

For immediate release

Globaltrans Investment PLC¹**Interim 2024 Results,
termination of Dividend Policy**

Globaltrans Investment PLC (the “Company” and together with its consolidated subsidiaries “Globaltrans” or the “Group”) today announces its financial and operational results for the six months ended 30 June 2024. The Group also announces that the Board of Directors has approved the termination of the Dividend Policy².

In this announcement, the Group has used certain measures not recognised by International Financial Reporting Standards (“IFRS”) (referred to as “non-IFRS measures”) as supplemental measures of the Group’s 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 Group’s 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 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. The Company also reports certain operational information to illustrate the changes in the Group’s operational and financial performance during the reporting periods. Certain financial information which is derived from the management accounts is marked in this announcement with an asterisk {}. Information (non-IFRS financial and operating measures) requiring additional explanation or defining is marked with initial capital letters and the explanations or definitions are provided at the end of this announcement. Reconciliations of the non-IFRS measures to the closest IFRS measures are included in the body of this announcement. The presentational currency of the Group’s financial results is the Russian rouble (“RUB”).*

MARKET REVIEW³**Market under pressure from infrastructure constraints, operational challenges and demand volatility**

- Overall industry freight rail turnover and transportation volumes substantially decreased 6% and 3% year on year respectively in H1 2024 with the decline continuing in July 2024 (-5% and -6% year on year respectively).
- Infrastructure constraints are ongoing due to significant changes in logistics.
- In H1 2024 overall industry freight railcar turnaround increased 10% year on year and exceeded 20 days (the weakest historical indicator) which negatively impacts the efficiency of railcars on the network.
- Growing risks of railcar fleet imbalance: the network freight railcar fleet continues to increase (+4% to 1.35 million units over the last 12 months to the end of June 2024)⁴ despite a significant decline in overall industry transportation volumes.

Increasing level of uncertainty in the gondola segment due to volatility of key commodity markets

- Overall industry transportation volumes of bulk cargoes (mostly transported in gondola cars) declined 7% year on year in H1 2024 and further decreased 9% year on year in July 2024.

¹ Imposed suspension of Global Depository Receipts (“GDRs”) trading on the London Stock Exchange continued as of the date of publication.

² The Dividend Policy had been approved by the Board of Directors on 30 November 2023.

³ The information in this section is derived from the publicly available data and the Company’s estimates.

⁴ Average daily industry railcar fleet, June 2024 vs. June 2023.

- Between January and July 2024, the overall industry transportation volumes of key bulk cargoes demonstrated a persistent decline: coal (-6% year on year), metallurgical cargoes (-6% year on year) and construction materials (-12% year on year)⁵.
- Gondola segment is the key market for Globaltrans (69% of the Group's Total Fleet)⁶ and one of the most competitive segments in the industry.
- Average daily transportation volumes of bulk cargoes in H1 2024 decreased to the level of 2015, while the network gondola fleet reached a historical high of c.635 thousand units as of June 2024 (+16% compared to the level of June 2015)⁷.
- Efficiency of gondola fleet is under pressure from the operational challenges on the network and volatility of commodity markets.
- The downward trend in the gondola market, set against this backdrop, is expected to persist in the medium term.

KEY RESULTS FOR H1 2024

Operational performance

- The Group's Freight Rail Turnover and Transportation Volume⁸ fell 11% and 9% year on year respectively reflecting a decline in the number of loaded trips per railcar on the back of the ongoing operational challenges on the network. 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.
- Total Fleet declined 2% to 64,536 units compared to year-end 2023 largely due to a decrease in the number of leased-in gondola cars. Average age of the Group's Owned Fleet is 15.7 years.
- Empty Run Ratio for gondola cars improved to 32% compared to 39% in H1 2023 (FY2023: 36%). Total Empty Run Ratio for all types of rolling stock stood at 43% (H1 2023: 48%).
- Over H1 2024 average pricing terms for all types of rolling stock remained nearly at the level of year-end 2023.

Financial results

- Adjusted Revenue increased 8% year on year to RUB 46.7 billion (+6% compared to H2 2023).
- Operational Cash Costs rose 6% year on year to RUB 18.9 billion (+10% compared to H2 2023).
- Adjusted EBITDA amounted to RUB 27.7 billion (+9% compared to H1 2023 and +3% compared to H2 2023).
- Total CAPEX adjusted for M&A⁹ was down 34% year on year to RUB 4.0 billion (unchanged compared to H2 2023) reflecting the continued suspension of investment given the substantial increase in new rolling stock prices. Against this backdrop, Free Cash Flow amounted to RUB 18.7 billion.
- Profit for the period declined 4% year on year to RUB 20.1 billion.
- Negative Net Debt as of 30 June 2024.

DIVIDENDS, INVESTMENTS AND CORPORATE MATTERS

Dividends

- The Board of Directors approved the termination of the Group's Dividend Policy.
 - The Company had been actively seeking various solutions to restore dividend payments for an extended period of time.

⁵ Coal including coke; metallurgical cargoes including ferrous metals, scrap metal and ores; construction materials including cement.

⁶ As of 30 June 2024.

⁷ Average daily industry railcar fleet, June 2024 vs. June 2015.

⁸ Including Engaged Fleet.

⁹ Including maintenance CAPEX.

- Due to continued technical limitations and various constraints on financial infrastructure, the Company does not see the possibility of resuming regular dividend payments to all shareholders in all jurisdictions in the foreseeable future.

Investments

- Investment remains suspended given the substantial rise in new rolling stock prices and increasing uncertainty in the freight rail transportation market.
- To sustain current business volumes in the medium term, the Group may require considerable investments, given that between 2025-2029 its Owned Fleet retirements are expected to average c.3,500 units per year.

Corporate matters

- The Company continues to consider various strategic actions to address the existing limitations of its corporate structure while seeking to adhere to high standards of corporate governance as well as aiming to achieve equitable treatment of all shareholders.
- At the same time, Globaltrans is maintaining Abu Dhabi Global Market as the jurisdiction of its holding company.
- The Company will also continue to keep all shareholders informed in a timely manner about key strategic and corporate decisions in accordance with applicable regulatory requirements.

DOWNLOADS

All the disclosure materials are available on Globaltrans' corporate website (www.globaltrans.com).

ANALYST AND INVESTOR EVENT

The release of the Group's financial and operational results will be accompanied by an analyst and investor online event.

Date: Friday, 30 August 2024

Time: 13:00 London / 15:00 Moscow / 16:00 Abu Dhabi / 08:00 New York

Webcast: https://us06web.zoom.us/webinar/register/WN_7SlqE1cMQduafJjOZSL9aQ

Event language: There will be a simultaneous translation of the webcast with both English and Russian available.

Q&A Session: Please note that this will be a listen-only session. Should you have any questions, please submit them by 11:30 Moscow time on 30 August 2024 to irteam@globaltrans.com.

Replay: A replay of the webcast will be available on the Globaltrans website (www.globaltrans.com) shortly after the end of the live event.

ENQUIRIES

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RESULTS IN DETAIL

The following tables provide the Group's key financial and operational information for the six months ended 30 June 2024 and 2023.

IFRS financial information

	H1 2023 RUB mln	H1 2024 RUB mln	Change %
Revenue	51,972	55,037	6%
Total cost of sales, selling and marketing costs and administrative expenses	(32,277)	(32,708)	1%
Other losses - net	(86)	(216)	152%
Operating profit	19,609	22,113	13%
Profit from sale of subsidiary	3,400	-	-100%
Finance income - net	1,705	3,099	82%
Profit before income tax	24,714	25,212	2%
Income tax expense	(3,811)	(5,106)	34%
Profit for the period	20,903	20,106	-4%
<i>Profit attributable to:</i>			
Owners of the Company	20,906	20,106	-4%
Non-controlling interests	(3)	-	-100%
Basic and diluted earnings per share for profit attributable to the equity holders of the Company during the period (RUB per share)	117.24	112.75	-4%

	H1 2023 RUB mln	H1 2024 RUB mln	Change %
Cash generated from operations (after changes in working capital)	24,169	29,780	23%
Tax paid	(3,664)	(4,865)	33%
Net cash from operating activities	20,505	24,915	22%
Net cash (used in) / from investing activities	(5,077)	145	NM
Net cash used in financing activities	(3,009)	(7,327)	144%

Non-IFRS financial information

	H1 2023 RUB mln	H1 2024 RUB mln	Change %
Adjusted Revenue	43,323	46,654	8%
Total Operating Cash Costs	17,861	18,910	6%
<i>Including</i>			
Empty Run Cost	9,748*	9,625*	-1%
Employee benefit expense	3,874	4,171	8%
Repairs and maintenance	2,134	2,593	22%
Fuel and spare parts - locomotives	934	1,134	21%
Adjusted EBITDA	25,427	27,704	9%
Total CAPEX adjusted for M&A (including maintenance CAPEX)	6,103	4,003	-34%
Free Cash Flow	11,866	18,678	57%

Debt profile

	As of 31 Dec 2023 RUB mln	As of 30 June 2024 RUB mln	Change %
Total debt	15,377	10,242	-33%
Cash and cash equivalents	42,777	60,470	41%
Net Debt / (Net Cash Position)	(27,400)	(50,228)	-

Operational information

	H1 2023	H1 2024	Change %
Freight Rail Turnover, billion tonnes-km (including Engaged Fleet)	72.9	65.1	-11%
Transportation Volume, million tonnes (including Engaged Fleet)	40.1	36.6	-9%
Total Empty Run Ratio (for all types of rolling stock), %	48%	43%	-
Empty Run Ratio for gondola cars, %	39%	32%	-
Total Fleet, units (at period end), including:	65,915	64,536	-2%
Owned Fleet, units (at period end)	62,020	61,786	0%
Leased-in Fleet, units (at period end)	3,895	2,750	-29%
Leased-out Fleet, units (at period end)	6,997	4,776	-32%
Average age of Owned Fleet, years (at period end)	14.7	15.7	-
Total number of employees (at period end)	1,803	1,842	2%

DEFINITIONS

Terms that require definitions are marked with capital letters in this announcement 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 excludes 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 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).

LEGAL DISCLAIMER

Information contained in this announcement concerning Globaltrans Investment PLC, a company organised and existing under the laws of the Abu Dhabi Global Market (the “Company” and together with its consolidated subsidiaries “Globaltrans” or the “Group”) 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. The Company relies on information obtained from sources believed to be reliable but does not guarantee the accuracy or completeness of such information.

The information in this announcement is subject to verification, completion and change. Accordingly, no representation or warranty, express or implied, is made or given by or on behalf of the Company or any of its shareholders, directors, officers or employees or any other person as to the accuracy, completeness or fairness of the information or opinions contained in this announcement. None of the Company nor any of its shareholders, directors, officers or any other person accepts any liability (including, without limitation, any liability for negligence) whatsoever for any loss howsoever arising from any use of the contents of this announcement or otherwise arising in connection therewith. This announcement does not constitute an offer or an advertisement of any securities in any jurisdiction. The distribution of this announcement in other jurisdictions may be restricted by law and any such restrictions should be observed.

This announcement may contain forward-looking statements regarding future events or the future financial performance of Globaltrans. 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 concerning, among other things, Globaltrans’ results of operations, financial condition, liquidity, prospects, growth, strategies, and the industry in which the Company operates. 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 announcement. 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 announcement, those results or developments may not be indicative of results or developments in future periods. The Company does not intend to update this announcement 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, risks associated with operating in Russia, market changes in the Russian freight rail market, 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 information contained in this announcement or on its completeness, accuracy or fairness.