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# Financial overview

Consolidated financial statements for the year ended 31 December 2023 and Independent Auditors' Report

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kept

JSC "Kept"
Naberezhnaya Tower Complex, Block C
10 Presnenskaya Naberezhnaya

Moscow, Russia 123112
Telephone +7 (495) 937 4477
Fax +7 (495) 937 4499

# Independent Auditors' Report

## To the Shareholders and the Board of Directors of FAR-EASTERN SHIPPING COMPANY PLC. (FESCO)

### Opinion

We have audited the consolidated financial statements of FAR-EASTERN SHIPPING COMPANY PLC. (FESCO) (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2023, the consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the year then ended, and notes, including material accounting policy information and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

### 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 **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements** section of our report. We are independent of the Group in accordance with the independence requirements that are relevant to our audit of the consolidated financial statements in the Russian Federation and with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the requirements in the Russian Federation and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### 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.





#### Impairment of goodwill

Please refer to the Note 4 the consolidated financial statements.

| The key audit matter | How the matter was addressed in our audit |
|---|---|
| The Group has significant goodwill recognised in its consolidated statement of financial position as at 31 December 2023. Due to current market conditions, including volatility of import and export volumes and exchange rates, there is a risk that the above may be not recoverable in full. The risk is associated with goodwill of Vladivostok Sea Trade Port ("VMTP") cash generating unit ("CGU").<br>As at the reporting date management determines the recoverable amount of the Group's assets and cash generating units as their value in use.<br>Due to the inherent uncertainty involved in forecasting and discounting future cash flows, which are the basis of the assessment of recoverability, this is one of the key judgmental areas that our audit is concentrated on. | We evaluated the reasonableness of the expected cash flow forecasts by comparing them with externally derived data as well as our own assessments in relation to key inputs such as forecasts for volumes of containers throughput and other cargos, forecasted container charge out and general cargo rates, costs projections, discount and terminal growth rates.<br>We challenged:<br>◦ the key assumptions for short and long term growth rates in the forecasts by comparing them with economic and industry forecasts;<br>◦ the discount rates used. Specifically, we recalculated the Group's weighted average cost of capital using market comparable information.<br>We used our own valuation specialist to assist us in evaluating the assumptions and methodologies used by the Group. |

### Other Information

Management is responsible for the other information. The other information comprises the Group's Annual Report for 2023, but does not include the consolidated financial statements and our auditors' report thereon, which we obtained prior to the date of this auditors' report, and the Company's Issuer's Report for 12 months 2023, 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 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 have obtained prior to the date of this auditors' 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.

### Responsibilities of Management and Audit Committee of the Board of Directors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, 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.

Audit Committee of the Board of Directors is responsible for overseeing the Group's financial reporting process.

## Auditors' 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 auditors' 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 auditors' 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 auditors' 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 the Audit Committee of the Board of Directors 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 the Audit Committee of the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and 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 the Audit Committee of the Board of Directors, 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 auditors' 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 engagement partner on the audit resulting in this independent auditors' report is:

**Ryazantsev Andrei Victorovich**

Principal registration number of the entry in the Register of Auditors and Audit organizations No. 21906100282, acts on behalf of the audit organization based on the power of attorney No. 402/22 as of 1 July 2022

JSC "Kept"

Principal registration number of the entry in the Register of Auditors and Audit Organizations No. 12006020351


Moscow, Russia 23 April 2024

# Consolidated Statement of Financial Position as at 31 December 2023

| RUB mln | Note | 31 December 2023 | 31 December 2022 |
|---|---|---|---|
| **Assets** | | | |
| **Non-Current Assets** | | | |
| Fleet | 5 | 47,357 | 18,611 |
| Rolling stock and other tangible fixed assets | 6 | 82,591 | 56,240 |
| Goodwill | 4 | 7,569 | 7,459 |
| Other non-current assets | 8 | 25,309 | 11,704 |
| **Total non-current assets** | | **162,826** | **94,014** |
| **Current Assets** | | | |
| Inventories | 7 | 3,228 | 2,185 |
| Accounts receivable | 8 | 37,889 | 39,045 |
| Other current assets | | 2,164 | 406 |
| Cash and cash equivalents | 8 | 4,641 | 30,677 |
| **Total current assets** | | **47,922** | **72,313** |
| **Total assets** | | **210,748** | **166,327** |
| **Equity and liabilities** | | | |
| **Shareholders' Equity** | | | |
| Share capital | 11 | 2,951 | 2,951 |
| Share premium | | 23,697 | 23,697 |
| Retained earnings | | 126,593 | 88,341 |
| Reserves | | (19,522) | (27,310) |
| **Equity attributable to owners of the Company** | | **133,719** | **87,679** |
| **Non-controlling interests** | | **3,340** | **2,915** |
| **Total equity** | | **137,059** | **90,594** |
| **Non-current liabilities** | | | |
| Long-term debt obligations | 9 | 21,541 | 26,775 |
| Long-term lease liabilities | 8 | 6,556 | 6,516 |
| Deferred tax liability | 10 | 3,570 | 3,052 |
| Other long-term liabilities | | 3,219 | 1,031 |
| **Total non-current liabilities** | | 34,886 | **37,374** |
| **Current Liabilities** | | | |
| Accounts payable | 8 | 28,605 | 32,548 |
| Short-term debt obligations | 9 | 4,974 | 3,835 |
| Short-term lease liabilities | 8 | 5,224 | 1,976 |
| **Total current liabilities** | | **38,803** | **38,359** |
| **Total liabilities** | | **73,689** | **75,733** |
| **Total equity and liabilities** | | **210,748** | **166,327** |

A. N. Korosteljov, President

L.G. Zvyagintsev, Vice President and CFO

Date: 23 April 2024

The accompanying notes on pages 144–177 form an integral part of these consolidated financial statements.



# Consolidated Statement of Profit or Loss for the year ended 31 December 2023

| RUB mln | Note | 2023 | 2022 |
|---|---|---|---|
| Revenue | 13 | 172,004 | 162,639 |
| Operating expenses | 14 | (97,846) | (72,715) |
| **Gross profit before depreciation and amortisation** | | **74,158** | **89,924** |
| Depreciation and amortisation | 5, 6 | (11,514) | (6,648) |
| Administrative expenses | 15 | (23,755) | (19,639) |
| Impairment reversal/(impairment) | 16 | 1,352 | (12,793) |
| Other (expenses)/income, net | | (1,866) | 55 |
| **Profit from operating activity** | | **38,375** | **50,899** |
| Finance income | 17 | 9,976 | 1,471 |
| Finance costs | 17 | (4,720) | (7,242) |
| Other non-operating expenses | | (833) | (1,067) |
| Share of profit of equity accounted investees | | 40 | 30 |
| **Profit before income tax** | | **42,838** | **44,091** |
| Income tax expense | 10 | (4,987) | (4,703) |
| **Profit for the year** | | **37,851** | **39,388** |
| Attributable to: | | | |
| Owners of the Company | | 37,702 | 38,613 |
| Non-controlling interests | | 149 | 775 |
| **Earnings per share (in RUB)** | **19** | **12.775** | **13.084** |

The accompanying notes on pages 144–177 form an integral part of these consolidated financial statements.

# Consolidated Statement of Comprehensive Income for the year ended 31 December 2023

| RUB mln. | 2023 | 2022 |
|---|---|---|
| **Profit for the year** | **37,851** | **39,388** |
| **Other comprehensive income:** | | |
| **Items that are not to be reclassified to profit or loss** | | |
| Effect of foreign currency translation | 5,835 | 11 |
| Revaluation of fleet, net of deferred tax | 2,725 | (3,300) |
| Deferred tax on fleet revaluation | (222) | 305 |
| **Total other comprehensive income/ (loss)** | **8,338** | **(2,984)** |
| **Total comprehensive income for the year** | **46,189** | **36,404** |
| **Total comprehensive income/(loss) attributable to:** | | |
| **Ordinary shareholders of the Company** | **46,040** | **35,629** |
| **Non-controlling interests** | **149** | **775** |

The accompanying notes on pages 144–177 form an integral part of these consolidated financial statements.

# Consolidated Statement of Changes in Equity for the year ended 31 December 2023

| | Attributable to equity holders of the Company | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| RUB mln | Share capital (Note 11) | Share premium | Retained earnings | Revaluation reserve | Translation reserve | Total | Non-controlling interests | Total equity |
| **Balance at 1 January 2022** | **2,951** | **23,697** | **44,624** | **11,438** | **(30,660)** | **52,050** | **2,189** | **54,239** |
| Profit for the year | – | – | 38,613 | – | – | 38,613 | 775 | 39,388 |
| **Other comprehensive income** | | | | | | | | |
| Effect of foreign currency translation | – | – | – | (815) | 826 | 11 | – | 11 |
| Fleet revaluation (Note 5) | – | – | – | (3,300) | – | (3,300) | – | (3,300) |
| Fleet reserve amortisation | – | – | 5,104 | (5,104) | – | – | – | – |
| Deferred tax on fleet revaluation | – | – | – | 305 | – | 305 | – | 305 |
| **Total other comprehensive loss** | **–** | **–** | **5,104** | **(8,914)** | **826** | **(2,984)** | **–** | **(2,984)** |
| **Total comprehensive loss for the year** | **–** | **–** | **43,717** | **(8,914)** | **826** | **35,629** | **775** | **36,404** |
| **Ttransactions with owners, accounted directly in equity** | | | | | | | | |
| Acquisition of non-controlling interests | – | – | – | – | – | – | (49) | (49) |
| **Total transactions with owners** | **–** | **–** | **–** | **–** | **–** | **–** | **(49)** | **(49)** |
| **Balance at 31 December 2022** | **2,951** | **23,697** | **88,341** | **2,524** | **(29,834)** | **87,679** | **2,915** | **90,594** |
| **Balance at 1 January 2023** | **2,951** | **23,697** | **88,341** | **2,524** | **(29,834)** | **87,679** | **2,915** | **90,594** |
| Profit for the year | – | – | 37,702 | – | – | 37,702 | 149 | 37,851 |
| **Other comprehensive income** | | | | | | | | |
| Effect of foreign currency translation | – | – | – | 480 | 5,355 | 5,835 | – | 5,835 |
| Fleet revaluation (Note 5) | – | – | – | 2,725 | – | 2,725 | – | 2,725 |
| Fleet reserve amortisation | – | – | 550 | (550) | – | – | – | – |
| Deferred tax on fleet revaluation | – | – | – | (222) | – | (222) | – | (222) |
| **Total other comprehensive income** | **–** | **–** | **550** | **2,433** | **5,355** | **8,338** | **–** | **8,338** |
| **Total comprehensive income for the year** | **–** | **–** | **38,252** | **2,433** | **5,355** | **46,040** | **149** | **46,189** |
| **Transactions with owners, accounted directly in equity** | | | | | | | | |
| Change of non-controlling interest, net | – | – | – | – | – | – | 276 | 276 |
| **Total transactions with owners** | **–** | **–** | **–** | **–** | **–** | **–** | **276** | **276** |
| **Balance at 31 December 2023** | **2,951** | **23,697** | **126,593** | **4,957** | **(24,479)** | **133,719** | **3,340** | **137,059** |

The availability of the Company's retained earnings for distribution to shareholders is determined by the Company's Articles of Association and by Russian law and does not correspond with the figures shown above. The Company's retained earnings available for distribution under Russian Accounting Standards as at 31 December 2023 were RUB nil (as at 31 December 2022: RUB nil).

The accompanying notes on pages 144–177 form an integral part of these consolidated financial statements.

# Consolidated Statement of Cash Flows for the year ended 31 December 2023

| RUB mln | Note | 2023 | 2022 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| **Profit for the year** | | **37,851** | **39,388** |
| **Adjustments for:** | | | |
| Depreciation and amortisation | | 11,514 | 6,648 |
| (Impairment reversal)/impairment | 16 | (1,352) | 12,793 |
| Loss/(profit) on disposal of tangible fixed assets | | 701 | (177) |
| Foreign exchange (gain)/loss | 17 | (8,476) | 2,457 |
| Finance costs, net | 17 | 3,220 | 3,314 |
| Share of profit of equity accounted investees | | (40) | (30) |
| Income tax expense | 11 | 4,987 | 4,703 |
| **Cash from operating activities before changes in working capital and provisions** | | **48,405** | **69,096** |
| Change in inventories | | (1,044) | (629) |
| Change in trade and other receivables | | 609 | (8,780) |
| Change in trade and other payables | | (4,713) | 7,285 |
| Effect of exchange rate fluctuations in net current assets | | 2,894 | (496) |
| **Cash flows from operations before income taxes paid** | | **46,151** | **66,476** |
| Income tax paid | | (3,048) | (3,443) |
| **Cash flows generated from operating activities** | | **43,103** | **63,033** |

The accompanying notes on pages 144–177 form an integral part of these consolidated financial statements.



# Consolidated Statement of Cash Flows for the year ended 31 December 2023 (Continued)

| RUB mln | Note | 2023 | 2022 |
|---|---|---|---|
| **Cash flows from investing activities** | | | |
| Expenditure on rolling stock and other fixed assets | 6 | (40,113) | (23,338) |
| Proceeds on disposal of rolling stock and other fixed assets | | 6 | 200 |
| Vessels acquired | 5 | (19,189) | (13,156) |
| Refund of advances for the fleet acquisition | | – | 570 |
| Expenditure on dry-docking | 5 | (1,044) | (239) |
| Loans issued | | (2,000) | – |
| Other investments acquisition, net | | 45 | (17) |
| Dividends received | | 77 | 31 |
| Interest received | | 1,037 | 1,365 |
| **Net cash used in investing activities** | | **(61,181)** | **(34,584)** |
| **Cash flows from financing activities** | | | |
| Proceeds from borrowings | 9 | – | 5,559 |
| Repayment of borrowings | 9 | (3,814) | (5,818) |
| Lease liabilities repayments | 9 | (1,907) | (1,921) |
| Bonds redemption | 9 | (284) | (272) |
| Finance charges | 9 | (4,106) | (4,596) |
| Acquisition of non-controlling interest | | (8) | (36) |
| Change in restricted cash | | (33) | – |
| **Net cash used in financing activities** | | **(10,152)** | **(7,084)** |
| **Effect of exchange rate fluctuations on cash and cash equivalents** | | **2,194** | **(1,756)** |
| **Net (decrease)/ increase in cash and cash equivalents** | | **(26,036)** | **19,609** |
| **Cash and cash equivalents at the beginning of the year** | | **30,677** | **11,068** |
| **Cash and cash equivalents at the end of the year** | **9** | **4,641** | **30,677** |

The accompanying notes on pages 144–177 form an integral part of these consolidated financial statements.

# Notes to the Consolidated Financial Statements for the year ended 31 December 2023

## 1. Organisation and Trading Activities

Far-Eastern Shipping Company PLC. (FESCO or the "Company") was privatised and became a joint stock company governed by the laws of the Russian Federation on 3 December 1992. The Company's registered office and principal place of business is: Novokuznetskaya st., 7/11 p. 1, Moscow, Russian Federation, 115184.

The principal activity of FESCO and its subsidiaries (the Group) has traditionally been shipping (ship owning, ship management, chartering out and line operating). In recent years FESCO has been transformed into an intermodal logistics Group, offering a full range of logistical solutions through a combination of shipping, rail, trucking and port services.

## 2. Basis of Preparation

**(a)** These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The group additionally prepares consolidated financial statements in Russian roubles in accordance with the requirements of IFRS. A number of new standards are effective for annual periods beginning after 1 January 2023 and earlier application is permitted. However, the Group has not early adopted the new or amended standards in preparing these consolidated financial statements.

### Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)

The amendments introduce new disclosures relating to supplier finance arrangements that assist users of the financial statements to assess the effects of these arrangements on an entity's liabilities and cash flows and on an entity's exposure to liquidity risk. The amendments apply for annual periods beginning on or after 1 January 2024.

The Group is in the process of assessing the impact of the amendments, particularly with respect to the collation of additional information needed to meet the new disclosure requirements.

### Classification of Liabilities as Current or Non-Current and Non-current Liabilities with Covenants (Amendments to IAS 1)

The amendments, as issued in 2020 and 2022, aim to clarify the requirements on determining whether a liability is current or non-current, and require new disclosures for non-current liabilities that are subject to future covenants. The amendments apply for annual reporting periods beginning on or after 1 January 2024.

As disclosed in Note 9, the Group has a secured bank loan that is subject to specific covenants. While this liability is classified as non-current at 31 December 2023, a future breach of the related covenants may require the Group to repay the liabilities earlier than the contractual maturity dates. The Group is in the process of assessing the potential impact of the amendments on the classification of these liabilities and the related disclosures.

### Other accounting standards

The following new and amended accounting standards are not expected to have a significant impact on the Group's consolidated financial statements:
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16);
- Lack of Exchangeability (Amendments to IAS 21).

Although new or amended standards that will have no or no material effect on the financial statements need not be provided, the Group has included all new or amended standards and their possible impact on the consolidated financial statements for illustrative purposes only.

### (b) Basis of consolidation

These consolidated financial statements include the accounts of FESCO and its subsidiaries.

### Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power over the investee, exposure or rights to variable returns from its involvement with the investee and the ability to use its power to affect the amount of investor's return. In assessing control, potential voting rights that currently are exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control effectively commences until the date that control effectively ceases. The accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Group.

The principal subsidiaries of the Group are as follows:

| Name | Country of Incorporation | Percentage Holding as at 31 December 2023 | Activity |
|---|---|---|---|
| Fesco Maritime Hong Kong Limited | HK | 100% | Ship owning |
| FESCO Lines China | China | 100% | Transport and forwarding services |
| Firm Transgarant LLC | Russia | 100% | Holding company for transportation services group |
| FIT LLC | Russia | 100% | Transport and forwarding services |
| VMTP PJSC | Russia | 95% | Commercial Port |
| Dalreftrans Co, Ltd | Russia | 100% | Transport and forwarding services |
| FESCO Ocean Management Hong Kong Limited | HK | 100% | Shipping operations |

### Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

**(c)** Critical accounting estimates and judgements in applying accounting policies
The preparation of consolidated financial statements in accordance to IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of selecting and applying accounting policies. Actual results may differ from these estimates under different assumptions and conditions.
Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.
Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements is included in the following notes:
1. Impairment of goodwill and tangible fixed assets, see Note 4 and Notes 5, 6;
2. Determination of the fair value of the Group's fleet, see Note 5;
3. Use of estimates to determine right-of-use assets and lease obligations, see Note 8.

**(d)** As part of the preparation of these consolidated financial statements management conducted an analysis of its cash flows for the period of 2024 to 2027 to determine its ability to service its existing debt obligations over the next 12 months and for the foreseeable future. The Group's cash flows are highly dependent on such macroeconomic parameters as exchange rates, the growth of which has an impact on the decline in customer demand for imported goods, and the balance of exports and imports.

In February 2022, following the recognition of self-proclaimed republics of Donetsk and Lugansk and the start of a special military operation in Ukraine by the Russian Federation, the United States, the European Union and some other countries have imposed additional tough sanctions against the Government of the Russian Federation, as well as large financial institutions and other enterprises and individuals persons in Russia. In addition, restrictions were imposed on the supply of various goods and services to Russian enterprises. Also, in the context of the imposed sanctions, a number of large international companies from the United States, the European Union and some other countries stopped, significantly reduced or suspended their own activities in the Russian Federation, as well as doing business with Russian citizens and legal entities. Moreover, there is a risk of further sanctions and similar forms of pressure. In response to the sanctions pressure, the Government of the Russian Federation has introduced a set of measures, which are counter-sanctions, currency control measures, a number of key rate decisions and other special economic measures to ensure the security and maintain the stability of the Russian economy.

The imposition and subsequent strengthening of sanctions has led to increased economic uncertainty, including reduced liquidity and high volatility in the capital markets, volatility of the Russian rouble exchange rate and the key rate, a decrease in foreign and domestic direct investment, difficulties in making payments for Russian issuers of Eurobonds, and also a significant reduction in the availability of sources of debt financing. In addition, Russian companies have virtually no access to the international stock market, the debt capital market and other development opportunities, which may lead to their increased dependence on state support. The Russian economy is in the process of adaptation associated with the replacement of retiring export markets, a change in supply markets and technologies, as well as changes in logistics and production chains.

It is difficult to assess the consequences of the imposed and possible additional sanctions in the long term, however, sanctions can have a significant negative impact on the Russian economy. These consolidated financial statements reflect management's assessment of the impact that the business environment in the Russian Federation has on the Group's operations and financial position. The actual impact of future business conditions may differ from management's estimates. The Group's parent company was included in the United Kingdom sanctions list in May 2023.

In 2023 and 2022 Russian container transportation market has suffered the decrease in traffic volumes through the ports of the Baltic basin and an increase in traffic through the Far East and Novorossiysk. The increase in traffic through the Far East is due to the switch of logistics chains towards partner countries. The volume of domestic container traffic during the 2022 and 2023 remained stable relative to the previous period.

Taking into account the fact that the Group operates to a significant extent in the Asia-Pacific region, the above factors have had a positive effect on the profitability of its intermodal and transit container transportation. Having its own fleet of fitting platforms, containers, vessels as well as port and terminal facilities in the Far East, Novosibirsk, Khabarovsk and Tomsk ensured the Group's stable position in the Far East intermodal and coastal transportation market against the backdrop of the withdrawal of international container operators from it.

During 2022 and 2023, the Group's management took a number of measures to develop the business and maintain a stable financial position, including new ways in attracting the customers and new types of cargo, introducing new routes, acquisition of new fleet by Group's subsidiaries, railcars and containers acquisition and other measures.

The Group notes a decrease in freight rates in the 2023. The key factors behind the rate cut were the recovery of supply chains after the COVID-19 pandemic and the formation of a sufficient number of linear assets after the departure of international companies. The Group expects a further decrease of freight rates in 2024 as a result of slower growth of container transportation market and sufficient volume of linear assets over the market. To keep and increase the financial result, the Group's management is developing additional multimodal services with the partner countries of the Russian Federation – Vietnam, Turkey, India, Iran, and also expanding logistics solutions for partners between Russia and China through Deep Sea. An additional driver to secure the volume of cargo loading will be the completion of the restructuring of logistics routes of key importers of the Russian Federation from Europe to China as well as development of Group's terminals network.

Therefore, despite of anticipated decrease of export and import growth rates in 2024 and continuing freight rates decrease, management has a reasonable expectation that the Group will continue as a going concern for the foreseeable future. This will be supported by the Group's business model based on own intermodal assets focused on transportation in the most favorable direction between Russia and China. The Group does not consider an increase in the key refinancing rate in 2023 up to 16% as any risk factor of deterioration in Group's financial position due to insignificant dependence of Group's consolidated profit and cash flows on finance costs charged on Group's debt portfolio at the above-mentioned level of key refinancing rate.

These consolidated financial statements have been prepared on a going concern basis.

## 3. Accounting Policies

Material accounting policies are described in the related notes to the consolidated financial statements captions and in this note. The significant accounting policies adopted by the Group have been consistently applied with those of the prior period taking into account adoption of new and revised standards effective as at 1 January 2023.

The Group also adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from 1 January 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of "material", rather than "significant", accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

The consolidated financial statements are prepared on the historical cost basis. Group's vessels are stated at fair value at each reporting date based on valuation performed by an independent professional appraiser as disclosed in Note 5. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

### (a) Functional and presentation currency

The presentation currency used in the preparation of these consolidated financial statements is Russian rouble ("RUB").

The functional currency of each Group entity is the currency of the primary economic environment in which the entity operates.

The results and financial position of each Group entity whose functional currency is different from RUB, are translated into the presentation currency as follows:

i. assets and liabilities at each reporting date are translated at the closing rate at this date;
ii. income and expenses for each statement of profit or loss are translated at average exchange rates (unless this average is not a reasonable approximation of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions);
iii. all resulting exchange differences are recognised as a separate component of equity. When a foreign operation is disposed of, in part or in full, the relevant amount in the translation reserve is transferred to the consolidated statement of profit or loss.

Foreign exchange gains and losses arising from a monetary item receivable from or payable to a foreign operation, the settlement of which is neither planned nor likely to occur in the foreseeable future, are considered to form part of a net investment in a foreign operation and are recognised directly in equity.

None of the Group entities has a functional currency which is a currency of hyperinflationary economy. All financial information presented in RUB has been rounded to the nearest million

At 31 December 2023, the official rate of exchange, as determined by the Central Bank of the Russian Federation, was USD 1 = RUB 89.6883 (31 December 2022 USD 1 = RUB 70.3375).

## 4. Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisition of subsidiaries is tested annually for impairment and carried at cost less accumulated impairment losses.

Negative goodwill (excess of the fair value of the share in net assets acquired over consideration paid) is recognised in the statement of profit or loss. Any excess of the consideration paid to acquire a non-controlling interest over the book value of the non-controlling interests is recognised in equity.

Every reporting period a formal estimate of recoverable amount of each cash generating unit (CGU) is performed and an impairment loss recognised to the extent that the carrying amount exceeds the recoverable amount. The recoverable amount of a cash generating group of assets is measured at the higher of fair value less costs to sell and value in use.

Fair value is determined as 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 and is generally determined as the present value of the estimated future cash flows expected to arise from the continued use of the asset, including any expansion prospects, and its eventual disposal.

Value in use is also generally determined as the present value of the estimated future cash flows, but only those expected to arise from the continued use of the asset in its present form and its eventual disposal.

| | Gross amount | Accumulated impairment loss | Carrying amount |
|---|---|---|---|
| | RUB mln | | |
| **At 31 December 2021** | **10,673** | **(3,175)** | **7,498** |
| Translation difference | (39) | – | (39) |
| **At 31 December 2022** | **10,634** | **(3,175)** | **7,459** |
| Translation difference | 110 | – | 110 |
| **At 31 December 2023** | **10,744** | **(3,175)** | **7,569** |

Goodwill has been allocated to groups of cash generating units (CGU's) which represent the lowest level within the Group at which goodwill is monitored by management for internal reporting purposes.

The carrying amount of goodwill, net of impairment, allocated to each CGU is as follows:

| | 31 December 2023 | 31 December 2022 |
|---|---|---|
| | RUB mln | |
| FIT LLC and its subsidiaries | 115 | 115 |
| FESCO ESF Limited and its subsidiaries | 463 | 353 |
| Commercial Port of Vladivostok (VMTP) and its subsidiaries | 5,979 | 5,979 |
| Port Gaidamak, Vladivostok | 1,012 | 1,012 |
| | **7,569** | **7,459** |

The recoverable amount is determined as value in use based on discounted cash flows calculations. These calculations are based on post-tax cash flow projections and all the assumptions in relation to growth rates are determined by reference to management's experience and industry forecasts.

The cash flow projections included specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate was determined based on management's estimate of the long-term growth rate, consistent with the assumption that a market participant would make.

The key assumptions in respect of **Commercial Port of Vladivostok (VMTP) and its subsidiaries** CGU as the CGU to which most significant goodwill as allocated, are as follows:

- Revenue projections are based on rates and volumes growth. According to the estimates of the Group's management, the volume of container throughput will increase by 7.4% in 2024 with a capacity load of 98%. After year 2024, the volumes of throughput will remain more or less stable with minor fluctuations. In 2024, container transshipment rates are expected to decrease by 14.3% which is lower than decrease occurred during year 2023.

  In the future forecast period, the growth rate of container rates will average 4.4% per year for rates denominated in r,ubles and 2% per year for rates denominated in US dollars. It is assumed that in 2024 the rates for transshipment of general cargo will decrease by 4.1%, due to decrease after high performance on the market in 2022 and 2023. After 2024, the growth rates of general cargo transshipment rates are projected to be similar to container transshipment rates. The VMTP plans to gradually reduce the volume of coal transshipment, and redirect capacity to containerized cargo.
- The forecast of expenditures is based on the indexation of expenditures at the level of the medium – term inflation forecast of the Ministry of economic development of Russia – 4%.
- Discount rate of 17% and terminal growth rate of 4%.

The projected volumes of throughput reflect past experience and management's estimates. The prices are estimated in accordance with the past performance of VMTP CGU and management's expectations of market development.

The discount rate was a post-tax measure estimated based on the industry average weighted-average cost of capital reflecting specific risks relating to the VMTP CGU. Increase in discount rate by 2% or decrease in revenue projections by 10% will not result in the impairment of goodwill.

VMTP CGU is a port and terminal complex in the Far East. Taking into account the stable growth of loading volumes to the ports of the Far East in 2023 and early 2024, as well as the preservation and growth of the level of rates for loading and unloading services, the Group's management does not expect an impairment of the goodwill of the VMTP CGU after the reporting date.

Considering current Group's strategy on development of port and terminal business segment in Far-East region the Group has not identified impairment of goodwill related to CGU Port Gaidamak, Vladivostok as at 31 December 2023 and does not anticipate its impairment after the reporting date.

## 5. Fleet

The fleet is stated on an individual vessel basis at market value as assessed by independent professional valuers and supported by calculations of value in use. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Revaluations are performed annually.

A revaluation increase is recognised in revaluation reserve in equity except to the extent that it reverses a previous revaluation deficit on the same asset recognised in the statement of profit or loss, in which case it is recognised in the consolidated statement of profit or loss. A revaluation decrease is recognised in the consolidated statement of profit or loss except to the extent that it reversed the previous revaluation surplus on the same asset recognised directly in equity, in which case it is recognised directly in equity.

At the end of the year, a portion of the revaluation reserve equal to the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on historical cost is transferred from the revaluation reserve to retained earnings.

Where an item of property, plant and equipment comprises major components having different useful lives, they are accounted for as separate items (significant components) of property, plant and equipment. Dry-docking and special survey costs ("Dry-docking costs") are recognised as a separate component of the vessel and are capitalised as incurred during the period of the dry-docking programme.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of that item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the statement of profit or loss as incurred.

Depreciation is charged on a straight-line basis in the consolidated statement of profit or loss on net book value less an estimated scrap value, based on anticipated useful lives of 25 years from date of building of the vessel.

Dry-docking and special survey costs are capitalised and depreciated on a straight-line basis over a period of five years. Any unamortised amounts are derecognised when the next dry dock / special survey occurs or on disposal of the vessel to which the costs relate.

| | Carrying value | |
|---|---|---|
| | 31 December 2023 | 31 December 2022 |
| | RUB mln | |
| Fleet | 43,110 | 17,237 |
| Deferred dry docking expenses | 4,247 | 1,374 |
| | **47,357** | **18,611** |
| **Total deadweight tonnage, kt** | **575** | **432** |

| | Valuation | Depreciation | Net Book Value |
|---|---|---|---|
| | RUB mln | | |
| **At 1 January 2022** | **25,718** | **–** | **25,718** |
| Depreciation charge for the year | – | (1,613) | (1,613) |
| Additions | 11,631 | | 11,631 |
| Disposal of assets held for sale | (1,216) | – | (1,216) |
| Revaluation | (17,706) | 1,613 | (16,093) |
| Translation difference | (1,190) | – | (1,190) |
| **At 31 December 2022** | **17,237** | **–** | **17,237** |
| Depreciation charge for the year | – | (3,535) | (3,535) |
| Additions | 19,891 | – | 19,891 |
| Revaluation | 509 | 3,568 | 4,077 |
| Translation difference | 5,473 | (33) | 5,440 |
| **At 31 December 2023** | **43,110** | **–** | **43,110** |

The Group reviews the carrying value of the fleet on an annual basis. In determining an appropriate carrying value, the Company relies on the opinion of expert third party valuers (level 2 fair value measurement). The independent professional brokers determine by reference to recent sales transactions of similar vessels the amount a vessel could be sold for, assuming that the vessel is in reasonable condition. The fleet was revalued as at 31 December 2023 by the brokers with reference to the observable market transactions with comparable vessels. Revaluation profit in the amount of RUB 4,077 million was recognised as an income in the consolidated statement of profit or loss of RUB 1,352 million and as an equity reserve change of RUB 2,725 million.

Despite the continuing downward trend in freight rates in 2023, their level continues to remain above the level of the beginning of 2020 (before the COVID-19 pandemic). The scrap rate after the reporting date at the same time demonstrates stability. The impact of these factors on the dynamics of the market value of the Group's fleet after the reporting according to management assessment, will not have a significant impact on the change in the financial position of the Group.

The valuation basis utilised implicitly includes the value of dry-docking in the overall valuation. Management, therefore, deducts the net book value of capitalised dry dock from the valuation and accounts for such dry dock at historical cost less accumulated depreciation.



Fully depreciated vessels are valued by the management at scrap value which approximates their value in use. The fleet includes 6 vessels, fully depreciated, with an aggregate scrap value of RUB 2,116 million at 31 December 2023 (5 vessels with scrap value of RUB 1,326 million at 31 December 2022).

At 31 December 2023, the estimated scrap value of the Group's fleet was calculated based on an estimate of RUB 48,432 per LWT (31 December 2022: RUB 37,279). The change in the estimate is driven by the increase of USD denominated scrap metal cost.

Had the vessels been carried at the historical cost, the carrying amount would have been RUB 31,624 million at 31 December 2023 (31 December 2022 – RUB 12,074 million).

At 31 December 2023, 35 vessels in the Group's fleet with a net book value of RUB 43,111 million were insured for hull and machinery risks with Russian underwriters. The total insured value amounted to RUB 45,521 million.

As at 31 December 2023 fleet include right-of-use assets with a net book value of RUB 11,396 million (31 December 2022 – RUB 5,287 million).

### Movements during the period on deferred drydocking expenses:

| | Cost | Depreciation | Net Book Value |
|---|---|---|---|
| | RUB mln | | |
| **At 1 January 2022** | **2,010** | **(824)** | **1,186** |
| Additions | 816 | – | 816 |
| Charge for the year | – | (404) | (404) |
| Amortised dry dock write-off | (271) | 271 | – |
| Translation difference | (303) | 79 | (224) |
| **At 31 December 2022** | **2,252** | **(878)** | **1,374** |
| Additions | 3,342 | – | 3,342 |
| Charge for the year | – | (914) | (914) |
| Amortised dry dock write-off | (287) | 287 | – |
| Translation difference | 714 | (269) | 445 |
| **At 31 December 2023** | **6,021** | **(1,774)** | **4,247** |

## 6. Rolling Stock and Other Tangible Fixed Assets

Other fixed assets are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Other fixed assets are depreciated on a straight line basis to their residual values at the following annual rates:

| | |
|---|---|
| Buildings | 3–10% |
| Rolling stock | 4–20% |
| Machinery, equipment and other fixed assets | 5–33% |

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in the statement of profit or loss unless it reverses a previous revaluation recognised in equity in which case it is recognised in equity. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

In respect of non-financial assets other than goodwill impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

## a) Rolling stock

| | Cost | Depreciation | Net Book Value |
|---|---|---|---|
| | RUB mln | | |
| **At 1 January 2022** | **19,770** | **(4,491)** | **15,279** |
| Additions | 9,768 | – | 9,768 |
| Depreciation charge | – | (1,832) | (1,832) |
| Disposals | (651) | 509 | (142) |
| **At 31 December 2022** | **28,887** | **(5,814)** | **23,073** |
| Additions | 9,279 | – | 9,279 |
| Depreciation charge | – | (2,151) | (2,151) |
| Disposals | (956) | 605 | (351) |
| **At 31 December 2023** | **37,210** | **(7,360)** | **29,850** |

As at 31 December 2023 rolling stock include right-of-use assets with a net book value of RUB 3,085 million (31 December 2022 – RUB 2,754 million).

As at 31 December 2023, rolling stock with a net book value of RUB 29,727 million was insured with Russian insurance companies. The total insured value is RUB 42,489 million (31 December 2022: RUB 30,722 million with a net book value of RUB 22,344 million).

Taking into account positive dynamics of the total market volume of loading and Group's domestic railway transportation volumes, to which the majority of rolling stock is allocated, the Group has not identified any impairment indicators in respect of rolling stock as at 31 December 2023.

Despite the decrease in the total volume of loading on the Russian Railways network in 2023 and the projected surplus of the rail fleet in 2024, the Group does not expect a significant impact of these factors on the recoverable value of the Group's rolling stock, since it is used mainly in container transportation of the Far Eastern direction, the demand for which continues to grow at the beginning of 2024.



## b) Other Tangible Fixed Assets

| | Buildings and Infrastructure | Plant, Machinery and Other | Assets under construction | Total |
|---|---|---|---|---|
| | RUB mln | | | |
| **Cost** | | | | |
| **At 1 January 2022** | **13,637** | **20,150** | **1,979** | **35,766** |
| Additions | 302 | 11,161 | 1,169 | 12,632 |
| Transfer | 6 | 15 | (21) | – |
| Disposal due to early termination of the lease agreement | – | (132) | – | (132) |
| Disposals | (307) | (340) | | (647) |
| Translation difference | (73) | 135 | (15) | 47 |
| **At 31 December 2022** | **13,565** | **30,989** | **3,112** | **47,666** |
| Additions | 3,249 | 16,103 | 888 | 20,240 |
| Transfer | 694 | 99 | (793) | – |
| Disposals | (147) | (353) | – | (500) |
| Translation difference | 349 | 4,665 | 92 | 5,106 |
| **At 31 December 2023** | **17,710** | **51,503** | **3,299** | **72,512** |
| **Depreciation** | | | | |
| **At 1 January 2022** | **3,667** | **8,758** | **–** | **12,425** |
| Depreciation charge for the year | 453 | 2,071 | – | 2,524 |
| Disposal due to early termination of the lease agreement | – | (19) | – | (19) |
| Disposal | (41) | (251) | – | (292) |
| Translation difference | (67) | (72) | – | (139) |
| **At 31 December 2022** | **4,012** | **10,487** | **–** | **14,499** |
| Depreciation charge for the year | 582 | 3,853 | – | 4,435 |
| Disposal | (42) | (192) | – | (234) |
| Translation difference | 327 | 744 | – | 1,071 |
| **At 31 December 2023** | **4,879** | **14,892** | **–** | **19,771** |
| **Net Book Value** | | | | |
| **At 1 January 2022** | **9,970** | **11,392** | **1,979** | **23,341** |
| **At 31 December 2022** | **9,553** | **20,502** | **3,112** | **33,167** |
| **At 31 December 2023** | **12,831** | **36,611** | **3,299** | **52,741** |

As at 31 December 2023 other tangible fixed assets include right-of-use assets with a net book value of RUB 4,173 million (31 December 2022 – RUB 3,414 million).

Other fixed assets of the Group are mainly containers, port and terminal infrastructure and equipment. The Group mainly uses containers in transportation to the Far Eastern direction and in South-east Asia. The Group's port and terminal facilities are located in the Far Eastern region, where the demand for container loading, unloading and storage services continues to show growth in early 2024 against the background of the shift of logistics routes from west to east that occurred during 2022–2023.

The Group leases land, fleet, railway sidings, rolling stock, loading machinery, berths and containers. The remaining term of the relevant lease agreements as at 31 December 2023 was from 1 year to 40 years.

For the year ended 31 December 2023, income from leased property, plant and equipment amounted to RUB 1,397 million and was recognised in other revenue (Note 13). There was no sublease of right-of-use assets in the Group.

## 7. Inventories

Inventories are stated at the lower of cost, calculated on a FIFO basis, and net realisable value. Inventories comprise bunkers, victualling stocks, stores and spares. Net realisable value is the estimated amount an item could be sold for less any selling expenses.

| RUB mln | 31 December 2023 | 31 December 2022 |
|---|---|---|
| Bunkers | 2,047 | 1,295 |
| Stores and spares | 811 | 485 |
| Other stocks and raw materials | 370 | 405 |
| | **3,228** | **2,185** |

## 8. Non-Derivative Financial Assets and Liabilities, Other Assets

Non-derivative financial instruments comprise investments in debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

The Group's financial assets and financial liabilities are classified as measured at amortized cost.

**Impairment of financial assets**
The Group measures loss allowances at 12-months 'expected credit loss' (ECLs)for financial assets for which credit risk has not increased significantly since initial recognition. For those financial assets for which credit risk has increased significantly since initial recognition the Group measures loss allowances at an amount equal to lifetime ECLs. The Group has elected to measure loss allowances for trade receivables at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group considers a financial asset to be in default when:
- the debtor (borrower) is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held);
- the financial asset is more than 360 days past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset in case of long-term assets.

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. Impairment losses related to trade and other receivables are presented as part of net other operating expenses.



### a) Other Non-Current Assets

| RUB mln | 31 December 2023 | 31 December 2022 |
|---|---|---|
| Prepayments for rolling stock and other fixed assets, at cost | 15,846 | 4,605 |
| Prepayments for fleet, at cost | 188 | 4,760 |
| Other equity investments | 23 | 15 |
| Guarantees | 30 | 40 |
| Long-term debtors | 6,715 | 1,239 |
| Other non-current assets | 2,507 | 1,045 |
| | **25,309** | **11,704** |

Long-term accounts receivable comprise accounts receivable for assets sold in the current and previous reporting periods for which repayment is expected in a period exceeding 12 months after the reporting date in the amount of RUB 2,573 million. Long-term receivables also include amounts related to novation of advances previously issued for the acquisition of assets to long-term receivables which are due from the counterparty in a period exceeding 12 months after the reporting date in the amount of RUB 4,142 million.

Increase in the amount of other non-current assets relates to acquisition of subsidiaries (Note 18).

### b) Accounts Receivable

| RUB mln | 31 December 2023 | 31 December 2022 |
|---|---|---|
| Trade debtors | 16,901 | 23,798 |
| VAT receivable | 5,492 | 4,908 |
| Prepayments to Russian Railways OJSC | 1,018 | 1,180 |
| Due from associates | 4 | 71 |
| Current tax assets | 2,400 | 3,033 |
| Other debtors and prepayments | 13,476 | 6,901 |
| Allowance for impairment | (1,402) | (846) |
| | **37,889** | **39,045** |

### c) Cash and Cash Equivalents

| RUB mln | 31 December 2023 | 31 December 2022 |
|---|---|---|
| Bank accounts and cash in hand | 4,038 | 30,080 |
| Restricted cash not available for the Group | 603 | 597 |
| | **4,641** | **30,677** |

Considering the events in 2022 and 2023, the Group does not experience any difficulties in trasmitting funds from its bank accounts which could affect its operations.

The Group's management keeps the liquidity risk under control and take actions necessary to mitigate it.

## d) Accounts Payable

| | 31 December 2023 | 31 December 2022 |
|---|---|---|
| | RUB mln | |
| Trade creditors | 13,329 | 10,891 |
| Taxes payable, other than income tax | 891 | 691 |
| Interest payable | 1,322 | 711 |
| Current tax liabilities | 1,295 | 1,137 |
| Other creditors and accruals | 11,768 | 19,118 |
| | **28,605** | **32,548** |

Other creditors and accruals include settlements on advances received, settlements with staff on remuneration, accrued expenses and settlements with agents on recharged costs.

## e) Leases

Leases are recognised as right-of-use assets and liabilities in respect of all leases longer than 12 months, unless the value of the leases (the underlying asset) is not material. Depreciation of leases is shown separately from interest on lease liabilities in the consolidated statement of profit or loss. The cost of right-of-use assets comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. Right-of-use assets are subsequently measured at cost less any accumulated depreciation and impairment losses, and adjusted for certain remeasurements of the lease liability.

A lease liability is measured at the present value of lease payments that have not yet been made at the date of recognition of the lease agreement. Lease payments are discounted using either the rate implicit in the lease or incremental borrowing rate for the lessee. The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

The Group makes the following judgments in assessing:

**Lease term.** The lease term usually corresponds to the non-cancellable term of the contract. The Group has applied judgement to determine the lease term for some lease contracts in which it is a lessee, based on the period for which the contract is enforceable. The Group considers that enforceability of the lease is established by the written contract in combination with applicable legislation related to renewal or termination rights (specifically the lessee's preferential rights to renew the lease). In determining the enforceable period (i.e. the maximum lease term), the Group considers whether both it and the lessor has a right to terminate the lease without permission from the other party and, if so, whether that termination would result in more than an insignificant penalty. If a more than insignificant penalty exists, then the enforceable period extends until the point at which a no more than an insignificant penalty exists. The Group considers the lease contract as renewable when the contract contains tacit renewal clauses. In respect of such contracts the Group determines the enforceable period considering the broader economics of the contract and whether more than insignificant penalties exist for the terminating party.

**Discount rate.** When calculating the present value of lease payments, the incremental borrowing rate for the lessee is used as the discount rate. The discount rate is determined for each asset based on the incremental borrowing rate at the commencement of the contract.



Changes in liabilities under lease agreements were the following:

| | 31 December 2023 | 31 December 2022 |
|---|---|---|
| | RUB mln | |
| Balance at 1 January 2023/2022 | 8,492 | 8,882 |
| New lease contracts | 4,171 | 1,859 |
| Interest expenses on lease liabilities | 970 | 800 |
| Lease payments for the period | (2,877) | (2,721) |
| Other changes | – | 2 |
| Translation difference | 1,024 | (330) |
| | **11,780** | **8,492** |

| | 31 December 2023 | 31 December 2022 |
|---|---|---|
| | RUB mln | |
| Short-term lease liabilities | 5,224 | 1,976 |
| Long term balance less short-term part | 6,556 | 6,516 |
| | **11,780** | **8,492** |

The lease liabilities comprise:

| | 31 December 2023 | 31 December 2022 |
|---|---|---|
| | RUB mln | |
| Liabilities under lease agreements which would be classified as operating lease before 1 January 2019 before IFRS 16 come into effect | 8,845 | 5,794 |
| Liabilities under lease agreements which would be classified as finance lease before 1 January 2019 | 2,935 | 2,698 |
| | **11,780** | **8,492** |

The table below shows the lease-related expenses recognised in the consolidated statement of profit or loss:

| | 2023 | 2022 |
|---|---|---|
| | RUB mln | |
| Depreciation of right-of-use assets | 2,707 | 1,039 |
| Interest expenses on lease liabilities | 970 | 800 |
| Short-term lease and low value lease contracts expenses that are exempt from the recognition under IFRS 16 "Leases | 1,055 | 1,418 |
| | **4,732** | **3,257** |

The total Group payments under lease agreements for the year ended 31 December 2023 amounted to RUB 3,932 million (RUB 4,139 million for the year ended 31 December 2022).

## 9. Debt Obligations

Debt and equity instruments are classified as either financial liabilities or as equity instruments in accordance with the substance of the contractual arrangement. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Fair value is obtained through discounting future cash flows at the current market interest rate applied to financial instruments with similar terms. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

### (a) Loans payable

| | 31 December 2023 | 31 December 2022 |
|---|---|---|
| | RUB mln | |
| **Loans and other obligations comprise:** | | |
| **Secured loans** | | |
| At fixed rate 4% – 12% | 5,156 | 5,569 |
| At variable rates: Russian Central bank +1.8% | 21,345 | 24,988 |
| | **26,501** | **30,557** |
| **Unsecured loans** | | |
| At fixed rate 0% – 6% | 14 | 53 |
| | **14** | **53** |
| | **26,515** | **30,610** |
| Repayable within the next twelve months | 4,974 | 3,835 |
| Long term balance | 21,541 | 26,775 |
| | **26,515** | **30,610** |

The carrying amount of pledged under debt obligations rolling stock and other fixed assets as at 31 December 2023 was RUB 5,788 million (31 December 2022: RUB 5,166 million).

For currency and maturity analysis of loans and other obligations see Note 21.

As at reporting date, the Group has been in breach of covenants under loan agreement with amortized cost of RUB 20,110 million as at 31 December 2023. The Group has obtained the confirmation from the bank that before the reporting date the bank has agreed not to charge the Group with early repayment of the loan facility as a result of the above breach.



### (b) Reconciliation of movements of liabilities to cash flows arising from financing activities

| RUB mln | Loans | Leases (Note 8e) | Interest payable | Total |
|---|---|---|---|---|
| **Balance at 1 January 2023** | **30,610** | **8,492** | **711** | **39,813** |
| **Changes from financing cash flows** | | | | |
| Repayments | (3,814) | (1,907) | – | (5,721) |
| Interest and commission paid | – | (970) | (3,136) | (4,106) |
| **Total changes from financing cash flows** | **(3,814)** | **(2,877)** | **(3,136)** | **(9,827)** |
| **Other changes** | | | | |
| New lease contracts | – | 4,171 | – | 4,171 |
| Interest expense | – | 970 | 3,747 | 4,717 |
| Other changes | (281) | – | – | (281) |
| Translation differences | – | 1,024 | – | 1,024 |
| **Total other changes** | **(281)** | **6,165** | **3,747** | **9,631** |
| **Balance at 31 December 2023** | **26,515** | **11,780** | **1 322** | **39,617** |

Comparative information for the year 2022:

| RUB mln | Loans | Leases (Note 8e) | Interest payable | Total |
|---|---|---|---|---|
| **Balance at 1 January 2022** | **31,014** | **8,882** | **798** | **40,694** |
| **Changes from financing cash flows** | | | | |
| Repayments | (5,818) | (1,921) | – | (7,739) |
| Receipts | 5,559 | – | – | 5,559 |
| Interest and commission paid | – | (800) | (3,796) | (4,596) |
| **Total changes from financing cash flows** | **(259)** | **(2,721)** | **(3,796)** | **(6,776)** |
| **Other changes** | | | | |
| New lease contracts | – | 1,859 | – | 1,859 |
| Interest expense | – | 800 | 3,709 | 4,509 |
| Other changes | – | 2 | | 2 |
| Translation differences | (145) | (330) | – | (475) |
| **Total other changes** | **(145)** | **2,331** | **3 709** | **5,895** |
| **Balance at 31 December 2022** | **30,610** | **8,492** | **711** | **39,813** |

## 10. Current and Deferred Tax

Companies within the Group are subject to taxation in different jurisdictions. The most significant tax expense arises in entities incorporated in the Russian Federation.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities are calculated in respect of temporary differences using the balance sheet liability method. Deferred income taxes are provided for all temporary differences arising between the tax basis of assets and liabilities and their carrying values for financial reporting purposes. A deferred tax asset is recorded only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised and not less that deferred tax liability recognised as at the reporting date. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are measured at tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date.

Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill.

In determining the amount of current and deferred tax the Group takes into account the impact of uncertain tax positions and whether additional taxes, penalties and late-payment interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Group to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact the tax expense in the period that such a determination is made.

The Group has adopted Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) from 1 January 2023.The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences – e.g., leases and decommissioning liabilities. For leases and decommissioning liabilities, an entity is required to recognise the associated deferred tax assets and liabilities from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. For all other transactions, an entity applies the amendments to transactions that occur on or after the beginning of the earliest period presented.

The Group previously accounted for deferred tax on leases and decommissioning liabilities by applying the "integrally linked" approach, resulting in a similar outcome as under the amendments, except that the deferred tax asset or liability was recognised on a net basis. Following the amendments, the Group has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. However, there was no impact on the statement of financial position because the balances qualify for offset under paragraph 74 of IAS 12. There was also no impact on the opening retained earnings as at 1 January 2022 as a result of the change. The key impact for the Group relates to disclosure of the deferred tax assets and liabilities recognised.



| | 31 December 2023 | 31 December 2022 |
|---|---|---|
| | RUB mln | |
| **Current tax expense** | | |
| Current period | 4,930 | 2,722 |
| | **4,930** | **2,722** |
| **Deferred tax expense** | | |
| Origination and reversal of temporary differences | 57 | 1,981 |
| | 57 | **1,981** |
| **Total income tax expense** | **4,987** | **4,703** |

Reconciliation of the reported net income tax expense to reported profit before income tax.

| | 31 December 2023 | 31 December 2022 |
|---|---|---|
| | RUB mln | |
| **Profit before income tax** | **42,838** | **44,091** |
| Income tax expense at applicable tax rate of 20% (2022: 20%) | 8,568 | 8,818 |
| Effect of income taxed at different rates | (2,118) | (5,690) |
| Non-deductible income, net | (3,116) | (18) |
| Change in unrecognised deferred tax asset | 1,653 | 1,593 |
| | **4,987** | **4,703** |

The Group's deferred tax liability mainly arises in entities incorporated in Russia and the effect of deferred taxation in other jurisdictions is not material.

Movements in temporary differences were the following:

| | Balance 1 January 2023 | Recognised in profit or loss | Translation differences | Equity | Balance 31 December 2023 |
|---|---|---|---|---|---|
| | RUB mln | | | | |
| Vessels | (1,185) | (86) | (326) | (222) | (1,819) |
| Other fixed assets and assets under construction | (1,160) | (3,031) | 64 | – | (4,127) |
| Accounts receivable | (1,748) | 879 | 20 | – | (849) |
| Accounts payable and lease liabilities | 2,554 | 2,262 | 3 | – | 4,819 |
| Loans and borrowings | (151) | 85 | – | – | (66) |
| Other | (97) | 145 | – | – | 48 |
| Tax loss carry-forwards | 77 | (20) | – | – | 57 |
| Exchanges difference | (1,342) | (291) | | – | (1,633) |
| | **(3,052)** | **(57)** | **(239)** | **(222)** | **(3,570)** |

| | Balance 1 January 2022 | Recognised in profit or loss | Translation differences | Equity | Balance 31 December 2022 |
|---|---|---|---|---|---|
| | RUB mln | | | | |
| Vessels | (1,737) | 157 | 90 | 305 | (1,185) |
| Other fixed assets and assets under construction | (1,518) | 358 | – | – | (1,160) |
| Accounts receivable | (583) | (1,165) | – | – | (1,748) |
| Accounts payable | 1,627 | 927 | – | – | 2,554 |
| Loans and borrowings | 69 | (220) | – | – | (151) |
| Other | 130 | (227) | – | – | (97) |
| Tax loss carry-forwards | 556 | (479) | – | – | 77 |
| Exchanges difference | – | (1,342) | – | – | (1,342) |
| | **(1,456)** | **(1,991)** | **90** | **305** | **(3,052)** |

## Unrecognised deferred tax asset

The Group has unrecognised deferred tax assets at the amount of RUB 6,720 million as of 31 December 2023 (31 December 2022: RUB 5,067 million). Unrecognised deferred tax assets relate to tax losses carried forward that are not expected to be recoverable in the foreseeable future.

## Unrecognised deferred tax liability

A temporary difference of RUB 30,173 million relating to investments in subsidiaries has not been recognised as at 31 December 2023 (31 December 2022: RUB 23,236 million) as the Group is able to control the timing of reversal of the difference, and reversal is not expected in the foreseeable future.

## Global minimum top-up tax

The Group has adopted International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12) upon their release on 23 May 2023.The amendments provide a temporary mandatory exception from deferred tax accounting for the top-up tax, which is effective immediately, and require new disclosures about the Pillar Two exposure. The mandatory exception applies retrospectively. However, because no new legislation to implement the top-up tax was enacted or substantively enacted at 31 December 2023 in any jurisdiction in which the Group operates and no related deferred tax was recognised at that date, the retrospective application has no impact on the Group's consolidated financial statements.



## 11. Shareholders' Equity

| | 31 December 2023 | 31 December 2022 |
|---|---|---|
| | RUB mln | |
| Authorised number of shares (1 Rouble per share) | 3,643,593,000 | 3,643,593,000 |
| Issued number of shares | 2,951,250,000 | 2,951,250,000 |
| **Share capital (RUB mln)** | **2,951** | **2,951** |

## 12. Business Segmental Analysis

For management purposes, the Group is organised into five operating segments: shipping, which operates on a global basis; liner and logistics; railway transportation services which operate in Russia and other countries of the CIS, port services which include Russian-based port, sea terminal and bunkering services. The Group also includes certain companies that cannot be allocated to a specific division; these include investing and managing companies. These divisions are the basis on which the Group reports its operating segment information. The services provided by each of these divisions are as follows.

| | |
|---|---|
| Shipping | The shipping division is involved in ship ownership, ship management, chartering out and provision of agency services. These activities are carried out on a cabotage, cross trade and import-export basis. The vessels operated by the shipping division are largely container vessels and bulk carriers. |
| Liner and Logistics | The liner and logistics division operates liner services and provides freight forwarding services both for containers and break-bulk cargoes. |
| Railway Services | The railway services division provides services both as an operator and an agent. When acting as an operator it renders services for containerised and bulk cargoes using locomotives, railway wagons, hoppers, steel-pellet wagons and tank wagons owned by the division or leased by it under finance leases. In addition, it uses rolling stock hired on short term operating leases. |
| Ports | The ports division owns and operates port facilities and container terminals in Russia and provides cargo handling, stevedoring, container storage and rental and related port services and facilities. |
| Bunkering | The bunkering division provides services of ship bunkering which involves transferring oil and fuel to and from a vessel and other supporting activity. |

Segmental reporting information is submitted to the Board of directors of the Group on a regular basis as part of the management reporting process. It is used to assess the efficiency of the segments and to take decision on the allocation of resources.

Segment information for the main reportable segments of the Group for 2023 is set out below (RUB mln).

| | Shipping | Liner and Logistics | Railway services | Ports | Bunkering | Corporate | Eliminations / Adjustments | Total |
|---|---|---|---|---|---|---|---|---|
| External sales | 2,208 | 144,721 | 1,970 | 22,738 | 367 | – | – | 172,004 |
| Inter-segment sales | 12,642 | 1,887 | 6,945 | 12,500 | 2,517 | – | (36,491) | – |
| **Segment revenue** | **14,850** | **146,608** | **8,915** | **35,238** | **2,884** | **–** | **(36,491)** | **172,004** |
| **Segment expenses[1]** | **(5,853)** | **(124,351)** | **(4,407)** | **(14,415)** | **(2,698)** | **(15,865)** | **45,987** | **(121,601)** |
| **Segment result** | **8,997** | **22,257** | **4,508** | **20,823** | **186** | **(15,865)** | **9,497** | **50,403** |
| **Segment non-cash items:** | | | | | | | | |
| Depreciation and amortisation | (2,695) | (4,942) | (2,319) | (1,044) | (3) | (511) | – | (11,514) |
| (Impairment) / impairment reversal | (157) | 1,509 | – | – | – | – | – | 1,352 |
| **Other material items of income/expense:** | | | | | | | | |
| Other finance costs, net | 337 | (4,922) | (1,490) | 6,284 | 117 | 16,427 | (11,497) | 5,256 |
| Other income, net | 120 | (298) | (473) | (727) | (32) | 9,039 | (9,495) | (1,866) |
| Share of profit of equity accounted investees | 40 | – | – | – | – | – | – | 40 |
| Income tax expense | (442) | 2,246 | (784) | (5,679) | (72) | (256) | – | (4,987) |
| **Segment net result** | **6,359** | **15,298** | **(560)** | **19,222** | **195** | **8,833** | **(11,496)** | **37,851** |

Segment information for the main reportable segments of the Group for 2022 is set out below (RUB mln).

| | Shipping | Liner and Logistics | Railway services | Ports | Bunkering | Corporate | Eliminations / Adjustments | Total |
|---|---|---|---|---|---|---|---|---|
| External sales | 2,591 | 137,063 | 993 | 21,638 | 354 | – | – | 162,639 |
| Inter-segment sales | 5,216 | 1,863 | 5,939 | 11,339 | 2,434 | – | (26,791) | – |
| **Segment revenue** | **7,807** | **138,926** | **6,932** | **32,977** | **2,788** | **–** | **(26,791)** | **162,639** |
| **Segment expenses[1]** | **(4,478)** | **(90,288)** | **(3,263)** | **(12,336)** | **(2,672)** | **(12,859)** | **33,542** | **(92,354)** |
| **Segment result** | **3,329** | **48,638** | **3,669** | **20,641** | **116** | **(12,859)** | **6,751** | **70,285** |
| **Segment non-cash items:** | | | | | | | | |
| Depreciation and amortisation | (1,709) | (1,713) | (1,901) | (941) | (3) | (381) | – | (6,648) |
| Impairment | (7,459) | (5,334) | – | – | – | – | – | (12,793) |
| **Other material items of income/expense:** | | | | | | | | |
| Other finance costs, net | (878) | (4,552) | (731) | (47) | 52 | 4,505 | (4,120) | (5,771) |
| Other expenses, net | 415 | 262 | (123) | (107) | 7 | 6,350 | (6,749) | 55 |
| Share of profit of equity accounted investees | 30 | – | – | – | – | | – | 30 |
| Income tax expense | (56) | (2,452) | (395) | (2,044) | (27) | 271 | – | (4,703) |
| **Segment net result** | **(6,328)** | **34,441** | **516** | **16,866** | **125** | **(2,114)** | **(4,118)** | **39,388** |

[1] Segment expenses include operating expenses and administrative expenses.

## Segmental assets and liabilities

| | Assets | | Liabilities | |
|---|---|---|---|---|
| | 31 December 2023 | 31 December 2022 | 31 December 2023 | 31 December 2022 |
| | RUB mln | | | |
| Shipping (Global) | 47,477 | 17,543 | 7,344 | 2,726 |
| Liner and logistics (Global) | 78,039 | 81,817 | 21,917 | 27,105 |
| Railway services (Russia) | 42,302 | 29,475 | 9,164 | 8,897 |
| Ports (Russia) | 31,585 | 26,488 | 32,294 | 33,036 |
| Bunkering (Russia) | 82 | 131 | 198 | 162 |
| **Total of all segments** | **199,485** | **155,454** | **70,917** | **71,926** |
| Goodwill | 7,569 | 7,459 | – | – |
| Other items not attributable to a specific segment | 3,503 | 3,414 | 2,581 | 3,807 |
| **Consolidated** | **210,557** | **166,327** | **73,498** | **75,733** |

## Other segmental information

| | Acquisition of segment assets | | Investments in equity accounted investees | |
|---|---|---|---|---|
| | 31 December 2023 | 31 December 2022 | 31 December 2023 | 31 December 2022 |
| | RUB mln | | | |
| Shipping (Global) | 23,650 | 1,858 | 37 | 56 |
| Liner and logistics (Global) | 14,694 | 18,953 | – | – |
| Railway services (Russia) | 9,779 | 10,111 | – | – |
| Ports (Russia) | 5,582 | 1,774 | – | – |
| | **53,705** | **32,696** | **37** | **56** |

## 13. Revenue

The Group derives revenue from the following main sources:

- "freight and hire" revenue from sea transportation;
- agency fees for arranging transportation;
- provision of transportation services using own and leased wagons (operators' business);
- revenue from stevedoring services;
- revenue from rentals;
- bunkering.

There are 2 types of transportation contacts entered into by the Group with the customers:

- The contracts where the Group fully controls the pricing, including railway tariff and the fees of subcontractors and bears credit and price risk in full. In this case the transaction price comprises full charge out rate invoiced to the customer.
- The contracts where the customer additionally reimburses the Group for the railway tariff paid. In this case the transaction price comprises only the fee charged by the Group to the customer net of railway tariff reimbursed and fees of subcontractors.

Revenue from transportation and freight services is recognised in the process of providing transportation. Revenue from stevedoring services is recognised in the period when services are provided to the client.



| | 2023 | 2022 |
|---|---|---|
| | RUB mln | |
| **Revenue from contracts with customers** | | |
| Transportation services (operators' business) | 145,507 | 137,278 |
| Port and stevedoring services | 22,608 | 21,605 |
| Bunkering | 367 | 354 |
| Freight revenue | 1,750 | 1,496 |
| Agency fees | 375 | 245 |
| **Total revenue from contracts with customers** | **170,607** | **160,978** |
| **Other revenue** | | |
| Revenue for vessels chartering | 859 | 1,330 |
| Revenue from railcar and other rentals | 538 | 331 |
| **Total other revenue** | **1,397** | **1,661** |
| | **172,004** | **162,639** |

Freight revenue, revenue from vessels chartering and other revenue is earned by the shipping division. Revenue from railcar and other rentals is earned by the railway division.

Assets and liabilities under contracts with customers:

Transportation services revenue is earned by liner and logistics and railway divisions.

| | 31 December 2023 | 1 January 2023 |
|---|---|---|
| | RUB mln | |
| Contract assets included in receivables | 5,166 | 8,624 |
| Contract liabilities included in payables | (5,740) | (10,910) |

Contract assets comprise the Group's rights to receive compensation for services that have been provided but not yet invoiced at the reporting date. Contract liabilities comprise prepayments received from customers on services where revenue is recognised over time.

Contract liabilities at the beginning of the period were recognised as revenue for the year ended 31 December 2023.

## 14. Operating Expenses

| | 2023 | 2022 |
|---|---|---|
| | RUB mln | |
| Railway infrastructure tariff and transportation services | 82,014 | 59,525 |
| Bunkering | 76 | 158 |
| Payroll expenses | 8,511 | 6,913 |
| Voyage and vessel running cost | 3,142 | 1,996 |
| Operating lease | 721 | 1,181 |
| Stevedoring services | 3,323 | 2,892 |
| Non-profit based taxes | 59 | 50 |
| | **97,846** | **72,715** |

Up to 30% of the Group's operational costs are incurred in foreign currency. If due to high volatility of foreign currency exchange rates operating expenses of the Group will increase in 2024, this effect will be negated as Group has a balanced structure of foreign currency income and expenses. More than 30% of the Group's revenue is received in foreign currency.

## 15. Administrative Expenses

| | 2023 | 2022 |
|---|---|---|
| | RUB mln | |
| Salary and other staff related costs | 15,181 | 15,559 |
| Professional fees | 3,235 | 1,520 |
| Office rent | 334 | 237 |
| Other administrative expenses | 5,005 | 2,323 |
| | **23,755** | **19,639** |

## 16. Impairment reversal/(impairment) of assets

| | 2023 | 2022 |
|---|---|---|
| | RUB mln | |
| Fleet impairment reversal/(impairment) (Note 5) | 1,352 | (12,793) |
| | **1,352** | **(12,793)** |

## 17. Finance Income and Costs

Finance income comprises interest income on funds invested, dividend income, gains on the disposal of financial assets, changes in the fair value of financial assets at fair value through profit or loss, gains on bonds redemption. Interest income is recognised as it accrues in the statement of profit or loss, using the effective interest method. Dividend income is recognised in the consolidated statement of profit or loss on the date that the Group's right to receive payment is established.

Finance costs comprise interest expense on borrowings, bonds related expenses, unwinding of the discount on provisions, dividends on preference shares classified as liabilities, changes in the fair value of financial assets at fair value through profit or loss and impairment losses recognised on financial assets. All borrowing costs are recognised in the consolidated statement of profit or loss using the effective interest method, except to the extent that they relate to acquisition of qualifying assets, in which case they are capitalized in the cost of such assets.

| | 2023 | 2022 |
|---|---|---|
| | RUB mln | |
| **Finance income** | | |
| Interest income | 1,500 | 1,408 |
| Other finance income | – | 63 |
| Foreign exchanges gain | 8,476 | – |
| **Total finance income** | **9,976** | **1,471** |
| **Finance costs** | | |
| Interest expense | (3,747) | (3,709) |
| Interest expense on leases | (970) | (800) |
| Foreign exchanges loss | – | (2,457) |
| Other finance costs | (3) | (276) |
| **Total finance costs** | **(4,720)** | **(7,242)** |
| | **5,256** | **(5,771)** |



Interest expense on leases in the amount of RUB 970 million comprise RUB 236 million interest expense on the lease contracts that would be accounted as finance leases under IAS 17 Leases as at 31 December 2018 and RUB 734 million interest expense on the lease contracts that were recognised as a lease upon transition to IFRS 16 Leases.

## 18. Acquisition of subsidiaries

In the reporting period, the Group acquired two subsidiaries with ownership interests of 100% and 74%.

In these consolidated interim condensed financial statements, transactions are recorded as the acquisition of assets.

Assets and liabilities at the acquisition date were:

| | NBV | Fair value |
|---|---|---|
| | RUB mln | |
| Cash and cash equivalents | 25 | 25 |
| Fixed assets | 1,419 | 1,409 |
| Other non-current assets | 872 | 872 |
| Accounts receivable | 178 | 178 |
| Accounts payable | (181) | (181) |
| **Net assets** | | **2,303** |
| **Amount of reimbursement transferred** | | **(2,032)** |
| **Non-controlling interest** | | **271** |

In September 2023 the Group obtained control over the subsidiary with ownership interests of 1%. The acquisition was recorded as the acquisition of assets due to the fact that the assets held by the acquired company are limited to construction in progress and related advances issued to sub-contractors. The subsidiary acquired had no material liabilities as at the acquisition date other than the loan considered below. Thus no non-controlling interest was recognised by the Group at the date of acquisition. In June 2023 (before control over the above company was obtained) the Group issued the loan to the company in the amount of RUB 4,380 million. The amount of the above loan was treated in full as consideration for the assets acquired (construction in progress and related advances issued for acquisition of fixed assets).

## 19. Earnings per Share

Basic earnings per share is calculated by dividing the profit/(loss) attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year, excluding those held by Group companies. To calculate diluted earnings per share the weighted average number of ordinary shares outstanding is adjusted for the possible conversion of ordinary shares with a potential dilutive effect.

The Group has no dilutive potential ordinary shares, thus diluted earnings per share was not determined.

| | 31 December 2023 | 31 December 2022 |
|---|---|---|
| | RUB | |
| **Profit for the year** | **37,702,000,000** | **38,613,000,000** |
| Weighted average number of shares in issue (Note 11) | 2,951,250,000 | 2,951,250,000 |
| **Earnings per share** | **12.775** | **13.084** |

## 20. Contingencies and Commitments

### (a) Taxation Contingencies

The taxation system in the Russian Federation continues to evolve and is characterised by frequent changes in legislation, official pronouncements and court decisions, which are sometimes contradictory and subject to varying interpretation by different tax authorities.

Taxes are subject to review and investigation by a number of authorities, which have the authority to impose severe fines, penalties and interest charges. A tax year generally remains open for review by the tax authorities during the three subsequent calendar years. The legitimacy of forming tax losses formed in previous tax periods may be checked in the period(s) when the tax base is reduced by the amount of such losses. Recent events within the Russian Federation suggest that the tax authorities are taking a more assertive and substance-based position in their interpretation and enforcement of tax legislation.

Current Russian transfer pricing legislation requires transfer pricing analysis for the majority of cross-border intercompany and major domestic intercompany transactions. The transfer pricing control, as a general rule, is applied to domestic transactions only if both criteria are met: the parties apply different tax rates, and the annual turnover of transactions between them exceeds RUB 1 billion.

The Russian transfer pricing rules are close to OECD guidelines, but have certain differences that create uncertainty in practical application of tax legislation in specific circumstances. A very limited number of publicly available transfer pricing court cases in Russia does not provide enough certainty as to the approach to applying transfer pricing rules in Russia. The impact of any transfer pricing assessment may be material to financial statements of the Group, however, the probability of such impact cannot be reliably assessed.

Russian tax authorities may review prices used in intra-group transactions, in addition to transfer pricing audits. They may assess additional taxes if they conclude that taxpayers have received unjustified tax benefits as a result of those transactions.

Russian tax authorities continue to exchange transfer pricing as well as other tax related information with tax authorities of other countries though such communication is limited to a certain extent. This information may be used by the tax authorities to identify transactions for additional in-depth analysis.

In addition, changes aimed at regulating tax consequences of transactions with foreign companies have been introduced, such as concept of beneficial ownership of income, taxation of controlled foreign companies, tax residency rules, etc. These changes may potentially impact the Group's tax position and create additional tax risks.

All these circumstances may create tax risks in the Russian Federation that are substantially more significant than in other countries. Management believes that it has provided adequately for the tax liabilities based on its interpretations of applicable Russian tax legislation, official pronouncements and court decisions. However, the interpretations of the tax authorities and courts could differ and the effect on these consolidated financial statements, if the tax authorities are successful in enforcing their interpretations, could be significant.

### (b) Business environment

The Group's operations are primarily located in the Russian Federation. Consequently, the Group is exposed to the economic and financial markets of the Russian Federation, which display the characteristics of an emerging market. The legal, tax and regulatory frameworks continue development, but are subject to varying interpretations and frequent changes which contribute together with other legal and fiscal impediments to the challenges faced by entities operating in the Russian Federation.

Starting in 2014, the United States of America, the European Union and some other countries have imposed and gradually expanded economic sanctions against a number of Russian individuals and legal entities. Since February 2022, after the start of a special military operation in Ukraine by the Russian Federation and the incorporation of the territories of republics of Donetsk and Lugansk, as well as Zaporozhye and Kherson regions into the Russian Federation after referendums in the second half of 2022, the above countries have imposed additional tough sanctions against the Government of the Russian Federation, as well as large financial institutions, legal entities and individuals in Russia. In particular, restrictions were imposed on the export and import of goods, including capping the price of certain types of raw materials, restrictions were introduced on the provision of certain types of services to Russian enterprises, the assets of a number of Russian individuals and legal entities were blocked, a ban on maintaining correspondent accounts was established, certain large banks were disconnected from the SWIFT international financial messaging system, and other restrictive measures were implemented. Also, in the context of the imposed sanctions, a number of large international companies from the United States, the European Union and other countries discontinued, significantly reduced or suspended their own activities in the Russian Federation, as well as doing business with Russian citizens and legal entities.

In response to the increasing pressure on the Russian economy, the Government of the Russian Federation and Central Bank of the Russian Federation have introduced a set of measures, which are counter-sanctions, currency control measures, a number of key interest rate decisions and other special economic measures to ensure the security and maintain the stability of the Russian economy, financial sector and citizens.

The imposition and subsequent strengthening of sanctions resulted in elevated economic uncertainty, including reduced liquidity and high volatility in the capital markets, volatility of the Rouble exchange rate and the key interest rate, a decrease in foreign and domestic direct investments, difficulties in making payments for Russian Eurobond issuers, and also a significant reduction in the availability of sources of debt financing.

In addition, Russian companies have virtually no access to the international stock market, the debt capital market and other development opportunities, which may lead to their increased dependence on the governmental support. The Russian economy is in the process of adaptation associated with the replacement of retiring export markets, a change in supply markets and technologies, as well as changes in logistics, supply and production chains.

It is difficult to assess the consequences of the imposed and possible additional sanctions in the long term, however, sanctions can have a significant negative impact on the Russian economy.

The consolidated financial statements reflect management's assessment of the impact of the Russian business environment on the operations and the financial position of the Group. The future business environment may differ from management's assessment.

## 21. Fair Value and Risk Management

**Fair Values**
Management of the Group believes that the fair values of financial assets and liabilities shown in the consolidated statement of financial position both as at 31 December 2023 and 31 December 2022 approximate their carrying amounts.

**Capital Risk Management**
The Group manages its capital to ensure that it can continue to operate and expand their operations while at the same time maximising returns to shareholders.

The Group is not subject to externally imposed capital requirements other than those included, from time to time, in the financial covenants associated with bank borrowing and those, imposed by the Russian legislation.

**Major categories of financial instruments**
The Group's principal financial liabilities comprise borrowings, leases, trade and other payables.

The main risks arising from the Group's financial instruments are market risk which includes foreign currency and interest rate risk, credit and liquidity risks.

The Board of Directors has overall responsibility for the establishment and overseeing of the Group's risk management framework. The Group Audit Committee is responsible for developing and monitoring the Group's risk management policies.

The Group's Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

## (a) Credit risk

Credit risk is the risk that a customer may default or not meet its obligations to the Group on a timely basis, leading to financial losses to the Group.

### Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer.

The default risk of the industry and country in which the customer of the Group operates, has less of an influence on a credit risk. There is no concentration of credit risk with a single customer.

Each company within the Group establishes its own credit policy taking into account the specifics of the sector and the company's customer base.

The majority of the Group's customers have been transacting with the Group companies for many years and losses arising from this category of customer are infrequent.

Policies established by Group companies for new customers will generally involve some form of credit check based on the available information. Where a customer is not deemed creditworthy, the Group will generally only offer services on a prepayment basis.

The Group has provided fully for all receivables over one year because historical experience is such that receivables that are past due beyond one year are generally not recoverable.

The Group's maximum exposure to credit risk in relation to each class of recognised financial asset is the carrying amount of those assets as stated in the consolidated statement of financial position and was as follows:

| | 31 December 2023 | 31 December 2022 |
|---|---|---|
| | RUB mln | |
| Long-term debtors | 6,715 | 1,239 |
| Accounts receivable | 21,615 | 24,841 |
| Other current assets | 2,164 | 406 |
| Cash and cash equivalents | 4,641 | 30,677 |
| | **35,135** | **57,163** |

The ageing profile of trade receivables was:

| | 31 December 2023 | | 31 December 2022 | |
|---|---|---|---|---|
| | RUB mln | | | |
| | Total book value | Allowance for impairment | Total book value | Allowance for impairment |
| Current | 14,303 | – | 19,790 | – |
| Overdue 90 days | 837 | (96) | 1,961 | (29) |
| Overdue 91 days to one year | 810 | (152) | 1,666 | (215) |
| Overdue more than one year | 951 | (951) | 381 | (381) |
| | **16,901** | **(1,199)** | **23,798** | **(625)** |



During the year, the Group had the following movement in allowance for trade receivables:

| | 31 December 2023 | 31 December 2022 |
|---|---|---|
| | RUB mln | |
| **Balance as at 1 January** | **625** | **585** |
| Change in allowance | 574 | 40 |
| **Balance as at 31 December** | **1,199** | **625** |

The following analysis provides further detail about the calculation of ECLs related to trade receivables. The Group uses a provision matrix to calculate ECLs for customers' trade receivables. The level of losses is calculated using the sliding rate method based on the probability of the receivables going into default for write-off. The ECLs were calculated based on actual credit loss experience over the past year. The Group performed the calculation of ECL rates separately for the customers of each key operating company of the Group. Exposures within each operating company were not further segmented except for individually significant buyers, which cause certain credit risks depending on the buyer's credit history and relationship with the Group.

| | Weighted-average loss rate | Credit-impaired |
|---|---|---|
| Current (not past due) | 0% | No |
| 1 – 30 days past due | 5% | No |
| 30 – 90 days past due | 27% | No |
| 90 – 360 days past due | 43% | No |
| More than 360 days past due | 100% | Yes |

Other assets of the Group with exposure to credit risk include cash and other receivables. Cash is placed with reputable banks bearing the investing ranking not less than BB+ based on AKRA's rating (for Russian banks) and not less than A based on Fitch/Moody's (for non-Russian banks) as at 31 December 2023. Other receivables comprise settlements with agents with turnover period less than 3 months. Management does not expect these counterparties to fail to meet their obligations. Based on the historical analysis of credit losses for this category of receivables were not observed.

The Group does not observe that the imposition of sanctions, described in Note 2 (d), has affected the ability of buyers to repay their debts to the Group in a timely manner. However, the most likely consequence of the negative impact on the Russian economy will be an increase in credit risk for many buyers, which will lead to the need of recognizing a significant additional amount of expected credit losses. At the moment it is not possible to quantify the corresponding financial effect.

## (b) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

### Currency risk

The Group is exposed to currency risk on sales, purchases, finance leases and borrowings that are denominated in a currency other than the respective functional currencies of Group entities, primarily the RUB and USD. In respect of other monetary assets and liabilities denominated in foreign currencies, the Group ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

At 31 December 2023, the Group had the following monetary assets and liabilities denominated in currencies other than the functional currency of the respective Group entity:

| | USD | RUB | Other currencies |
|---|---|---|---|
| | RUB mln | | |
| **Assets** | | | |
| Other non-current assets | 7,133 | – | 2,467 |
| Accounts receivable | 2,448 | 216 | 582 |
| Bank and cash balances | 628 | 513 | 476 |
| Intra-group assets | 34,530 | 7,599 | 101 |
| **Liabilities** | **44,739** | **8,328** | **3,626** |
| Accounts payable | 2,927 | 419 | 132 |
| Intra-group liabilities | 19,642 | 35,558 | 230 |
| | **22,569** | **35,977** | **362** |
| | **22,170** | **(27,649)** | **3,264** |

At 31 December 2022, the Group had the following monetary assets and liabilities denominated in currencies other than the functional currency of the respective Group entity:

| | USD | RUB | Other currencies |
|---|---|---|---|
| | RUB mln | | |
| **Assets** | | | |
| Other non-current assets | 1,425 | – | 409 |
| Accounts receivable | 1,973 | 80 | 338 |
| Bank and cash balances | 1,638 | 537 | 612 |
| Intra-group assets | 34,810 | 6,910 | 268 |
| **Liabilities** | **39,846** | **7,527** | **1,627** |
| Accounts payable | 2,564 | 232 | 189 |
| Intra-group liabilities | 34,068 | 38,995 | 419 |
| | **36,632** | **39,227** | **608** |
| | **3,214** | **(31,700)** | **1,019** |

Other currencies as at both dates comprise mostly Euro.



**Foreign currency sensitivity analysis**
The following table details the Group's sensitivity to strengthening/weakening of USD against the RUB by 20% (2022: 20%).

| | RUB/USD impact | | | |
|---|---|---|---|---|
| RUB mln | 31 December 2023 | 31 December 2023 | 31 December 2022 | 31 December 2022 |
| | RUB/USD +20% | RUB/USD -20% | RUB/USD +20% | RUB/USD -20% |
| Profit or (loss) | 10,641 | (10,641) | 7,187 | (7,187) |

**Interest rate risk**
Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The Group's interest risk mainly arises from its debt obligations in particular non-current borrowings. Borrowing at variable rates exposes the Group to cash flow interest rate risk. Lending at fixed rates or the purchase of debt instruments at fixed rates expose the Group to changes in the fair value.

The Group reviews its debt portfolio and monitors the changes in the interest rate environment to ensure that interest payments are within acceptable levels. Information relating to interest rates on the Group's borrowings is disclosed in Note 9.

**Structure of interest rate risk**
At the reporting date the interest rate profile of the Group's interest-bearing financial instruments, excluding the effect of derivative financial instruments, was:

| | Carrying amount | |
|---|---|---|
| | 31 December 2023 | 31 December 2022 |
| | RUB mln | |
| **Fixed rate instruments** | | |
| Cash and cash equivalents | 1,789 | 24,366 |
| Long-term deposits | 4 | 4 |
| Debt and lease liabilities | (16,950) | (14,114) |
| **Variable rate instruments** | **(15,157)** | **10,256** |
| Debt and lease liabilities | (21,345) | (24,988) |
| | **(21,345)** | **(24,988)** |

**Interest rate sensitivity analysis**
A large portion of borrowings, amounting to RUB 21,345 million as at 31 December 2023, are linked to Russian Central Bank's key rate.

The increase in the key rate to 20% will result in interest expense being increased by RUB 480 million on an annualized basis, assuming balances remain consistent with those outstanding at 31 December 2023.

## (c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to settle all liabilities as they fall due.

The Group has in place a detailed budgeting and cash flow forecasting process to help ensure that it has sufficient cash to meet its payment obligations.

### Loans, borrowings, lease and other payables

| | | Contractual cash flows | | | |
|---|---|---|---|---|---|
| RUB mln | Carrying value | Minimum future payment | Less than 12 months | 1-5 years | Later than 5 years |
| **As at 31 December 2023** | | | | | |
| Debt and interest payable | 27,837 | 40,112 | 9,072 | 28,049 | 2,991 |
| Leases | 11,780 | 20,224 | 6,016 | 4,655 | 9,553 |
| Trade and other payables | 20,242 | 20,242 | 20,242 | – | – |
| **Total** | **59,859** | **80,578** | **35,330** | **32,704** | **12,544** |
| **As at 31 December 2022** | | | | | |
| Debt and interest payable | 31,321 | 41,470 | 6,577 | 31,153 | 3,740 |
| Leases | 8,492 | 15,417 | 2,683 | 5,065 | 7,669 |
| Trade and other payables | 20,677 | 20,677 | 20,677 | – | – |
| **Total** | **60,490** | **77,564** | **29,937** | **36,218** | **11,409** |

## 22. Related Party Transactions

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

During the period 20 individuals were considered to be the Group's key management and directors (2022: 23 individuals). Their remuneration during the period was as follows:

| | 31 December 2023 | 31 December 2022 |
|---|---|---|
| | RUB mln | |
| Salaries and other payments | 2,380 | 1,289 |
| Bonuses accrual | 2,019 | 5,280 |
| | **4,399** | **6,569** |



| | 31 December 2023 | 31 December 2022 | Nature of balances |
|---|---|---|---|
| | RUB mln | | |
| **Consolidated statement of financial position** | | | |
| Associate | 10 | 227 | Prepayments for building and construction |
| Associate | 4 | 71 | Other receivables |
| Related through common shareholder | 602 | 25 | Other payables |
| Related through common shareholder | (56) | (281) | Other payables |
| Related through common shareholder | – | (50) | Loan received |

| | 2023 | 2022 | Nature of transactions |
|---|---|---|---|
| | RUB mln | | |
| **Consolidated Statement of Profit or Loss** | | | |
| Purchases from Associate | (42) | (53) | Building and construction |
| Sales to Associate | 5 | 4 | Other income |
| Related through common shareholder | 1,874 | – | Transport and forwarding services |
| Related through common shareholder | (605) | – | Transport and forwarding services |
| Related through common shareholder | 4 | – | Interest income |
| Related through common shareholder | (40) | (22) | Administrative expenses |

## 23. Events Subsequent to The Reporting Date

In February 2024 the Group entered into a rolling stock lease back agreement, which allowed to raise financing in the amount of RUB 6,027 million.

In February 2024, the Group signed a number of contracts for the sale of the vessels. The total cost of the sale amounted to RUB 327 million (USD 3.5 million). The net book value of the vessels as at 31 December 2023 was RUB 360 million (USD 3.6 million).

In February 2024, the Group signed a credit line agreement for the total amount of the issue limit of CNY 227,160 thousand. As of the date of approval of these consolidated financial statements, the loan has been drawn down in full, the rouble equivalent of the loan obtained amounted to RUB 2,898 million.

After the reporting date the Group has used the option to purchase the shares in a new subsidiary. The option execution price amounted to RUB 1,250 million.

After the reporting date, the State Corporation Rosatom has become the Group's controlling party.