of judicial and administrative guidance on interpreting legislation.

The Group runs its operations in compliance with tax, currency, labour, sanctions, customs, antimonopoly and other applicable legislation and constantly monitors any changes in the regulatory environment as well as compliance with the terms of its agreements. Standard forms of agreements are used for transportation services, and various controls are in place to ensure that the terms of agreements are adhered to. All contracts are subject to rigorous review by all of the Group functions concerned and a formal approval process prior to execution. The Group has controls in place, including highly qualified and experienced personnel, to monitor changes in legislation and determine the appropriate action needed to minimise the risk of a challenge to such treatments by the authorities. For complex matters, the Group attracts external consultants.

Financial risks

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

Foreign exchange risk

Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in the currency different from the functional currency of each of the entities of the Group.

The Group is exposed to the effects of currency fluctuations between (i) the Russian Rouble and the US Dollars/AED in relation to US Dollar/AED denominated balances held in the Company and between (ii) the Russian Rouble and the Chinese Yuan in relation to Chinese Yuan denominated balances held in the Group.

The Group does not have formal arrangements for hedging foreign exchange risk.

Cash flow and fair value interest rate risk

The Group's income and operating cash flows are exposed to changes in market interest rates. The Group obtains borrowings at market interest rates and does not use any hedging instruments to manage interest rate risk.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to meet an obligation. Credit risk arises from cash and cash equivalents, trade receivables, loans and other receivables as well as finance lease receivables.

Liquidity risk

The Group has an excess of current assets over current liabilities of RUB 50,992,567 thousand as at 31 December 2024.

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.

Further details on the Group's exposure to financial risks are presented in Note 6 to the consolidated financial statements.

Contingencies

The Group's contingencies are disclosed in Note 33 to the consolidated financial statements.

Future developments

The Group's strategic objective is to strengthen its position as a leading freight rail transportation group in the CIS countries. The future development of the Group may be affected by the escalation of the conflict in Ukraine in the period after the balance sheet date. It is not possible for the Board of Directors to predict with any degree of certainty the impact of this uncertainty on the future operations of the Group and estimate the financial effect on the Group.

Results

The Group's results for the year are set out on pages 18 and 19. On the date of this report, the Board of Directors, having considered the profitability and liquidity position of the Group as well as all the risks and recent developments, does not recommend the payment of a final dividend and the net profit for the year is retained.

Dividends

Pursuant to its Articles of Continuation, the Company may pay dividends out of its profits. To the extent that the Company declares and pays dividends, owners of Global Depositary Receipts (GDRs) on the relevant record date will be entitled to receive dividends payable in respect of Ordinary Shares underlying the GDRs, subject to the terms of the Deposit Agreement. In case the Company declares the dividends, the Company expects such dividends to be declared in Russian Roubles and pay such dividends in US Dollars. If dividends are not paid in US Dollars and if the conversion from the currency of payment to US Dollars is possible for the Depositary, except as otherwise described under "Terms and Conditions of the Global Depositary Receipts – Conversion of Foreign Currency", they will be converted into US Dollars by the Depositary and paid to holders of GDRs net of currency conversion expenses.

The Company is a holding company and thus its ability to pay dividends depends on the ability of its subsidiaries to pay dividends to the Company in accordance with relevant legislation and contractual restrictions. The payment of such dividends by its subsidiaries is contingent upon the sufficiency of their earnings, cash flows and distributable reserves and limitations on capital movement, if applicable. The maximum dividend payable by the Company's subsidiaries is restricted to the total accumulated retained earnings of the relevant subsidiary, determined according to the law.

On the date of this report, the Board of Directors of the Company, having considered the profitability and liquidity position of the Group as well as all the risks and recent developments, does not recommend a payment of final dividends.

Share capital

As of 31 December 2024 the issued share capital of the Company comprised 178,318,259 ordinary shares with a par value of US$0.10 per share (31 December 2023 comprised 178,318,259 ordinary shares with a par value of US$0.10 per share).

Treasury shares

At 31 December 2024 treasury shares include 26,126,074 GDRs of the Company (31 December 2023: NIL) owned by wholly-owned subsidiaries of the Group. These GDRs carry voting rights in the same proportion as other ordinary shares. Voting rights of GDRs of the Company held by the entities within the Group are effectively controlled by management of the Group.

Significant direct or indirect holdings (including indirect shareholding though structures or cross shareholdings)

The issued share capital of the Company consists of 178,318,259 ordinary shares with a nominal value of USD 0.10 each, a certain portion of which is held in the form of Global Depositary Receipts (GDRs). The GDRs represent one ordinary share each and as at 31 December 2024 are listed on Astana International Exchange (AIX), under the ticker GLTR. The Company's depositary bank for the GDR programme is Citibank N.A. The Company's indirect 100% subsidiary GTI Finance OOO (Russian Federation) acquired 13.88% of company's GDR's, and Company's direct 100% subsidiary Adaptive Capital Ltd. as of 31 December 2024 acquired 0.77% of company's GDR's.

Research and development activities

The Group has not undertaken any research and development activities during the year ended 31 December 2024.

Events after the balance sheet date

The events after the balance sheet date are disclosed in Note 37 to the consolidated financial statements.

Branches

The Group operates through branches and representative offices, maintaining six branches and eight representative offices during 2024 (six branches and eight representative offices during 2023).

Going concern

The Directors have access to all information necessary to exercise their duties. The Directors continue to adopt the going concern basis in preparing the consolidated financial statements based on the fact that, after making enquiries and following a review of the Group's budget for 2025, including cash flows and borrowing facilities, and taking into account the developments after the reporting date impacting the economic and business environment in which the Group operates, as set out in Note 33 to the consolidated financial statements, the Directors consider that the Group has adequate resources to continue in operation for the foreseeable future.

Corporate governance

Globaltrans' Board of Directors adopted the Company's Code of Corporate Governance (the "Code"), guaranteeing that the interests of all shareholders are given due consideration. The Code is based on principles recommended by the UK Corporate Governance Code (formerly the Combined Code) and respective ADGM Companies Regulations 2020.

Globaltrans' corporate governance policies and practices are designed to ensure that the Group upholds its responsibilities to shareholders. As such, all employees are required to comply with these guidelines and the Group's management team takes responsibility for ensuring that all departments adhere to these standards. These key principles are promoted and applied across all levels of the Group in order to establish effective and transparent corporate governance. In January 2010, the Board supplemented its Code of Corporate Governance with a corporate policy on the treatment of the rights of its non-controlling shareholders; this aims to ensure fair treatment of the rights of non-controlling shareholders of the Company.

Full details of our governance policies can be found at *https://globaltrans.com/governance/corporate-documents*.

The role of the Board of Directors

The Group is managed by the Board of Directors which is collectively responsible to the shareholders for the success of the Group.

The Board sets the strategic objectives and ensures that the necessary resources are in place to enable these objectives to be met. The Board is fully involved in decision making in the most important areas of business and conducts regular reviews of the Group's operational and financial performance. One of the Board's key responsibilities is to ensure that there is in place a system of prudent and effective risk controls that enable risks to be identified, assessed and managed appropriately.

Members of the Board of Directors

As at 31 December 2024, the Board comprises of 13 members (2023: 14 members), 8 (2023: 10 members) of whom are non-executive directors. Three (2023: three) of the non-executive directors are independent, they have no relationship with the Company, its related companies or their officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgment with a view to the best interests of the Company, and they are able to exercise objective judgment on corporate affairs independently from management.

The members of the Board of Directors at the date of this report are shown on page 1, the members of the Board of Directors as of 31 December 2024 are shown in the table below, all of them were members of the Board throughout the year 2024.

There is no provision in the Company's Articles of Continuance for retirement of Directors by rotation; however, in accordance with the Terms of reference of the Board of Directors all board members are required to submit for re-election at least once every three years. Should a non-executive Director serve any term beyond six years, his/her re-election would be subject to particularly rigorous review. In practice, all current appointments are for one year and all directors will stand for re-election at the forthcoming Annual General Meeting of shareholders of the Company.

The total gross remuneration of the members of the Board of Directors incurred by the Group in 2024 amounted to RUB 1,644,712 thousand (2023: RUB 1,076,241 thousand) (Note 35).

Board performance

The Board held 18 meetings in 2024. The Directors' attendance is presented in the table below.

From 1 January 2024 till 20 March 2024:

	Eligible	Attended
Alexander Lemzakov	1	1
Andrey Ryan	1	1
Elia Nicolaou	1	1
Evgeniy Yakushkin	1	1
George Papaioannou	1	1
John Carrol Colley	1	1
Michael Thomaides	1	1
Mikhail Loganov	1	1
Stefan Henrich	1	1
Thomas Beute	1	1
Yousef Abu Laban	1	1

From 21 March 2024 till 31 December 2024:

	Eligible	Attended
Stefan Henrich	17	17
Yousef Abu Laban	17	16
Abdulla Belobaida	17	17
Abdultaiyab Bahrainwala	17	17
Albina Amangeldinova	17	17
Alexander Storozhev	17	17
Anton Gazizov	17	16
Jaafar Borhan	17	17
Jouslin Khairallah	17	16
Kairat Itemgenov	17	14
Ruslan Izatov	17	17
Viacheslav Stanislavskiy	17	17
Yerzhan Niyazaliyev (Chairman)	17	17

The Board Committees

During 2024 the Board had four committees: the Audit Committee, the Nomination Committee, the Remuneration Committee and the ESG Committee. A brief description of the terms of reference of the committees is set out below.

Audit Committee

The Audit Committee comprises of three Directors and meets at least four times each year. As of 31 December 2024 two members of the Audit Committee were independent and one member of the Audit Committee is non-executive. As of 31 December 2024 the Audit Committee was chaired by Abdulla Belobaida and was also attended by Jouslin Khairallah and Ruslan Izatov (from 27.08.2024). The Audit Committee is responsible for considering, among other matters: the integrity of the Company's financial statements, including its annual and interim accounts, and the effectiveness of the Company's internal controls and risk management systems; auditors' reports and the terms of appointment and remuneration of the auditor.

The Committee supervises, monitors and advises the Board on risk management and control systems and the implementation of codes of conduct. In addition, the Audit Committee supervises the submission by the Company of financial information and a number of other audit-related issues. The Audit Committee is also responsible for assessing the efficiency of the performance of the Chairman of the Board.

The Audit Committee manages the relationship with the external auditor on behalf of the Board. It considers the reappointment of the external auditor each year, as well as remuneration and other terms of engagement, and makes a recommendation to the Board. Shareholders are asked to approve the reappointment of the auditor each year at the Annual General Meeting.

The Internal Audit function is carried out internally by the Group's Internal Audit Service ("IAS"). IAS is responsible for testing the systems of risk management, internal control and corporate governance of the Group.

Nomination Committee

The Nomination Committee comprises of two Independent Directors and meets at least once a year. As of 31 December 2024 the Nomination Committee was chaired by Jaafar Borhan and Abdulla Belobaida was the other member. The Committee's remit is to prepare selection criteria and appointment procedures for members of the Board and to review on a regular basis the structure, size and composition of the Board. In undertaking this role, the Committee refers to the skills, knowledge and experience required of the Board, given the Company's stage of development, and makes recommendations to the Board as to any changes. The Committee also considers future appointments in respect of the Board's composition and makes recommendations regarding the membership of the Audit and Remuneration Committees.

Remuneration Committee

The Remuneration Committee comprises of two Independent Directors and meets at least once a year. As of 31 December 2024 the Remuneration Committee was chaired by Jaafar Borhan and Abdulla Belobaida was the other member. The Committee's responsibility is the determination and review of, among other matters, the remuneration of Executive Directors, and the review of the Company's remuneration policies. The remuneration of Independent Directors is a matter for the Chairman of the Board and the Executive Directors. No Director or manager may be involved in any decisions as to his/her own remuneration.

ESG Committee

The Board of Directors established an ESG Committee to lead its thinking on ESG matters and ensure that ESG issues are integrated into the Group's long-term strategy. The ESG Committee also monitors the development of the Group's sustainability strategy, reviews and recommends ESG disclosures for Board approval and approves the Group's sustainability reports. The ESG Committee is comprised of two Board members: Jouslin Khairallah, Independent Non-executive Director, who serves as the Chair, and Jaafar Borhan, Independent Non-executive Director. The ESG Committee meets at least two times a year.

Board and Management Remuneration

Non-executive directors serve on the Board pursuant to the letters of appointment which are subject to approval by the shareholders at the Annual General Meeting. Such letters of appointment specify the terms of appointment and the remuneration of non-executive directors. Appointments are for one year.

Levels of remuneration for Non-Executive Directors reflect the time commitment, responsibilities of the role and membership of the respective committees of the Board. Directors are also reimbursed for expenses associated with discharge of their duties.

The shareholders of the Company approved the remuneration of the members of the Board of Directors at the Annual General Meeting of shareholders held on 4 April 2024.

Refer to Note 35 of the consolidated financial statements for details of remuneration of directors and other key management personnel.

Diversity policy

The Company does not have a formal Board diversity policy to aspects such as age, gender or educational and professional backgrounds, but, following best practice, while making the new appointments and considering the current composition of the Board of Directors, these aspects are taken into account.

As of the date of publication of these financial statements the Board has 2 female directors representing approximately 15% from the total number of directors. The average age of directors being 48 years. The Board members have the following educational backgrounds: transportation industry, accounting, legal, economics and financial, banking sector and legal, engineering and mechanics, international affairs and risk management. The Board has the necessary balance of skills and expertise to run the Company and the Group.

Further details of the corporate governance regime of the Company can be found on the website: *https://globaltrans.com/governance/corporate-documents*

Regulations with regards to the amendment of the article of association

The Articles of Continuance of the Company may be amended from time to time by special resolution at the General Meeting of the Shareholders.

Company's internal control and risk management systems in relation to the financial reporting process

The Board of Directors is responsible for the preparation of the consolidated financial statements present fairly in accordance with IFRS Accounting Standards, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

The Board is primarily responsible for establishing a framework of prudent and effective controls that enables risks to be assessed and managed.

The Audit Committee assists the Board in this task by reviewing and assessing the Group's internal control and risk management processes in relation to Group's financial reporting process.

The system of controls is designed to manage rather than eliminate the risks relevant to the Group's operations and, therefore, can only provide reasonable, and not absolute, assurance against material errors, losses, fraud or breaches of laws and regulations.

At Globaltrans, the body responsible for internal audit is the Internal Audit Service (IAS). It tests the Group's systems of risk management, internal control and corporate governance to obtain a reasonable assurance that:

- The risk management system functions efficiently;
- Material financial, management and operating information is accurate, reliable and up-to-date;
- The actions of employees and management bodies are in compliance with the Group's policies, standards and procedures and the applicable laws;
- Resources are procured reasonably and used efficiently and their safekeeping is fully guaranteed; and
- Group companies conduct their business in compliance with applicable laws.

Each year, the Audit Committee approves an internal audit plan, which is developed by identifying the audit universe, performing a risk analysis and obtaining input from management relative to risks, controls and governance processes. The internal auditor regularly reports to the Audit Committee on the progress of planned audits. If any material internal control deficiencies are identified, they are communicated to the Audit Committee, and consequently to the Board, at once.

The holders of special titles that provide special control rights and description of such rights

The Company does not have any titles with special rights.

Any restrictions in exercising of voting rights of shares

There are no restrictions in the exercising of voting rights of shares issued by the Company.

By Order of the Board

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Anton Gazizov
Director

Abu Dhabi, ADGM, 04 March 2025

Directors' responsibility

The Company's Board of Directors is responsible for the preparation and fair presentation of consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

As the Company has completed redomiciliation to Abu Dhabi Global Markets (ADGM), United Arab Emirates on 26 February 2024, the Company's Board of directors must ensure that all legal and financial aspects are properly addressed, including compliance with any new requirements in the new jurisdiction. From 1 January 2024 International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap.113 are no longer be applicable and IFRS Accounting Standards will be applied.

This responsibility includes selecting appropriate accounting policies and applying them consistently; and making accounting estimates and judgements that are reasonable in the circumstances.

In preparing the consolidated financial statements, the Board of Directors is also responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Directors' confirmations

Each of the directors, whose names and functions are listed in page 1 confirms that, to the best of his or her knowledge:

(a) the consolidated financial statements, which are presented on pages 15 to 68, which have been prepared in accordance with IFRS Accounting Standards, present fairly the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and

(b) the Consolidated Management Report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that it faces/they face.

Further, each of the Directors confirms that, to the best of their knowledge:

(i) adequate accounting records have been maintained which disclose with reasonable accuracy the financial position of the Group and explain its transactions;
(ii) all information of which they are aware that is relevant to the preparation of the consolidated financial statements, such as accounting records and all other relevant records and documentation, has been made available to the Company's auditors; and
(iii) the consolidated financial statements disclose the information required by IFRS Accounting Standards in the manner so required.

By order of the Board

....

Anton Gazizov Director

Abu Dhabi, ADGM, 04 March 2025

Independent Auditor's report and IFRS® Accounting Standards Consolidated financial statements for the year ended 31 December 2024

Technologies of Trust

Joint-Stock Company
"Technologies of Trust – Audit"
("Technologies of Trust – Audit" JSC)

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Independent Auditor's Report

To the Shareholders of Globaltrans Investment PLC:

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Globaltrans Investment PLC and its subsidiaries (together – the "Group") as at 31 December 2024, and the Group's consolidated financial performance and consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards.

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated income statement for the year ended 31 December 2024;
- the consolidated statement of comprehensive income for the year ended 31 December 2024;
- the consolidated statement of financial position as at 31 December 2024;
- the consolidated statement of changes in equity for the year ended 31 December 2024;
- the consolidated cash flow statement for the year ended 31 December 2024; and
- the notes to the consolidated financial statements, which include material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements of the Auditor's Professional Ethics Code and Auditor's Independence Rules that are relevant to our audit of the consolidated financial statements in the Russian Federation. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Revenue recognition period *Please see Note 4 to the consolidated financial statements of the Group in relation to material accounting policy information and Note 10 to the consolidated financial statements of the Group in relation to the total amount of revenue from operator's services.* The revenue of the Group for the year ended 31 December 2024 equals RUB 108 727 032 thousand, including RUB 103 649 126 thousand of revenue attributable to railway transportation – operator's services. In practice the process of rendering of such services takes time and there is a part of such performance obligations of the Group which are not fulfilled as of the reporting date. In accordance with requirements of IFRS 15 "Revenue from contracts with customers" the entity recognized revenue over time if the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs. As of the reporting date the management of the Group performs calculation of a percentage of completion for unfinished railway transportations based on the information available as of the date of authorization of consolidated financial statements. We paid special attention to the assessment of revenue from operator's services required for recognition in the reporting period due to the fact that the process of revenue recognition in the current period is complex and requires detailed recalculations.	Our audit procedures for the verification of correctness of recognition of revenue from operator's services in the period when such services were actually rendered included: • Sample testing of primary documents and contracts with customers to confirm the date of start and fulfillment of transportation service. • Recalculation of the revenue for transportations not fulfilled at the reporting date based on the data available for the start date and finish date for the transportation as well as our knowledge of the standard period of transportation for specific directions and our understanding of the business; • Analysis that adjustments made to the consolidated financial statements of the Group in relation to the unfinished transportations are attributable to the correct period; • Receipt and analysis of written representations of the management with respect to correctness of percentage of completion calculation for unfinished railway transportations as of the reporting date and recalculation of respective revenue adjustments.

Other information

Management is responsible for the other information. The other information comprises Consolidated management report, for the year ended 31 December 2024 (but does not include the consolidated financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and the complete Annual report, which is expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the complete Annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The certified auditor responsible for the audit resulting in this independent auditor's report is Zubenko Aleksei Stanislavovich.

4 March 2025

Moscow, Russian Federation

АКЦИОНЕРНОЕ ОБЩЕСТВО * ОГРН 1027700148431 * МОСКВА * «Технологии Доверия - Аудит» * JSC «Technologies of Trust - Audit»

Zubenko Aleksei Stanislavovich is authorised to sign on behalf of the General Director of Joint-Stock Company "Technologies of Trust – Audit" (Principal Registration Number of the Record in the Register of Auditors and Audit Organizations (PRNR) – 12006020338), certified auditor (PRNR – 21906105827).

Consolidated income statement

for the year ended 31 December 2024

	Note	**2024 RUB'000**	2023 RUB'000
Revenue	10	108,727,032	104,748,023
Cost of sales	11	(58,050,822)	(57,899,197)
Gross profit		50,676,210	46,848,826
Selling and marketing costs	11	(286,802)	(346,867)
Administrative expenses	11	(6,914,062)	(5,494,083)
Profit from sale of subsidiary	12,36	-	3,400,047
Other losses – net	12	(167,824)	(283,221)
Operating profit		43,307,522	44,124,702
Finance income	14	10,381,193	2,173,246
Finance costs	14	(1,441,780)	(2,405,410)
Net foreign exchange transaction (losses)/gains on financing activities	14	(462,665)	3,194,185
Finance income – net	14	8,476,748	2,962,021
Profit before income tax		51,784,270	47,086,723
Income tax expense	15	(12,337,660)	(8,469,118)
Profit for the year		39,446,610	38,617,605
Profit attributable to:			
Owners of the Company		39,446,610	38,620,269
Non-controlling interest		-	(2,664)
		39,446,610	38,617,605
Weighted average number of ordinary shares outstanding (thousand)	32	172,893	178,318
Basic and diluted earnings per share for profit attributable to the equity holders of the Company during the year (expressed in RUB per share)(1)	32	228.16	216.58

(1) 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 in issue during the year, excluding treasury shares.

The notes on pages 21 to 68 are an integral part of these consolidated financial statements.

Consolidated statement of comprehensive income

for the year ended 31 December 2024

	2024 RUB'000	2023 RUB'000
Profit for the year	39,446,610	38,617,605
Other comprehensive (loss)/income:		
Items that may be reclassified subsequently to profit or loss		
Currency translation differences	-	(3,332,461)
Currency translation differences attributable to non-controlling interest	-	3,473
Items that will not be reclassified to profit or loss		
Other comprehensive loss for the year, net of tax	-	(3,328,988)
Total comprehensive income for the year	39,446,610	35,288,617
Total comprehensive income for the year attributable to:		
- owners of the Company	39,446,610	35,287,808
- non-controlling interest	-	809
	39,446,610	35,288,617

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 21 to 68 are an integral part of these consolidated financial statements.

Consolidated statement of financial position

at 31 December 2024

	Note	**31 December 2024 RUB'000**	31 December 2023 RUB'000
ASSETS			
Non-current assets			
Property, plant and equipment	17	73,123,795	75,211,678
Right-of-use assets	18	1,128,064	2,738,914
Intangible assets	19	24,210	2,076
Long term bank deposits	20	12,030,771	-
Prepayments for property, plant and equipment	23	3,488,810	162,932
Other assets	23	54,752	33,378
Total non-current assets		89,850,402	78,148,978
Current assets			
Inventories	24	1,766,808	1,142,672
Other assets	23	4,655,848	3,268,427
Other receivables	22	399,186	272,353
Trade receivables	22	5,407,845	4,627,397
Current income tax assets		352,120	149,107
Cash and cash equivalents	25	46,080,128	42,776,832
		58,661,935	52,236,788
Assets classified as held for sale		9,916	-
Total current assets		58,671,851	52,236,788
TOTAL ASSETS		148,522,253	130,385,766
EQUITY AND LIABILITIES			
Equity attributable to the owners of the Company			
Share capital	26	515,735	515,735
Share premium	26	27,929,478	27,929,478
Treasury shares	26	(13,925,644)	-
Common control transaction reserve		(8,458,334)	(8,458,334)
Capital contribution		2,694,851	2,694,851
Retained earnings		116,618,236	77,171,626
Total equity attributable to the owners of the Company		125,374,322	99,853,356
Total equity		125,374,322	99,853,356
Non-current liabilities			
Borrowings	28	4,115,540	7,662,972
Other lease liabilities	29	592,536	897,585
Contract liabilities	10	13,347	17,787
Deferred tax liabilities	30	10,747,224	8,734,998
Total non-current liabilities		15,468,647	17,313,342
Current liabilities			
Borrowings	28	3,609,726	7,714,132
Other lease liabilities	29	747,662	2,198,502
Trade and other payables	31	2,526,332	2,438,472
Contract liabilities	10	781,721	792,682
Current tax liabilities		13,843	75,280
Total current liabilities		7,679,284	13,219,068
TOTAL LIABILITIES		23,147,931	30,532,410
TOTAL EQUITY AND LIABILITIES		148,522,253	130,385,766

On 4 March 2025, the Board of Directors of Globaltrans Investment PLC authorised these financial statements for issue.

By order of the Board

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Abdulla Belobaida, Director   Anton Gazizov, Director

The notes on pages 21 to 68 are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

for the year ended 31 December 2024

	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 interest RUB'000	Total RUB'000
Balance at 1 January 2023		516,957	27,929,478	(145,993)	(10,429,876)	3,332,461	2,694,851	43,579,823	67,477,701	(15,506)	67,462,195
Comprehensive income											
Profit/(loss) for the year		-	-	-	-	-	-	38,620,269	38,620,269	(2,664)	38,617,605
Other comprehensive (loss)/income											
Currency translation differences		-	-	-	-	(3,332,461)	-	-	(3,332,461)	3,473	(3,328,988)
Total comprehensive (loss)/income for 2023		-	-	-	-	(3,332,461)	-	38,620,269	35,287,808	809	35,288,617
Transactions with owners											
Sale of Spacecom AS	21	-	-	-	1,971,542	-	-	(4,883,695)	(2,912,153)	14,697	(2,897,456)
Cancellation of treasury shares	26	(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)
Balance at 31 December 2023		515,735	27,929,478	-	(8,458,334)	-	2,694,851	77,171,626	99,853,356	-	99,853,356

Consolidated statement of changes in equity

for the year ended 31 December 2024

	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 interest RUB’000	Total RUB’000
Balance at 1 January 2024		515,735	27,929,478	-	(8,458,334)	-	2,694,851	77,171,626	99,853,356	-	99,853,356
Comprehensive income											
Profit for the year		-	-	-	-	-	-	39,446,610	39,446,610	-	39,446,610
Other comprehensive income											
Currency translation differences		-	-	-	-	-	-	-	-	-	-
Total comprehensive income for 2024		-	-	-	-	-	-	39,446,610	39,446,610	-	39,446,610
Transactions with owners											
Purchasing of treasury shares	26	-	-	(13,925,644)	-	-	-	-	(13,925,644)	-	(13,925,644)
Total transactions with owners		-	-	(13,925,644)	-	-	-	-	(13,925,644)	-	(13,925,644)
Balance at 31 December 2024		515,735	27,929,478	(13,925,644)	(8,458,334)	-	2,694,851	116,618,236	125,374,322	-	125,374,322

The notes on pages 21 to 68 are an integral part of these consolidated financial statements.

Consolidated cash flow statement

for the year ended 31 December 2024

	Note	2024 RUB'000	2023 RUB'000
Cash flows from operating activities			
Profit before tax		51,784,270	47,086,723
Adjustments for:			
Depreciation of property, plant and equipment	17	8,057,441	8,852,851
Depreciation of right-of-use assets	18	2,071,896	2,445,695
Amortisation of intangible assets	19	6,781	429
Gain on sale of property, plant and equipment	17	(59,816)	(280,219)
Loss on derecognition arising on capital repairs	17	315,163	284,448
(Reversal of impairment)/impairment of property, plant and equipment	11	(7,292)	(22,052)
Profit on sale of subsidiaries	12	-	(3,400,047)
Net impairment losses on trade and other receivables	11	2,150	50,258
Interest income	14	(10,381,143)	(2,173,246)
Interest expense and other finance costs	14	1,441,780	2,405,410
Net foreign exchange transaction losses/(gains) on financing activities	14	462,665	(3,194,185)
Other losses/(gains)		16,915	(14,145)
		53,710,810	52,041,920
Changes in working capital:			
Inventories		331,210	441,993
Trade receivables		(790,662)	(2,424,377)
Other assets		(1,545,987)	1,892,188
Other receivables		(152,605)	(259,777)
Trade and other payables		(284,291)	(2,488,682)
Contract liabilities		(15,401)	(9,695)
Cash generated from operations		51,253,074	49,193,570
Income tax paid		(10,589,794)	(8,267,084)
Net cash from operating activities		40,663,280	40,926,486
Cash flows from investing activities			
Proceeds from sale of subsidiaries - net of cash disposed	21	-	4,771,748
Payment for rolling stock to disposed subsidiary	36	-	(6,603,141)
Long term bank placed deposits		(12,481,364)	-
Loans granted to third parties		-	(884,700)
Loan repayments received from related parties		-	400,000
Loans repayments received from third parties		-	884,700
Purchases of property, plant and equipment		(10,590,959)	(8,259,858)
Purchases of intangible assets		(28,010)	(745)
Proceeds from sale of property, plant and equipment	17	148,604	626,548
Interest received		10,381,143	2,160,854
Receipts from finance lease receivable - related parties		1,682	10,796
Receipts from finance lease receivable - third parties		104,150	42,891
Other		(9,916)	-
Net cash used in investing activities		(12,474,670)	(6,850,907)
Cash flows from financing activities			
Proceeds from bank borrowings	28	-	8,800,000
Repayments of bank borrowings	28	(6,360,635)	(10,188,110)
Repayments of non-convertible unsecured bonds	28	(1,250,000)	(3,750,000)
Principal elements of lease payments for other lease liabilities	28	(2,241,558)	(2,477,780)
Interest paid on bank borrowings and non-convertible unsecured bonds	28	(1,136,050)	(2,051,443)
Interest paid on other lease liabilities	28	(338,799)	(460,093)
Dividends paid to non-controlling interests in subsidiaries	27	-	(334,268)
Purchase of treasury shares	26	(13,574,383)	-
Net cash used in financing activities		(24,901,425)	(10,461,694)
Net increase in cash and cash equivalents		3,287,185	23,613,885
Exchange (losses)/gains on cash and cash equivalents		16,111	3,110,602
Cash and cash equivalents at beginning of year		42,776,832	16,052,345
Cash and cash equivalents at end of year	25	46,080,128	42,776,832

Principal non-cash investing and financing transactions

The principal non-cash investing and financing transactions consist of finance leases with the Group acting as a lessor (Note 23) and leases with the Group acting as the lessee (Notes 28 and 29).

The notes on pages 21 to 68 are an integral part of these consolidated financial statements.

Notes to the consolidated financial statements

1. General information

Country of incorporation and domiciliation

Globaltrans Investment PLC ("the Company") was incorporated and domiciled in Cyprus as a limited liability company in accordance with the provisions of the Cyprus Companies Law, Cap. 113 and converted into a public company on 15 April 2008. Until 26 February 2024 the address of its registered office was 20 Omirou Street, CY-3095 Limassol, Cyprus. On 26 February 2024 the Company has completed redomiciliation to Abu Dhabi Global Market (ADGM), United Arab Emirates with the registered address: Office Unit 3, Floor 6, Al Sila Tower, Abu Dhabi Global Market Square, Al Maryah Island, Abu Dhabi, United Arab Emirates.

The Group's principal place of business is at Nizhnyaya Krasnoselskaya st. 39, bld. 1, Moscow, Russia.

Approval of the consolidated financial statements

These consolidated financial statements were authorised for issue by the Board of Directors on 4 March 2025.

Global Depositary Receipts and issued bonds

Global Depositary Receipts, each representing one ordinary share of the Company, are listed on Astana International Exchange (AIX) from 22 October 2024. Until 22 November 2024 Global Depositary Receipts were listed on the London Stock Exchange International Main Market and until 12 November 2024 were listed on the Moscow Exchange.

Furthermore, 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, were listed on the Moscow Exchange, all outstanding bonds were redeemed in February 2024.

Principal activities

The principal activities of the Group, which are unchanged from last year, are the provision of railway transportation services, using own and leased rolling stock and fleet engaged from third party rail operators, as well as the operating lease of rolling stock.

2. Basis of preparation

The consolidated financial statements of Globaltrans Investment PLC have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Until February 2024 the Group has applied International Reporting Standards issued by the International Accounting Standards Board ("IASB") that have been adopted by the EU through the endorsement procedure established by the European Commission. Following the completion of redomiciliation to Abu Dhabi Global Market, United Arab Emirates of the Company in February 2024, the Group started to apply the International Financial Reporting Standards issued by IASB. There is no material impact on consolidated financial statements of Globaltrans Investment PLC for the year ended 31 December 2024 from transition to International Accounting Standards issued by the International Accounting Standards Board ("IASB").

The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates and requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 7.

3. Adoption of new or revised standards and interpretations

The following amended standards became effective from 1 January 2024, but did not have a material impact for the Group:

Classification of liabilities as current or non-current – Amendments to IAS 1 (issued on 23 January 2020 and effective for annual periods beginning on or after 1 January 2022, the effective date subsequently modified to 1 January 2024 by the Amendments to IAS 1).

Classification of liabilities as current or non-current, deferral of effective date – Amendments to IAS 1 (issued on 15 July 2020 and effective for annual periods beginning on or after 1 January 2023, the effective date subsequently modified to 1 January 2024 by the Amendments to IAS 1).

Non-current Liabilities with Covenants – Amendments to IAS 1 (issued on 31 October 2022 and effective for annual periods beginning on or after 1 January 2024).

Lease Liability in a Sale and Leaseback Amendments to IFRS 16 – Amendments to IFRS 16 (issued on 22 September 2022 and effective for annual periods beginning on or after 1 January 2024).

Supplier Finance Arrangements – amendments to IAS 7 and IFRS 7 (issued on 25 May 2023 and effective for annual periods beginning on or after 1 January 2024).

4. Summary of material accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of consolidation

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has the rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Business combinations involving entities under common control (ultimately controlled by the same party, before and after the business combination, and that control is not transitory) are accounted using the predecessor basis of accounting. Under this method, the financial statements of the acquiree are included in the consolidated financial statements using pre-acquisition IFRS Accounting Standards carrying amounts using uniform accounting policies, on the assumption that the Group was in existence for all periods presented. The excess of the cost of acquisition over the carrying amount of the Group's share of identifiable net assets is recorded in equity, as "common control transaction reserve".

The acquisition method of accounting is used for the acquisitions of subsidiaries that do not involve entities or businesses under common control by the Group. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, equity instruments issued by the Group and liabilities incurred to the former owners of the acquiree. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interest or the non-controlling interest's proportionate share of the acquiree's identifiable net assets over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in the income statement.

Indemnification assets recognised at the acquisition date continue to be measured on the same basis as the related indemnified item subject to collectability and contractual terms until they are collected, sold, cancelled or expire in the post-combination period. The entity measures the indemnification asset on the same basis as the related item, subject to any restrictions in the contractual terms such as a ceiling on the amount payable and any adjustment for the seller creditworthiness. Measurement on the same basis includes recognising any gains or losses appropriately.

On an acquisition by acquisition basis, the Group recognises any non-controlling interest in the acquiree either at the fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IFRS 9 in the income statement. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into compliance with those used by the Group.

All inter-company transactions, balances, income, expenses and unrealised gains and losses are eliminated on consolidation. Profits and losses from intra-group transactions that are recognised in assets are also eliminated. Unrealised losses are also eliminated but considered as an impairment indicator of the asset transferred.

(b) Transactions with non-controlling interests

The Group treats transactions with non-controlling interests that do not result in loss of control as transactions with equity owners in their capacity as equity owners of the Group. For purchases from non-controlling interests, the difference between the fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity attributable to owners of the Company. Gains or losses on disposals to non-controlling interests are also recorded in equity attributable to the owners of the Company.

(c) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in the income statement. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets and liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of the Company that makes strategic decisions.

Revenue recognition

Recognition and measurement. Revenue represents the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods or services to the customer, excluding amounts collected on behalf of third parties (for example, value-added taxes). Revenue is recognised net off discounts and estimates for rebates that are in accordance with the contracts entered into with the customers. The Group includes in the transaction price an amount of variable consideration only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved. Estimations for rebates and discounts are based on the Group's experience with similar contracts and forecasted sales to the customer.

The Group recognises revenue when the parties have approved the contract (in writing, orally or in accordance with other customary business practices) and are committed to perform their respective obligations, the Group can identify each party's rights and the payment terms for the goods or services to be transferred, the contract has commercial substance (i.e. the risk, timing or amount of the Group's future cash flows is expected to change as a result of the contract), it is probable that the Group will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer and when specific criteria have been met for each of the Group's contracts with customers, as described below.

The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. In evaluating whether collectability of an amount of consideration is probable, the Group considers only the customer's ability and intention to pay that amount of consideration when it is due.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimates are reflected in the income statement in the period in which the circumstances that give rise to the revision become known by management.

Revenues earned by the Group are recognised on the following bases:

Revenue from railway transportation services - using own, leased or engaged rolling stock

Operator's services

The Group organises transportation services for clients using its own, leased or engaged rolling stock. There are four types of operator's services contracts:

- The Group has a contractual relationship with the client and sets the terms of the transactions, such as selling and payment terms, bears credit risk and controls the flow of receipts and payments. The infrastructure tariff is borne by the Group. Total proceeds from clients are included in the Group's revenue.

- The Group has a contractual relationship with the client and sets the terms of the transactions, such as selling and payment terms, bears credit risk and controls the flow of receipts and payments. The infrastructure tariff is borne by the Group and recharged to the customer as a reimbursement but the Group bears the variability in tariffs. Total proceeds from clients are included in the Group's revenue.

- The Group has a contractual relationship with the client and sets the terms of the transaction, excluding the infrastructure tariff, such as selling and payment terms, bears credit risk and controls the flow of receipts and payments. The infrastructure tariff is paid by the Group and recharged to the customer as a reimbursement. Under these arrangements the Group recognises revenue net of infrastructure tariff.

- The Group has a contractual relationship with the customer and sets the terms of the transaction, excluding the infrastructure tariff, such as selling and payment terms, bears credit risk and controls the flow of receipts and payments. The tariff is paid directly by the customer to providers of infrastructure tariff. Under these arrangements the Group recognises revenue net of infrastructure tariff. Revenue for all of the above types of contracts is recognised over time while the Group satisfies its performance obligation by transferring control over the promised services to the customer in the accounting period in which the services are rendered. In particular, revenue is recognised in accordance with the stage of completion of the transaction, determined based on the actual trip days lapsed against the total estimated number of trip days for the entire trip, since the customer receives and consumes the benefits from the services simultaneously.

Customers are invoiced on a regular basis and in accordance with pre-agreed payment terms with credit periods not exceeding one year. If the services rendered by the Group exceed the payment and the Group does not have the unconditional right to consideration for the services rendered, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

Identification of performance obligations. The Group assesses whether contracts that involve the provision of a range of goods and/or services contain one or more performance obligations (that is, distinct promises to provide a good or service) and allocates the transaction price to each performance obligation identified on the basis of its stand-alone selling price. A good or service that is promised to a customer is distinct if the customer can benefit from the good or service, either on its own or together with other resources that are readily available to the customer (that is, the good or service is capable of being distinct) and the Group's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract (that is, the promise to transfer the good or service is distinct within the context of the contract).

In assessing whether two or more promises to transfer goods and/or services to a customer are separate performance obligations, the Group considers, amongst others, whether it provides a significant service of integrating the good or services with other goods or services promised in the contract into a bundle of goods or services that represent the combined output or outputs for which the customer has contracted (that is, the Group is using the goods or services as inputs to produce or deliver the combined output or outputs specified by the customer), whether one or more of the goods and/or services significantly modifies or customises, or is significantly modified or customised by, one or more of the other goods or services promised in the contract or whether the good or services are highly interdependent or highly interrelated. The Group considers that all of the above operator's services contracts contain a single performance obligation.

Financing component. In determining the transaction price, the Group adjusts the promised amount of consideration for the effects of the time value of money if the timing of payments agreed to (either explicitly or implicitly) provides the customer or the Group with a significant benefit of financing. In these circumstances, the contract contains a significant financing element.

The Group does not have any material contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. Consequently, the Group elected to use the practical expedient provided by IFRS 15 and does not adjust any of the transaction prices for the effect of the financing component for the time value of money.

Contract assets and contract liabilities. In case the goods transferred or services rendered by the Group as of the reporting date exceed the payments made by the customer as of that date and the Group does not have the unconditional right to charge the client for the goods transferred or services rendered, a contract asset is recognised. If the payments made by a customer exceed the goods transferred or services rendered under the relevant contract, a contract liability is recognised. The Group recognises any unconditional rights to consideration separately from contract assets as a trade receivable because only the passage of time is required before the payment is due.

The Group assesses a contract asset for impairment in accordance with IFRS 9 using the simplified approach permitted by IFRS 9 which requires lifetime expected credit losses to be recognised from initial recognition of the contract asset. Impairments of contract assets are measured, presented and disclosed on the same basis as as for trade receivables. Contract assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group and a failure to make contractual payments for a period of greater than 180 days past due.

Costs to obtain or fulfil contracts with customers. To the extent that these are recoverable, incremental costs incurred by the Group to obtain a contract and incremental costs incurred to fulfil a contract are capitalised and amortised on a straight-line basis over the term of the specific contract – consistent with the pattern of the transfer of the goods and/or services to which they relate to – and assessed for impairment. Incremental costs of obtaining contracts are those costs that the Group incurs to obtain a contract with a customer that would not have been incurred if the contract had not been obtained.

The Group does not have any contracts where the period of transfer of the goods and/or provision of the services (that is, the period between the start and completion of a trip) exceeds one year. Accordingly, the Group recognises the incremental costs of obtaining a contract as an expense when incurred since the amortization period of the asset that it would otherwise have recognised is less than one year.

Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each entity of the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The functional currency of the Company and of the majority of its subsidiaries is the Russian Rouble (RUB). The consolidated financial statements are presented in Russian Roubles (RUB) ("the presentation currency") because this is the currency better understood by the principal users of the financial statements.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuations where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, with the exception of foreign exchange differences that relate to qualifying cash flow hedges which are deferred in equity.

Net foreign exchange differences arising from borrowings and other liabilities and from cash and cash equivalents and other monetary assets are presented on the face of the income statement in the line "net foreign exchange transaction (losses)/gains on financing activities", with the appropriate disclosure of the split between the two in the Note "Finance income/(costs) - net".

All other foreign exchange gains and losses are presented in the income statement within "Other (losses)/gains – net".

(c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities are translated at the closing rate existing at the date of the balance sheet presented;
- Income and expense items at the average yearly rate (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- Share capital, share premium and all other reserves are translated using the historic rate.

All exchange differences resulting from the above translation are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, including foreign exchange differences on long term loans receivable designated as part of the net investment in foreign operations, are recognised in other comprehensive income. When a foreign operation is disposed of or sold and control or significant influence is lost, exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on disposal. On a partial disposal of a foreign operation, the proportionate share of the cumulative amount of the exchange differences recorded in equity relating to the amount disposed is reclassified in the income statement. The Group assesses whether there is a partial disposal of a foreign operation on the basis of the change in the Group's proportionate ownership interest in the foreign operation.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

Property, plant and equipment

Property, plant and equipment are recorded at purchase or construction cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition or construction of the items.

Land is not depreciated.

Depreciation on property, plant and equipment begins when it is available for use and is calculated using the straight-line method to allocate their cost, less residual value, over their estimated useful lives, as follows:

	Number of years, range
Buildings	30
Rolling stock: (except locomotives)	
Gondola cars	22
Rail tank cars	32
Rail tank cars (specialised types)	30-40
Hoppers	15-26
Flat cars	20-32
Locomotives	9-45
Mounted wheels	7
Motor vehicles and other property, plant and equipment	3-10

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Assets under construction are not depreciated until they are completed and brought into use, at which time they are reclassified in the relevant class of property, plant and equipment and depreciated accordingly.

Borrowing costs to finance the construction of property, plant and equipment are capitalised, during the period of time that is required to complete and prepare the asset for its intended use. All other borrowing costs are expensed.

Expenditure for repairs and maintenance of property, plant and equipment is charged to the income statement of the year in which they are incurred. The cost of major renovations and other subsequent expenditure are included in the carrying amount of the asset or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced cost is derecognised.

Gains and losses on disposal of property, plant and equipment are determined by comparing the proceeds with carrying amount and these are included within operating profit as part of operating expenses.

Rolling stock repair and maintenance costs

Repair and maintenance costs relating to periodical capital repairs of locomotives and other rolling stock and periodical middle repairs of locomotives constitute major repairs that result in enhancement of the economic benefits of the rolling stock and as such are capitalised by the Group.

In particular, the cost of each major periodic capital repair is recognised in the carrying amount of the relevant item of rolling stock repaired and separately depreciated over the expected period until the next periodic capital repair or until the end of the useful economic life of the item of rolling stock, if earlier. Significant components replaced as part of periodic major capital repairs are capitalised and depreciated separately over their useful economic life. Simultaneously with the capitalisation of the costs of the new periodic major capital repair, the carrying amount of the repaired rolling stock that is attributable to the previous periodic capital repair and/or significant component replaced, if any, is derecognised and debited in 'cost of sales' in the income statement as "loss on derecognition arising on capital repairs".

If it is not practicable for the Group to determine the carrying amount of the repaired rolling stock that is attributable to the previous periodic capital repair and/or significant component replaced to be derecognised, the Group uses the cost of the current periodic major capital repair or replaced part as an indication of what the cost of the replaced part was at the time the rolling stock was acquired.

Other types of repairs of rolling stock, such as current repairs and depot repairs, are viewed by the Group as routine repairs and maintenance and thus their cost is charged in the Group's income statement as and when incurred.

Upon initial recognition of rolling stock, the Group's accounting policy is not to separately identify and depreciate the element of its cost that is reflecting the maintenance element of the periodic major capital repair of the rolling stock on initial recognition. The cost attributed to significant components, such as wheel pairs, is separately identified and depreciated over their useful economic life.

Intangible assets

(a) Computer software

The costs of acquiring computer software for internal use are capitalised as intangible assets where the software supports a significant business system and the expenditure leads to the creation of a durable asset. Computer software is capitalised at cost and amortised over three years, which reflects its estimated useful life, using straight-line method commencing when the asset is available for its intended use. Costs associated with maintaining computer software programmes are recognised as an expense as incurred.

Impairment of non-financial assets

Assets that have indefinite useful life and goodwill are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets, other than goodwill, that have suffered impairment are reviewed for possible reversal of impairment whenever there is an indication that an impairment recognised in prior periods may no longer exist or may have decreased.

Leases

(a) The Group is the lessee

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group, with limited exceptions as set out below. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option, if the Group is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Contracts may contain both lease and non-lease components. The Group accounts for each lease component within such contracts as a lease separately from the non-lease components. The consideration in the contract is allocated to each lease component on the basis of the relative standalone price of the lease component and the aggregate standalone price of the non-lease components. The consideration for non-lease components relating to services is recognised as an expense in the income statement.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the Group's incremental borrowing rate is used, being the rate that the Group would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms and conditions. To determine the incremental borrowing rate, the Group, where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received.

The Group is exposed to potential future increases in variable lease payments based on an index or a rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Any remeasurement of the lease liability arising if the cash flows change based on the original terms and conditions of the lease results in a corresponding adjustment to the right-of-use asset. The adjustment can be positive or negative.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

In determining the lease term, the Group considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

Right-of-use assets are reviewed for impairment in accordance with the Group's accounting policy for impairment of non-financial assets.

As an exception to the above, the Group accounts for short-term leases and leases of low value assets by recognising the lease payments as an expense on a straight-line basis in the income statement. Short-term leases are leases with a lease term of 12 months or less.

Right-of-use assets and associated lease liabilities are presented as separate lines on the face of the balance sheet.

Security deposits paid by the Group at the commencement of a lease contract that are held by the lessor throughout the term of the lease and are refunded to the Group at the end of the lease term if the Group has fully performed and observed all of the conditions set out in the contract are accounted for as financial assets.

(b) The Group is the lessor

<u>Finance leases</u>

Where the Group is a lessor in a lease which transfers substantially all the risks and rewards incidental to ownership to the lessee, the assets leased out are presented as a finance lease receivable and carried at the present value of the future lease payments. Finance lease receivables are initially recognised at commencement (when the lease term begins) using a discount rate determined at inception (the earlier of the date of the lease agreement and the date of commitment by the parties to the principal provisions of the lease).

The difference between the gross receivable and the present value represents unearned finance income. The income is recognised over the term of the lease using the net investment method (before income tax and other taxes) which reflects a constant periodic rate of return. Incremental costs directly attributable to negotiating and arranging the lease are included in the initial measurement of the finance lease receivable and reduce the amount of income recognised over the lease term. Finance income from leases is recorded within interest income in the income statement.

Impairment of lease receivables

The Group recognises credit loss allowance on lease receivables in accordance with IFRS 9 using the simplified approach permitted by the standard, which requires expected credit losses to be recognised from initial recognition of the lease receivable at an amount equal to lifetime ECL. The ECL is determined in the same way as for trade receivables and is recognised through an allowance account to write down the lease receivables' net carrying amount to the present value of expected cash flows discounted at the interest rates implicit in the leases. The estimated future cash flows reflect the cash flows that may result from obtaining and selling the assets subject to the lease.

Operating leases

Assets leased out under operating leases are included in property, plant and equipment in the balance sheet based on the nature of the asset. They are depreciated over their expected useful lives on a basis consistent with similar owned property, plant and equipment.

Revenues from operating leasing

Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

Financial instruments

(a) Financial assets

Recognition and derecognition. All purchases and sales of financial assets that require delivery within the time frame established by regulation or market convention ("regular way" purchases and sales) are recorded at trade-date; being the date on which the Group commits to purchase or sell the asset. All other purchases and sales are recognised when the entity becomes a party to the contractual provisions of the instrument.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. Any gain or loss arising upon their derecognition is recognised directly in the income statement.

Classification. The classification depends on the Group's business model for managing the financial assets and the contractual cash flow characteristics of the assets. Management determines the classification of financial assets at initial recognition.

The Group classifies its financial assets at amortised cost. Financial assets at amortised cost are held for collection of contractual cash flows and their cash flows represent solely payments of principal and interest. They are included in current assets, except for maturities greater than twelve months after the balance sheet date. These are classified as non-current assets. The Group's financial assets at amortised cost comprise of trade receivables, loans and other receivables and cash and cash equivalents on the balance sheet.

Reclassification. Financial instruments are reclassified only when the business model for managing those assets changes. The reclassification has a prospective effect and takes place from the start of the first reporting period following the change.

Measurement. At initial recognition, the Group measures financial assets classified at amortised cost at their fair value plus incremental transaction costs that are directly attributable to the acquisition of the financial assets. Subsequently, these are measured at amortised cost.

Interest income. Interest income on financial assets at amortised cost is recognised using the effective interest rate method and is included within "finance income" in the Consolidated income statement where it is earned from financial assets that are held for cash management purposes (Note 14), any other interest income is included in Other (losses)/gains – net (Note 12). In particular, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets, the effective interest rate is applied to the net carrying amount of the financial asset; that is after deduction of the loss allowance. The Group's definition of credit-impaired assets is explained in Note 5, Credit risk section.

Impairment. The Group assesses on each reporting date and on a forward looking basis the expected credit losses ("ECL") associated with its debt financial assets carried at amortised cost. The measurement of ECL reflects: (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (ii) time value of money, and (iii) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting period about past events, current conditions and forecasts of future conditions.

The carrying amount of the financial assets is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement within "selling and marketing costs". Subsequent recoveries of amounts for which loss allowance was previously recognised are credited against the same line item.

The impairment methodology applied by the Group for calculating expected credit losses depends on the type of financial asset assessed for impairment. Specifically:

- For trade receivables the Group applies the simplified approach permitted by IFRS 9 for calculating expected credit losses, which requires lifetime expected losses to be recognised from initial recognition of the financial assets. The assessment is done on an individual basis.

- For all its other debt financial assets carried at amortised cost, the Group applies the general approach. In particular, the Group applies the three stage model for calculating impairment, which is based on changes in the credit quality of the financial asset since initial recognition. A financial instrument that is not credit - impaired on initial recognition is classified in Stage 1. The ECL of financial assets in Stage 1 is measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter. If the Group identifies a significant increase in credit risk ("SICR") since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis, that is, up until its contractual maturity but considering expected prepayments, if any. Refer to Note 5, Credit risk section for a description of how the Group determines when a SICR has occurred. If the Group determines that a financial asset is credit-impaired, the asset is transferred to Stage 3 and its ECL is measured as a Lifetime ECL. The Group's definition of credit impaired assets and definition of default is explained in Note 5, Credit risk section.

Write-off. Financial assets are written-off, in whole or in part, when the Group has concluded that there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group and a failure to make contractual payments for a period of greater than 180 days past due. The Group may write-off financial assets that are still subject to enforcement activity when the Group seeks to recover amounts that are contractually due, however, there is no reasonable expectation of recovery. Subsequent recoveries of amounts previously written off are credited against 'selling and marketing costs' in the income statement.

Classification as trade receivables. Trade receivables are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less (or in a normal operating cycle of the business, if longer than one year) they are classified as current assets, if not, they are presented as non-current assets. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, in which case they are recognised at fair value. The Group holds its trade receivables with the objective to collect the contractual cash flows and their contractual cash flows represent solely payments of principal and interest and therefore measures them subsequently at amortised cost using the effective interest method, less provision for impairment.

***Classification as loans and other receivables*.** These amounts generally arise from transactions outside the usual operating activities of the Group. These are held with the objective to collect their contractual cash flows and their contractual cash flows represent solely payments of principal and interest. Accordingly, these are measured at amortised cost using the effective interest method, less provision for impairment. Loans and other receivables are classified as current assets if they are due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current assets.

Classification as cash and cash equivalents. In the cash flow statement, cash and cash equivalents include cash in hand and deposits held at call with banks with original maturity of three months or less, less bank overdrafts, if any. Cash and cash equivalents are carried at amortised cost using the effective interest method, less provision for impairment. Bank overdrafts are shown within borrowings in the current liabilities on the balance sheet.

(b) Financial liabilities

Classification. The Group's financial liabilities are initially recognised at fair value and classified as subsequently measured at amortised cost.

Derecognition of financial liabilities. A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in income statement as other income or finance costs. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts, including costs or fees incurred for the modification, is recognised in profit or loss within finance costs. When the terms of the existing financial liability are not substantially modified, the existing liability is not derecognised and the gain/loss arising on the modification, including costs or fees incurred for the modification, is recognised in the income statement within finance costs.

Modifications. An exchange between the Group and its original lenders of debt instruments with substantially different terms, as well as substantial modifications of the terms and conditions of existing financial liabilities, are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. In addition, other qualitative factors, such as the currency that the instrument is denominated in, changes in the type of interest rate, new conversion features attached to the instrument and change in loan covenants are also considered.

If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

Modifications of liabilities that do not result in extinguishment are accounted for as a change in estimate using a cumulative catch up method, with any gain or loss recognised in profit or loss, unless the economic substance of the difference in carrying values is attributed to a capital transaction with owners.

Borrowings. Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.

Borrowings are removed from the balance sheet when the obligation specified in the contract is extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires). The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the income statement as other income or finance costs.

Borrowing costs. Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are expensed in the period in which they are incurred.

Trade and other payables. Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Inventories. Group entities usually maintain a store of spare parts and servicing equipment. These are carried as inventory and recognised in the income statement as consumed, unless they meet the definition of property, plant and equipment in which case they are classified as such. Major spare parts are also recognised within property, plant and equipment when they meet the definition of property, plant and equipment. Spare parts in inventory as well as other inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average cost method. Net realisable value is the estimated selling price in the ordinary course of business less the cost of completion and applicable variable selling expenses and takes into account, amongst others, evidence of damage or obsolescence.

Cash flow statement. Cash flow statement is prepared under the indirect method. Purchases of property, plant and equipment, including prepayments for property, plant and equipment, are included within cash flows from investing activities and finance lease payments are included within cash flows from financing activities and are shown net of VAT. Related input VAT is included in movement in changes of working capital, within trade and other receivables.

When the Group enters into a sale and lease back arrangement which constitutes collateralised borrowing, the proceeds received are included within cash flows from financing activities. Receipts from finance lease receivables are included within cash flows from investing activities.

Share capital, share premium and treasury shares. Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Any excess of the fair value of consideration received over the par value of shares issued is recognised as share premium. Share premium is the difference between the fair value of the consideration receivable for the issue of shares and the nominal value of the shares. Share premium account can only be resorted to for limited purposes, which do not include the distribution of dividends, and is otherwise subject to the provisions of ADGM Companies Regulations 2020 on reduction of share capital.

Where any Group company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders within a separate reserve 'treasury shares' until the shares are cancelled or re-issued. Where such ordinary shares are subsequently re-issued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders within retained earnings. The consideration initially paid for treasury shares which are subsequently re-issued is transferred from "treasury shares" to retained earnings.

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, by
- the weighted average number of ordinary shares in issue during the financial year, excluding treasury shares (Note 32).

Capital contribution. Capital contribution constitutes contributions made by the Company's shareholders other than for the issue of shares by the Company in their capacity as equity owners of the Company for which the Company has no contractual obligation to repay them. Such contributions are recognised directly in equity as they constitute transactions with equity owners in their capacity as equity owners of the Company.

Provisions and contingent liabilities. Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Provisions are only used to cover those expenses which they had been set up for. Other possible or present obligations that arise from past events but it is not probable that an outflow of resources embodying economic benefit will be required to settle the obligations, or the amount cannot be measured with sufficient reliability, are disclosed in the notes to the financial statements as contingent liabilities.

Current and deferred income tax. The tax expense for the period comprises of current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity respectively.

Current income tax liabilities and assets for the current and prior periods are measured at the amount expected to be paid to or recovered from the taxation authorities using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretations and establishes provisions where appropriate on the basis of amounts expected to be paid to tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. In accounting for the tax effects of on-balance sheet leases, the Group considers the right-of-use asset and lease liability separately and recognises deferred tax on the net temporary difference.

Deferred tax is determined using tax rates and laws that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates except where the Group can control the timing of the reversal and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities, when the income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities when there is an intention to settle the balances on a net basis.

Uncertain tax positions. The Group's uncertain tax positions are reassessed by management at the end of each reporting period. Liabilities are recorded for income tax positions that are determined by management as more likely than not to result in additional taxes being levied if the positions were to be challenged by the tax authorities. The assessment is based on the interpretation of tax laws that have been enacted or substantively enacted by the end of the reporting period, and any known court or other rulings on such issues. Liabilities for penalties, interest and taxes other than on income are recognised based on management's best estimate of the expenditure required to settle the obligations at the end of the reporting period. Adjustments for uncertain income tax positions, other than interest and fines, are recorded within the income tax charge. Adjustments for uncertain income tax positions in respect of interest and fines are recorded within finance costs and other gains/(losses), net, respectively.

Russian Value Added Tax (VAT). Russian output value added tax related to sales is payable to tax authorities on the earlier of (a) collection of receivables from customers or (b) delivery of goods or services to customers. Input VAT is generally recoverable against output VAT upon receipt of the VAT invoice. The tax authorities permit the settlement of VAT on a net basis. VAT related to sales and purchases is recognised in the balance sheet on a gross basis and disclosed separately as an asset and liability. Where provision has been made for the impairment of receivables, the impairment loss is recorded for the gross amount of the debtor, including VAT.

Employee benefits. Wages, salaries, contributions to the state pension and social insurance funds, paid annual leave and sick leave, bonuses and other benefits (such as health services) are accrued in the year in which the associated services are rendered by the employees of the Group. These are included in staff costs and the Group has no further obligations once the contributions have been paid.

The Group recognises a liability and an expense for bonuses where contractually obliged or where there is a past practice that has created a constructive obligation.

Termination benefits. Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the Group recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

Dividend distribution. Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved and are no longer at the discretion of the Company. More specifically, interim dividends are recognised when approved by the Board of Directors whereas in case of final dividends, these are recognised at the time when they are approved by the Company's shareholders.

Prepayments. Prepayments are carried at cost less provision for impairment. A prepayment is classified as non-current when the goods or services relating to the prepayment are expected to be obtained after one year, or when the prepayment relates to an asset which will itself be classified as non-current upon initial recognition. Prepayments to acquire assets are transferred to the carrying amount of the asset once the Group has obtained control of the asset and it is probable that future economic benefits associated with the asset will flow to the Group. Other prepayments are written off to profit or loss when the goods or services relating to the prepayments are received. If there is an indication that the assets, goods or services relating to a prepayment will not be received, the carrying value of the prepayment is written down accordingly and a corresponding impairment loss is recognised in the income statement.

Other income. Other income generally represents amounts received from transactions that are outside the Group's principal activities. This is recognised in the income statement over the period it relates to, based on the terms of the arrangement. Other income that it is not linked to the Group's future performance and/or satisfaction of any future obligations is recognised in the period in which the Group is entitled to receive it.

5. Financial risk management

Financial risks factors

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

Market risk

(a) Foreign exchange risk

Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in the currency different from the functional currency of each of the entities of the Group.

As of 31 December 2024, 100% of the Group's long-term borrowings are denominated in Russian Rouble. Further, a large proportion of the Group's expenses and revenues are denominated and settled in Russian Roubles. Risks related to liabilities denominated in foreign currency are partly compensated by assets and income denominated in foreign currency.

As of the end of December 2024 the Russian Rouble has decreased against the US Dollar from 89.6883 as of 31 December 2023 to 101.6797 Russian Roubles (13.4% decrease) and has decreased against the Euro from 99.1919 as of 31 December 2023 to 106.1028 Russian Roubles (7.0% decrease).

The Group is exposed to the effects of currency fluctuations between (i) the Russian Rouble and the US Dollars in relation to US Dollar and AED denominated balances held in the Company and Russian subsidiaries of the Group having the Russian Rouble as their functional currency; (ii) the Russian Rouble and the Chinese Yuan in relation to CNY denominated balances held in the Russian subsidiaries of the Group having the Russian Rouble as their functional currency.

The carrying amounts of monetary assets and liabilities denominated in US Dollars as at 31 December 2024 and 31 December 2023 are as follows:

	2024 RUB'000	2023 RUB'000
Assets	902,755	29,478
Liabilities	51,652	232

Had US Dollar exchange rate strengthened/weakened by 20% against the Russian Rouble and all other variables remained unchanged, the post-tax profit of the Group for the year ended 31 December 2024, would have increased/decreased by RUB 139,526 thousand (2023: 20% change, effect RUB 4,937 thousand) and equity would have increased/decreased by RUB 139,526 thousand (2023: 20% change, effect RUB 4,937 thousand). This is mainly due to foreign exchange gains and losses arising upon retranslation of cash and cash equivalents and accounts payable denominated in US Dollars for the Group entities with Russian Rouble being their functional currency.

The carrying amounts of monetary assets and liabilities denominated in Chinese yuan as at 31 December 2024 and 31 December 2023 are as follows:

	2024 RUB'000	2023 RUB'000
Assets	12,030,771	-
Liabilities	-	-

Had Chinese yuan exchange rate strengthened/weakened by 20% against the Russian Rouble and all other variables remained unchanged, the post-tax profit of the Group for the year ended 31 December 2024, would have increased/decreased by RUB 1,924,923 thousand (2023: 20% change, effect RUB Nil thousand) and equity would have increased/decreased by RUB 1,924,923 thousand (2023: 20% change, effect RUB Nil thousand). This is mainly due to foreign exchange gains and losses arising upon retranslation of long term deposit denominated in Chinese yuan for the Group entities with Russian Rouble being their functional currency.

(b) Cash flow and fair value interest rate risk

The Group's income and operating cash flows are exposed to changes in market interest rates arising mainly from floating rate borrowings. In addition, the Group is exposed to fair value interest rate risk through market value fluctuations of borrowings and bank deposits with fixed interest rates. However, any potential change in the market rates of interest will not have an impact on the carrying amount of the fixed rate financial instruments and hence on the Group's post tax profit or equity as these instruments are carried at amortised cost.

Long-term borrowing contracts of the Group are concluded to finance the purchase of rolling stock. While analysing new investment projects and concluding credit facility agreements, loan agreements and lease contracts, issues of bonds and various scenarios are developed taking into account terms of refinancing and alternative financing sources. Based on these scenarios the Group measures the impact of a definite change in interest rate on profit or loss and selects the financing model that allows maximizing the estimated future profit.

As at 31 December 2024 and 31 December 2023, the Group did not have any credit facilities at floating interest rates, therefore any reasonably possible change in market interest rates would not have any significant impact on the post-tax profit or equity of the Group.

The Group obtains borrowings at current market interest rates and does not use any hedging instruments to manage interest rate risk. Management monitors changes in interest rates and takes steps to mitigate these risks as far as practicable.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to meet an obligation. Credit risk arises from cash and cash equivalents, long-term bank deposits, trade receivables, loans and other receivables as well as finance lease receivables.

(i) Risk management

The Group has policies in place to ensure that sales of goods and services are made to customers with an appropriate credit history. Management assesses the credit quality of the Group's customers, taking into account their financial position, past experience and other factors. These policies allow the Group to reduce its credit risk. However, the Group's business is heavily dependent on a few large key customers, with the top ten customers accounting for 74.93% of the Group's trade receivables as at 31 December 2024 (2023: 78.89%).

For banks and financial institutions, the Group has established policies whereby the majority of bank balances are held with independently rated parties with a minimum rating of 'Baa1'. These policies enable the Group to reduce its credit risk significantly.

(ii) Impairment of financial assets

The Group has five types of assets that are subject to the expected credit loss model:

- trade receivables;
- finance lease receivables;
- other receivables;
- long-term bank deposits; and
- cash and cash equivalents.

The impairment methodology applied by the Group for calculating expected credit losses depends on the type of assets assessed for impairment. All assets are assessed for impairment on an individual basis. Specifically:

- For trade receivables and finance lease receivables the Group applies the simplified approach permitted by IFRS 9 for calculating expected credit losses, which requires lifetime expected credit losses to be recognised from initial recognition of the financial assets.

- For loans and other receivables, cash and cash equivalents and bank deposits, the Group applies the general approach. In particular, the Group applies the three-stage model for calculating impairment, which is based on changes in the credit quality of the financial asset since initial recognition. A financial instrument that is not credit-impaired on initial recognition is classified in Stage 1. The ECL of financial assets in Stage 1 is measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter. If the Group identifies a significant increase in credit risk since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis, that is, up until its contractual maturity but considering expected prepayments, if any. If the Group determines that a financial asset is credit-impaired, the asset is transferred to Stage 3 and its ECL is measured as a Lifetime ECL.

Significant increase in credit risk. The Group considers the probability of default upon initial recognition of an asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. In making this assessment, the Group considers available reasonable and supportive forwarding-looking information.

Especially the following indicators are incorporated:

- internal credit rating
- external credit rating (as far as available)
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's/counterparty's ability to meet its obligations
- actual or expected significant changes in the operating results of the borrower/counterparty
- significant increases in credit risk on other financial instruments of the same borrower/counterparty
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
- significant changes in the expected performance and behaviour of the borrower/counterparty, including changes in the payment status of counterparty in the group and changes in the operating results of the borrower.

Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivable balances. Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment.

Default and credit-impaired. A default on a financial asset is when the financial asset meets one or more of the following criteria: (i) the borrower is more than 90 days past due on its contractual payments, (ii) the borrower is assessed as unlikely to pay its credit obligations in full without realisation of collateral, regardless of the existence of any past-due amount or of the number of days past due, (iii) the Group, for economic or contractual reasons relating to the borrower's financial difficulty, granted to the borrower a concession(s) that it would not otherwise consider. The Group considers defaulted assets to be credit-impaired so that Stage 3 represents all debt financial assets which are considered defaulted.

Write-off. Assets are written-off, in whole or in part, when the Group has concluded that there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group and a failure to make contractual payments for a period of greater than 180 days past due. The Group may write-off financial assets that are still subject to enforcement activity when the Group seeks to recover amounts that are contractually due, however, there is no reasonable expectation of recovery. Subsequent recoveries of amounts previously written off are credited against 'selling and marketing costs' in the income statement.

The Group does not have any material debt financial assets that are subject to the impairment requirements of IFRS 9 and their contractual cash flows have been modified.

The Group's exposure to credit risk for each class of asset subject to the expected credit loss model is set out below:

Trade receivables and finance lease receivables

The Group assesses, on an individual basis, its exposure to credit risk arising from trade receivables and finance lease receivables. This assessment is based on the credit history of the customers with the Group as well as the period the trade receivable or finance lease receivable is past due (in days).

The following table contains an analysis of the gross carrying amount of the Group's trade receivables and finance lease receivables by reference to the days past due. This basis is aligned with the Group's internal credit risk grades for these assets.

	Trade receivables RUB'000	Finance lease receivables RUB'000
As at 31 December 2024		
Current (not past due)	4,197,328	63,018
1-30 days past due	1,090,309	-
31-90 days past due	124,188	-
more than 90 days past due	7,919	-
Total	5,419,744	63,018

	Trade receivables RUB’000	Finance lease receivables RUB’000
As at 31 December 2023		
Current (not past due)	3,748,020	138,760
1-30 days past due	678,363	-
31-90 days past due	205,866	-
more than 90 days past due	10,348	-
Total	4,642,597	138,760

The gross carrying amounts, as per above, represent the Group’s maximum exposure to credit risk on these assets as at 31 December 2024 and as at 31 December 2023 without taking into account any collateral held. The Group does not hold any collateral as security for any trade receivable balances. Finance lease receivables are effectively secured as the rights to the leased asset revert to the Group in the event of default.

The movement in the credit loss allowance for trade receivables during the years 2024 and 2023 is presented in the table below:

	Trade receivables	
	2024 RUB’000	2023 RUB’000
Opening balance as at 1 January	(15,200)	(10,343)
Net loss allowance of financial assets during the year	(31,027)	(7,490)
Amounts written off during the year as uncollectible	2,636	135
Recoveries	31,692	2,498
Closing balance as at 31 December	(11,899)	(15,200)

The estimated expected credit loss allowance on finance lease receivables as at 31 December 2024 and as at 31 December 2023 was immaterial. This assessment takes into consideration the presence of the leased asset, which acts as a collateral for the finance lease receivable.

Other receivables

The Group assesses, on an individual basis, its exposure to credit risk arising from other receivables. This assessment takes into account, amongst others, the period the other receivable balance is past due (in days) and history of defaults in the past, adjusted for forward looking information.

The following table contains an analysis of the credit risk exposure on other receivables on the basis of the Group’s internal credit risk rating grades. The gross carrying amounts below represent the Group’s maximum exposure to credit risk on these assets as at 31 December 2024 and 2023:

Internal credit risk rating grade	Company definition of category	2024 RUB’000	2023 RUB’000
Performing	Stage 1 - Counterparties have a low risk of default and a strong capacity to meet contractual cash flows	382,112	261,446
Under-performing	Stage 2 - Customers for which there is a significant increase in credit risk; as significant increase in credit risk is presumed if interest and/or principal repayments are 30 days past due	17,074	10,881
Non-performing or Credit-impaired	Stage 3 - Interest and/or principal repayments are more than 90 days past due	28,264	25,632

The movement in the credit loss allowance for other receivables during the years 2024 and 2023 is presented in the table below:

	Non-performing	
	2024 RUB’000	2023 RUB’000
Opening balance as at 1 January	(25,632)	(4,602)

Assets written off during the year as uncollectible	183	202
Other	(2,815)	(21,232)
Closing balance as at 31 December	(28,264)	(25,632)

Cash and cash equivalents and bank deposits

The Group assesses, on an individual basis, its exposure to credit risk arising from cash at bank based on ratings from external credit rating institutions and internal ratings if external are not available.

The following table contains an analysis of the gross carrying amount of the Group's cash at bank and bank deposits by reference to the credit risk ratings assigned by external credit rating agencies. The gross carrying amounts below represent the Group's maximum exposure to credit risk on these assets as at 31 December 2024 and 2023:

	Rating	2024 RUB'000	2023 RUB'000
Cash at bank and bank deposits			
Moody's (1)	A2 – A1	894,660	859,279
Moody's (1)	Baa3 – Baa1	1,878	79,065
Fitch (2)	BBB+ - B+	34	-
ACRA (3)	AAA(RU) - A-(RU)	44,309,326	41,723,686
ACRA (3)	BBB(RU) - B+(RU)	106	414
Expert RA (4)	ruAA - ruA	16,351	114,005
Expert RA (4)	ruBBB+	1,920	-
Other external non-rated banks – satisfactory credit quality (performing)		855,424	-
Total cash and cash equivalents (5)		46,079,699	42,776,449
Long-term bank deposits(6)			
ACRA (3)	AA	12,030,771	-

(1) International rating agency Moody's Investors Service
(2) International rating agency Fitch Ratings
(3) Russian authorized credit rating agency ACRA
(4) Russian authorized credit rating agency Expert RA
(5) The rest of the balance sheet item 'cash and cash equivalents' is cash on hand.
(6) Long term bank deposit is placed in one Russian bank.

The Group does not hold any collateral as security for any of the above balances.

The estimated expected credit loss allowance on cash and cash equivalents on bank deposits as at 31 December 2024 and as at 31 December 2023 based on the general approach of IFRS 9, was immaterial. All cash and cash equivalents were performing (Stage 1) as at 31 December 2024 and as at 31 December 2023.

Liquidity risk

The Group has an excess of current assets over current liabilities of RUB 50,992,567 thousand as at 31 December 2024 (2023: excess of current assets over current liabilities of RUB 39,017,720 thousand).

The Group has predictable cash flows which allow the Group to repay its liabilities when they fall due. The Group also has successful credit and refinancing history and maintains enough flexibility ensuring the ability to attract necessary funds through committed credit facilities. Due to availability of undrawn borrowing facilities amounting to RUB 31,500,000 thousand as of 31 December 2024 (2023: RUB 29,000,000 thousand), together with long-term borrowings (Note 28) the Group has the ability to meet its liabilities as they fall due and mitigate risks of adverse changes in the financial markets environment.

Management controls current liquidity based on expected cash flows and expected revenue receipts. In the long-term perspective, the liquidity risk is determined by forecasting future cash flows at the moment of signing new credit, loan or lease agreements and by budgeting procedures.

The table below summarises the analysis of financial liabilities of the Group by maturity as of 31 December 2024 and 31 December 2023. The amounts in the table are contractual undiscounted cash flows. Trade and other payables balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than one month RUB'000	Between one month and three months RUB'000	Between three and six months RUB'000	Between 6 months and less than one year RUB'000	Between 1 and 2 years RUB'000	Between 2 and 5 years RUB'000	Over five years RUB'000	Total RUB'000
31 December 2024								
Borrowings	445,773	797,133	1,220,323	1,762,832	2,462,506	2,116,448	-	8,805,015
Trade and other payables	1,297,634	22,061	-	-	-	-	-	1,319,695
Other lease liabilities	114,088	176,256	253,958	464,494	293,212	594,550	-	1,896,558
	1,857,495	995,450	1,474,281	2,227,326	2,755,718	2,710,998	-	12,021,268
31 December 2023								
Borrowings	990,107	2,697,528	2,086,700	2,997,037	4,208,639	4,578,954	-	17,558,965
Trade and other payables	581,157	12,005	-	-	-	-	-	593,162
Other lease liabilities	286,184	557,783	719,938	950,674	554,005	562,276	1,658	3,632,518
	1,857,448	3,267,316	2,806,638	3,947,711	4,762,644	5,141,230	1,658	21,784,645

Note: statutory liabilities are excluded as the analysis is provided for financial liabilities only.

(a) Capital risk management

The Group's main objective when managing capital is to maintain the ability to continue as a going concern in order to ensure the required profitability of the Group, maintain optimum equity structure and reduce its cost of capital.

Defining capital, the Group uses the amount of net assets attributable to the Company's equity owners and the Group's borrowings.

The Group manages the capital based on borrowings to total capitalisation ratio. Borrowings include loan liabilities. To maintain or change its equity structure, the Company may vary the amount of dividend paid or sell assets in order to reduce debts.

Total capitalisation is calculated as the sum of the total Group borrowings and total equity attributable to the equity owners of the Company. The management does not currently have any specific target for the rate of borrowings to total capitalisation.

The rate of borrowings to total capitalisation as at 31 December 2024 and 31 December 2023 are as follows:

	2024 RUB'000	2023 RUB'000
Total borrowings	7,725,266	15,377,104
Total capitalisation	133,099,588	115,230,460
Total borrowings to total capitalisation ratio (percentage)	5.80%	13.34%

External requirements are imposed on the capital of the Group as defined by management in relation to long-term loans provided by financial institutions to the Company and certain subsidiaries of the Company. The Group analyses compliance with external requirements to the capital at each reporting date and when entering into new loan agreements and lease contracts. There were no instances of non-compliance with externally imposed capital requirements during 2024 and 2023. Management believes that the Group will be able to comply with its external requirements to the capital during the whole term of agreements.

Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The best evidence of fair value is price in an active market. An active market is one in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

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. 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 as follows: (i) level one are measurements at quoted prices (unadjusted) in active markets for identical assets or liabilities, (ii) level two measurements are valuations techniques with all material inputs observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices), and (iii) level three measurements are valuations not based on observable market data (that is, unobservable inputs). Management applies judgement in categorising financial instruments using the fair value hierarchy. If a fair value measurement uses observable inputs that require significant adjustment, that measurement is a Level 3 measurement. The significance of a valuation input is assessed against the fair value measurement in its entirety.

The fair values in level 2 and level 3 of fair value hierarchy were estimated using discounted cash flows valuation techniques. The fair value of unquoted fixed and floating interest rate instruments which are not quoted in an active market was estimated based on estimated future cash flows expected to be received discounted at current interest rates for new instruments with similar credit risk and remaining maturity.

Financial assets at amortised cost. The fair value of floating rate instruments is normally their carrying amount. The estimated fair value of fixed interest rate instruments is based on estimated future cash flows expected to be received, discounted at current interest rates for new instruments with similar credit risk and remaining maturity. Discount rates used depend on credit risk of the counterparty.

The fair values of financial assets do not materially differ from their carrying amounts as the impact of discounting is not significant.

Financial liabilities carried at amortised cost. Fair values of borrowings and other liabilities were determined using valuation techniques.

As at 31 December 2024 and 31 December 2023 there were no fixed or floating interest rate instruments with stated maturity denominated in a currency other than the Russian Rouble.

The fair value as at 31 December 2024 and 31 December 2023 of fixed interest rate instruments 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 31 December 2024 and 31 December 2023, respectively. The discount rate used was 25.2% p.a. (2023: 18.5% p.a.) (Note 28). The fair value as at 31 December 2023 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 liabilities repayable on demand or after a notice period (“demandable liabilities”) is estimated as the amount payable on demand, discounted from the first date on which the amount could be required to be paid.

6. New accounting pronouncements

Certain new standards and interpretations have been issued that are mandatory for the annual periods beginning on or after 1 January 2025 or later, and which the Group has not early adopted.

Lack of exchangeability – Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates (issued on 15 August 2023 and effective for annual periods beginning on or after 1 January 2025).

IFRS 18 Presentation and Disclosure in Financial Statements (issued on 9 April 2024 and effective for annual periods beginning on or after 1 January 2027). The Group is currently assessing the impact of the amendments on its consolidated financial statements.

IFRS 19 Subsidiaries without Public Accountability: Disclosures (issued on 9 May 2024 and effective for annual periods beginning on or after 1 January 2027).

Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 (issued on 30 May 2024 and effective for annual periods beginning on or after 1 January 2026).

Annual Improvements to IFRS Accounting Standards – Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 (issued on 18 July 2024 and effective for annual periods beginning on or after 1 January 2026).

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28 (issued on 11 September 2014 and effective for annual periods beginning on or after a date to be determined by the International Accounting Standards Board (IASB)).

Unless otherwise described above, the new standards and interpretations are not expected to affect significantly the Group's consolidated financial statements.

7. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

i) Tax legislation

Russian tax, currency and customs legislation is subject to varying interpretations (Note 33).

(b) Critical judgements in applying in Group's accounting policies

The Group also makes certain judgements, apart from those involving estimations, in the process of applying the accounting policies. Judgements that have the most significant effect on the amounts recognised in the financial statements and estimates that can cause a significant adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below:

Revenue recognition

The assessment of the accounting treatment of certain of the Group's revenue contracts requires management to make certain critical judgments. The judgments that had the most significant effect on management's conclusion are the following:

- Identification of performance obligations

  Operator's services contracts involve the provision by the Group of a wide range of services. Management believes that, although some of these services can be obtained by the clients from the market separately and different combinations of services can be provided to different customers, in the context of each individual contract with a customer, the services provided by the Group are highly dependent and interrelated with each other and, therefore, are not distinct. In making this assessment, management noted that, despite the fact that the Group's contracts contain a promise to deliver multiple services, the nature of the promise within the context of the contracts and the economic substance of the transaction is that the customers are purchasing integrated operator's services to which the individual services promised are inputs rather than separate services and consequently this is considered to constitute a single performance obligation.

- Assessment as to whether the Group is acting as an agent or principal for certain operator's services contracts

  Operator's services are rendered using own or leased rolling stock. In those cases when the Group's customers do not interact with providers of infrastructure tariff, a full service is charged by the Group to its customers and the infrastructure tariff is borne by the Group with or without further recharge to its customers. There are certain characteristics indicating that the Group is acting as an agent in these arrangements, particularly the fact that infrastructure tariffs are available to the public and therefore are known to the customer. However, the services are rendered with the use of own or leased rolling stock and the Group bears the infrastructure tariff to bring the rolling stock back or to the next destination. The Group is independent in its pricing policy and considers its potential loss for empty run tariff.

  Management's position is that the Group acts as a principal in these arrangements and the Group accounts for full receipts from customers as sales revenue and the infrastructure tariff is also included in cost of sales. Management believes that the Group is acting as a principal in these arrangements as it is the party that controls the services prior these are transferred to the customers and, through separate arrangements with providers of infrastructure tariff, obtains the right to direct them to provide services on its behalf.

  Had the infrastructure tariff directly attributable to such services been excluded from revenues and cost of sales for the year ended 31 December 2024 both would have decreased by RUB 11,979,807 thousand (2023: RUB 12,963,846 thousand).

8. Segmental 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-use assets relating to rolling stock and customer relationships. Unallocated assets comprise all the assets of the Group except for rolling stock, right-of-use 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 RUB'000	Rail tank cars RUB'000	Other railcars RUB'000	Total RUB'000
Year ended 31 December 2024				
Total revenue – operator's services	60,441,210	43,207,916	-	103,649,126
Total revenue – operating lease	645,663	2,821,460	869,047	4,336,170
Revenue (from external customers)	61,086,873	46,029,376	869,047	107,985,296
less Infrastructure and locomotive tariffs - loaded trips	(4,138,052)	(7,841,755)	-	(11,979,807)
less Services provided by other transportation organisations	(3,449,066)	(644,082)	-	(4,093,148)
Adjusted revenue for reportable segments	53,499,755	37,543,539	869,047	91,912,341
Depreciation and amortisation	(7,324,553)	(2,308,345)	(232,919)	(9,865,817)
Reversal of impairment of property, plant and equipment	7,292	-	-	7,292
Loss on derecognition arising on capital repairs	(239,013)	(76,142)	(8)	(315,163)
Additions to non-current assets (included in reportable segment assets)	4,384,098	2,714,805	25,264	7,124,167
Reportable segment assets	48,017,304	21,394,183	2,765,974	72,177,461

	Gondola cars RUB'000	Rail tank cars RUB'000	Other railcars RUB'000	Total RUB'000
Year ended 31 December 2023				
Total revenue – operator's services	64,542,462	35,043,375	311	99,586,148
Total revenue – operating lease	282,535	3,414,292	841,363	4,538,190
Revenue (from external customers)	64,824,997	38,457,667	841,674	104,124,338
less Infrastructure and locomotive tariffs - loaded trips	(6,283,602)	(6,731,050)	-	(13,014,652)
less Services provided by other transportation organisations	(3,538,931)	(806,446)	-	(4,345,377)
Adjusted revenue for reportable segments	55,002,464	30,920,171	841,674	86,764,309
Depreciation and amortisation	(8,188,938)	(2,608,828)	(248,909)	(11,046,675)
Reversal of impairment/(impairment)of property, plant and equipment	30,163	(8,111)	-	22,052
Loss on derecognition arising on capital repairs	(249,618)	(34,822)	(8)	(284,448)
Additions to non-current assets (included in reportable segment assets)	7,039,168	2,393,800	23,924	9,456,892
Reportable segment assets	**51,913,859**	**21,357,916**	**2,971,154**	**76,242,929**

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

	2024 RUB'000	2023 RUB'000
Adjusted revenue for reportable segments	91,912,341	86,764,309
Other adjusted revenues	741,736	623,685
Total adjusted revenue	92,654,077	87,387,994
Cost of sales (excl. Infrastructure and locomotive tariffs - loaded trips, services provided by other transportation organisations, reversal of impairment/(impairment) of property, plant and equipment, depreciation of property, plant and equipment and right-of-use assets, amortisation of intangible assets and loss on derecognition arising on capital repairs)	(31,711,596)	(29,167,495)
Selling, marketing and administrative expenses (excl. depreciation, amortisation and impairments)	(7,020,996)	(5,600,994)
Depreciation and amortisation	(10,136,118)	(11,298,975)
Net impairment losses on trade and other receivables	(2,150)	(50,258)
Reversal of impairment/(impairment) of property, plant and equipment	7,292	22,052
Loss on derecognition arising on capital repairs	(315,163)	(284,448)
Other gains – net	(167,824)	3,116,826
	43,307,522	44,124,702
Finance income	10,381,193	2,173,246
Finance costs	(1,441,780)	(2,405,410)
Net foreign exchange transaction (losses)/gains on financing activities	(462,665)	3,194,185
Profit before income tax	51,784,270	47,086,723

Segment assets and liabilities are reconciled to the Group assets and liabilities as follows:

	2024		2023	
	Assets RUB'000	Liabilities RUB'000	Assets RUB'000	Liabilities RUB'000
Segment assets/ liabilities	72,177,461	-	76,242,929	-
Unallocated:				
Deferred tax liabilities	-	10,747,224	-	8,734,998
Current income tax assets/liabilities	352,120	13,843	149,107	75,280
Property, plant and equipment	1,575,792	-	1,166,593	-
Right-of-use assets	498,606	-	541,070	-
Intangible assets	24,210	-	2,076	-
Long term bank deposits	12,030,771	-	-	-
Other assets	8,199,410	-	3,464,737	-
Assets classified as held for sale	9,916	-	-	-
Trade receivables	5,407,845	-	4,627,397	-
Other receivables	399,186	-	272,353	-
Inventories	1,766,808	-	1,142,672	-
Cash and cash equivalents	46,080,128	-	42,776,832	-
Borrowings	-	7,725,266	-	15,377,104
Other lease liabilities	-	1,340,198	-	3,096,087
Trade and other payables	-	2,526,332	-	2,438,472
Contract liabilities	-	795,068	-	810,469
Total	148,522,253	23,147,931	130,385,766	30,532,410

Geographic information

Revenues from external customers

	2024 RUB'000	2023 RUB'000
Revenue		
Russia	108,727,032	104,714,413
Estonia	-	33,610
	108,727,032	104,748,023

The revenue information above is based on the location where the sale has originated, i.e. on the location of the respective subsidiary of the Group.

In the periods set out below, certain customers, included within the revenue generated in Russia, accounted for greater or equal than 10% of the Group's total revenues:

	2024		2023	
	RUB'000	% revenue	RUB'000	% revenue
Revenue				
Customer A – rail tank cars segment	26,415,038	24	21,732,232	21
Customer B – gondola cars segment	17,325,821	16	20,142,950	19
Customer C – gondola cars segment	10,874,502	10	11,492,224	11

The table below presents the Group's non-current assets, other than financial instruments, deferred tax assets, and post-employment benefit assets:

	2024	2023
	RUB'000	RUB'000
Non-current assets		
Russia	89,805,566	78,106,332
Cyprus	-	9,268
	89,805,566	78,115,600

9. Non-IFRS financial information

In addition to financial information under IFRS, the Group also use certain measures not recognised by IFRS Accounting Standards (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 to providers of of infrastructure tariff, 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 2024 and 2023 and its reconciliation to Total revenue.

	2024	2023
	RUB'000	RUB'000
Total revenue	108,727,032	104,748,023
Minus "pass through" items		
Infrastructure and locomotive tariffs: loaded trips	(11,979,807)	(13,014,652)
Services provided by other transportation organisations	(4,093,148)	(4,345,377)
Adjusted Revenue	**92,654,077**	**87,387,994**

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", "Reversal of impairment/(impairment) of property, plant and equipment", "Net gain/(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" "Reversal of impairment/(impairment) of property, plant and equipment" and "Net gain/(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 – office", "Taxes (other than income tax and value added taxes)" and "Other expenses".

	2024 RUB'000	2023 RUB'000
"Pass through" cost items	**(16,072,955)**	**(17,360,029)**
Infrastructure and locomotive tariffs: loaded trips	(11,979,807)	(13,014,652)
Services provided by other transportation organisations	(4,093,148)	(4,345,377)
Total cost of sales, selling and marketing costs and administrative expenses (adjusted for "pass through" cost items)	**(49,178,731)**	**(46,380,118)**
Total Operating Cash Costs	**(38,792,408)**	**(35,048,708)**
Infrastructure and locomotive tariffs - empty runs and other tariffs	(20,406,904)	(19,489,606)
Repairs and maintenance	(5,090,171)	(4,080,984)
Repairs and maintenance - third parties rolling stock	(301,361)	(192,931)
Employee benefit expense	(8,913,186)	(8,173,564)
Expense relating to short-term leases – rolling stock	(82,150)	(58,860)
Fuel and spare parts – locomotives	(2,344,619)	(1,957,931)
Engagement of locomotive crews	(145,435)	(93,812)
Other Operating Cash Costs	(1,508,582)	(1,001,020)
Advertising and promotion	*(60,789)*	*(57,167)*
Auditors' remuneration	*(62,166)*	*(49,997)*
Communication costs	*(27,677)*	*(25,437)*
Information services	*(22,356)*	*(18,582)*
Legal, consulting and other professional fees	*(201,902)*	*(114,467)*
Expense relating to short-term leases – office	*(140,355)*	*(94,052)*
Taxes (other than on income and value added taxes)	*(18,076)*	*(13,534)*
Other expenses	*(975,261)*	*(627,784)*
Total Operating Non-Cash Costs	**(10,386,323)**	**(11,331,410)**
Depreciation of property, plant and equipment	(8,057,441)	(8,852,851)
Depreciation of right-of-use assets	(2,071,896)	(2,445,695)
Amortisation of intangible assets	(6,781)	(429)
Loss on derecognition arising on capital repairs	(315,163)	(284,448)
Net impairment losses on trade and other receivables	(2,150)	(50,258)
Reversal of impairment/(impairment) of property, plant and equipment	7,292	22,052
Gain on sale of property, plant and equipment	59,816	280,219
Total cost of sales, selling and marketing costs and administrative expenses	**(65,251,686)**	**(63,740,147)**

Adjusted EBITDA

Adjusted EBITDA represents EBITDA excluding "Net foreign exchange transaction (losses)/gains from financing activities", "Share of loss of associate", "Other gains - net", "Net (gain)/loss on sale of property, plant and equipment", "Reversal of impairment/(impairment) of property, plant and equipment", "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 income - net" (excluding "Net foreign exchange transaction (losses)/gains 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 2024 and 2023 and its reconciliation to EBITDA and Profit for the year:

	2024 RUB'000	2023 RUB'000
Profit for the year	**39,446,610**	**38,617,605**
Plus (Minus)		
Income tax expense	12,337,660	8,469,118
Finance income – net	(8,476,748)	(2,962,021)
Net foreign exchange transaction (losses)/gains on financing activities	(462,665)	3,194,185
Amortisation of intangible assets	6,781	429
Depreciation of right-of-use assets	2,071,896	2,445,695

Depreciation of property, plant and equipment	8,057,441	8,852,851
EBITDA	**52,980,975**	**58,617,862**
Plus (Minus)		
Loss on derecognition arising on capital repairs	315,163	284,448
Net foreign exchange transaction (losses)/gains on financing activities	462,665	(3,194,185)
Other (losses)/gains – net	167,824	283,221
Profit from sale of subsidiaries	-	(3,400,047)
Gain on sale of property, plant and equipment	(59,816)	(280,219)
Reversal of impairment/(impairment) of property, plant and equipment	(7,292)	(22,052)
Adjusted EBITDA	**53,859,519**	**52,289,028**

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”, “Acquisition of non-controlling interest”, “Payment for rolling stock to disposed subsidiary”, “Principal elements of lease payments for other lease liabilities” plus “Cash inflow from disposal of subsidiary undertakings - net of cash disposed of”.

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”.

Total CAPEX adjusted for M&A (a non-IFRS financial measure) is calculated as a combination of Total CAPEX (which includes maintenance CAPEX) and cash inflows and outflows from acquisitions and disposals.

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

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 table sets out details on Free Cash Flow and Attributable Free Cash Flow for 2024 and 2023, and its reconciliation to Cash generated from operations.

	2024 RUB’000	2023 RUB’000
Cash generated from operations	51,253,074	49,193,570
Tax paid	(10,589,794)	(8,267,084)
Interest paid on bank borrowings and non-convertible unsecured bonds	(1,136,050)	(2,051,443)
Interest paid on other lease liabilities	(338,799)	(460,093)
Purchases of property, plant and equipment	(10,590,959)	(8,259,858)
Payment for rolling stock to disposed subsidiary	-	(6,603,141)
Purchases of intangible assets	(28,010)	(745)
Principal elements of other lease payments	(2,241,558)	(2,477,780)
Cash inflow from disposal of subsidiary undertakings - net of cash disposed of	-	4,771,748
Total CAPEX	**(10,618,969)**	**(8,260,603)**
Total CAPEX adjusted for M&A	**(10,618,969)**	**(10,091,996)**
Free Cash Flow	**26,327,904**	**25,845,174**
Attributable Free Cash Flow	**26,327,904**	**25,847,838**

Net Debt and Net Debt to Adjusted 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)

The following table sets out the details on the Group’s Net Debt and Net Debt to Adjusted EBITDA at 31 December 2024 and 2023, and reconciliation of Net Debt to Total Debt.

	2024 RUB'000	2023 RUB'000
Total debt	7,725,266	15,377,104
Minus		
Cash and cash equivalents	46,080,128	42,776,832
Net Debt	**(38,354,862)**	**(27,399,728)**
Net Debt to Adjusted EBITDA	**-0.71x**	**-0.52x**

10. Revenue

(a) Disaggregation of revenue

	2024 RUB'000	2023 RUB'000
Railway transportation – operator's services (tariff borne by the Group)	39,791,895	36,655,751
Railway transportation – operator's services (tariff borne by the client)	63,857,231	62,930,397
Other	741,736	623,685
Total revenue from contracts with customers recognised over time	104,390,862	100,209,833
Operating lease of rolling stock	4,336,170	4,538,190
Total revenue	**108,727,032**	**104,748,023**

Note: Revenue from railway transportation – operators services (tariff borne by the Group) includes infrastructure and locomotive tariffs for loaded trips for the year ended 31 December 2024 amounting to RUB 11,979,807 thousand (for the year ended 31 December 2023: RUB 13,014,652 thousand) and the cost of engaging the fleet from third parties recharged to clients of the Group amounting to RUB 4,093,148 thousand (2023: RUB 4,345,377 thousand).

(b) Liabilities related to contracts with customers

The Group has recognised the following liabilities related to contracts with customers as of 31 December 2023 and 31 December 2024:

	31 December 2024 RUB'000	31 December 2023 RUB'000	1 January 2023 RUB'000
Current			
Contract liabilities relating to railway transportation contracts – Third parties	781,721	791,215	811,178
Contract liabilities relating to railway transportation contracts – Related parties (Note 35)	-	1,467	2,228
	781,721	792,682	813,406
Non-current			
Contract liabilities relating to railway transportation contracts – Third parties	13,347	12,909	9,575
Contract liabilities relating to railway transportation contracts – Related parties (Note 35)	-	4,878	4,879
	13,347	17,787	14,454
Total contract liabilities	**795,068**	**810,469**	**827,860**

Contract liabilities represent advances from customers for transportation services.

(c) Revenue recognised in relation to contract liabilities

The Group's revenue for the year ended 31 December 2024 includes RUB 797,306 thousand that were included in the balance of the contract liability as of 1 January 2024 (year ended 31 December 2023: RUB 810,821 as of 1 January 2023).

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.

11. Expenses by nature

	2024 RUB'000	2023 RUB'000
Cost of sales		
Infrastructure and locomotive tariffs: loaded trips	11,979,807	13,014,652
Infrastructure and locomotive tariffs: empty run trips and other tariffs	20,406,904	19,489,606
Services provided by other transportation organisations	4,093,148	4,345,377
Expense relating to short-term leases (rolling stock)	82,150	58,860
Employee benefit expense	3,102,631	3,381,556
Repairs and maintenance	5,090,171	4,080,984
Repairs and maintenance - third parties rolling stock	301,361	192,931
Depreciation of property, plant and equipment	7,997,402	8,788,362
Depreciation of right-of-use assets	1,957,778	2,320,501
Loss on derecognition arising on capital repairs	315,163	284,448
Amortisation of intangible assets	3,220	414
Fuel and spare parts – locomotives	2,344,619	1,957,931
Engagement of locomotive crews	145,435	93,812
Gain on sale of property, plant and equipment	(43,799)	(275,960)
Reversal of impairment of property, plant and equipment	(7,292)	(22,052)
Other expenses	282,124	187,775
Total cost of sales	**58,050,822**	**57,899,197**

	2024 RUB'000	2023 RUB'000
Selling, marketing and administrative expenses		
Depreciation of property, plant and equipment	60,039	64,489
Depreciation of right-of-use assets	114,118	125,194
Amortisation of intangible assets	3,561	15
Gain on sale of property, plant and equipment	(16,017)	(4,259)
Employee benefit expense	5,810,555	4,792,008
Net impairment losses on trade and other receivables	2,150	50,258
Expense relating to short-term leases (office)	140,355	94,052
Auditors' remuneration	62,166	49,997
Legal, consulting and other professional fees	201,902	114,467
Advertising and promotion	60,789	57,167
Communication costs	27,677	25,437
Information services	22,356	18,582
Taxes (other than income tax and value added taxes)	18,076	13,534
Other expenses	693,137	440,009
Total selling, marketing and administrative expenses	**7,200,864**	**5,840,950**

	2024 RUB'000	2023 RUB'000
Total expenses		
Depreciation of property, plant and equipment (Note 17)	8,057,441	8,852,851
Depreciation of right-of-use assets (Note 18)	2,071,896	2,445,695
Loss on derecognition arising on capital repairs (Note 17)	315,163	284,448
Amortisation of intangible assets (Note 19)	6,781	429
Reversal of impairment of property, plant and equipment (Note 17)	(7,292)	(22,052)
Gain on sale of property, plant and equipment (Note 17)	(59,816)	(280,219)
Employee benefit expense (Note 13)	8,913,186	8,173,564
Net impairment losses on trade and other receivables	2,150	50,258
Expense relating to short-term leases (rolling stock)	82,150	58,860
Expense relating to short-term leases (office)	140,355	94,052
Repairs and maintenance	5,090,171	4,080,984
Repairs and maintenance - third parties rolling stock	301,361	192,931
Fuel and spare parts – locomotives	2,344,619	1,957,931
Engagement of locomotive crews	145,435	93,812
Infrastructure and locomotive tariffs: loaded trips	11,979,807	13,014,652
Infrastructure and locomotive tariffs: empty run trips and other tariffs	20,406,904	19,489,606

Services provided by other transportation organisations	4,093,148	4,345,377
Auditors' remuneration	62,166	49,997
Legal, consulting and other professional fees	201,902	114,467
Advertising and promotion	60,789	57,167
Communication costs	27,677	25,437
Information services	22,356	18,582
Taxes (other than income tax and value added taxes)	18,076	13,534
Other expenses	975,261	627,784
Total cost of sales, selling and marketing costs and administrative expenses	**65,251,686**	**63,740,147**

Note: The auditors' remuneration stated above includes fees of RUB 20,844 thousand (2023: RUB 11,686 thousand) for statutory audit services and RUB 7,008 thousand (2023: RUB 4,308 thousand) for other assurance services charged by the Company's statutory audit firm. The rest of the auditors' remuneration relates to fees for audit services charged by the auditors of the subsidiaries of the Company.

Legal, consulting and other professional fees include RUB 281 thousand for the year 2024 (RUB NIL thousand for the year 2023) in relation to fees paid to the Company's statutory audit firm for tax consultancy services.

12. Other (losses)/gains – net

	2024 RUB'000	2023 RUB'000
Other gains	537,658	338,368
Other losses	(774,303)	(628,581)
Net foreign exchange gains (Note 16)	68,821	6,992
Gain from sale of subsidiaries (Note 36)	-	3,400,047
Total other (losses)/gains – net	**(167,824)**	**3,116,826**

13. Employee benefit expense

	2024 RUB'000	2023 RUB'000
Wages and salaries	4,171,014	3,282,401
Termination benefits	55,534	3,397
Bonuses	3,286,763	3,553,688
Social insurance costs	1,399,875	1,334,078
Total employee benefit expense	**8,913,186**	**8,173,564**
Average number of employees during the year	1,792	1,771

14. Finance income/(costs) - net

	2024 RUB'000	2023 RUB'000
Interest expense:		
Bank borrowings	(1,080,997)	(1,733,788)
Non-convertible bonds	(13,850)	(204,879)
Total interest expense calculated using the effective interest rate method	(1,094,847)	(1,938,667)
Other lease liabilities	(333,407)	(464,560)
Total interest expense	(1,428,254)	(2,403,227)
Other finance costs	(13,526)	(2,183)
Total finance costs	(1,441,780)	(2,405,410)
Interest income:		
Bank balances	2,223,099	1,654,015
Short and long term deposits	8,136,419	492,734
Loans to related parties (Note 35)	-	9,666
Loans to third parties	-	2,726
Total interest income calculated using the effective interest rate method	10,359,518	2,159,141
Finance leases – related parties (Note 35)	662	609

Finance leases – third parties	20,963	13,496
Total interest income	10,381,143	2,173,246
Other finance income	50	-
Total finance income	10,381,193	2,173,246
Net foreign exchange transaction losses on borrowings and other liabilities	-	(70,925)
Net foreign exchange transaction (losses)/gains on cash and cash equivalents and other monetary assets	(462,665)	3,265,110
Net foreign exchange transaction (losses)/gains on financing activities (Note 16)	(462,665)	3,194,185
Net finance income	**8,476,748**	**2,962,021**

15. Income tax expense

	2024 RUB'000	2023 RUB'000
Current tax:		
Corporation tax	10,229,046	8,111,952
Withholding tax on dividends	38,991	702,849
Withholding tax on interest payments	57,397	558
Total current tax	10,325,434	8,815,359
Deferred tax (Note 30):		
Origination and reversal of temporary differences	(135,404)	(346,241)
Deferred tax effect from the increase in tax rate to 25% in Russian Federation	2,147,630	-
Total deferred tax	2,012,226	(346,241)
Income tax expense	12,337,660	8,469,118

The Company has applied the mandatory exception to recognising and disclosing information about deferred tax assets and liabilities arising from Pillar Two income taxes. Furthermore, the Company has reviewed its corporate structure in light of the introduction of Pillar Two Model Rules in various jurisdictions. Since the Group's effective tax rate is well above 15% in all jurisdictions in which it operates, it has determined that it is not subject to Pillar Two "top-up" taxes. Therefore, the parent company financial statements do not include information required by paragraphs 88A-88D of IAS 12.

On 12 July 2024, Federal Law No. 176-FZ on Amendments to part one and part two of the Tax Code of the Russian Federation, certain legislative acts of the Russian Federation and on the invalidation of certain provisions of legislative acts of the Russian Federation was adopted (published on 12 July 2024, hereinafter referred to as the "Law"). In accordance with the provisions of the Law, the corporate income tax rate was increased from 20% to 25%. This change became effective starting 1 January 2025.

In accordance with IAS 12, deferred tax assets and liabilities recognised as at 31 December 2024 were remeasured by the Group using the new income tax rate of 25%. The effect of this remeasurement is recognised in the consolidated statement of financial position, the consolidated statement of profit or loss and other comprehensive income of the consolidated financial statements for 2024 within income taxes in the amount of RUB 2,147,630 thousand, deferred tax assets in the amount of RUB 317,157 thousand and deferred tax liabilities in the amount of RUB (2,464,788) thousand.

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the applicable tax rates as follows:

	2024 RUB'000	2023 RUB'000
Profit before tax	51,784,270	47,086,723
Tax calculated at domestic tax rates applicable to profits in the respective countries	10,296,099	10,699,255
Tax effects of:		
Expenses not deductible for tax purposes	59,417	(218,447)
Allowances and income not subject to tax	32,492	132,196
Tax effect of tax losses for which no deferred tax asset was recognised	(3,531)	(4,629)
Tax effect of revaluation of deferred tax liabilities at current tax rates	2,147,630	-
Withholding taxes:		
Estonian income tax arising on distribution(1)	-	(497,474)
Dividend tax provision in relation to intended dividend distribution of subsidiaries	(75,031)	(1,744,903)
Withholding tax on interest payments	79,243	558
Over provision of current and deferred tax in prior years	(198,659)	(131,004)

Windfall tax	-	233,566
Tax charge	12,337,660	8,469,118

(1) Estonian tax law calls for profits to be taxed at the time of distribution and not during the year in which they arise. During the year 2023, the Group incurred taxes on distributions from Estonian subsidiaries.

As of 31 December 2024 the Company is subject to income tax on taxable profits at the rate of 9.0%. 0% corporate tax rate applies on qualifying income in United Arab Emirates tax legislation. As of 31 December 2023 the Company was subject to income tax on taxable profits at the rate 12.5%.

For Russian subsidiaries, the annual profit is taxed at 20%. Withholding tax is applied to dividends distributed to the Company by its Russian subsidiaries at the rate of 15% (5% in 2023) on gross dividends declared; such tax is withheld at source by the respective subsidiary and is paid to the Russian tax authorities at the same time when the payment of dividend is effected. Dividend withholding tax provision is recognised in the respective periods for the withholding taxes that will be payable by Russian subsidiaries where there is an intention that earnings will be distributed to the Company in the form of dividends.

The Group has not recognised any tax in relation to other comprehensive income as all elements of other comprehensive income are not subject to tax.

16. Net foreign exchange (losses) / gains

The exchange differences credited to the income statement are included as follows:

	2024 RUB'000	2023 RUB'000
Finance income/(costs) - net (Note 14)	(462,665)	3,194,185
Other gains – net (Note 12)	68,821	6,992
	(393,844)	3,201,177

17. Property, plant and equipment

	Rolling stock RUB'000	Land and buildings RUB'000	Motor vehicles RUB'000	Other RUB'000	Total RUB'000
At 1 January 2023					
Cost	128,806,367	447,195	247,323	1,046,626	130,547,511
Accumulated depreciation	(52,034,377)	(149,548)	(143,343)	(613,317)	(52,940,585)
Net book amount	76,771,990	297,647	103,980	433,309	77,606,926
Year ended 31 December 2023					
Opening net book amount	76,771,990	297,647	103,980	433,309	77,606,926
Additions	8,566,804	298,653	66,086	138,444	9,069,987
Disposals	(368,595)	-	(9,215)	(9,637)	(387,447)
Disposed through disposals of subsidiaries	(1,135,154)	(12,377)	(15,245)	(1,039)	(1,163,815)
Depreciation charge (Note 11)	(8,729,125)	(16,660)	(20,982)	(86,084)	(8,852,851)
Transfers	164	69,399	-	(69,563)	-
Impairment charge	(8,111)	-	-	-	(8,111)
Reversal of impairment	30,163	-	-	-	30,163
Transfer to inventories	(800,263)	(33)	-	(206)	(800,502)
Derecognition arising on capital repairs	(284,448)	-	-	-	(284,448)
Currency translation differences	1,660	18	21	77	1,776
Closing net book amount	74,045,085	636,647	124,645	405,301	75,211,678
At 31 December 2023					
Cost	130,579,728	795,400	255,216	1,060,247	132,690,591
Accumulated depreciation	(56,534,643)	(158,753)	(130,571)	(654,946)	(57,478,913)
Net book amount	74,045,085	636,647	124,645	405,301	75,211,678

	Rolling stock	Land and buildings	Motor vehicles	Other	Total
	RUB'000	RUB'000	RUB'000	RUB'000	RUB'000
At 1 January 2024					
Cost	130,579,728	795,400	255,216	1,060,247	132,690,591
Accumulated depreciation	(56,534,643)	(158,753)	(130,571)	(654,946)	(57,478,913)
Net book amount	74,045,085	636,647	124,645	405,301	75,211,678
Year ended 31 December 2024					
Opening net book amount	74,045,085	636,647	124,645	405,301	75,211,678
Additions	6,739,854	73,581	89,612	412,105	7,315,152
Disposals	(52,871)	-	(12,964)	(234)	(66,069)
Depreciation charge (Note 11)	(7,913,118)	(33,069)	(25,198)	(89,972)	(8,061,357)
Transfers	3,749	520	(630)	(3,639)	-
Reversal of impairment	7,292	-	-	-	7,292
Transfer to inventories	(966,825)	-	-	(913)	(967,738)
Derecognition arising on capital repairs	(315,163)	-	-	-	(315,163)
Closing net book amount	71,548,003	677,679	175,465	722,648	73,123,795
At 31 December 2024					
Cost	132,513,456	869,650	292,644	1,462,425	135,138,175
Accumulated depreciation	(60,965,453)	(191,971)	(117,179)	(739,777)	(62,014,380)
Net book amount	71,548,003	677,679	175,465	722,648	73,123,795

Useful lives of rolling stock

The estimation of the useful lives of items of rolling stock is a matter of judgment based on the experience with similar assets. The future economic benefits embodied in the assets are consumed principally through use. However, other factors, such as technical or commercial obsolescence and wear and tear, often result in the diminution of the economic benefits embodied in the assets. The Group assesses the remaining useful lives of its rolling stock as of each balance sheet date taking into account the current technical conditions of the assets and estimated period during which the assets are expected to earn benefits for the Group. The following primary factors are considered: (a) the expected usage of the assets; (b) the expected physical wear and tear, which depends on operational factors and maintenance programme; and (c) the technical or commercial obsolescence arising from changes in market conditions.

Based on management's assessment, the useful economic life of the Group's rolling stock as of 31 December 2024 is considered appropriate.

Residual values of rolling stock

The Group reviews and adjusts the residual values of its rolling stock and wheel pairs as of each balance sheet date, taking into account, among others, the price of scrap metal as of the assessment date. Management has revised the residual value of the Group's rolling stock and wheel pairs as of 1 January 2024, following a significant decrease in market prices of scrap metal. In making this assessment, management took into account actual scrap prices achieved by the Group near the assessment date and available market information on the level of scrap metal as at that date.

As a result of the revision of the residual values of the Group's rolling stock and wheel pairs, the depreciation charged in the income statement for the year ended 31 December 2024 is RUB 937,199 thousand lower than the one that would have been charged for the same period if there was no revision in residual values (the year ended 31 December 2023 is RUB 915,451 thousand higher than the one that would have been charged for the same period if there was no revision in residual values). A reasonable change in the inputs used by management would not result in material differences.

Based on management's assessment, the residual values of the Group's rolling stock as of 31 December 2024 are considered appropriate.

Impairment assessment of rolling stock

The Group assesses at each balance sheet date whether there are indications for impairment of the Group's property, plant and equipment, in accordance with its accounting policy for impairment of non-financial assets, as set out in Note 4.

In the cash flow statement, proceeds from sale of property, plant and equipment comprise:

	2024 RUB'000	2023 RUB'000
Net book amount	66,069	387,447
Gains on sale of property, plant and equipment (Note 11)	59,816	280,219
Consideration from sale of property, plant and equipment	125,885	667,666

The consideration from sale of property, plant and equipment is further analysed as follows:

	2024 RUB'000	2023 RUB'000
Cash consideration received within year	148,604	626,548
Movement in advances received for sales of property, plant and equipment	(22,719)	41,118
	125,885	667,666

The total net book value of pledged property, plant and equipment (included above) which are held as collateral for the borrowings and loans are as follows (Note 28):

	2024 RUB'000	2023 RUB'000
Rolling stock	4,641,143	13,649,738

Depreciation expense of RUB 7,997,402 thousand in 2024 (2023: RUB 8,788,362 thousand) has been charged to "cost of sales" and RUB 60,039 thousand in 2024 (2023: RUB 64,489 thousand) has been charged to "selling, marketing and administrative expenses" (Note 11).

18. Right-of-use assets

	Rolling stock RUB'000	Land and buildings RUB'000	Total RUB'000
Year ended 31 December 2023			
Opening net book amount	3,675,184	162,843	3,838,027
Additions	890,088	19,146	909,234
Disposals	(189,047)	-	(189,047)
Disposals through subleases	-	(38,136)	(38,136)
Change of terms of leases	139,169	533,781	672,950
Depreciation charge (Note 11)	(2,317,550)	(128,145)	(2,445,695)
Currency translation differences	-	7	7
Disposed through disposals of subsidiaries	-	(8,426)	(8,426)
As at 31 December 2023	2,197,844	541,070	2,738,914

	Rolling stock RUB'000	Land and buildings RUB'000	Total RUB'000
Year ended 31 December 2024			
Opening net book amount	2,197,844	541,070	2,738,914
Additions	384,313	94,540	478,853
Disposals	-	(679)	(679)
Disposals through subleases	-	(30,905)	(30,905)
Change of terms of leases	-	16,672	16,672
Depreciation charge (Note 11)	(1,952,699)	(119,197)	(2,071,896)
Early termination	-	(2,895)	(2,895)
As at 31 December 2024	629,458	498,606	1,128,064

Summarised information for the Group's right-of-use assets

In accordance with the Group's accounting policy for leases as disclosed in Note 4, right-of-use assets and associated lease liabilities are presented as separate lines on the face of the Consolidated statement of financial position.

The total cash outflow for leases in 2024 was RUB 2,580,357 thousand (2023: RUB 2,937,873 thousand).

19. Intangible assets

	Computer software RUB'000	Total RUB'000
At 1 January 2023		
Cost	12,934	12,934
Accumulated amortisation	(11,174)	(11,174)
Net book amount	1,760	1,760
Year ended 31 December 2023		
Opening net book amount	1,760	1,760
Additions	745	745
Amortisation charge (Note 11)	(429)	(429)
Closing net book amount	2,076	2,076
At 31 December 2023		
Cost	2,907	2,907
Accumulated amortisation	(831)	(831)
Net book amount	2,076	2,076
Year ended 31 December 2024		
Opening net book amount	2,076	2,076
Additions	28,915	28,915
Amortisation charge (Note 11)	(6,781)	(6,781)
Closing net book amount	24,210	24,210
At 31 December 2024		
Cost	31,535	31,535
Accumulated amortisation	(7,325)	(7,325)
Net book amount	24,210	24,210

Amortisation of RUB 3,220 thousand (2023: RUB 414 thousand) has been charged to "cost of sales" in the income statement and RUB 3,561 thousand (2023: RUB 15 thousand) to "selling, marketing and administrative expenses" (Note 11).

20. Long term bank deposits

	2024 RUB'000	2023 RUB'000
Long term bank deposits	12,030,771	-
	12,030,771	-

The long term deposits have a maturity of 36 months.

Long term bank deposits are denominated in the following currencies:

	2024 RUB'000	2023 RUB'000
Chinese Yuan	12,030,771	-
Total long term bank deposits	12,030,771	-

21. Principal subsidiaries

The Company had the following subsidiaries at 31 December 2024 and 31 December 2023:

Name	Place of business/ country of incorporation	Principal activities	Proportion of ordinary shares held by the Company (%)		Proportion of ordinary shares held by the Group (%)	
			2024	**2023**	**2024**	**2023**
New Forwarding Company, AO	Russia	Railway transportation	100	100	100	100
GTI Management, OOO	Russia	Railway transportation	100	100	100	100
GTI Finance, OOO[1]	Russia	Purchase of GDRs of Globaltrans Investment Plc	-	-	100	-
Ural Wagonrepair Company, AO	Russia	Repair and maintenance of rolling stock	100	100	100	100
Ukrainian New Forwarding Company OOO	Ukraine	Railway transportation	100	100	100	100
BaltTransServis, OOO	Russia	Railway transportation	100	100	100	100
BTS-Locomotive Solutions, OOO[2]	Russia	Support activities for locomotive traction	-	-	100	100
RemTransServis, OOO[3]	Russia	Repair and maintenance of rolling stock	-	-	100	100
GLTR Cyprus Limited	Cyprus	Operation in Cyprus	100	100	100	100
Adaptive Capital Ltd.	Kazakhstan	Purchase of GDRs of Globaltrans Investment Plc	100	-	100	-

1. GTI Finance, OOO is a 99.9% subsidiary of GTI Management, OOO and 0.1% subsidiary of New Forwarding Company, AO.
2. BTS-Locomotive Solutions, OOO is a 100% subsidiary of BaltTransServis, OOO.
3. RemTransServis, OOO is a 100% subsidiary of BaltTransServis, OOO.

All subsidiary undertakings are included in the consolidation. The proportion of the voting rights in the subsidiary undertakings held directly by the parent company do not differ from the proportion of ordinary shares held.

In January 2023 the Group disposed of its shareholding 65.25% in Spacecom AS for EUR 65,300,000.

In September 2023 the Group incorporated a new Cyprus company GLTR Cyprus Limited and holds 100% shares.

In November 2024 the Company bought a new dormant Kazakhstan company Adaptive Capital Ltd. and holds 100% shares.

Significant restrictions

There are no significant restrictions, statutory, contractual, regulatory, or arising from protective rights of non-controlling interests, on the ability of the Group to access or use the assets and settle the liabilities of the Group.

Summarised financial information of subsidiaries with material non-controlling interests

Set out below are the summarised financial information for each subsidiary that has non-controlling interests that are material to the Group. The financial information of Spacecom AS includes Spacecom Trans AS.

Summarised income statement		
	Spacecom AS	
	2024 RUB'000	2023 RUB'000
Revenue	-	33,610
Loss before income tax	-	(7,312)
Income tax expense	-	-
Post-tax loss from continuing operations	-	(7,312)
Other comprehensive loss	-	(6,944,213)
Total comprehensive loss	-	(6,951,525)
Total comprehensive loss allocated to non-controlling interests	-	(2,541)
Dividends paid to non-controlling interest	-	-

Summarised cash flow statements		
	Spacecom AS	
	2024 RUB'000	2023 RUB'000
Cash flows from operating activities		
Cash generated from/(used in) operations	-	921,130
Income tax paid	-	-
Net cash generated from/(used in) operating activities	-	921,130
Net cash generated from/(used in) investing activities	-	(3,175)
Net cash used in financing activities	-	(962,408)
Net increase/(decrease) in cash and cash equivalents	-	(44,453)
Cash and cash equivalents at beginning of year	-	222,442
Exchange differences on cash and cash equivalents	-	(1,310)
Cash and cash equivalents at end of year	-	176,679

The information above includes the amounts before inter-company eliminations.

22. Financial assets

(a) *Trade receivables*

	2024 RUB'000	2023 RUB'000
Trade receivables – third parties	5,419,744	4,641,832
Trade receivables – related parties (Note 35)	-	765
Less: Provision for impairment of trade receivables	(11,899)	(15,200)
Trade receivables – net	5,407,845	4,627,397
Current portion	5,407,845	4,627,397

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

	2024 RUB'000	2023 RUB'000
Currency:		
Russian Roubles	5,407,845	4,627,397
	5,407,845	4,627,397

According to the management's estimates, the fair values of trade receivables do not materially differ from their carrying amounts as the impact of discounting is not significant.

(b) Other receivables

	2024 RUB'000	2023 RUB'000
Other receivables – third parties	427,450	297,959
Other receivables – related parties (Note 35)	-	26
Less: Provision for impairment of other receivables	(28,264)	(25,632)
Other receivables – net	399,186	272,353
Current portion	399,186	272,353

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

	2024 RUB'000	2023 RUB'000
Currency:		
Russian Roubles	399,186	272,353
	399,186	272,353

According to the management's estimates, the fair values of other receivables do not materially differ from their carrying amounts as the impact of discounting is not significant.

23. Other assets

	2024 RUB'000	2023 RUB'000
Prepayments – third parties	8,022,502	3,283,283
Prepayments – related parties (Note 35)	554	-
Finance leases to third parties	63,018	137,801
Finance leases to related parties (Note 35)	-	959
VAT recoverable	113,336	42,694
Other assets	8,199,410	3,464,737
Less non-current portion:		
Finance leases to third parties	54,752	33,378
Prepayments for property, plant and equipment	3,488,810	162,932
Total non-current portion	3,543,562	196,310
Current portion	4,655,848	3,268,427

The Group's finance leases as at 31 December 2024 and 31 December 2023 are denominated in Russian Roubles. The finance lease receivables are scheduled as follows:

	Less than one year RUB'000	Between 1 to 5 years RUB'000	Over 5 years RUB'000	Total RUB'000
At 31 December 2024				
Minimum lease receivable	23,671	83,569	-	107,240
Less: Unearned finance income	(15,405)	(28,817)	-	(44,222)
Present value of minimum lease receivables	8,266	54,752	-	63,018
At 31 December 2023				
Minimum lease receivable	118,819	50,174	1,179	170,172
Less: Unearned finance income	(13,437)	(17,954)	(21)	(31,412)
Present value of minimum lease receivables	105,382	32,220	1,158	138,760

According to the management's estimates, the fair values of finance lease receivables do not materially differ from their carrying amounts as the impact of discounting is not significant.

The effective interest rates on finance lease receivables at the balance sheet were as follows:

	2024 %	2023 %
Finance leases to third parties	25.2	16.05

24. Inventories

	2024 RUB'000	2023 RUB'000
Raw materials, spare parts and consumables	1,766,808	1,142,672
	1,766,808	1,142,672

All inventories are stated at cost.

25. Cash and cash equivalents

	2024 RUB'000	2023 RUB'000
Cash at bank and in hand	4,491,117	42,617,451
Short term bank deposits	41,589,011	159,381
Total cash and cash equivalents	46,080,128	42,776,832

The weighted average effective interest rate on short-term deposits was 18.62-23.47% in 2024 (2023: 10.5-12.87%) and these deposits have a maturity of 1 to 18 days (2023: 1 to 12 days).

Cash and cash equivalents include the following for the purposes of the cash flow statement:

	2024 RUB'000	2023 RUB'000
Cash and bank balances	46,080,128	42,776,832
Total cash and cash equivalents	46,080,128	42,776,832

Cash and cash equivalents are denominated in the following currencies:

	2024 RUB'000	2023 RUB'000
Russian Rouble	44,314,930	41,902,714
US Dollar	887,503	29,478
Euro	11,603	844,640
Emirati dirham	866,092	-
Total cash and cash equivalents	46,080,128	42,776,832

The carrying value of cash and cash equivalents approximates their fair value.

26. Share capital, share premium and treasury shares

	Number of shares outstanding	Share capital RUB'000	Share premium RUB'000	Treasury shares RUB'000	Total RUB'000
At 1 January 2023	178,740,916	516,957	27,929,478	(145,993)	28,300,442
Cancellation of treasury shares	(422,657)	(1,222)	-	145,993	144,771
At 31 December 2023/1 January 2024	178,318,259	515,735	27,929,478	-	28,445,213
Purchase of treasury shares	(26,126,074)	-	-	(13,925,644)	(13,925,644)
At /31 December 2024	152,192,185	515,735	27,929,478	(13,925,644)	14,519,569

The total authorised number of ordinary shares at 31 December 2024 was 233,495,471 shares with a par value of US$0.10 per share (31 December 2023: 233,495,471 shares with a par value of US$0.10 per share). Total number of ordinary shares issued at 31 December 2024 was 178,318,259 (31 December 2023: 178,318,259 shares). All issued shares are fully paid.

In accordance with the decision of the Adjourned Extraordinary General Meeting of shareholders and its Board of Directors' meeting dated 7 October 2024, the Company's indirect subsidiary, LLC "GTI Finance", has launched an on-exchange tender offer to purchase certain global depositary receipts ("GDRs") of the Company held in the National Settlement Depository and PJSC "SPB Bank". The buyback programme was completed on 6 November 2024.

In accordance with the decision of the Board of Directors' meeting dated 25 November 2024, the Company's direct subsidiary, Adaptive Capital Ltd., has launched an on-exchange tender offer to purchase certain GDRs of the Company held through Astana International Exchange Central Securities Depository Limited. The buyback programme was completed on 24 January 2025.

At 31 December 2024 treasury shares include 26,126,074 GDRs of the Company which were acquired for a total consideration of RUB 13,925,644 thousand (31 December 2023: NIL) owned by wholly-owned subsidiaries of the Group. The GDRs represent one ordinary share each and as at 31 December 2024 are listed on Astana International Exchange (AIX), under the ticker GLTR. These GDRs carry voting rights in the same proportion as other ordinary shares. Voting rights of GDRs of the Company held by the entities within the Group are effectively controlled by management of the Group.

27. Dividends

During the years ended 31 December 2024 and 2023, the Group declared and paid dividends in favour of the equity holders of the Company and the non-controlling interests as detailed in the table below.

	2024 RUB'000	2023 RUB'000
Dividends paid to non-controlling interest	-	334,268

28. Borrowings

	2024 RUB'000	2023 RUB'000
Current		
Bank borrowings	3,609,726	6,423,132
Non-convertible unsecured bonds	-	1,291,000
Total current borrowings	3,609,726	7,714,132
Non-current		
Bank borrowings	4,115,540	7,662,972
Total non-current borrowings	4,115,540	7,662,972
Total borrowings	7,725,266	15,377,104
Maturity of non-current borrowings		
Between 1 and 2 years	2,118,445	3,559,959
Between 2 and 5 years	1,997,095	4,103,013
	4,115,540	7,662,972

Bank borrowings

Bank borrowings mature by 2028 (2023: by 2028) and bear average interest of 10.8% per annum (2023: 10.2% per annum).

There were no defaults or breaches of loan terms during the years ended 31 December 2024 and 31 December 2023.

The current and non-current bank borrowings amounting to RUB 3,609,726 thousand and RUB 4,115,540 thousand respectively (2023: RUB 6,423,132 thousand and RUB 7,662,972 thousand respectively) are secured by pledge of rolling stock with a total carrying net book value of RUB 4,641,143 thousand (2023: RUB 13,649,738 thousand) (Note 17).

Non-convertible bonds

New Forwarding Company AO issued non-convertible Russian Rouble denominated bonds for amount of RUB 5 billion in 2018, priced at a coupon rate of 7.25% p.a. and with maturity in 2023 and for amount of RUB 5 billion in 2019, priced at a coupon rate of 8.8% p.a. and with maturity in 2024 out of a total RUB 100 billion registered program. In 2024 the non-convertible Russian Rouble denominated bonds were fully redeemed and the bond programme was closed.

The Company acted as the guarantor for the bond issue.

The maturity analysis of the borrowings is as follows:

	2024 RUB'000	2023 RUB'000
6 months or less	2,232,967	5,204,824
6 to 12 months	1,376,759	2,509,309
1 to 5 years	4,115,540	7,662,971
	7,725,266	15,377,104

Movements in borrowings are analysed as follows:

	Bank borrowings and loans (excl. overdrafts) RUB'000	Other lease liabilities RUB'000	Non-convertible unsecured bonds RUB'000	Total RUB'000
Year ended 31 December 2023				
Opening amount as at 1 January *2023*	15,493,079	4,194,796	5,155,571	24,843,446
Cash flows:				
Amounts advanced	8,800,000	-	-	8,800,000
Repayments of borrowings	(10,188,110)	(2,477,780)	(3,750,000)	(16,415,890)
Interest paid	(1,731,993)	(460,093)	(319,450)	(2,511,536)
Non-cash changes:				
Interest charged	1,733,788	464,560	204,879	2,403,227
Net foreign exchange	1	1,440	-	1,441
Other lease liability	-	909,234	-	909,234
Change of terms of leases	-	472,438	-	472,438
Disposed through disposals of subsidiaries	-	(8,508)	-	(8,508)
Other	(20,661)	-	-	(20,661)
Closing amount as at 31 December 2023	14,086,104	3,096,087	1,291,000	18,473,191

	Bank borrowings and loans (excl. overdrafts) RUB'000	Other lease liabilities RUB'000	Non-convertible unsecured bonds RUB'000	Total RUB'000
Year ended 31 December 2024				
Opening amount as at 1 January 2024	14,086,104	3,096,087	1,291,000	18,473,191
Cash flows:				
Amounts advanced	-	-	-	-
Repayments of borrowings	(6,360,635)	(2,241,558)	(1,250,000)	(9,852,193)
Interest paid	(1,081,200)	(338,799)	(54,850)	(1,474,849)
Non-cash changes:				
Interest charged	1,080,997	333,407	13,850	1,428,254
Other lease liability	-	477,642	-	477,642
Change of terms of leases	-	13,419	-	13,419
Closing amount as at 31 December 2024	7,725,266	1,340,198	-	9,065,464

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

	Carrying amount		Fair value	
	2024	2023	2024	2023
	RUB'000	RUB'000	RUB'000	RUB'000
Bank borrowings	7,725,266	14,086,104	6,770,785	12,929,168
Non-convertible unsecured bonds	-	1,291,000	-	1,244,375
	7,725,266	15,377,104	6,770,785	14,173,543

The fair value as at 31 December 2024 and 31 December 2023 of fixed interest rate instruments 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 31 December 2024 and 31 December 2023. The discount rate was 25.2% p.a. (2023: 18.5% p.a.). The fair value measurements are within level 2 of the fair value hierarchy (2023: level 2). The fair value as at 31 December 2024 and 31 December 2023 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 liabilities repayable on demand or after a notice period ("demandable liabilities") is estimated as the amount payable on demand, discounted from the first date on which the amount could be required to be paid.

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

	2024	2023
	RUB'000	RUB'000
Russian Rouble	7,725,266	15,377,104
	7,725,266	15,377,104

The Group has the following undrawn borrowing facilities:

	2024	2023
	RUB'000	RUB'000
Fixed rate:		
Expiring within one year	19,500,000	1,000,000
Expiring beyond one year	12,000,000	28,000,000
	31,500,000	29,000,000

Drawdowns under certain of the above credit facilities are subject to successful conclusion of additional agreements with the lenders, which, amongst others, will specify the terms of each disbursement.

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

	2024	2023
	%	%
Bank borrowings	10.8	10.2
Non-convertible unsecured bonds	-	8.8

29. Other lease liabilities

	2024	2023
	RUB'000	RUB'000
Other lease liabilities		
Current lease liabilities	747,662	2,198,502
Non-current lease liabilities	592,536	897,585
Total lease liabilities	1,340,198	3,096,087

	2024 RUB'000	2023 RUB'000
Maturity of other lease liabilities		
Between 1 and 2 years	151,164	450,483
Between 2 and 5 years	441,372	445,578
Over 5 years	-	1,524
	592,536	897,585

30. Deferred income tax

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes relate to the same taxable entity and fiscal authority.

The gross movement on the deferred income tax account is as follows:

	2024 RUB'000	2023 RUB'000
Beginning of year	8,734,998	9,081,239
Income statement charge (Note 15)	2,012,226	(346,241)
End of year	10,747,224	8,734,998

The movement on the deferred tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Deferred tax liabilities	Property, plant and equipment RUB'000	Withholding tax provision RUB'000	Intangible assets RUB'000	Right-of-use assets RUB'000	Total RUB'000
At 1 January 2023	8,832,959	682,645	-	721,640	10,237,244
Charged/(credited) to:					
Income statement (Note 15)	76,521	(568,623)	-	(217,794)	(709,896)
At 31 December 2023	8,909,480	114,022	-	503,846	9,527,348
Charged/(credited) to:					
Income statement (Note 15)	2,254,386	(92,176)	2,512	(330,726)	1,833,996
At 31 December 2024	11,163,866	21,846	2,512	173,120	11,361,344

Deferred tax assets	Trade and other payables RUB'000	Other lease liabilities and Borrowings RUB'000	Other assets/ liabilities RUB'000	Total RUB'000
At 1 January 2023	(191,220)	(801,815)	(162,970)	(1,156,005)
Charged/(credited) to:				
Income statement (Note 15)	171,909	212,921	(21,175)	363,655
At 31 December 2023	(19,311)	(588,894)	(184,145)	(792,350)
Charged/(credited) to:				
Income statement (Note 15)	(52,982)	184,544	46,668	178,230
At 31 December 2024	(72,293)	(404,350)	(137,477)	(614,120)

Withholding tax at the rate of 15% (2023: 5%) is applied to the dividends distributed by the Russian subsidiaries of the Group to the Company. The Group recognises provisions for such taxes based on management's estimates and intention for future dividend distribution by each respective subsidiary out of profits of subsidiaries as of 31 December 2024.

Deferred income tax liabilities of RUB 16,582,800 thousand (2023: RUB 2,809,390 thousand) have not been recognised for the withholding taxes that would be payable in case unremitted earnings of certain subsidiaries are distributed to the Company in the form of dividends as it is the current intention of the management of the Group that such amounts are reinvested. Unremitted earnings on which no deferred tax liability was recognised totalled to RUB 110,552,000 thousand as at 31 December 2024 (2023: RUB 55,871,122 thousand).

31. Trade and other payables

	2024 RUB'000	2023 RUB'000
Current		
Trade payables to third parties	787,902	550,862
Other payables to third parties	642,712	154,497
VAT payable and other taxes	900,162	1,485,159
Accrued expenses	153,576	113,874
Accrued key management compensation (Note 35)	41,980	134,080
	2,526,332	2,438,472

The fair value of trade and other payables approximates their carrying amount at the balance sheet date.

32. 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 in issue during the year, excluding treasury shares.

	2024	2023
Profit attributable to equity holders of the company (RUB thousand)	39,446,610	38,620,269
Weighted average number of ordinary shares in issue (thousand)	172,893	178,318
Basic and diluted earnings per share (expressed in RUB per share) attributable to the equity holders of the Company during the year	228.16	216.58

The Company has no dilutive potential ordinary shares; therefore, the diluted earnings per share equals the basic earnings per share.

33. Contingencies

Operating environment

Russian Federation. The Russian Federation displays certain characteristics of an emerging market. Its economy is particularly sensitive to oil and gas prices. The legal, tax and regulatory frameworks continue to develop and are subject to frequent changes and varying interpretations. Ongoing political tension in the region and sanctions against certain Russian companies and individuals have an additional negative impact on the Russian economy.

In 2024 there remains significant geopolitical tension which was developing since February 2022 with the situation with Ukraine. Sanctions and restrictions for multiple Russian entities, including removing access to the Euro and USD markets, the international SWIFT system, and many other, have been imposed and continue being introduced. A number of multinational groups suspended or terminated their business activity in the Russian Federation. Earlier the EU and several non-EU countries have introduced a price ceiling for supplies of Russian oil and Russian gas supplies, an embargo on maritime supplies of Russian oil and petroleum products. The financial markets continue to demonstrate instability. In 2024, foreign currency exchange rates against the rouble increased in comparison with rates at 31 December 2023. The key rate of the Bank of Russia was raised in December 2023 to 16%, in July 2024 – to 18%, in September 2024 – to 19% and in October 2024 – to 21%.

In June 2024 the USA imposed sanctions on the Moscow Stock Exchange, as well as the National Clearing Center (NCC) and the National Settlement Depository (NSD), which are members of its group. In this regard, since 13 June 2024, trading in dollars and euros, as well as instruments involving the use of these currencies has been suspended on the Moscow Stock Exchange. At the same time, transactions with the US dollar and euro continue to be conducted on the over-the-counter market. Since the suspension of trading on the Moscow Stock Exchange, the official exchange rates of the US dollar and the euro against the ruble are set on the basis of reporting data from credit institutions or data from digital platforms for over-the-counter trading.

In November 2024, the USA imposed sanctions on Bank GPB (JSC), which is the only authorized bank for making payments by foreign buyers for natural gas supplies.

There is an expectation of further sanctions and limitations on foreign business activity affecting companies operating in the Russian Federation, as well as possible negative consequences for the Russian economy in general, but the full extent and scale of possible effects of these are unknown. It is not possible to determine how long this increased volatility will last or at what level the above financial indicators will eventually level out.

The Group actively monitors political developments on an ongoing basis. However, the macroeconomic situation in Ukraine, Russia is out of Management's control. The scope and impact of any new potential sanctions (and any counter-sanctions) is yet unknown, however they might further affect key Russian financial institutions as well as companies operating in the Russian Federation.

The Group continues to monitor the situation and implement a set of measures to minimize the impact of possible risks on the Group's operations and financial position.

Tax contingencies. Russian tax and customs legislation which was enacted or substantively enacted at the end of the reporting period, is subject to varying interpretations when being applied to the transactions and activities of the Group. Consequently, tax positions taken by management and the formal documentation supporting the tax positions may be challenged by tax authorities. Russian tax administration is gradually strengthening, including the fact that there is a higher risk of review of tax transactions without a clear business purpose or with tax incompliant counterparties. Fiscal periods remain open to review by the authorities in respect of taxes for three calendar years preceding the year when decisions about the review was made. Under certain circumstances reviews may cover longer periods.

The Russian transfer pricing legislation is generally aligned with the international transfer pricing principles developed by the Organisation for Economic Cooperation and Development (OECD) but has specific characteristics. This legislation provides the possibility for tax authorities to make transfer pricing adjustments and impose additional tax liabilities in respect of controlled transactions (transactions with related parties and some types of transactions with unrelated parties), provided that the transaction price is not arm's length. Management has implemented internal controls to be in compliance with this transfer pricing legislation. Management believes that its pricing policy used in 2024 and 2023 and preceding years is arm’s length and it has implemented internal controls to be in compliance with this transfer pricing legislation.

Tax liabilities arising from transactions between companies within the Group are determined using actual transaction prices. It is possible, with the evolution of the interpretation of the transfer pricing rules, that such transfer prices could be challenged. The impact of any such challenge cannot be reliably estimated; however, it may be significant to the financial position and/or the overall operations of the Group.

The Group includes companies incorporated in UAE, Russia, Kazakhstan and Ukraine. The tax liabilities of the Group are determined on the assumption that these companies are tax residents in the countries where they are incorporated and are not subject to profits tax of other tax jurisdictions, because they do not have permanent establishments in other jurisdictions. The Company is the only and full beneficial owner of the equity interests held directly and indirectly in these subsidiaries. This interpretation of relevant legislation may be challenged but the impact of any such challenge cannot be reliably estimated currently; however, it may be significant to the financial position and/or the overall operations of the Group.

As Russian tax legislation does not provide definitive guidance in certain areas, the Group adopts, from time to time, interpretations of such uncertain areas that reduce the overall tax rate of the Group. While management currently estimates that the tax positions and interpretations that it has taken can probably be sustained, there is a possible risk that an outflow of resources will be required should such tax positions and interpretations be challenged by the tax authorities. Management will vigorously defend the positions and interpretations applied in determining taxes recognised in these financial statements if these are challenged by the authorities. The impact of any such challenge cannot be reliably estimated; however, it may be significant to the financial position and/or the overall operations of the Group.

Compliance with covenants

The Group is subject to certain financial and non-financial covenants related primarily to its borrowings, including Net Debt to EBITDA and gearing ratios, timely submission of IFRS financial statements and pledges of property, plant and equipment. Non-compliance with such covenants may result in negative consequences for the Group including claims for early repayment. The Group is in compliance with covenants as of 31 December 2024 and 31 December 2023 (Note 28). There are no indications that the Group would have difficulties complying with the above covenants when they will be next tested as at 30 June 2025.

Insurance policies

The Group holds insurance policies in relation to all vehicles (rolling stock and motor vehicles) and in respect of public third-party liability. The Group does not have full insurance for business interruption or third-party liability in respect of environmental damage.

Environmental matters

The enforcement of environmental regulation in the countries in which the Group operates is evolving and the enforcement posture of government authorities is continually being reconsidered. The Group periodically evaluates its obligations under environmental regulations. As obligations are determined, they are recognised immediately. Potential liabilities, which might arise as a result of changes in existing regulations, civil litigation or legislation, cannot be estimated but could be material. In the current enforcement climate under existing legislation, management believes that there are no significant liabilities for environmental damage.

Legal proceedings

In the opinion of management, there are no legal proceedings or other claims outstanding, as of 31 December 2024 and 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.

34. Commitments

(a) Capital commitments

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

	2024 RUB'000	2023 RUB'000
Property, plant and equipment	1,464,266	62,413

(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:

	2024 RUB'000	2023 RUB'000
Not later than 1 year	1,691,261	3,367,422
Later than 1 year not later than 5 years	990,318	25,397
	2,681,579	3,392,819

There were no contingent-based rents to be recognised in the income statement for the year ended 31 December 2024 and 31 December 2023.

35. Related party transactions

As of 31 December 2024 and 31 December 2023 the Company did not have an ultimate controlling party.

For the purposes of these financial statements, parties are generally considered to be related if the parties are under common control or if one party has the ability to control the other party or can exercise significant influence or joint control over the other party in making financial and operational decisions. 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

	2024 RUB'000	2023 RUB'000
Key management salaries and other short-term employee benefits	3,169,256	3,334,479
	3,169,256	3,334,479

The key management compensation above includes directors' remuneration paid to the directors of the Company both by the Company and by subsidiaries of the Company in respect of services provided to such subsidiaries amounting to RUB 1,644,712 thousand (2023: RUB 1,076,241 thousand) and analysed as follows:

	2024 RUB'000	2023 RUB'000
Non-executive directors' fees	30,645	20,537

Emoluments in their executive capacity	1,614,067	1,055,704
	1,644,712	1,076,241

(b) Sale of goods and services

	2024 RUB'000	2023 RUB'000
Revenue from entity under control of member of key management:		
Operating lease of rolling stock	139,931	832,175
Other	161	673
	140,092	832,848

(c) Expenses by nature

	2024 RUB'000	2023 RUB'000
Other related parties:		
Employee benefit expense	23,357	-
Expense relating to short-term leases (office)	17,911	
Other expenses	195	-
	41,463	-

(d) Other gains

	2024 RUB'000	2023 RUB'000
Other gains from entity under control of member of key management:		
Other gains	636	112,567
	636	112,567

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

	2024 RUB'000	2023 RUB'000
Trade receivables from related parties - current (Note 22):		
Entity under control of member of key management	-	765
	-	765
Other receivables from related parties – current (Note 22):		
Entity under control of member of key management	-	26
	-	26
Other assets from related parties – current (Note 23):		
Other related parties	554	-
	554	-
Key management remuneration – current (Note 31):		
Accrued salaries and other short-term employee benefits	41,980	134,080
	41,980	134,080

(f) Interest income

	2024 RUB'000	2023 RUB'000
Finance leases (Note 14):		
Entity under control of members of key management	662	609
	662	609
Loans (Note 14):		
Entity under control of members of key management	-	9,666
	-	9,666

(g) Contract liabilities

	2024 RUB'000	2023 RUB'000

Contract liabilities relating to railway transportation contracts – current (Note 10):		
Entity under control of member of key management	-	1,467
	-	1,467
Contract liabilities relating to railway transportation contracts – non-current (Note 10):		
Entity under control of member of key management	-	4,878
	-	4,878

(h) *Loans*

	2024 RUB'000	2023 RUB'000
Loans receivables (Note 22):		
Entity under control of member of key management	-	-
	-	-

	2024 RUB'000	2023 RUB'000
At the beginning of the period	-	401,151
Loans advanced during the year	-	-
Loans repaid during the year	-	(400,000)
Interest charged (Note 14)	-	9,666
Interest received	-	(10,817)
At the end of the period	-	-

(i) *Finance leases*

	2024 RUB'000	2023 RUB'000
Finance leases to related parties – current (Note 23):		
Entity under control of member of key management	-	959
	-	959

(j) *Operating lease commitments – Group as lessor*

	2024 RUB'000	2023 RUB'000
Entity under control of member of key management		
Not later than 1 year	-	856,038
Later than 1 year not later than 5 years	-	-
	-	856,038

36. Business combinations

Disposal of subsidiary

In January 2023 the Group disposed of its 65.25% shareholding in Spacecom AS, Estonia for EUR 65,300,000 (RUB 4,948,427 thousand) realising a profit from sale of RUB 3,400,047 thousand. The disposed subsidiary was part of rail tank cars reportable segment.

Details of the sale of the subsidiary as of the date of disposal:

	RUB'000
Consideration for disposal of the subsidiary	4,948,427
Fair value of accounts payable to the disposed subsidiary	(6,603,141)
Carrying amount of disposed net assets, net of non-controlling interest	1,722,300
Cumulative currency translation reserve on foreign operation recycled from other comprehensive income to profit or loss	3,332,461
Gain on sale	3,400,047

Acquisition of subsidiary

In November 2024 the Company acquired 100% of share capital of Adaptive Capital Ltd., Kazakhstan for USD 180,000 (RUB 17,990 thousand).

37. Events after the balance sheet date

There were no material post balance sheet events which have a bearing on the understanding of these consolidated financial statements.