

# CORPORATE PRESENTATION

December 2020



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## Presentation of information

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The financial information contained in this presentation is derived from the condensed consolidated interim financial information (unaudited) of Globaltrans Investment PLC (“the Company” or, together with its consolidated subsidiaries, “Globaltrans” or “the Group”) as at and for the six months ended 30 June 2020 and 2019 and prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” as adopted by the European Union. The condensed consolidated interim financial information should be read in conjunction with the consolidated Management report and consolidated financial statements for the year ended 31 December 2019, which have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union and the Cyprus Companies Law, Cap. 113. The Group’s condensed consolidated interim financial information (unaudited), selected operational information as at and for the six months ended 30 June 2020 and 2019 along with historical financial and operational information are available at Globaltrans’ corporate website ([www.globaltrans.com](http://www.globaltrans.com)).

The presentational currency of the Group’s financial results is Russian rouble (“RUB”), which is the functional currency of the Company as well as its Cypriot and Russian subsidiaries.

In this presentation the Group has used certain non-GAAP financial information (not recognised by EU IFRS or IFRS) as supplemental measures of the Group’s operating performance. The management believes that these non-GAAP 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. 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 management accounts is marked in this presentation with an asterisk (\*). Information (non-GAAP 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 presentation.

Rounding adjustments have been made in calculating some of the financial and operational information included in this presentation. As a result, numerical figures shown as totals in some tables may not be exact arithmetic aggregations of the figures that precede them.

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# H1 2020 HIGHLIGHTS



# Industry outperformance, strong Free Cash Flow and robust dividends in unprecedented economic conditions

## Unprecedented economic conditions

- Demand for freight rail transportation negatively affected by spread of COVID-19
- Overall Russia's freight rail turnover declined 5.3% y-o-y in H1 2020 although it was followed by a recovery in July-Nov 2020

## Industry outperformance

- Group's Freight Rail Turnover up 4.9% y-o-y despite market decline, supported by powerful operating model enabling efficient switching between cargo groups
- Empty Run Ratio for gondola cars rose to 46% (H1 2019: 43%) remaining one of the lowest in the industry

## Strong Free Cash Flow and low leverage

- Adjusted EBITDA at RUB 14.7 bln (-27% y-o-y)
- Good level of Free Cash Flow<sup>1</sup> at RUB 6.9 bln (-15% y-o-y) supported by a targeted cut in expansion CAPEX
- Low leverage with Net Debt to LTM Adjusted EBITDA at 0.75x

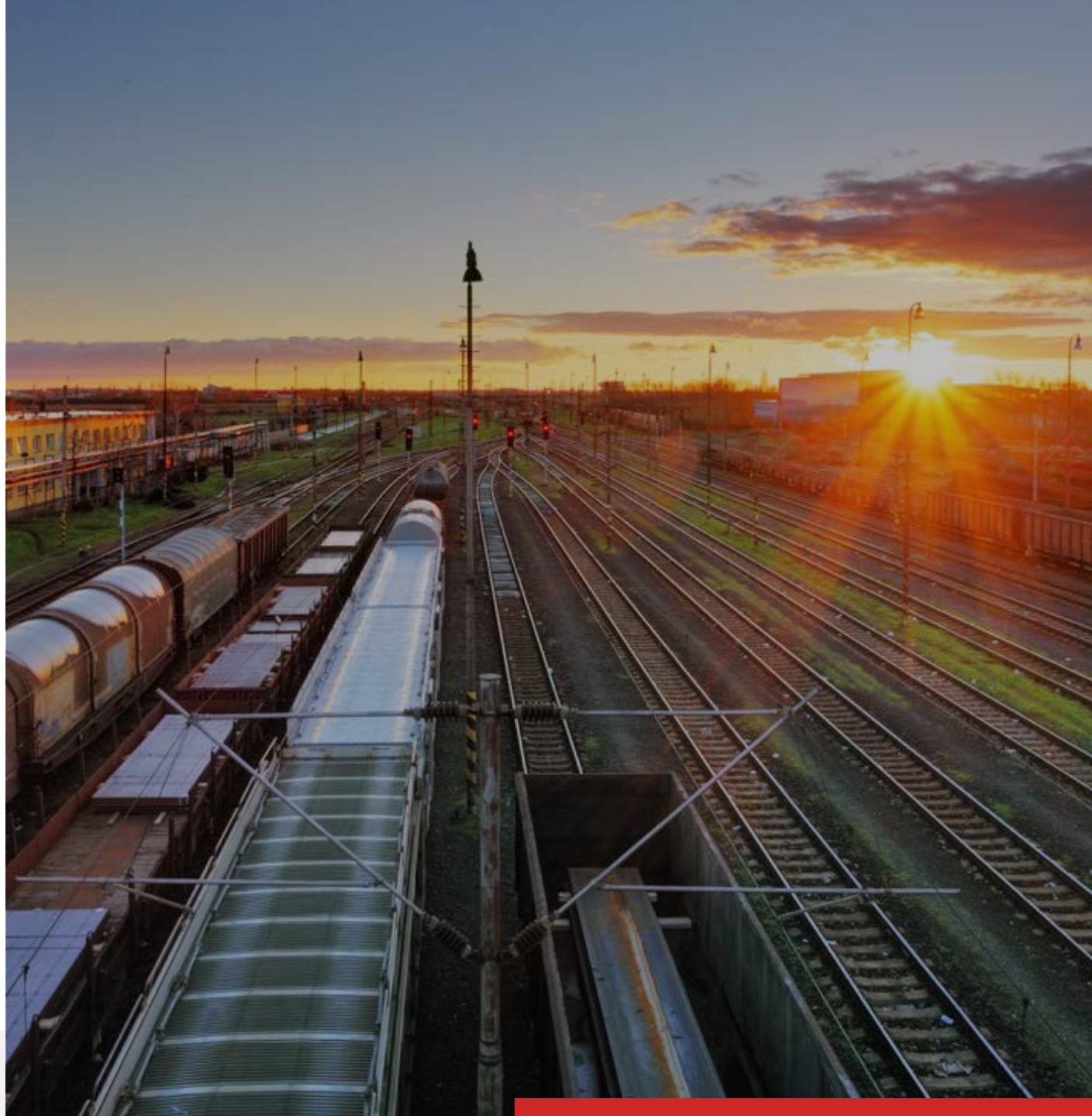
## Robust dividend payments maintained

- Interim and special interim dividends for 2020 of a combined RUB 8.3 bln (RUB 46.55 per share/GDR)<sup>2</sup> delivered as targeted
- c.RUB 13.3 bln total 2020 regular and special dividends targeted (including already paid interim dividends) subject to no significant adverse changes

Source: Globaltrans; Rosstat. Definitions for terms marked in this presentation with capital letters (including certain non-GAAP financial information) are provided at the end of this presentation.

1. Free Cash Flow is net of principal elements of lease payments for leases with financial institutions presented for both periods (H1 2019 and H1 2020). During H1 2020 the entire financial lease portfolio was refinanced to bilateral loans, therefore principal elements of lease payments were eliminated from both periods for comparison purposes.
2. Dividends were paid in US dollars in the total amount of about 62.26525 US cents per one ordinary share/GDR with conversion from Russian roubles executed at the average of the official exchange rates of the Central Bank of Russia for the five business days in Russia from 24 to 28 August 2020 inclusive (1 USD: 74.7608 RUB).

# MARKET REVIEW



# Demand started to recover following H1 2020 weakness

Demand in H1 2020 under pressure from unprecedented economic weakness and spread of COVID-19, with a recovery in July-Nov 2020

- Russia's overall freight rail turnover and volumes were down 5.3% and 4.5% y-o-y respectively in H1 2020
- In July-Nov 2020, overall freight rail turnover recovered to be roughly in line with the level achieved for the same period in 2019

Overall non-oil (bulk) cargo volumes decreased 1.8% y-o-y in Jan-Oct 2020

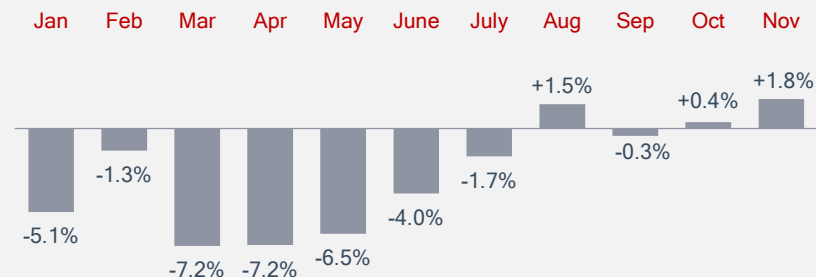
- Largely reflected a decline in coal and metallurgical cargo volumes partially mitigated by a rise in construction cargo volumes
- In July-Oct 2020 non-oil (bulk) cargo volumes increased to about 101% of the level of the same period in 2019
- Continued weak pricing in the gondola segment (more pronounced in spot leasing rates)

Oil products and oil segment under significant pressure with COVID-19 lockdowns affecting fuel consumption and OPEC+ agreement cutting crude oil production

- Overall freight rail volumes were down 9.8% y-o-y in Jan-Oct 2020
- Operators pricing environment remained relatively stable with pressure on spot leasing rates

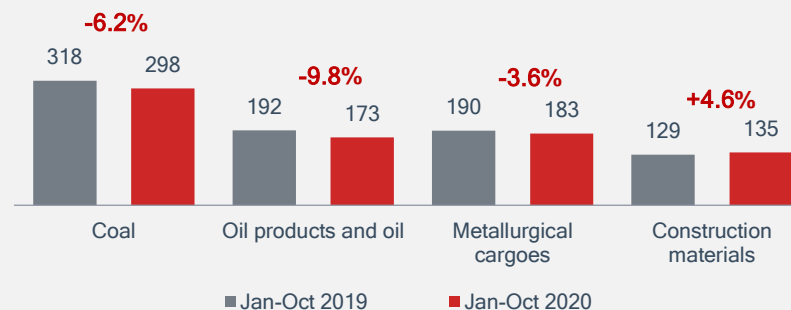
## Russia's monthly overall freight rail turnover

– Jan-Nov 2020, change, y-o-y



## Russia's overall freight rail transportation volumes

– by key freight, mln tonnes<sup>1</sup>



Source: Globaltrans; Rosstat; RZD. Definitions for terms marked in this presentation with capital letters (including certain non-GAAP financial information) are provided at the end of this presentation.

1. Coal including coke; Metallurgical cargoes including ferrous metals, scrap metal and ores; Construction materials including cement.

# H1 2020 RESULTS IN DETAIL



# Powerful operating model supports industry outperformance

## Continued industry outperformance

- Strong Freight Rail Turnover growth (+4.9% y-o-y) despite overall market decline (-5.3% y-o-y)
- Transportation Volumes decline limited to 3.4% y-o-y compared to 4.5% y-o-y decrease in the overall market
- Changed client logistics and diversification of client base drove 9% y-o-y rise in Average Distance of Loaded Trip with average Number of Loaded Trips per Railcar down 6% y-o-y

## Powerful gondola operating model provides for flexibility and responsiveness to market changes

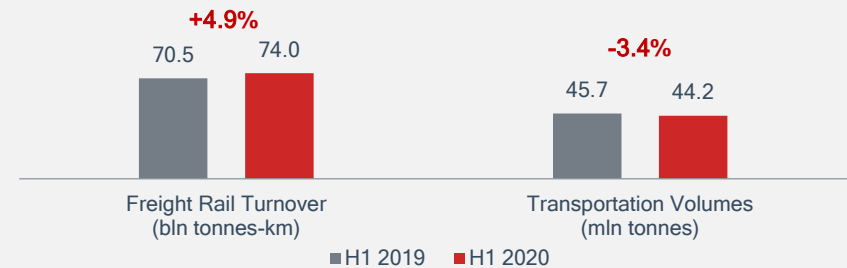
- Freight Rail Turnover in bulk cargo segment rose 8% y-o-y due to efficient contracting and migration between freight segments

## Tank car segment business volumes under pressure from unprecedented COVID-19 lockdowns reducing fuel consumption in Russia alongside crude oil production cuts agreed under OPEC+

- The Group's Freight Rail Turnover in the oil products and oil segment declined 12% y-o-y

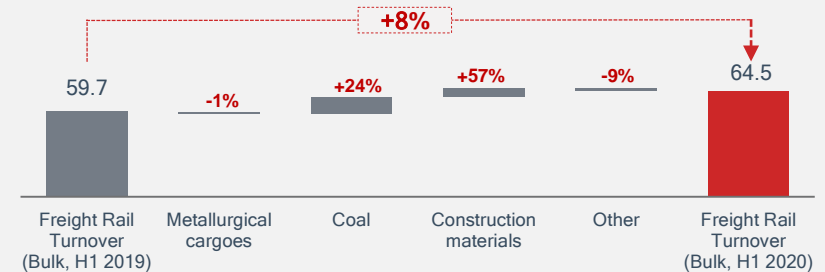
## Freight Rail Turnover / Transportation Volumes<sup>1</sup>

– excl. Engaged Fleet



## Successful migration between bulk cargo segments

– Freight Rail Turnover (bulk cargoes) analysis<sup>2</sup>



Source: Globaltrans. Definitions for terms marked in this presentation with capital letters (including certain non-GAAP financial information) are provided at the end of this presentation.

1. The Group's Freight Rail Turnover (incl. Engaged Fleet) increased 4.3% y-o-y with Transportation Volumes (incl. Engaged Fleet) down 3.3% y-o-y.

2. Coal including coke; Metallurgical cargoes including ferrous metals, scrap metal and iron ore; Construction materials including cement.



# Oil products and oil segment and long-term service contracts underpin Net Revenue from Operation of Rolling Stock

## Resilient Net Revenue<sup>1</sup> from oil products and oil segment

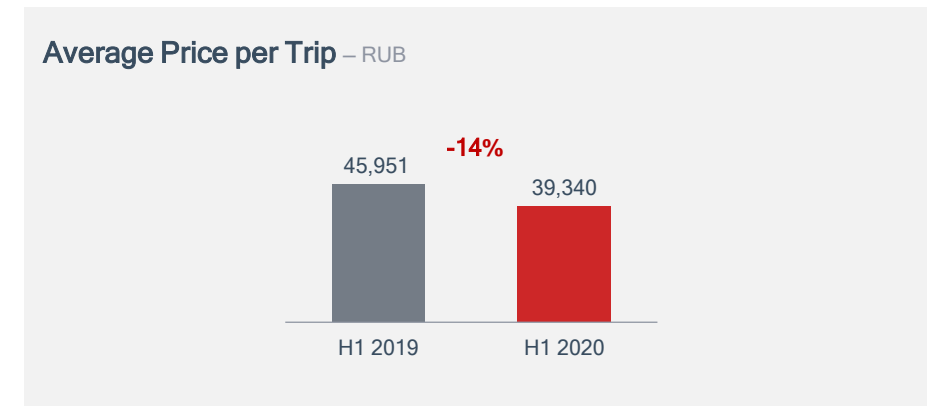
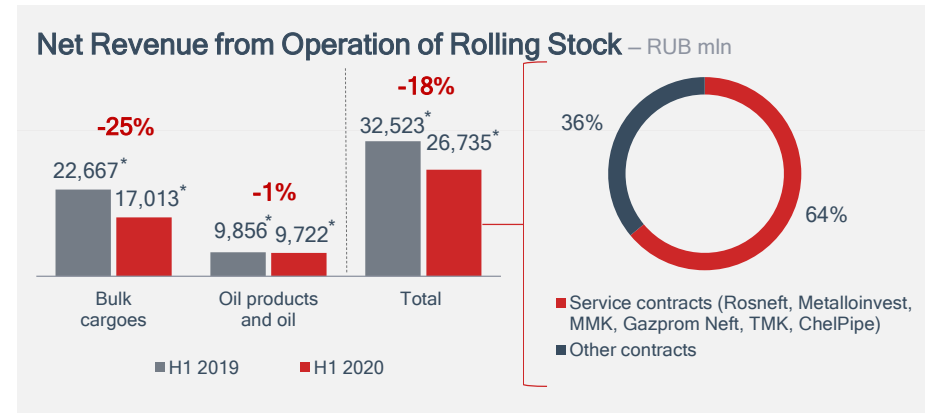
- Net Revenue<sup>1</sup> from the oil products and oil segment was broadly stable (-1% y-o-y) primarily due to value-added efficient service offering combining tank cars and locomotives
- In the bulk cargo segment Net Revenue<sup>1</sup> declined 25% y-o-y mainly reflecting weaker pricing in the gondola segment

## Long-term service contracts contributed 64% of Net Revenue from Operation of Rolling Stock in H1 2020

- Strong portfolio of service contracts with superior clients in metallurgical and oil products and oil segments
- Long-term service contracts provide for better volume visibility and lower pricing volatility

## Average Price per Trip declined 14% y-o-y

- Continued weak pricing in the gondola segment was partially offset by solid pricing in tank cars



Source: Globaltrans. Definitions for terms marked in this presentation with capital letters (including certain non-GAAP financial information) are provided at the end of this presentation.

1. Net Revenue from Operation of Rolling Stock.

# Continued strong growth in specialised container segment; large diversified fleet with minimum scrappage requirements

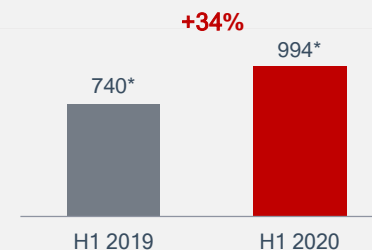
Net Revenue from Specialised Container Transportation increased 34% y-o-y, contributing 3% of the Group's Adjusted Revenue

- Business line was started from scratch in 2014
- Focus on transportation of petrochemicals and high grade steel
- Utilises 3.3k specialised containers (mostly petrochemical) and 1.7k flat cars
- Key clients include SayanskKhimPlast, EVRAZ, NLMK, KuibyshevAzot and Bashkir Soda Company

Total Fleet of 72.4k<sup>1</sup> with minimum scrappage requirements

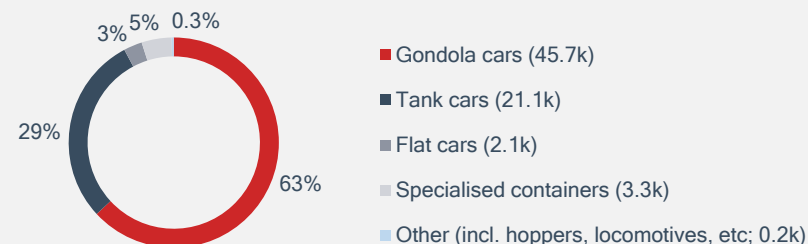
- Large diversified fleet with focus on universal gondola cars and tank cars strengthened by owned fleet of mainline locomotives
- Moderate average age (11.9 years) with minimum scrappage requirements
- Average Rolling Stock Operated was up 2% y-o-y

Net Revenue from Specialised Container Transportation – RUB mln



Large diversified fleet

– at 30 June 2020



Source: Globaltrans. Definitions for terms marked in this presentation with capital letters (including certain non-GAAP financial information) are provided at the end of this presentation.

1. Total Fleet as of 30 June 2020.

# Efficient fleet management in a challenging environment

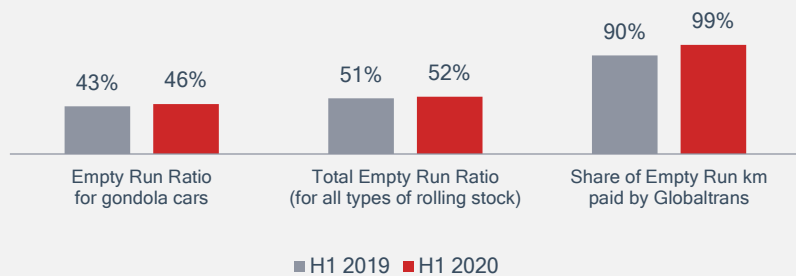
Powerful and sizeable operating model enabled Group to adapt to the challenging environment, while increasing Freight Rail Turnover

- Logistics was under pressure due to substantial volatility in client cargo flows and routes driven by unprecedented COVID-19 lockdowns

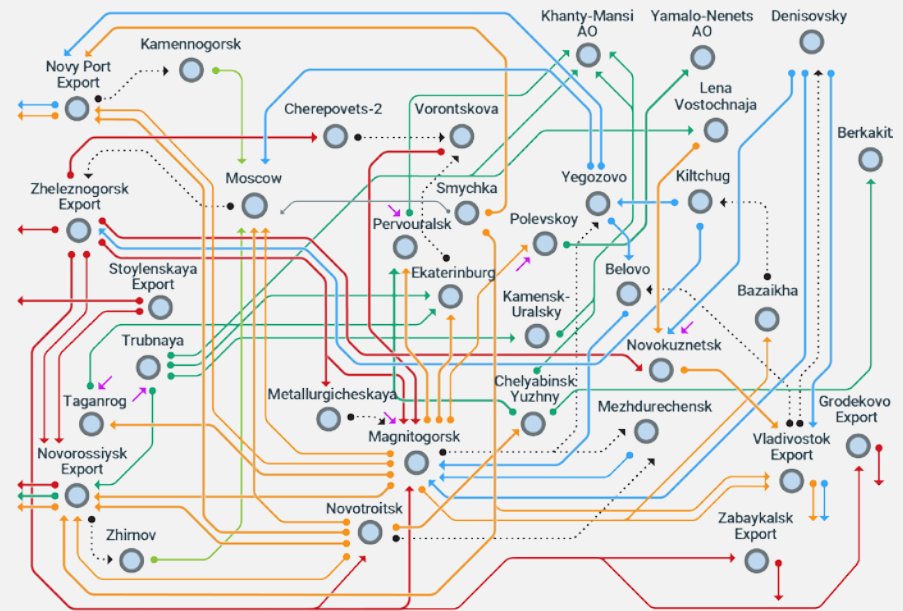
Gondola Empty Run Ratio remained one of the lowest on the Russian market

- Empty Run Ratio for gondola cars rose to 46% (H1 2019: 43%)
- Total Empty Run Ratio (for all types of rolling stock) remained relatively stable at 52% (H1 2019: 51%)
- Share of Empty Run Kilometers paid by Globaltrans rose to 99% (H1 2019: 90%) due to changed cargo mix and gondola segment headwinds

## Key Empty Run metrics



## Gondola logistics – key illustrative routes



### Cargo routes:

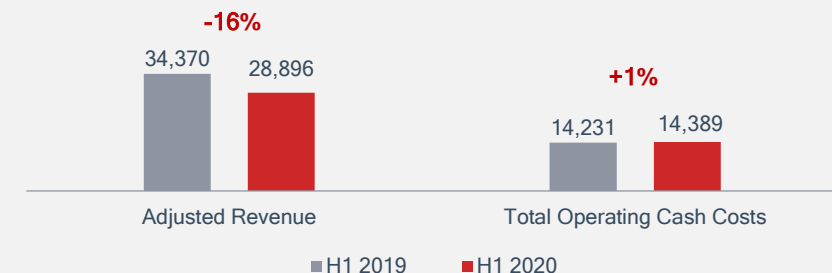
- Metals
- Iron one
- Pipes
- Scrap metal
- Crushed stone
- Coal
- Empty Runs

Source: Globaltrans. Definitions for terms marked in this presentation with capital letters (including certain non-GAAP financial information) are provided at the end of this presentation.

# Solid financial performance: efficient cost control, strong Free Cash Flow and continued low leverage

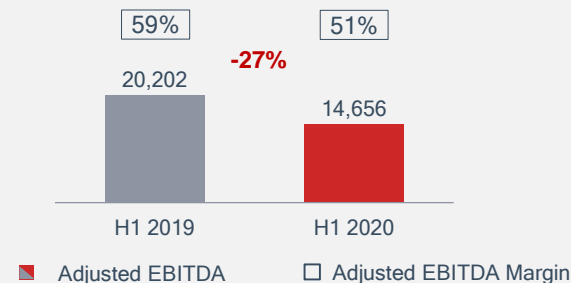
## Adjusted Revenue / Total Operating Costs

– RUB mln



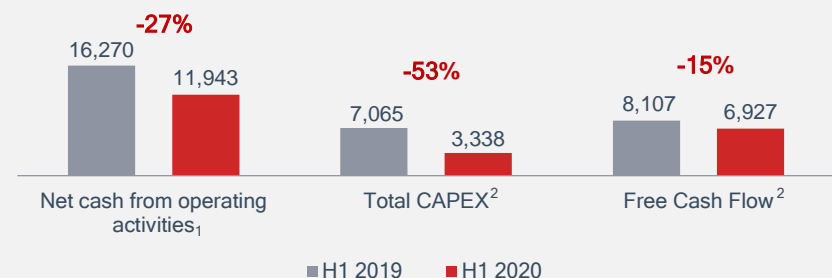
## Adjusted EBITDA – RUB mln

Adjusted EBITDA Margin – %



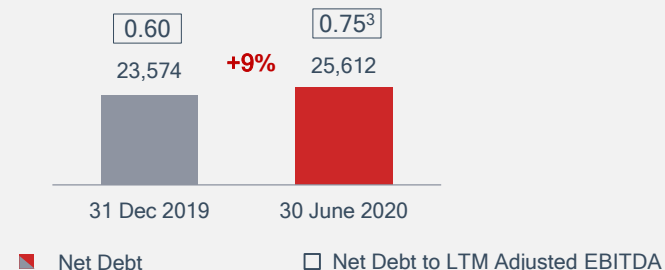
## Net cash from operating activities<sup>1</sup> / Total CAPEX<sup>2</sup> – RUB mln

Free Cash Flow<sup>2</sup> – RUB mln



## Net Debt – RUB mln

Net Debt to LTM Adjusted EBITDA – x



Source: Globaltrans. Definitions for terms marked in this presentation with capital letters (including certain non-GAAP financial information) are provided at the end of this presentation.

1. After "Changes in working capital" and "Tax paid".

2. Free Cash Flow and Total CAPEX are net of principal elements of lease payments for leases with financial institutions presented for both periods (H1 2019 and H1 2020). During H1 2020 the entire financial lease portfolio was refinanced to bilateral loans, therefore principal elements of lease payments were eliminated from both periods for comparison purposes.

3. Net Debt to Adjusted EBITDA for the twelve months ended 30 June 2020.

# Adjusted Revenue and its components

	H1 2019 (RUB mln)	H1 2020 (RUB mln)	Change (y-o-y)
<b>Adjusted Revenue</b>	<b>34,370</b>	<b>28,896</b>	<b>-16%</b>
Including			
Net Revenue from Operation of Rolling Stock	32,523* <sup>1</sup>	26,735*	-18%
Net Revenue from Specialised Container Transportation	740*	994*	34%
Operating leasing of rolling stock	859	905	5%
Net Revenue from Engaged Fleet	82*	82*	0%
Other revenue	167	181	9%

- **Net Revenue from Operation of Rolling Stock (93% of Adjusted Revenue) decreased 18% y-o-y largely reflecting weak pricing conditions in the gondola segment**
  - Average Price per Trip declined 14% y-o-y
  - Average Rolling Stock Operated rose 2% y-o-y
  - Average Number of Loaded Trips per Railcar fell 6% y-o-y
- **Net Revenue from Specialised Container Transportation<sup>2</sup> (3% of Adjusted Revenue) rose 34% y-o-y**
  - Fleet expansion, solid demand, stable pricing and launch of high grade steel transportation
- **Revenue from operating leasing of rolling stock (3% of Adjusted Revenue) rose 5% y-o-y**
  - More favourable pricing terms were achieved in the tank car leasing segment comparing to the same period the previous year

Source: Globaltrans. Definitions for terms marked in this presentation with capital letters (including certain non-GAAP financial information) are provided at the end of this presentation.

1. Data for H1 2019 was restated due to the segregation of Net Revenue from Specialised Container Transportation.

2. Mainly petrochemical tank containers.

## Efficient cost optimisation measures kept Total Operating Cash Costs stable (up 1% y-o-y)

	H1 2019 (RUB mln)	H1 2020 (RUB mln)	Change (y-o-y)
<b>Total Operating Cash Costs</b>	<b>14,231</b>	<b>14,389</b>	<b>1%</b>
Empty Run Costs	7,194*	8,012*	11%
Repairs and maintenance	2,125	2,127	0%
Employee benefit expense	2,024	1,751	-13%
Fuel and spare parts - locomotives	897	875	-3%
Infrastructure and Locomotive Tariffs - Other Tariffs	479	516	8%
Expense relating to short-term leases - rolling stock	457	379	-17%
Engagement of locomotive crews	371	241	-35%
Other Operating Cash Costs <sup>1</sup>	683	488	-29%
<b>Total Operating Non-Cash Costs</b>	<b>3,436</b>	<b>4,048</b>	<b>18%</b>
Depreciation of property, plant and equipment	2,754	3,325	21%
Amortisation of intangible assets	348	59	-83%
Depreciation of right-of-use assets	135	368	173%
Loss on derecognition arising on capital repairs	189	290	53%
Net impairment losses on trade and other receivables	4	1	-77%
Net loss on sale of property, plant and equipment	6	5	-23%

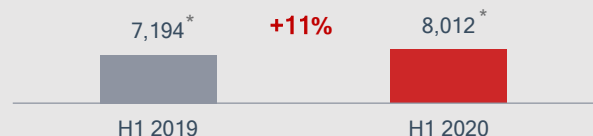
- Excluding Empty Run Costs, Total Operating Cash Costs were cut 9% y-o-y due to optimisation measures
- Total Operating Non-Cash Costs rose 18% y-o-y primarily due to an increase in the Depreciation of property, plant and equipment on the back of asset expansion principally during 2019

Source: Globaltrans. Definitions for terms marked in this presentation with capital letters (including certain non-GAAP financial information) are provided at the end of this presentation.

1. Other Operating Cash Costs (a non-GAAP financial measure) include the following cost items: "Advertising and promotion", "Auditors' remuneration", "Communication costs", "Information services", "Legal, consulting and other professional fees", "Expense relating to short-term leases - tank containers", "Expense relating to short-term leases - office", "Taxes (other than income tax and value added taxes)" and "Other expenses".

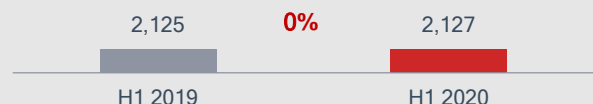
# Major Operating Cash Cost items

## Empty Run Costs – 56%<sup>1</sup>



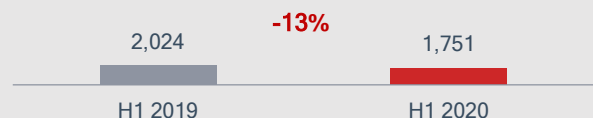
- 4.9% y-o-y rise in the Group's Freight Rail Turnover along with a 3.5% increase in regulated RZD tariffs for the traction of empty railcars<sup>2</sup>
- Increase in Total Empty Run Ratio (for all types of rolling stock) to 52% (H1 2019: 51%) and a rise in the Share of Empty Run Kilometers paid by Globaltrans to 99% (H1 2019: 90%)

## Repairs and maintenance – 15%<sup>1</sup>



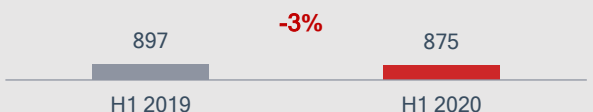
- Higher number of current repairs and associated costs along with increased prices for locomotive repairs
- This was offset by the decline in depo repair expenses and certain spare parts costs

## Employee benefit expense – 12%<sup>1</sup>



- 8% y-o-y increase in average headcount due to the shift to in-house locomotive crews alongside inflation driven growth in wages and salaries
- This was more than offset by the reduction in bonuses

## Fuel and spare parts - locomotives – 6%<sup>1</sup>



- Lower consumption of fuel on the back of volume volatility

Source: Globaltrans. Definitions for terms marked in this presentation with capital letters (including certain non-GAAP financial information) are provided at the end of this presentation.

1. The proportion of Total Operating Cash Costs in H1 2020.

2. From the beginning of 2020.

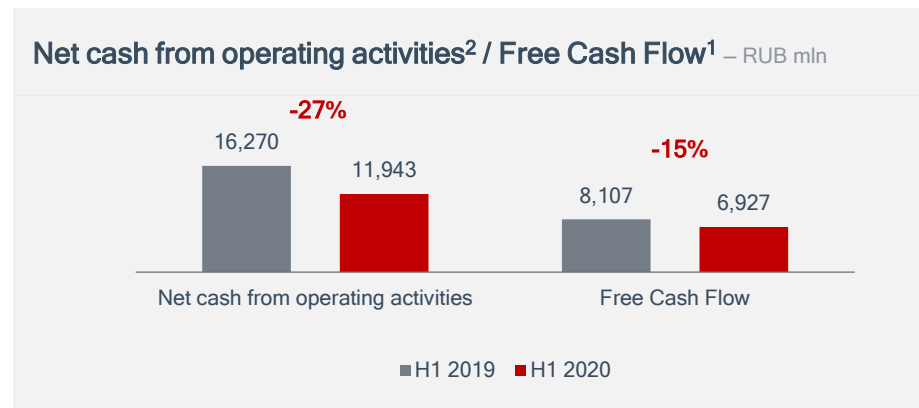
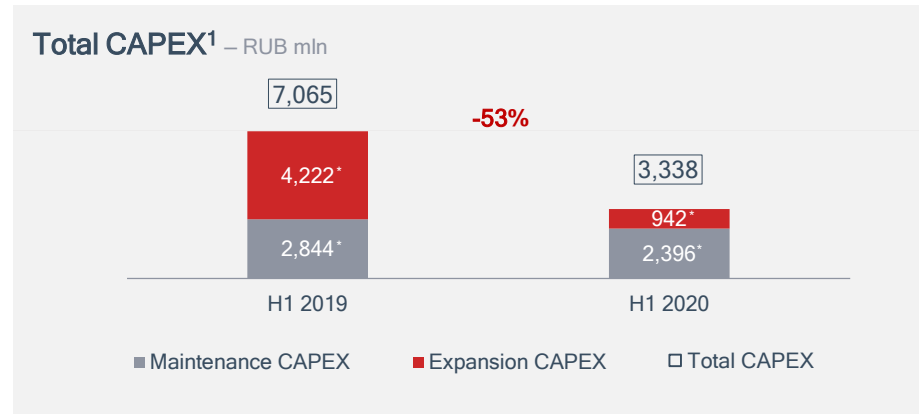
# Strong Free Cash Flow generation

## Continued good level of Free Cash Flow generation

- Free Cash Flow<sup>1</sup> at RUB 6,927 mln (-15% y-o-y) with 27% y-o-y decline in Net cash from operating activities<sup>2</sup> partially offset by targeted cut in expansion CAPEX

## Fully discretionary expansion CAPEX needs enabled a 53% y-o-y decrease in Total CAPEX (incl. maintenance)<sup>1</sup> to RUB 3,338 mln

- Maintenance CAPEX was 16% lower y-o-y as the stockpiling of wheel pairs in H2 2019 at an advantageous price more than offset the cost inflation in wheel pairs in H1 2020
- 78% y-o-y cut in expansion CAPEX to RUB 942 mln\* on a cash basis, including the purchase of 300 flat cars to support the growing niche business



Source: Globaltrans. Definitions for terms marked in this presentation with capital letters (including certain non-GAAP financial information) are provided at the end of this presentation.

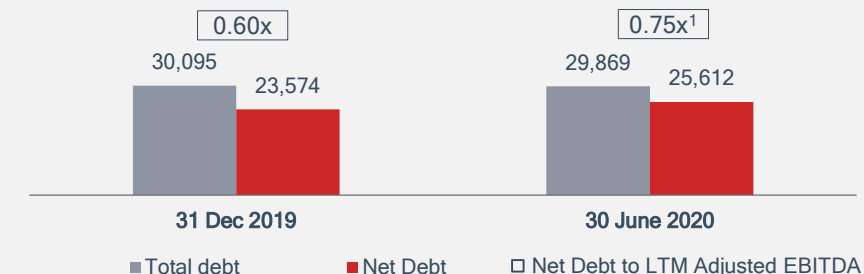
- Free Cash Flow and Total CAPEX are net of principal elements of lease payments for leases with financial institutions presented for both periods (H1 2019 and H1 2020). During H1 2020 the entire financial lease portfolio was refinanced to bilateral loans, therefore principal elements of lease payments were eliminated from both periods for comparison purposes.
- After "Changes in working capital" and "Tax paid".



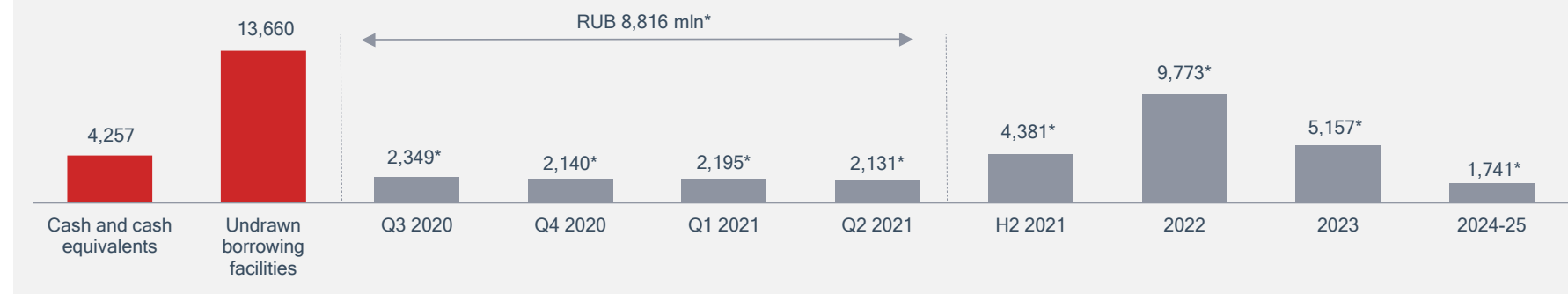
# Significant improvement in average effective interest rate achieved, low leverage maintained

- Leverage remained low with Net Debt to LTM Adjusted EBITDA at 0.75x<sup>1</sup>
- Weighted average effective interest rate improved to 7.2% compared to 8.1% at the end of 2019
- Net Debt of RUB 25,612 mln (up 9% vs. the end of 2019)
- No currency mismatch with all debt denominated in RUB (the functional currency of the Company)
- Under IFRS 16, Other lease liabilities of RUB 1,442 mln<sup>2</sup> were recognised as of 30 June 2020 which largely related to long-term leasing of offices and certain rolling stock

Total Debt / Net Debt – RUB mln  
Net Debt to LTM Adjusted EBITDA – x



Balanced and comfortable maturity profile – as of 30 June 2020, RUB mln<sup>3</sup>



Source: Globaltrans. Definitions for terms marked in this presentation with capital letters (including certain non-GAAP financial information) are provided at the end of this presentation.

1. Net Debt to Adjusted EBITDA for the twelve months ended 30 June 2020.
2. Not included in Total debt.
3. Including accrued interest of RUB 355 mln\*.

# DIVIDENDS



# Continued robust dividend payments: strong interim dividend delivered as targeted; solid total 2020 dividend outlook

## Strong interim 2020 dividends paid in Sep 2020, as targeted

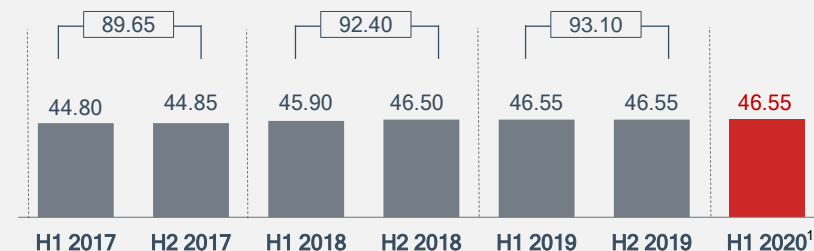
- Reflects good Free Cash Flow generation and low leverage
- Interim and special interim dividends of RUB 8.3 bln combined (RUB 46.55 per share/GDR)<sup>1</sup>
- Equates to 135% of Attributable Free Cash Flow<sup>2</sup> for H1 2020 (RUB 6.2 bln)

## Solid outlook for total 2020 dividend

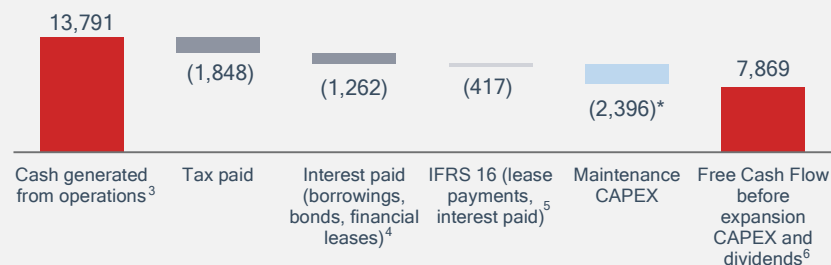
- c.RUB 13.3 bln total 2020 combined dividend targeted subject to no significant adverse changes, to include:
  - RUB 8.3bn in interim H1 2020 dividends (already paid)
  - c.RUB 5.0 bln of targeted final 2020 dividends
- Solid foundation to pay attractive dividends
  - Low leverage with Net Debt to LTM Adjusted EBITDA at 0.75x as of 30 June 2020
  - Total CAPEX (on cash basis; incl. maintenance) expected in amount of c.RUB 4 bln in H2 2020 supporting Free Cash Flow generation

## Consistent approach to shareholder remuneration

Dividends in respect of related period – RUB per share/GDR



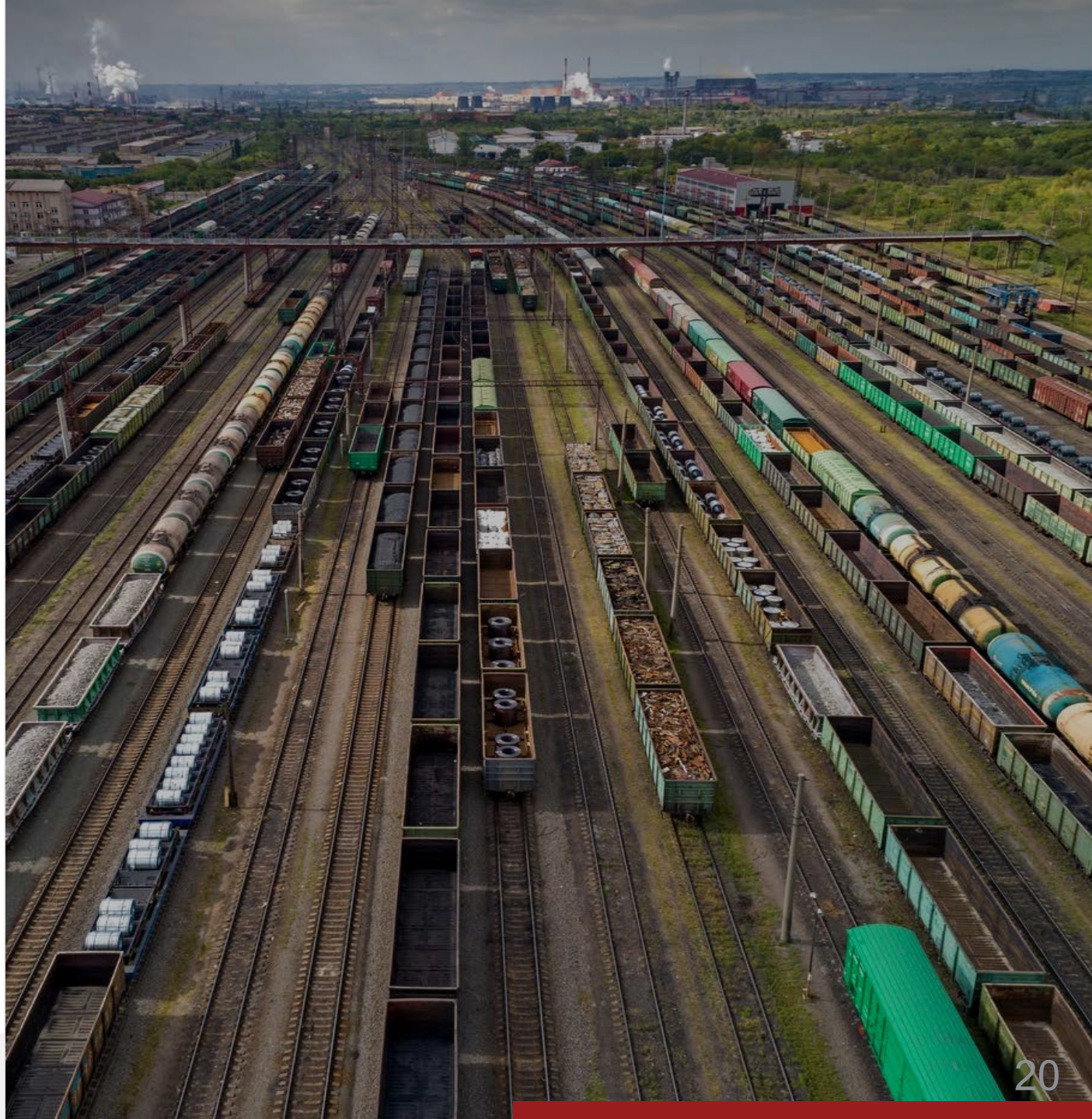
## Solid Free Cash Flow before discretionary expansion CAPEX and dividends – H1 2020, RUB mln



Source: Globaltrans. Definitions for terms marked in this presentation with capital letters (including certain non-GAAP financial information) are provided at the end of this presentation.

- Dividends were paid in US dollars in the total amount of about 62.26525 US cents per one ordinary share/GDR with conversion from Russian roubles executed at the average of the official exchange rates of the Central Bank of Russia for the five business days in Russia from 24 to 28 August 2020 inclusive (1 USD: 74.7608 RUB).
- Attributable Free Cash Flow is net of principal elements of lease payments for leases with financial institutions presented for both periods (H1 2019 and H1 2020). During H1 2020 the entire financial lease portfolio was refinanced to bilateral loans, therefore principal elements of lease payments were eliminated from both periods for comparison purposes.
- After "Changes in working capital".
- Interest paid includes "Interest paid on bank borrowings and non-convertible unsecured bonds" and "Interest paid on leases with financial institutions".
- A total of "Principal elements of lease payments for other lease liabilities" and "Interest paid on other lease liabilities".
- Free Cash Flow before expansion CAPEX and dividends to owners of the Company and dividends to non-controlling interests in subsidiaries.

- MARKET UPDATE
- KEY TAKEAWAYS



# Market update

## Recovery in July-Nov 2020; market weakness to continue

- Recovery in July-Nov 2020 with Russia's freight rail turnover almost achieving the same level as in the same period the previous year
- Weak pricing conditions in the gondola segment continued in H2 2020
- In the tank car segment, operator rates remain relatively healthy with leasing rates under pressure due to lower volumes

## Solid fundamentals despite current weak markets

- RUB depreciation is expected to continue to support recovery in commodity exports
- Ongoing expansion of the Russian rail network throughput capacity and optimisation measures towards Russia's Far East should enable an increase in the transportation of export volumes to Asian markets
- Large national infrastructure projects are expected to support demand for rail transportation in 2020 and onwards

Source: Globaltrans; Rosstat. Definitions for terms marked in this presentation with capital letters (including certain non-GAAP financial information) are provided at the end of this presentation.

# Globaltrans continues to deliver: industry outperformance, solid Free Cash Flow, strong dividend payments and MOEX listing

<b>Industry outperformance underscores operating model strength</b>	<ul style="list-style-type: none"><li>▪ Globaltrans' Freight Rail Turnover up 4.9% y-o-y in H1 2020 (versus overall market decline of 5.3% y-o-y)</li><li>▪ Service contracts with blue-chip clients contributed 64% of Net Revenue from Operation of Rolling Stock<sup>1</sup></li><li>▪ Gondola Empty Run Ratio remains one of the lowest in the industry</li></ul>
<b>Solid Free Cash Flow generation and low leverage</b>	<ul style="list-style-type: none"><li>▪ Good level of Free Cash Flow<sup>2</sup> maintained in H1 2020 at RUB 6.9 bln (-15% y-o-y) supported by efficient business model and fully discretionary expansion CAPEX</li><li>▪ Leverage at low level with Net Debt to LTM Adjusted EBITDA at 0.75x</li></ul>
<b>Strong dividend payments continued</b>	<ul style="list-style-type: none"><li>▪ Solid cash generation, low leverage and a decrease in Total CAPEX in 2020 support the Group's ability to pay robust dividends</li><li>▪ Strong interim 2020 dividends of RUB 8.3 bln were paid in September 2020<sup>3</sup></li><li>▪ Final 2020 dividends targeted of c.RUB 5 bln subject to no significant adverse changes</li></ul>
<b>MOEX listing achieved, share buyback on track</b>	<ul style="list-style-type: none"><li>▪ Globaltrans' GDRs began trading on the Moscow Exchange on 28 October 2020</li><li>▪ Execution of share buyback<sup>4</sup> (for up to 5% of share capital) is on track</li></ul>

Source: Globaltrans. Definitions for terms marked in this presentation with capital letters (including certain non-GAAP financial information) are provided at the end of this presentation.

1. Including service contracts with Rosneft, Metalloinvest, MMK, Gazprom Neft, TMK and ChelPipe Group.
2. Free Cash Flow is presented net of principal elements of lease payments for both periods (H1 2019 and H1 2020). During H1 2020 the entire financial lease portfolio was refinanced to bilateral loans, therefore principal elements of lease payments were eliminated from both periods for comparison purposes.
3. Dividends were paid in US dollars in the total amount of about 62.26525 US cents per one ordinary share/GDR with conversion from Russian roubles executed at the average of the official exchange rates of the Central Bank of Russia for the five business days in Russia from 24 to 28 August 2020 inclusive (1 USD: 74.7608 RUB).
4. The share buyback is executed under the authority granted by shareholders at its Extraordinary General Meeting ("EGM") on 12 May 2020, which permits the Company to repurchase a total number of GDRs not to exceed 5% of the Company's share capital. This authority lasts for a period of twelve months following the approval of the buyback programme at the EGM.

# APPENDICES



# Globaltrans at a glance<sup>1</sup>

## A large modern fleet and an effective operational platform

- Total Fleet of 72.4k units, 94% in ownership, core consisting of universal gondola cars (63%) and tank cars (29%)
- Operating in key industrial segments including metals (36%), oil products and oil (36%), coal (17%) and construction materials (4%)<sup>2</sup>
- Leading operational performance with low Empty Runs, tank car business enhanced by unique locomotive capabilities

## Established blue-chip client base

- Trusted long-term partner to leading industrial groups in Russia and CIS
- 64% of Net Revenue from Operation of Rolling Stock covered by large service contracts<sup>3</sup>

## Robust Free Cash Flow generation and attractive dividends

- Robust Free Cash Flow generation, prudent capital allocation and conservative financial policies
- Dividend policy linked to Attributable Free Cash Flow and Leverage Ratio aimed at distributing cash not used for business expansion

## Entrepreneur-led company committed to best governance standards

- Free-float of c.57% with the rest owned by founders<sup>4</sup>, directors and management
- More than 10-year track record of best-in-class governance
- Dual listed: LSE (since May 2008) and MOEX (since October 2020)
- Experienced and well-balanced Board with 4 independent directors

Source: Globaltrans. Definitions for terms marked in this presentation with capital letters (including certain non-GAAP financial information) are provided at the end of this presentation.

1. All information on this page is at 30 June 2020 or for H1 2020 unless otherwise stated.

2. The share of respective segment in the Group's Net Revenue from Operation of Rolling Stock in H1 2020. Metallurgical cargoes including ferrous metals, scrap metal and iron ore; coal including coke; construction materials including cement.

3. In H1 2020; Including service contracts with Rosneft, Metalloinvest, MMK, Gazprom Neft, TMK and ChelPipe Group.

4. Beneficially owned through their respective SPVs.



# Publicly listed company committed to international governance standards

## The first and only dual-listed freight rail transportation group with operations in Russia

- Listed on both LSE and MOEX with a free float of c.57%
- Track record of several successful secondary offerings to finance business expansion
- Transparency on par with best international peers and LSE requirements
- Audited IFRS financial statements with all required disclosures since 2004

## Experienced and well-balanced Board

- 15 members combining a wide range of experience in transportation, finance, law, risk management and international trade
- 4 independent directors
- 3 committees chaired by independent directors

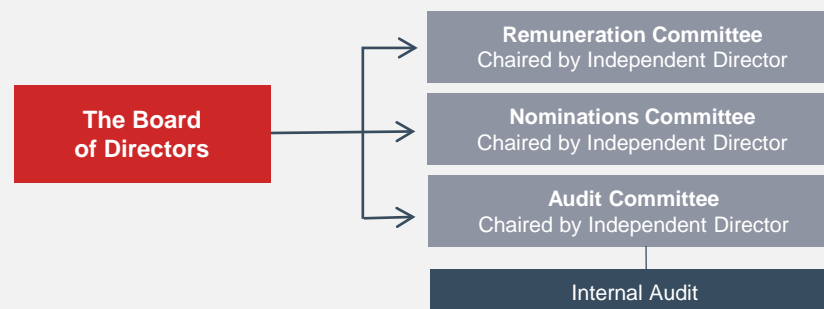
## Consistent strategy, prudent capital allocation and conservative financial policies

- Clear strategy to drive shareholder value
- Opportunistic return-oriented investment approach
- Transparent dividend policy linked to Attributable Free Cash Flow and Leverage Ratio

## Shareholder structure<sup>1</sup>



## The Board and its Committees



Source: Globaltrans. Definitions for terms marked in this presentation with capital letters (including certain non-GAAP financial information) are provided at the end of this presentation.

- Based upon notifications and other information received by the Company with respect to beneficial ownership as of 30 June 2020.
- Andrey Filatov, Nikita Mishin and Konstantin Nikolaev are co-founders of Globaltrans and are beneficiaries with regard to 11.5%, 11.5% and 10.8% respectively of Globaltrans' ordinary share capital each through their respective SPVs (Marigold Investments Ltd, Onyx Investments Ltd and Maple Valley Investments Ltd).
- Beneficially owned by Alexander Eliseev, Non-executive Director and co-founder of Globaltrans.
- Beneficially owned by Sergey Maltsev, Chairman of the Board of Directors, Chief Strategy Officer and co-founder of Globaltrans.
- For these purposes, the free float consists of the ordinary shares and GDRs held by investors not affiliated or associated with Globaltrans.

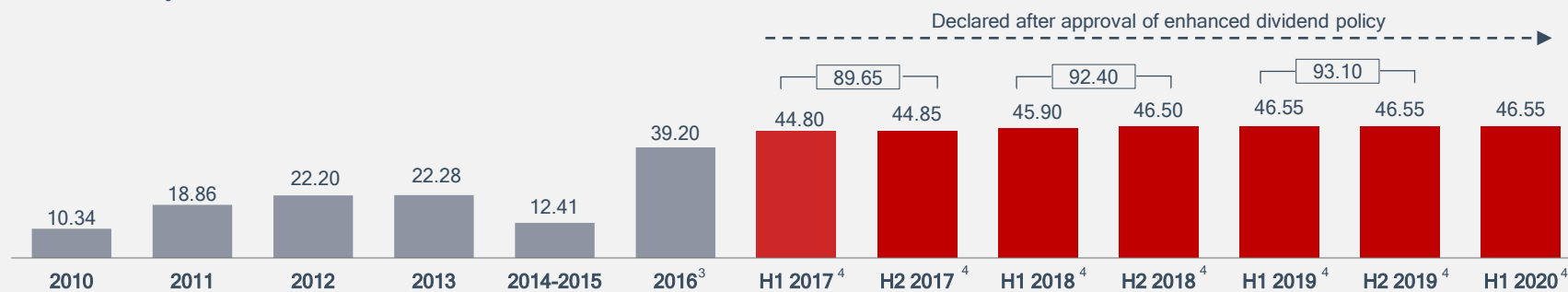
# Enhanced dividend policy approved in March 2017

Enhanced dividend policy strikes a balance between investing in business expansion and delivering returns to shareholders

- Focusing on maximising shareholder value, policy boosts payouts during low investment cycle and limits them in periods when sizeable acquisitions meeting Globaltrans' strict return criteria are identified
- Clear formula<sup>1</sup> linking dividends to Attributable Free Cash Flow and Leverage Ratio provides flexibility and transparency in capital allocation


Leverage Ratio	Dividends, % of Attributable Free Cash Flow
Less than 1.0x	Not less than 50%
From 1.0x to 2.0x	Not less than 30%
2.0x or higher	0% or more

Dividend history – RUB per share/GDR<sup>2</sup>, in respect of related financial year/period

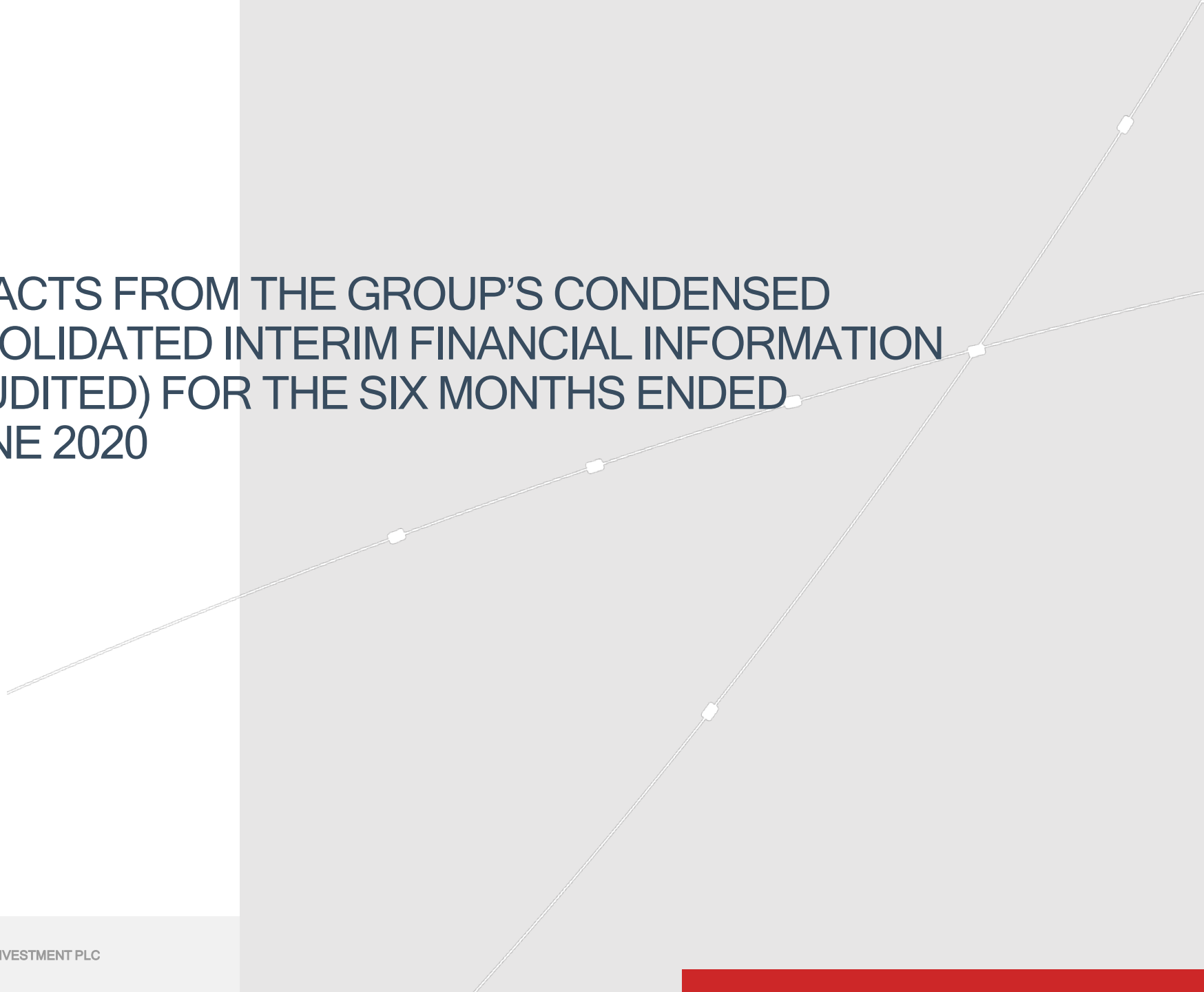


Source: Globaltrans. Definitions for terms marked in this presentation with capital letters (including certain non-GAAP financial information) are provided at the end of this presentation.

1. The Board of Directors of Globaltrans reserves the right to recommend to the general meeting the dividend in the amount calculated on a reasonable basis other than described in this presentation in its sole discretion. For more details please see the Dividend policy as adopted by the Board on 31 March 2017 and amended on 24 August 2018 which is available at [www.globaltrans.com](http://www.globaltrans.com).
2. Prior to 2016 dividends on Globaltrans shares/GDRs were declared and paid in USD, thus the amounts in RUB are presented for informational purposes only and calculated at the Central Bank of Russia's official exchange rate for RUB as of the date of general meeting that approved the respective dividend. From 2016 dividends on Globaltrans shares/GDRs are declared in RUB and paid in USD.
3. The dividend declared in 2016 related to both the 2014 and 2015 financial years.
4. Including regular and special dividends.



EXTRACTS FROM THE GROUP'S CONDENSED  
CONSOLIDATED INTERIM FINANCIAL INFORMATION  
(UNAUDITED) FOR THE SIX MONTHS ENDED  
30 JUNE 2020



# Condensed consolidated interim income statement for the six months ended 30 June 2020

	H1 2020	H1 2019
	RUB'000	RUB'000
	Unaudited	Unaudited
Revenue	35,414,434	47,244,631
Cost of sales	(23,453,524)	(28,670,039)
<b>Gross profit</b>	<b>11,960,910</b>	<b>18,574,592</b>
Selling and marketing costs	(85,237)	(101,238)
Administrative expenses	(1,415,775)	(1,770,778)
Other income	149,435	66,986
Other losses – net	(132,720)	(48,820)
<b>Operating profit</b>	<b>10,476,613</b>	<b>16,720,742</b>
Finance income	175,383	328,994
Finance costs	(1,307,745)	(1,216,940)
Net foreign exchange transaction gains/(losses) on financing activities	53,663	(276,465)
Finance costs – net	(1,078,699)	(1,164,411)
<b>Profit before income tax</b>	<b>9,397,914</b>	<b>15,556,331</b>
Income tax expense	(2,347,935)	(3,562,944)
<b>Profit for the period</b>	<b>7,049,979</b>	<b>11,993,387</b>
<b>Profit attributable to:</b>		
Owners of the Company	6,297,653	11,089,220
Non-controlling interests	752,326	904,167
	7,049,979	11,993,387
<b>Basic and diluted earnings per share for profit attributable to the equity holders of the Company during the period (expressed in RUB per share)</b>	<b>35.23</b>	<b>62.04</b>

Source: Globaltrans. Definitions for terms marked in this presentation with capital letters (including certain non-GAAP financial information) are provided at the end of this presentation. The Group's condensed consolidated interim financial information (unaudited) for the six months ended 30 June 2020 is available for viewing at the Globaltrans' corporate website ([www.globaltrans.com](http://www.globaltrans.com)).

# Condensed consolidated interim balance sheet at 30 June 2020

	30 June 2020 RUB'000 Unaudited	31 Dec 2019 RUB'000 Audited
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	83,140,929	80,532,645
Right-of-use assets	1,127,794	1,410,448
Intangible assets	2,435	61,316
Other assets	472,548	336,416
Trade receivables	224,580	197,284
Loans and other receivables	8,403	10,374
<b>Total non-current assets</b>	<b>84,976,689</b>	<b>82,548,483</b>
<b>Current assets</b>		
Inventories	1,455,905	1,722,781
Other assets	2,983,491	5,190,504
Loans and other receivables	205,749	37,645
Trade receivables	3,349,251	3,012,282
Current income tax assets	654,075	501,087
Cash and cash equivalents	4,256,648	6,521,543
	<b>12,905,119</b>	<b>16,985,842</b>
<b>Assets classified as held for sale</b>	<b>40,224</b>	<b>40,224</b>
<b>Total current assets</b>	<b>12,945,343</b>	<b>17,026,066</b>
<b>TOTAL ASSETS</b>	<b>97,922,032</b>	<b>99,574,549</b>

	30 June 2020 RUB'000 Unaudited	31 Dec 2019 RUB'000 Audited
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to the owners of the Company</b>		
Share capital	516,957	516,957
Share premium	27,929,478	27,929,478
Common control transaction reserve	(10,429,876)	(10,429,876)
Translation reserve	4,293,483	3,392,675
Capital contribution	2,694,851	2,694,851
Retained earnings	24,752,013	26,774,750
<b>Total equity attributable to the owners of the Company</b>	<b>49,756,906</b>	<b>50,878,835</b>
Non-controlling interests	6,022,970	5,647,230
<b>TOTAL EQUITY</b>	<b>55,779,876</b>	<b>56,526,065</b>
<b>Non-current liabilities</b>		
Borrowings	21,052,800	22,294,914
Other lease liabilities	889,759	881,706
Trade and other payables	-	90,742
Contract liabilities	9,724	11,191
Deferred tax liabilities	8,308,982	7,592,182
<b>Total non-current liabilities</b>	<b>30,261,265</b>	<b>30,870,735</b>
<b>Current liabilities</b>		
Borrowings	8,815,892	7,800,304
Other lease liabilities	552,290	649,177
Trade and other payables	1,761,128	2,355,872
Contract liabilities	689,505	1,244,702
Current tax liabilities	62,076	127,694
<b>Total current liabilities</b>	<b>11,880,891</b>	<b>12,177,749</b>
<b>TOTAL LIABILITIES</b>	<b>42,142,156</b>	<b>43,048,484</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>97,922,032</b>	<b>99,574,549</b>

Source: Globaltrans. Definitions for terms marked in this presentation with capital letters (including certain non-GAAP financial information) are provided at the end of this presentation. The Group's condensed consolidated interim financial information (unaudited) for the six months ended 30 June 2020 is available for viewing at the Globaltrans' corporate website ([www.globaltrans.com](http://www.globaltrans.com)).

# Condensed consolidated interim cash flow statement for the six months ended 30 June 2020

	H1 2020 RUB'000 Unaudited	H1 2019 RUB'000 Unaudited
<b>Cash flows from operating activities</b>		
Profit before tax	9,397,914	15,556,331
<i>Adjustments for:</i>		
Depreciation of property, plant and equipment	3,324,685	2,753,911
Depreciation of right-of-use assets	367,968	134,938
Amortisation of intangible assets	58,881	348,353
Net loss on sale of property, plant and equipment	4,868	6,287
Loss on derecognition arising on capital repairs	290,303	189,135
Interest income	(175,383)	(328,994)
Interest expense and other finance costs	1,307,745	1,216,940
Foreign exchange losses on financing activities	(53,663)	276,465
Other losses	9,551	6,728
	<b>14,532,869</b>	<b>20,160,094</b>
<i>Changes in working capital:</i>		
Inventories	(53,318)	55,122
Trade receivables	(369,536)	(174,401)
Other assets	1,046,664	309,348
Other receivables	(185,343)	(20,243)
Trade and other payables	(623,293)	(298,532)
Contract liabilities	(556,664)	(607,115)
<b>Cash generated from operations</b>	<b>13,791,479</b>	<b>19,424,273</b>
Tax paid	(1,848,011)	(3,154,581)
<b>Net cash from operating activities</b>	<b>11,943,468</b>	<b>16,269,692</b>

	H1 2020 RUB'000 Unaudited	H1 2019 RUB'000 Unaudited
<b>Cash flows from investing activities</b>		
Purchases of property, plant and equipment	(3,337,664)	(7,065,346)
Proceeds from disposal of property, plant and equipment	13,743	26,903
Loans repayments received from third parties	-	2,776
Interest received	172,919	322,072
Receipts from finance lease receivable	27,296	50,881
<b>Net cash used in investing activities</b>	<b>(3,123,706)</b>	<b>(6,662,714)</b>
<b>Cash flows from financing activities</b>		
Proceeds from bank borrowings	12,775,000	4,426,000
Proceeds from issue of non-convertible unsecured bonds	-	5,000,000
Repayments of borrowings	(11,241,693)	(5,728,459)
Principal elements of lease payments for leases with financial institutions	(1,715,794)	(244,245)
Principal elements of lease payments for other lease liabilities	(348,694)	(101,597)
Interest paid on bank borrowings and non-convertible unsecured bonds	(1,181,481)	(862,910)
Interest paid on leases with financial institutions	(80,813)	(88,444)
Interest paid on other lease liabilities	(68,047)	(44,397)
Dividends paid to non-controlling interests in subsidiaries	(772,645)	(680,000)
Dividends paid to owners of the Company	(8,320,390)	(8,311,453)
Payments from non-controlling interest for share capital increase of subsidiary	-	200,060
Payments to non-controlling interests	(166,183)	(305,473)
<b>Net cash used in financing activities</b>	<b>(11,120,740)</b>	<b>(6,740,918)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(2,300,978)</b>	<b>2,866,060</b>
Effect of exchange rate changes on cash and cash equivalents	36,083	(258,703)
<b>Cash and cash equivalents at beginning of period</b>	<b>6,521,543</b>	<b>7,129,918</b>
<b>Cash and cash equivalents at end of period</b>	<b>4,256,648</b>	<b>9,737,275</b>

Source: Globaltrans. Definitions for terms marked in this presentation with capital letters (including certain non-GAAP financial information) are provided at the end of this presentation. The Group's condensed consolidated interim financial information (unaudited) for the six months ended 30 June 2020 is available for viewing at the Globaltrans' corporate website ([www.globaltrans.com](http://www.globaltrans.com)).



# THE GROUP'S SELECTED OPERATIONAL INFORMATION FOR THE SIX MONTHS ENDED 30 JUNE 2020

# Fleet (including rolling stock and specialised containers)

	30.06.2020	30.06.2019	Change	Change, %	31.12.2019
<b>Owned Fleet</b>					
Gondola cars	45,503	45,216	287	1%	45,516
Tank cars	17,707	17,834	(127)	-1%	17,767
Locomotives	75	73	2	3%	75
Flat cars	1,655	939	716	76%	1,407
Other railcars (incl. hopper cars, etc)	90	90	0	0%	90
Specialised containers (incl. petrochemical and other)	2,814	2,152	662	31%	2,814
<b>Total</b>	<b>67,844</b>	<b>66,304</b>	<b>1,540</b>	<b>2%</b>	<b>67,669</b>
<i>Owned Fleet as % of Total Fleet</i>	<i>94%</i>	<i>95%</i>	<i>-</i>	<i>-</i>	<i>96%</i>

<b>Leased-in Fleet</b>					
Gondola cars	164	104	60	58%	104
Tank cars	3,350	2,765	585	21%	1,969
Flat cars	403	488	(85)	-17%	466
Other railcars (incl. hopper cars, etc)	80	96	(16)	-17%	132
Specialised containers (incl. petrochemical and other)	520	380	140	37%	380
<b>Total</b>	<b>4,517</b>	<b>3,833</b>	<b>684</b>	<b>18%</b>	<b>3,051</b>
<i>Leased-in Fleet as % of Total Fleet</i>	<i>6%</i>	<i>5%</i>	<i>-</i>	<i>-</i>	<i>4%</i>

<b>Total Fleet (Owned and Leased-in Fleet)</b>					
Gondola cars	45,667	45,320	347	1%	45,620
Tank cars	21,057	20,599	458	2%	19,736
Locomotives	75	73	2	3%	75
Flat cars	2,058	1,427	631	44%	1,873
Other railcars (incl. hopper cars, etc)	170	186	(16)	-9%	222
Specialised containers (incl. petrochemical and other)	3,334	2,532	802	32%	3,194
<b>Total</b>	<b>72,361</b>	<b>70,137</b>	<b>2,224</b>	<b>3%</b>	<b>70,720</b>

	30.06.2020	30.06.2019	Change	Change, %	31.12.2019
<b>Total Fleet by type, %</b>					
Gondola cars	63%	65%	-	-	65%
Tank cars	29%	29%	-	-	28%
Locomotives	0.1%	0.1%	-	-	0.1%
Flat cars	3%	2%	-	-	3%
Other railcars (incl. hopper cars, etc)	0.2%	0.3%	-	-	0.3%
Specialised containers (incl. petrochemical and other)	5%	4%	-	-	5%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>-</b>	<b>-</b>	<b>100%</b>

<b>Average age of Owned Fleet</b>					
Gondola cars	11.4	10.4	-	-	10.9
Tank cars	15.5	14.4	-	-	14.9
Locomotives	12.7	15.1	-	-	12.2
Flat cars	3.6	8.2	-	-	5.1
Other railcars (incl. hopper cars, etc)	12.9	11.9	-	-	12.4
Specialised containers (incl. petrochemical and other)	2.4	1.8	-	-	1.9
<b>Total</b>	<b>11.9</b>	<b>11.2</b>	<b>-</b>	<b>-</b>	<b>11.5</b>

Source: Globaltrans. Definitions for terms marked in this presentation with capital letters (including certain non-GAAP financial information) are provided at the end of this presentation. The Group's selected operational information for the six months ended 30 June 2020 and prior periods are available in xls format at the corporate website ([www.globaltrans.com](http://www.globaltrans.com))



# Operation of rolling stock (excl. Engaged Fleet)<sup>1</sup>

	H1 2020	H1 2019	Change	Change, %	FY2019
<b>Freight Rail Turnover, bln tonnes-km</b>					
<b>Metallurgical cargoes</b>	<b>33.9</b>	<b>34.4</b>	<b>(0.5)</b>	<b>-1%</b>	<b>73.1</b>
Ferrous metals	14.5	14.3	0.1	1%	28.0
Scrap metal	1.3	1.6	(0.4)	-23%	3.3
Iron ore	18.2	18.4	(0.2)	-1%	41.8
<b>Oil products and oil</b>	<b>9.5</b>	<b>10.8</b>	<b>(1.3)</b>	<b>-12%</b>	<b>22.0</b>
<b>Coal (incl. coke)</b>	<b>19.8</b>	<b>16.0</b>	<b>3.9</b>	<b>24%</b>	<b>33.8</b>
<b>Construction materials</b>	<b>5.3</b>	<b>3.4</b>	<b>1.9</b>	<b>57%</b>	<b>6.3</b>
Crushed stone	4.4	2.8	1.7	61%	5.3
Cement	0.2	0.1	0.1	132%	0.2
Other construction materials	0.7	0.5	0.1	25%	0.9
<b>Other</b>	<b>5.5</b>	<b>6.0</b>	<b>(0.5)</b>	<b>-9%</b>	<b>11.8</b>
<b>Total</b>	<b>74.0</b>	<b>70.5</b>	<b>3.5</b>	<b>5%</b>	<b>147.1</b>

<b>Freight Rail Turnover by cargo type, %</b>					
Metallurgical cargoes (incl. ferrous metal, scrap metal and iron ore)	46%	49%	-	-	50%
Oil products and oil	13%	15%	-	-	15%
Coal (incl. coke)	27%	23%	-	-	23%
Construction materials (incl. cement)	7%	5%	-	-	4%
Other	7%	8%	-	-	8%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>-</b>	<b>-</b>	<b>100%</b>

<b>Transportation Volume, mln tones</b>					
<b>Metallurgical cargoes</b>	<b>19.3</b>	<b>22.1</b>	<b>(2.8)</b>	<b>-13%</b>	<b>43.9</b>
Ferrous metals	6.9	7.9	(1.0)	-13%	14.9
Scrap metal	1.3	1.4	(0.1)	-7%	2.9
Iron ore	11.1	12.8	(1.7)	-13%	26.0
<b>Oil products and oil</b>	<b>9.1</b>	<b>10.5</b>	<b>(1.4)</b>	<b>-13%</b>	<b>21.9</b>
<b>Coal (incl. coke)</b>	<b>6.9</b>	<b>5.5</b>	<b>1.4</b>	<b>26%</b>	<b>11.4</b>
<b>Construction materials</b>	<b>5.6</b>	<b>3.8</b>	<b>1.8</b>	<b>48%</b>	<b>7.1</b>
Crushed stone	5.0	3.3	1.7	49%	6.3
Cement	0.1	0.1	0.1	112%	0.1
Other construction materials	0.5	0.4	0.1	27%	0.6
<b>Other</b>	<b>3.3</b>	<b>3.8</b>	<b>(0.6)</b>	<b>-15%</b>	<b>7.3</b>
<b>Total</b>	<b>44.2</b>	<b>45.7</b>	<b>(1.5)</b>	<b>-3%</b>	<b>91.6</b>

	H1 2020	H1 2019	Change	Change, %	FY2019
<b>Average Rolling Stock Operated, units</b>					
Gondola cars	43,817	43,198	619	1%	43,486
Tank cars	13,642	13,160	481	4%	12,968
Locomotives	53	48	5	11%	51
Other railcars	238	374	(136)	-36%	340
<b>Total</b>	<b>57,750</b>	<b>56,780</b>	<b>970</b>	<b>2%</b>	<b>56,845</b>

<b>Average Number of Loaded Trips per Railcar</b>					
Gondola cars	11.9	12.0	(0.2)	-1%	23.6
Tank cars	11.0	13.2	(2.1)	-16%	27.8
Other railcars	39.5	41.3	(1.8)	-4%	87.0
<b>Total</b>	<b>11.8</b>	<b>12.5</b>	<b>(0.7)</b>	<b>-6%</b>	<b>25.0</b>

<b>Average Distance of Loaded Trip, km</b>					
Gondola cars	1,874	1,736	138	8%	1,834
Tank cars	1,039	1,009	29	3%	993
Other railcars	283	528	(245)	-46%	502
<b>Total</b>	<b>1,666</b>	<b>1,531</b>	<b>136</b>	<b>9%</b>	<b>1,591</b>

<b>Average Price per Trip, RUB</b>					
	<b>39,340</b>	<b>45,951</b>	<b>(6,611)</b>	<b>-14%</b>	<b>45,807</b>

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1. Excluding operational and financial information of the specialised container business.

# Operation of rolling stock (excl. Engaged Fleet)<sup>1</sup>

	H1 2020	H1 2019	Change	Change, %	FY2019
<b>Net Revenue from Operation of Rolling Stock by cargo type, RUB mln</b>					
<b>Metallurgical cargoes</b>	<b>9,619*</b>	<b>13,587*</b>	<b>(3,968)</b>	<b>-29%</b>	<b>26,467*</b>
Ferrous metals	4,737*	5,803*	(1,065)	-18%	11,141*
Scrap metal	667*	919*	(251)	-27%	1,901*
Iron ore	4,214*	6,865*	(2,651)	-39%	13,425*
<b>Oil products and oil</b>	<b>9,722*</b>	<b>9,856*</b>	<b>(134)</b>	<b>-1%</b>	<b>21,009*</b>
<b>Coal (incl. coke)</b>	<b>4,469*</b>	<b>4,622*</b>	<b>(153)</b>	<b>-3%</b>	<b>9,380*</b>
<b>Construction materials (incl. cement)</b>	<b>1,187*</b>	<b>1,776*</b>	<b>(589)</b>	<b>-33%</b>	<b>3,105*</b>
<b>Other</b>	<b>1,739*</b>	<b>2,682*</b>	<b>(943)</b>	<b>-35%</b>	<b>5,034*</b>
<b>Total</b>	<b>26,735*</b>	<b>32,523*</b>	<b>(5,788)</b>	<b>-18%</b>	<b>64,994*</b>

	H1 2020	H1 2019	Change	Change, %	FY2019
<b>Net Revenue from Operation of Rolling Stock by cargo type, %</b>					
Metallurgical cargoes (incl. ferrous metal, scrap metal and iron ore)	36%	42%	-	-	41%
Oil products and oil	36%	30%	-	-	32%
Coal (incl. coke)	17%	14%	-	-	14%
Construction materials (incl. cement)	4%	5%	-	-	5%
Other	7%	8%	-	-	8%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>-</b>	<b>-</b>	<b>100%</b>

	H1 2020	H1 2019	Change	Change, %	FY2019
<b>Net Revenue from Operation of Rolling Stock by largest clients (incl. their affiliates and suppliers), %</b>					
Rosneft	25%	21%	-	-	23%
Metalloinvest	16%	21%	-	-	21%
MMK	12%	13%	-	-	12%
Gazprom Neft	6%	4%	-	-	5%
TMK	4%	3%	-	-	3%
UGMK-Trans	3%	2%	-	-	2%
Evrz	3%	2%	-	-	2%
TAIF	2%	4%	-	-	3%
SDS-Ugol	1%	0.4%	-	-	0.5%
ChelPipe	1%	1%	-	-	1%
Other (incl. small and medium enterprises)	27%	28%	-	-	26%

	H1 2020	H1 2019	Change	Change, %	FY2019
<b>Empty Run Ratio, %</b>					
Gondola cars	46%	43%	-	-	42%
Tank cars and other railcars	92%	88%	-	-	90%
<b>Total Empty Run Ratio, %</b>	<b>52%</b>	<b>51%</b>	<b>-</b>	<b>-</b>	<b>49%</b>

	H1 2020	H1 2019	Change	Change, %	FY2019
<b>Empty Run Costs, RUB mln</b>	<b>8,012*</b>	<b>7,194*</b>	<b>817</b>	<b>11%</b>	<b>14,752*</b>

	H1 2020	H1 2019	Change	Change, %	FY2019
<b>Share of Empty Run Kilometres Paid by Globaltrans, %</b>	<b>99%</b>	<b>90%</b>	<b>-</b>	<b>-</b>	<b>89%</b>

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1. Excluding operational and financial information of the specialised container business.

# Other operational metrics

## Operation of rolling stock (incl. Engaged Fleet)<sup>1</sup>

	H1 2020	H1 2019	Change	Change, %	FY2019
<b>Freight Rail Turnover, bln tonnes-km</b>					
<b>Metallurgical cargoes</b>	<b>37.8</b>	<b>39.4</b>	<b>(1.6)</b>	<b>-4%</b>	<b>85.2</b>
Ferrous metals	15.8	15.0	0.8	5%	30.7
Scrap metal	1.3	1.6	(0.3)	-18%	3.4
Iron ore	20.7	22.7	(2.1)	-9%	51.2
<b>Oil products and oil</b>	<b>9.5</b>	<b>10.8</b>	<b>(1.3)</b>	<b>-12%</b>	<b>22.2</b>
<b>Coal (incl. coke)</b>	<b>21.2</b>	<b>16.5</b>	<b>4.7</b>	<b>29%</b>	<b>35.9</b>
<b>Construction materials</b>	<b>5.3</b>	<b>3.4</b>	<b>2.0</b>	<b>59%</b>	<b>6.4</b>
Crushed stone	4.5	2.8	1.7	63%	5.3
Cement	0.2	0.1	0.1	132%	0.2
Other construction materials	0.7	0.5	0.1	25%	0.9
<b>Other</b>	<b>5.5</b>	<b>6.0</b>	<b>(0.5)</b>	<b>-8%</b>	<b>11.9</b>
<b>Total</b>	<b>79.3</b>	<b>76.1</b>	<b>3.3</b>	<b>4%</b>	<b>161.5</b>

	H1 2020	H1 2019	Change	Change, %	FY2019
<b>Transportation Volume, mln tones</b>					
<b>Metallurgical cargoes</b>	<b>21.4</b>	<b>24.8</b>	<b>(3.4)</b>	<b>-14%</b>	<b>50.3</b>
Ferrous metals	7.6	8.3	(0.7)	-9%	16.5
Scrap metal	1.4	1.4	(0.1)	-4%	3.0
Iron ore	12.4	15.1	(2.6)	-18%	30.8
<b>Oil products and oil</b>	<b>9.1</b>	<b>10.5</b>	<b>(1.4)</b>	<b>-13%</b>	<b>22.1</b>
<b>Coal (incl. coke)</b>	<b>7.7</b>	<b>5.7</b>	<b>2.0</b>	<b>35%</b>	<b>12.3</b>
<b>Construction materials</b>	<b>5.6</b>	<b>3.8</b>	<b>1.9</b>	<b>49%</b>	<b>7.1</b>
Crushed stone	5.1	3.4	1.7	51%	6.4
Cement	0.1	0.1	0.1	112%	0.1
Other construction materials	0.5	0.4	0.1	27%	0.6
<b>Other</b>	<b>3.3</b>	<b>4.0</b>	<b>(0.6)</b>	<b>-16%</b>	<b>7.5</b>
<b>Total</b>	<b>47.1</b>	<b>48.7</b>	<b>(1.6)</b>	<b>-3%</b>	<b>99.4</b>

## Specialised container transportation

	H1 2020	H1 2019	Change	Change, %	FY2019
<b>Net Revenue from Specialised Container Transportation, RUB mln</b>	<b>994*</b>	<b>740*</b>	<b>253.6</b>	<b>34%</b>	<b>1,623*</b>

## Engaged Fleet

	H1 2020	H1 2019	Change	Change, %	FY2019
<b>Net Revenue from Engaged Fleet, RUB mln</b>	<b>82*</b>	<b>82*</b>	<b>0</b>	<b>0%</b>	<b>202*</b>

## Operating leasing of rolling stock<sup>1</sup>

	30.06.2020	30.06.2019	Change	Change, %	31.12.2019
<b>Leased-out Fleet</b>					
Gondola cars	56	168	(112)	-67%	152
Tank cars	6,542	7,098	(556)	-8%	6,568
Other railcars (incl. flat, hopper cars, etc)	292	94	198	211%	122
<b>Total</b>	<b>6,890</b>	<b>7,360</b>	<b>(470)</b>	<b>-6%</b>	<b>6,842</b>
<i>Leased-out Fleet as % of Total Fleet</i>	<i>10%</i>	<i>10%</i>	<i>-</i>	<i>-</i>	<i>10%</i>

## Employees

	30.06.2020	30.06.2019	Change	Change, %	31.12.2019
<b>Total</b>	<b>1,704</b>	<b>1,597</b>	<b>107</b>	<b>7%</b>	<b>1,640</b>

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1. Excluding operational and financial information of the specialised container business.

# Definitions (in alphabetical order)

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

**Adjusted EBITDA Margin** (a non-GAAP financial measure) is calculated as Adjusted EBITDA divided by Adjusted Revenue.

**Adjusted Profit Attributable to Non-controlling Interests** (a non-GAAP financial measure) 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.

**Adjusted Revenue** (a non-GAAP 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”.

**Attributable Free Cash Flow** (a non-GAAP financial measure) means Free Cash Flow less Adjusted Profit Attributable to Non-controlling Interests.

**Average Distance of Loaded Trip** is calculated as the sum of the distances of all loaded trips for a period divided by the number of loaded trips for the same period.

**Average Number of Loaded Trips per Railcar** is calculated as total number of loaded trips in the relevant period divided by Average Rolling Stock Operated.

**Average Price per Trip** is calculated as Net Revenue from Operation of Rolling Stock divided by the total number of loaded trips during the relevant period in the respective currency.

**Average Rolling Stock Operated** is calculated as the average weighted (by days) number of rolling stock available for operator services (not including rolling stock in maintenance, purchased rolling stock in transition to its first place of commercial utilisation, rolling stock leased out, Engaged Fleet, flat cars and containers used in specialised container transportation).

**EBITDA** (a non-GAAP 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”.

**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-GAAP financial measure meaning costs payable to RZD 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, Engaged Fleet, flat cars and containers used in specialised container transportation.

**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, Engaged Fleet, flat cars and containers used in the specialised container transportation).

**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-GAAP financial measure) is calculated as “Cash generated from operations” (after “Changes in working capital”) less “Tax paid”, “Purchases of property, plant and equipment” (which includes 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” and “Interest paid on leases with financial institutions”.

**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) and the performance of the specialised container transportation business.

**Infrastructure and Locomotive Tariffs - Other Tariffs** (a non-GAAP financial measure, derived from management accounts) is presented as part of the “Infrastructure and locomotive tariffs: empty run trips and other tariffs” component of “Cost of sales” reported under EU IFRS. This cost item includes the costs of relocation of rolling stock to and from maintenance, transition of purchased rolling stock to its first place of commercial utilisation, and relocation of rolling stock in and from lease operations as well as other expenses including the empty run costs attributable to the specialised container transportation business.

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

# Definitions (in alphabetical order, continued)

**Leased-out Fleet** is defined as fleet leased out to third parties under operating leases (excluding flat cars and containers used in specialised container transportation).

**Leverage Ratio** or **Net Debt to Adjusted EBITDA** (a non-GAAP financial measure) is the ratio of Net Debt on the last day of a particular financial period to Adjusted EBITDA in respect of the twelve months to the end of that same period.

**Market Share** is calculated using the Group's own information as the numerator and information published by the Federal State Statistics Service of Russia (Rosstat) as the denominator. It is defined as a percentage of the overall Russian freight rail transportation volume and includes volumes transported by Engaged Fleet, unless otherwise stated.

**Net Debt** (a non-GAAP financial measure) is defined as the sum of total borrowings (including interest accrued) less "Cash and cash equivalents".

**Net Revenue from Engaged Fleet** (a non-GAAP financial measure, derived from management accounts) represents the net sum of the price charged for transportation to clients by the Group utilising Engaged Fleet less the loaded railway tariffs charged by RZD (included in the EU IFRS line item "Infrastructure and locomotive tariffs: loaded trips") less the cost of attracting fleet from third-party operators (included in the EU IFRS line item "Services provided by other transportation organisations").

**Net Revenue from Operation of Rolling Stock** is a non-GAAP financial measure, derived from management accounts, describing the net revenue generated from freight rail transportation services which is adjusted for respective "pass through" loaded railway tariffs charged by RZD (included in the EU IFRS line item "Infrastructure and locomotive tariffs: loaded trips").

**Net Revenue from Specialised Container Transportation** is a non-GAAP financial measure, derived from management accounts, that represents the revenue generated from the specialised container operations (included in the EU IFRS line item: "Revenue from specialised container transportation") less the respective "pass through" loaded railway tariffs charged by RZD (included in the EU IFRS line item "Infrastructure and locomotive tariffs: loaded trips").

**Other Operating Cash Costs** (a non-GAAP financial measure) include the following cost items: "Advertising and promotion", "Auditors' remuneration", "Communication costs", "Information services", "Legal, consulting and other professional fees", "Expense relating to short-term leases – tank containers", "Operating lease rentals - office", "Taxes (other than income tax and value added taxes)" and "Other expenses".

**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, locomotives and specialised containers, unless otherwise stated, and excludes Engaged Fleet.

**Share of Empty Run Kilometres paid by Globaltrans** is defined as the percentage of empty run kilometres paid by Globaltrans divided by the total amount of empty run kilometres incurred by the fleet operated by Globaltrans (not including relocation of rolling stock to and from maintenance, purchased rolling stock in transition to its first place of commercial utilisation, and rolling stock leased-out, Engaged Fleet, flat cars and containers used in specialised container transportation) in the relevant period.

**Total CAPEX** (a non-GAAP financial measure) calculated on a cash basis as the sum of "Purchases of property, plant and equipment" (which includes maintenance CAPEX), "Purchases of intangible assets", "Acquisition of subsidiary undertakings - net of cash acquired" and "Principal elements of lease payments for leases with financial institutions" (as part of the capital expenditures was financed with a finance lease).

**Total Operating Cash Costs** (a non-GAAP 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 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".

**Total Operating Non-Cash Costs** (a non-GAAP financial measure) include the following cost 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", "Impairment/(reversal of impairment) of property, plant and equipment" and "Net (gain)/loss on sale of property, plant and equipment".

**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, Engaged Fleet, flat cars and containers used in specialised container transportation) 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, locomotives and specialised containers, unless otherwise stated, and excludes Engaged Fleet.

**Transportation Volume** is a measure of freight carriage activity over a particular period, measuring weight of cargo carried in million tonnes. It excludes volumes transported by Engaged Fleet (unless otherwise stated) and the performance of the specialised container transportation business.

# Contacts

For more information please go visit:

[www.globaltrans.com](http://www.globaltrans.com)

You can find other useful information at our corporate website including latest news and presentations, events calendar, selection of historical financial and operational information, share price data and other information on Globaltrans and its performance.

We are committed to providing our shareholders with the most up-to-date information and increasing understanding of our business and industry.

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