

**PUBLIC JOINT STOCK COMPANY
TRANSCONTAINER**

**International Financial Reporting Standards
Interim Condensed Consolidated Financial
Statements**

For the Three-Month Period ended 31 March 2021

PJSC TRANSCONTAINER

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STATEMENT OF MANAGEMENT'S RESPONSIBILITIES FOR THE PREPARATION AND APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2021

Management is responsible for the preparation of the interim condensed consolidated financial statements that present fairly the financial position of PJSC TransContainer (the "Company") and its subsidiaries (the "Group") as at 31 March 2021 and the results of its operations, cash flows and changes in equity for the three-month period then ended, in compliance with International Accounting Standard ("IAS") 34, "Interim Financial Reporting".

In preparing the interim condensed consolidated financial statements, Management is responsible for:

- Properly selecting and applying accounting policies;
- Presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- Providing additional disclosures when compliance with the specific requirements in IFRS are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group's consolidated financial position and financial performance;
- Making an assessment of the Group's ability to continue as a going concern.


Management is also responsible for:

- Designing, implementing and maintaining an effective system of internal controls throughout the Group;
- Maintaining adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the consolidated financial position of the Group, and which enable them to ensure that the interim condensed consolidated financial statements of the Group comply with International Accounting Standard 34 "Interim Financial Reporting";
- Maintaining statutory accounting records in compliance with local legislation and accounting standards in the respective jurisdictions in which the companies of the Group operate;
- Taking necessary steps to safeguard the Group's assets;
- Preventing and detecting fraud and other irregularities.

The interim condensed consolidated financial statements of the Group for the three-month period ended 31 March 2021 were approved on 27 May 2021 by:



A. Isurins
President



P.A. Skachkov
Vice-President of Economics and Finance

PJSC TRANSCONTAINER
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
(Amounts in millions of Russian Roubles)

| | Notes | 31 March 2021 | 31 December 2020 |
|--|-------|------------------|---------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 3 | 73,826 | 71,857 |
| Advances for acquisition of non-current assets | 3 | 206 | 427 |
| Right-of-use assets | 12 | 1,571 | 1,163 |
| Investment property | | 574 | 574 |
| Intangible assets | | 216 | 203 |
| Investments in joint ventures | 4 | 442 | 396 |
| Long-term loans | 8 | 10,000 | 10,000 |
| Other non-current assets | | 29 | 42 |
| Total non-current assets | | 86,864 | 84,662 |
| Current assets | | | |
| Inventory | 5 | 407 | 681 |
| Trade and other receivables | 6 | 3,440 | 2,686 |
| Prepayments and other current assets | 7 | 6,520 | 6,468 |
| Short-term loans | 8 | 5,290 | 4,546 |
| Cash and cash equivalents | 9 | 7,523 | 8,592 |
| Total current assets | | 23,180 | 22,973 |
| TOTAL ASSETS | | 110,044 | 107,635 |
| EQUITY AND LIABILITIES | | | |
| Capital and reserves | | | |
| Share capital | 10 | 13,895 | 13,895 |
| Reserve fund | | 703 | 703 |
| Translation reserve | | 396 | 398 |
| Other reserves | | (1,828) | (1,828) |
| Retained earnings | | 12,764 | 9,341 |
| Total equity attributable to the Company's owners | | 25,930 | 22,509 |
| Non-current liabilities | | | |
| Long-term debt | 11 | 52,976 | 54,469 |
| Lease obligations, net of current maturities | 12 | 936 | 776 |
| Employee benefit liability | 13 | 866 | 902 |
| Deferred tax liability | | 2,372 | 2,504 |
| Trade finance liability | 16 | - | 900 |
| Financial guarantee for investment in joint venture | 4 | 131 | 133 |
| Total non-current liabilities | | 57,281 | 59,684 |
| Current liabilities | | | |
| Contracts liabilities | 14 | 6,182 | 7,565 |
| Trade and other payables | 15 | 2,171 | 1,071 |
| Trade finance liability | 16 | 7,369 | 6,283 |
| Short-term debt | 11 | 7,738 | 7,428 |
| Lease obligations, current maturities | 12 | 865 | 550 |
| Income tax payable | | 372 | 460 |
| Taxes other than income tax payable | 17 | 533 | 474 |
| Other current liabilities | | 287 | 370 |
| Settlements with employees | 18 | 1,316 | 1,241 |
| Total current liabilities | | 26,833 | 25,442 |
| TOTAL EQUITY AND LIABILITIES | | 110,044 | 107,635 |


A. Isurins

President


P.A. Skachkov

Vice-President of Economics and Finance

27 May 2021

PJSC TRANSCONTAINER
INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME (UNAUDITED)

(Amounts in millions of Russian Roubles, unless otherwise stated below)

| | Notes | Three-month period ended 31 March | |
|--|-------|--------------------------------------|-------------------|
| | | 2021 | 2020 |
| Revenue | 19 | 30,780 | 21,024 |
| Other operating income | | 173 | 420 |
| Operating expenses | 20 | (26,035) | (18,922) |
| Foreign exchange gain, net | | 73 | 272 |
| Finance expense | 21 | (1,127) | (435) |
| Finance income | | 287 | 50 |
| Share of result of joint ventures | 4 | 48 | 3 |
| Profit before income tax | | 4,199 | 2,412 |
| Income tax expense | 22 | (818) | (498) |
| Profit for the period attributable to the Company's owners | | 3,381 | 1,914 |
| Other comprehensive income (net of income tax) | | | |
| <i>Items that will not be reclassified to profit or loss:</i> | | | |
| Remeasurements of post-employment benefit plans liabilities | | 42 | 28 |
| <i>Items that may be reclassified subsequently to profit or loss:</i> | | | |
| Share of translation of financial information of joint ventures to presentation currency | 4 | (1) | 33 |
| Exchange differences on translating of other foreign operations | | (1) | 163 |
| Other comprehensive income for the period | | 40 | 224 |
| Total comprehensive income for the period attributable to the Company's owners | | 3,421 | 2,138 |
| Earnings per share, basic and diluted (in Russian Roubles) | | 243 | 138 |
| Weighted average number of shares outstanding | | 13,894,778 | 13,894,778 |

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

PJSC TRANSCONTAINER
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
(Amounts in millions of Russian Roubles)

| | Notes | Three-month period ended 31 March | |
|--|-------|--------------------------------------|----------------|
| | | 2021 | 2020 |
| Cash flows from operating activities: | | | |
| Profit before income tax | | 4,199 | 2,412 |
| Adjustments for: | | | |
| Depreciation and amortisation | 20 | 1,260 | 1,030 |
| Reversal on impairment of property, plant and equipment | 3 | (1) | (83) |
| Loss/(gain) on disposal of property, plant and equipment | | 9 | (257) |
| Share of result of joint ventures | 4 | (48) | (3) |
| Finance expense, net | | 840 | 385 |
| Foreign exchange gain, net | | (73) | (272) |
| Other income, net | | (73) | (1) |
| Operating profit before working capital changes, paid income tax and interest and changes in other assets and liabilities | | 6,113 | 3,211 |
| Working capital changes: | | | |
| Decrease in inventory | | 274 | 35 |
| Increase in trade and other receivables | | (724) | (192) |
| Decrease in prepayments and other assets | | 29 | 35 |
| Decrease in trade and other payables and contracts liabilities | | (673) | (399) |
| Change in trade finance liability | | 96 | - |
| Increase in taxes other than income tax | | 59 | 55 |
| Increase/(decrease) in settlements with employees and other current liabilities | | 76 | (423) |
| Increase in employee benefit liabilities | | 19 | 12 |
| Net cash from operating activities before income tax and interest | | 5,269 | 2,334 |
| Interest paid | | (975) | (484) |
| Income tax paid | | (1,075) | (349) |
| Net cash provided by operating activities | | 3,219 | 1,501 |
| Cash flows from investing activities: | | | |
| Purchases of property, plant and equipment | | (2,442) | (4,516) |
| Proceeds from disposal of property, plant and equipment | | 5 | 6 |
| Issue of short-term loans | | (700) | - |
| Sale of short-term investments | | - | 2,865 |
| Purchases of intangible assets | | (22) | (22) |
| Dividends received from joint ventures | | 16 | - |
| Interest received | | 239 | 100 |
| Net cash used in investing activities | | (2,904) | (1,567) |
| Cash flows from financing activities: | | | |
| Proceeds from issuance long-term debt | | - | 1,700 |
| Proceeds from issuance short-term debt | | - | 1,000 |
| Repayment of lease obligations | 12 | (206) | (47) |
| Principal payments on short-term part of long-term bonds | 11 | (1,250) | (1,250) |
| Net cash (used in)/ from financing activities | | (1,456) | 1,403 |
| Net (decrease)/increase in cash and cash equivalents | | (1 141) | 1,337 |
| Cash and cash equivalents at beginning of the period | | 8,592 | 3,580 |
| Foreign exchange effect on cash and cash equivalents | | 72 | 360 |
| Net cash and cash equivalents at end of the period | | 7,523 | 5,277 |

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

PJSC TRANSCONTAINER
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
(Amounts in millions of Russian Roubles)

| | Share capital | Reserve fund | Translation reserve | Other reserves | Retained earnings | Total equity attributable to the Company's owners |
|---|------------------|-----------------|------------------------|----------------|----------------------|--|
| Balance at 1 January 2020 | 13,895 | 703 | (697) | (1,949) | 36,482 | 48,434 |
| Profit for the period | - | - | - | - | 1,914 | 1,914 |
| Other comprehensive income for the period | - | - | 196 | - | 28 | 224 |
| Total comprehensive income for the period | - | - | 196 | - | 1,942 | 2,138 |
| Balance at 31 March 2020 | 13,895 | 703 | (501) | (1,949) | 38,424 | 50,572 |
| Balance at 31 December 2020 | 13,895 | 703 | 398 | (1,828) | 9,341 | 22,509 |
| Profit for the period | - | - | - | - | 3,381 | 3,381 |
| Other comprehensive (loss) / income for the period | - | - | (2) | - | 42 | 40 |
| Total comprehensive (loss) / income for the period | - | - | (2) | - | 3,423 | 3,421 |
| Balance at 31 March 2021 | 13,895 | 703 | 396 | (1,828) | 12,764 | 25,930 |

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

PJSC TRANSCONTAINER
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2021 (UNAUDITED)
(Amounts in millions of Russian Roubles, unless otherwise stated below)

1. NATURE OF THE BUSINESS

PJSC TransContainer (the “Company” or “TransContainer”) was incorporated in Moscow, Russian Federation on 4 March 2006.

The Company’s principal activities include arrangement of rail-based container shipping and other logistics services including terminal services, freight forwarding and intermodal delivery using rolling stock and containers. The Company owns and operates 38 container terminals along the Russian railway network. As at 31 March 2021, the Company operated 14 branches in Russia. The Company’s registered address is 6th floor, office 3, bld. 6, estate 39, Leningradskaya st., Khimki, Moscow region, 141402, Russian Federation.

As at 31 March 2021 and 31 December 2020 LLC Delo-Center is the immediate parent of the Company, holding 100% of its ordinary shares.

The Company’s ultimate parent company is LLC UK Delo, and the ultimate controlling party is S.N. Shishkarev.

The Company has ownership in the following major entities:

| Name of Entity | Type | Country | Activity | Interest held, % | | Voting rights, % | |
|--|---------------|----------|----------------------------------|------------------|------------------|------------------|------------------|
| | | | | 31 March 2021 | 31 December 2020 | 31 March 2021 | 31 December 2020 |
| TransContainer-Slovakia, a.s. | Subsidiary | Slovakia | Container shipments | 100 | 100 | 100 | 100 |
| TransContainer Europe GmbH | Subsidiary | Austria | Container shipments | 100 | 100 | 100 | 100 |
| TransContainer Asia Pacific Ltd. | Subsidiary | Korea | Container shipments | 100 | 100 | 100 | 100 |
| TransContainer Freight Forwarding (Shanghai) Co., Ltd. | Subsidiary | China | Container shipments | 100 | 100 | 100 | 100 |
| LLC TransContainer Mongolia | Subsidiary | Mongolia | Container shipments | 100 | 100 | 100 | 100 |
| Oy ContainerTrans Scandinavia Ltd. | Joint venture | Finland | Container shipments | 50 | 50 | 50 | 50 |
| Chinese-Russian Rail-Container International Freight Forwarding (Beijing) Co, Ltd. | Joint venture | China | Container shipments | 49 | 49 | 50 | 50 |
| JSC Logistika-Terminal | Subsidiary | Russia | Terminal operations | 100 | 100 | 100 | 100 |
| LLC FVK Sever (FVK Sever Group) (Note 4) | Joint venture | Russia | Terminal operations | 30 | 30 | 50 | 50 |
| LLC SpecTransContainer | Subsidiary | Russia | Special container transportation | 100 | 100 | 100 | 100 |

The interim condensed consolidated financial statements of PJSC TransContainer and its subsidiaries (the “Group”) as at 31 March 2021 and for the three-month period then ended were authorised for issue by the President of the Company on 27 May 2021.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

Statement of compliance. The annual consolidated financial statements of the Group are prepared in accordance with International Financial Reporting Standards (“IFRS”). These interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34, “Interim financial reporting”.

PJSC TRANSCONTAINER
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2021 (UNAUDITED)
(Amounts in millions of Russian Roubles, unless otherwise stated below)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

The consolidated statement of financial position as at 31 December 2020, included in these interim condensed consolidated financial statements, has been derived from the audited consolidated financial statements of the Group for the year ended 31 December 2020. These interim condensed consolidated financial statements should be read in conjunction with the audited annual consolidated financial statements.

Significant accounting policies. Except as discussed below, the accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those used in the preparation of the Group's annual consolidated financial statements for the year then ended 31 December 2020 as described in those annual consolidated financial statements.

The accounting policies applied in the preparation of these interim condensed consolidated financial statements are consistent with those applied in the preparation of the consolidated financial statements for the year ended 31 December 2020, except for the income taxes accrual using the expected weighted average tax rate that would be applicable to expected total annual profit or loss.

Other new standards and interpretations. The Group has adopted all other new standards and interpretations that were effective from 1 January 2021. The impact of the adoption of these new standards and interpretations has not been significant with respect to these interim condensed consolidated financial statements.

New amendments to standards and Conceptual Frameworks that are mandatory for reporting periods beginning on or after 1 January 2022 or later periods that are applicable for the Group's activity and which the Group has not early adopted were presented in the annual consolidated financial statements of the Group as at 31 December 2020 and for the year then ended.

Estimates and critical accounting judgements. The preparation of interim condensed consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these interim condensed consolidated financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2020 with the exception of changes in estimates that are required in determining the provision for income taxes (Note 22) and some actuarial assumptions (Note 13). As at 31 December 2020 the Group revised the remaining useful lives of certain items of property, plant and equipment, the ranges of useful lives for each group of items have not changed significantly.

Revenue for integrated freight forwarding and logistics services. Methods of revenue recognition and the key judgments applicable in the current period comply with the basic principles used in preparing the consolidated financial statements as at and for the year ended 31 December 2020.

Had the railway tariff and third-party services directly attributable to integrated freight forwarding and logistics services have been excluded from both revenue and expenses, then revenue from integrated freight forwarding and logistics services, and third-party charges related to principal activities would have decreased by RUR 17,722m for the three-month period ended 31 March 2021. For the three-month period ended 31 March 2020, the effect would have been RUR 12,784m.

Trade finance liability. In 2020, the Company entered into an service agreement with a bank (an Agent), according to which an Agent undertakes to make payments in favor of the Company's counterparties for the remuneration, as well as keep records of monetary claims for which the Agent has made payments. The Company, in turn, undertakes to compensate the Agent for the amount of payments made by the Agent and pay the Agent remuneration.

The Management considers the provision of services under this agreement as the provision of services under an agency agreement within the core business activity (operating activity) in which the Company acts as a principal.

PJSC TRANSCONTAINER
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2021 (UNAUDITED)
(Amounts in millions of Russian Roubles, unless otherwise stated below)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

The Group records the transactions under this agreement as follows:

- liabilities are represented as Trade finance liabilities in the Interim Condensed Consolidated Statement of Financial Position;
- agency fees are represented as Trade finance expenses within the Finance expenses in the Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income;
- in the Interim Condensed Consolidated Statement of Cash Flows transactions to compensate for incurred expenses in the form of payments previously made by the Agent in favor of the Company's counterparties and payment of agency fees are represented in "Cash flows from operating activities".

Seasonality. The business of the Group is subject to seasonal fluctuations. Revenue and income from current operations are affected by such factors as river transport seasonality, the summer shipping season (for Northern regions) and consumer market cycles. Typically, the number of orders received between January and February is below the annual average. In accordance with IFRS, revenue and the related expenses are recognised in the period in which they are realised and incurred respectively. The Group's results for the interim period do not necessarily reflect a continuing trend which will be reflected in the year-end results. In the financial year ended 31 December 2020 20% of revenues accumulated in the first quarter of the year, with 80% accumulating in the next three quarters of the year.

3. PROPERTY, PLANT AND EQUIPMENT AND ADVANCES FOR ACQUISITION OF NON-CURRENT ASSETS

| | <u>Land, buildings and constructions</u> | <u>Containers and flatcars</u> | <u>Cranes and loaders</u> | <u>Vehicles and other equipment</u> | <u>Construction in-progress</u> | <u>Total</u> |
|---------------------------------------|--|------------------------------------|-------------------------------|---|-------------------------------------|-----------------|
| Cost | | | | | | |
| 31 December 2020 | <u>14,734</u> | <u>76,610</u> | <u>3,269</u> | <u>3,869</u> | <u>227</u> | <u>98,709</u> |
| Additions | - | 2,624 | 99 | 15 | 244 | 2,982 |
| Transfers | - | 53 | - | 22 | (75) | - |
| Disposals | (41) | (218) | (12) | (26) | - | (297) |
| 31 March 2021 | <u>14,693</u> | <u>79,069</u> | <u>3,356</u> | <u>3,880</u> | <u>396</u> | <u>101,394</u> |
| Accumulated depreciation | | | | | | |
| 31 December 2020 | <u>(3,927)</u> | <u>(18,712)</u> | <u>(1,825)</u> | <u>(2,271)</u> | <u>(117)</u> | <u>(26,852)</u> |
| Depreciation charge for the period | (55) | (810) | (40) | (66) | - | (971) |
| Impairment | - | - | 1 | - | - | 1 |
| Disposals | 4 | 213 | 12 | 25 | - | 254 |
| 31 March 2021 | <u>(3,978)</u> | <u>(19,309)</u> | <u>(1,852)</u> | <u>(2,312)</u> | <u>(117)</u> | <u>(27,568)</u> |
| Net book value | | | | | | |
| 31 December 2020 | <u>10,807</u> | <u>57,898</u> | <u>1,444</u> | <u>1,598</u> | <u>110</u> | <u>71,857</u> |
| 31 March 2021 | <u>10,715</u> | <u>59,760</u> | <u>1,504</u> | <u>1,568</u> | <u>279</u> | <u>73,826</u> |
| Cost | | | | | | |
| 31 December 2019 | <u>14,522</u> | <u>66,153</u> | <u>3,243</u> | <u>2,840</u> | <u>260</u> | <u>87,018</u> |
| Additions | 14 | 3,423 | - | 11 | 34 | 3,482 |
| Transfers | 1 | 19 | - | - | (20) | - |
| Disposals | (1) | (346) | (31) | (36) | - | (414) |
| 31 March 2020 | <u>14,536</u> | <u>69,249</u> | <u>3,212</u> | <u>2,815</u> | <u>274</u> | <u>90,086</u> |

PJSC TRANSCONTAINER
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2021 (UNAUDITED)
(Amounts in millions of Russian Roubles, unless otherwise stated below)

3. PROPERTY, PLANT AND EQUIPMENT AND ADVANCES FOR ACQUISITION OF NON-CURRENT ASSETS (CONTINUED)

| | Land, buildings and constructions | Containers and flatcars | Cranes and loaders | Vehicles and other equipment | Construction in-progress | Total |
|------------------------------------|---|----------------------------|-----------------------|------------------------------------|-----------------------------|-----------------|
| Accumulated depreciation | | | | | | |
| 31 December 2019 | (3,669) | (16,782) | (1,627) | (2,193) | (117) | (24,388) |
| Depreciation charge for the period | (85) | (732) | (59) | (48) | - | (924) |
| Impairment | 83 | - | - | - | - | 83 |
| Disposals | 1 | 340 | 30 | 36 | - | 407 |
| 31 March 2020 | (3,670) | (17,174) | (1,656) | (2,205) | (117) | (24,822) |

The item "Land, buildings and constructions" includes the amounts of RUR 1,275m and RUR 1,275m, which represent the net book value of land plots owned by the Group as at 31 March 2021 and 31 December 2020, respectively.

As at 31 March 2021 and 31 December 2020 the item "Land, buildings and constructions" includes the amounts of RUR 317m and RUR 322m, respectively, which represent the gross carrying amounts of land, buildings and construction under lease (Note 12 Leases - Group is the lessor) that were leased out by the Group under operating lease agreements.

As at 31 March 2021 and 31 December 2020 the item "Containers and flatcars" includes the amounts of RUR 313m and 314m, respectively, which represent the gross carrying amounts of containers and flatcars under lease (Note 12 - Group is the lessor) that were leased out by the Group under operating lease agreements.

During the three-month period ended 31 March 2021 according to the investment program for 2021 provided for the renewal of the fleet of flatcars and containers there were additions of flatcars and containers in the amount of RUR 2,083m and RUR 541m, respectively (during the three-month period ended 31 March 2020 RUR 3,039 and RUR 384m, respectively).

The carrying amount of temporarily idle property, plant and equipment as at 31 March 2021 and 31 December 2020 comprised the following:

| | 31 March 2021 | 31 December 2020 |
|--------------------------|------------------|---------------------|
| Cost | 726 | 781 |
| Accumulated depreciation | (268) | (282) |
| Impairment | (306) | (307) |
| Net book value | 152 | 192 |

Advances for acquisition of non-current assets

As at 31 March 2021 and 31 December 2020, advances for the acquisition of non-current assets, net of VAT, consisted of advances for the acquisition of containers (RUR 59m and RUR 0m, respectively), advances for the purchase of rolling stock (RUR 126m and RUR 425m, respectively), advances for the purchase of lifting equipment (RUR 14m and RUR 0m, respectively) and advances for the acquisition of other non-current assets (RUR 7m and RUR 2m, respectively).

PJSC TRANSCONTAINER
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2021 (UNAUDITED)
(Amounts in millions of Russian Roubles, unless otherwise stated below)

4. INVESTMENTS IN JOINT VENTURES

The table below summarises the movements in the carrying amount of the Group's investment in joint ventures.

| | Joint venture LLC FVK Sever | Other joint ventures | Total joint ventures |
|--|--------------------------------|----------------------|----------------------|
| Carrying amount as at 1 January 2021 | 212 | 184 | 396 |
| Share of profit of joint ventures | 23 | 25 | 48 |
| Share of translation to presentation currency | - | (2) | (2) |
| Carrying amount as at 31 March 2021 | 235 | 207 | 442 |
| Carrying amount as at 1 January 2020 | 149 | 134 | 283 |
| Share of profit/(losses) of joint ventures | (8) | 11 | 3 |
| Share of translation to presentation currency | - | 33 | 33 |
| Carrying amount as at 31 March 2020 | 141 | 178 | 319 |

As at 31 March 2021 the debt of FVKS was secured by the guarantee under the loan agreement with PJSC State Transport Leasing Company (PJSC GTLK), a related party of the Group (Note 23), amounted to RUR 2.2bn (2.2bn as at 31 December 2020). As at 31 March 2021 the financial guarantee for investment in joint venture recognised in the interim condensed consolidated statement of financial position was RUR 131m (RUR 133m as at 31 December 2020).

Under the terms of the guarantee agreement, the Company has a number of certain financial and non-financial liabilities (covenants), including the maintenance of a certain level of debt ratio and interest coverage ratio or maintenance of a certain level of long-term credit rating. PJSC GTLK may require early repayment of obligations under the loan agreement if the Company or other entities providing security fails to fulfill covenants, and also violate the obligations of FVKS under this loan agreement. As at 31 March 2021 and for the three-month period ended 31 March 2021, as well as at 31 December 2020 and for 2020 year the Company complied with covenants under the guarantee agreement (Note 25).

Furthermore, as part of the transaction, the following pledge agreements are valid, providing a number of obligations of the parties to each other:

- with JSC Freight Village Kaluga (hereinafter, FVK) according to which the Company pledged to FVK immovable property in the amount of RUR 301m;
- with LLC V-Park (part of the FVK Group), according to which the Company received a land plot and immovable property in the amount of RUR 412m.

As at 31 March 2021 and 31 December 2020 the amount of pledge agreements has not changed.

5. INVENTORIES

| | 31 March 2021 | 31 December 2020 |
|-------------------|------------------|---------------------|
| Spare parts | 316 | 537 |
| Raw materials | 56 | 74 |
| Fuel | 14 | 16 |
| Other inventories | 21 | 54 |
| Total | 407 | 681 |

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6. TRADE AND OTHER RECEIVABLES

| | Outstanding balance, gross | Provision for impairment | Outstanding balance, net |
|--|---|-------------------------------------|-------------------------------------|
| 31 March 2021 | | | |
| Trade receivables | 3,338 | (27) | 3,311 |
| Other receivables | 191 | (62) | 129 |
| Total current trade and other receivables, classified as financial assets | 3,529 | (89) | 3,440 |
| 31 December 2020 | | | |
| Trade receivables | 2,585 | (29) | 2,556 |
| Other receivables | 266 | (136) | 130 |
| Total current trade and other receivables, classified as financial assets | 2,851 | (165) | 2,686 |

The following table explains the changes in the credit loss allowance for trade and other receivables:

| | 2021 | 2020 |
|--|--------------|-------------|
| Trade receivables | | |
| Balance at 1 January | (29) | (37) |
| New originated | - | (5) |
| Other movements | 1 | - |
| <i>Total credit loss allowance charge in profit or loss for the period</i> | <i>1</i> | <i>(5)</i> |
| Write-offs | 1 | - |
| Balance at 31 March | (27) | (42) |
| Other receivables | | |
| Balance at 1 January | (136) | (89) |
| New originated | (38) | - |
| Other movements | 31 | 1 |
| <i>Total credit loss allowance charge in profit or loss for the period</i> | <i>(7)</i> | <i>1</i> |
| Write-offs | 81 | - |
| Balance at 31 March | (62) | (88) |

7. PREPAYMENTS AND OTHER CURRENT ASSETS

| | 31 March 2021 | 31 December 2020 |
|---|--------------------------|-----------------------------|
| VAT receivable | 4,751 | 4,954 |
| Advances to suppliers (net of provision) | 1,549 | 1,317 |
| Other current assets | 220 | 197 |
| Total prepayments and other current assets | 6,520 | 6,468 |

As at 31 March 2021 and 31 December 2020 provision for impairment of advances to suppliers was recognised in the amount of RUR 1m and RUR 1m, respectively.

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8. LONG-TERM AND SHORT-TERM LOANS

Short-term loans

| | 31 March 2021 | 31 December 2020 |
|-------------------------|--------------------------|-----------------------------|
| Short term-loans | 5,290 | 4,546 |
| Short-term loans | 5,290 | 4,546 |

As at 31 March 2021 the Company issued short-term loans to a related party of the Group in the total amount of RUR 2,100m (RUR 2,100m as at 31 December 2020) with the floating annual interest rate (the Central Bank of Russia Key Rate + 2.5% per annum at the dates of the loans) and maturity not later than 30 June 2021 and in the total amount of RUR 700m (RUR 0m as at 31 December 2020) with the floating annual interest rate (the Central Bank of Russia Key Rate + 2.5% per annum at the dates of the loans) and maturity not later than 31 December 2021 (Note 23). Interest is accrued and paid quarterly on the last business day of each quarter.

Also as at 31 March 2021 the Company issued short-term loans to a third party in the total amount of RUR 2,400m (RUR 2,400m as at 31 December 2020) with the annual interest rate of 7.5% per annum and maturity not later than 30 June 2021. Interest is accrued monthly and fully repaid at the end of the loan term and amounted to RUR 90m as at 31 March 2021 (RUR 46m as at 31 December 2020).

Long-term loans

| | 31 March 2021 | 31 December 2020 |
|------------------------|--------------------------|-----------------------------|
| Long term-loans | 10,000 | 10,000 |
| Long-term loans | 10,000 | 10,000 |

As at 31 March 2021 the Company issued long-term loans to a related party of the Group in the total amount of RUR 10,000m (RUR 10,000m as at 31 December 2020) with the floating annual interest rate (the Central Bank of Russia Key Rate + 2.5% per annum as at 31 March 2021) and maturity not later than 30 June 2025 (Note 23). Interest is accrued and paid quarterly on the last business day of each quarter.

9. CASH AND CASH EQUIVALENTS

| | 31 March 2021 | 31 December 2020 |
|---|--------------------------|-----------------------------|
| Russian Rouble denominated bank deposits | 252 | 5,936 |
| Foreign currency denominated bank deposits | - | 48 |
| Foreign currency denominated current accounts with banks | 3,883 | 2,151 |
| Cash and Russian Rouble denominated current accounts with banks | 3,264 | 322 |
| Foreign currency denominated letters of credit | 124 | 135 |
| Total cash and cash equivalents | 7,523 | 8,592 |

Three Russian Rouble denominated short-term bank deposits in the amount of RUR 252m bearing interest at annual rates in a range from 2.99% to 3.80% were placed with JSC Raiffeisenbank, JSC UniCredit Bank and Bank VTB (PJSC), a related party of the Group (Note 23). Total amount of accrued interest on Russian Rouble denominated short-term bank deposits amounted to RUR 0m. The deposits matured in April 2021.

As at 31 December 2020 ten Russian Rouble denominated short-term bank deposits in the amount of RUR 5,935m bearing interest at annual rates in a range from 2.13% to 4.25%, one Chinese Yuan denominated short-term deposit in the amount of RMB 1.0m (RUR 11m at the Central Bank of Russia exchange rate as at 31 December 2020) bearing interest at annual rate in a range from 2.4% and one USD-denominated short-term bank deposit in the amount of USD 0,5m (RUR 37m at the Central Bank of Russia exchange rate as at 31 December 2020) bearing interest at annual rate in a range from 0.01% were placed with «Bank Otkritie Financial Corporation» (PJSC), Bank GPB (JSC), JSC Raiffeisenbank, JSC UniCredit Bank, Bank of China and Bank VTB (PJSC), a related party of the Group (Note 23). Total amount of accrued interest on Russian Rouble denominated, USD-denominated and Chinese Yuan denominated short-term bank deposits amounted to RUR 1m. The deposits matured in January 2021.

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10. EQUITY

Share Capital

The Company's authorised, issued and paid share capital as at 31 March 2021 and 31 December 2020 comprises:

| | <u>Number of ordinary shares</u> | <u>Value</u> |
|--|----------------------------------|--------------|
| Ordinary shares (par value: RUR 1,000) | 13,894,778 | 13,895 |

As at 31 December 2019 LLC Delo-Center was the immediate parent of the Company, holding 50%+2 of its ordinary shares.

On 10 April 2020 LLC Delo-Center acquired 13,844,902 ordinary shares of the Company, thus increasing its interest in the Company's share capital to 99.641045%.

On 21 August 2020 LLC Delo-Center acquired 49,876 ordinary shares of the Company, thus increasing its interest in the Company's share capital to 100%.

As at 31 December 2020 and 31 March 2021 LLC Delo-Center was the immediate parent of the Company, holding 100% of its ordinary shares.

11. SHORT-TERM AND LONG-TERM DEBT

Short-term debt

| | <u>Effective interest rate</u> | <u>31 March 2021</u> | <u>31 December 2020</u> |
|--|--------------------------------|----------------------|-------------------------|
| Raiffeisenbank loan, 3 rd installment | 6.9%-5.15% | 500 | 501 |
| Raiffeisenbank loan, 4 th installment | 6.9%-5.15% | 701 | 701 |
| Raiffeisenbank loan, 5 th installment | 6.9%-5.15% | 500 | 500 |
| Raiffeisenbank loan, 6 th installment | 6.9%-5.15% | 300 | 300 |
| Raiffeisenbank loan, 7 th installment | 6.9%-5.15% | 601 | 601 |
| Raiffeisenbank loan, 8 th installment | 6.9%-5.15% | 400 | 400 |
| Sberbank loan | 6.5%-6.25% | 78 | 20 |
| Bonds, series PBO-01 | 7.34% | 322 | 142 |
| Bonds, series BO-01 | 7.55% | 3,085 | 1,698 |
| Bonds, series BO-02 | 9.45% | 1,251 | 2,565 |
| Total | | <u>7,738</u> | <u>7,428</u> |

Short-term loans of the Group are denominated in Russian Roubles.

As at 31 March 2021 and 31 December 2020 Group's short-term debt are presented by six RUR-denominated loans, received by the Company in March, April and November 2020 under the credit line agreement revolved with JSC Raiffeisenbank with a nominal value of RUR 500m, RUR700m, RUR 500m, RUR 300m, RUR 600m and RUR 400m, with an annual interest rate of 5.4% as at 31 March 2021 (5.15% as at 31 December 2020), and a maturity date no later than 23 September 2021, 27 September 2021, 27 September 2021, 1 October 2021, 1 October 2021 and 1 October 2021, respectively. According to the credit line agreement the interest rate is floating (the Central Bank of Russia Key Rate + 0.9% per annum at the date of loan). The interest is payable on the 25th of each month.

As at 31 March 2021 the total carrying value of short-term loans amounted to RUR 3,002m (RUR 3,003m as at 31 December 2020), including the amount of accrued interest of RUR 2m (RUR 3m as at 31 December 2020) and was included in the interim condensed consolidated statement of financial position as short-term debt.

Under the credit line agreement revolved with JSC Raiffeisenbank, the Company has financial obligations (covenants) to maintain a certain level of debt ratio and the interest payment coverage ratio. If the Company fails to fulfill covenants JSC Raiffeisenbank may terminate loan issuing and / or require an early repayment of the total loan amount as well as payment of the due interest and penalties stipulated in the agreement.

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11. SHORT-TERM AND LONG-TERM DEBT (CONTINUED)

Long-term debt

| | <u>Effective interest rate</u> | <u>31 March 2021</u> | <u>31 December 2020</u> |
|----------------------|------------------------------------|--------------------------|-----------------------------|
| Sberbank loan | 6.5%-6.25% | 40,000 | 40 000 |
| Bonds, series PBO-01 | 7.34% | 9,982 | 9,975 |
| Bonds, series BO-01 | 7.55% | 2,994 | 4,494 |
| Total | | <u>52,976</u> | <u>54,469</u> |

Long-term loans and borrowings of the Group are denominated in Russian Roubles.

Long-term loan of PJSC Sberbank

In December 2020 under the credit line agreement non-revolved with PJSC Sberbank, a related party of the Group (Note 23), a RUR-denominated loan was obtained by the Company with a nominal value of RUR 40,000m with an annual interest rate of 6.5% as at 31 March 2021 (6.25% as at 31 December 2020) and a maturity date no later than 9 June 2022. According to the credit line agreement the interest rate is floating (the Central Bank of Russia Key Rate + 2% per annum at the date of loan). The interest is payable quarterly on the 20th of the last month of each quarter.

As at 31 March 2021 the total carrying value of long-term loan amounted to RUR 40,078m (RUR 40,020m as at 31 December 2020), including the amount of accrued interest RUR 78m (RUR 20m as at 31 December 2020) that has been included as short-term debt in the interim condensed consolidated statement of financial position.

Under the credit line agreement non-revolved with PJSC Sberbank, the Company has financial obligations (covenants) to maintain a certain level of debt ratio and the interest payment coverage ratio. If the Company fails to fulfill covenants PJSC Sberbank may terminate loan issuing and / or require an early repayment of the total loan amount as well as payment of the due interest and penalties stipulated in the agreement.

Five-year RUR bonds, series PBO-01

On 23 October 2019, the Company issued non-convertible five-year bonds for a total amount of RUR 10,000m at a par value of RUR 1,000 each. Net proceeds from the issuance after deduction of related offering costs amounted to RUR 9,974m. The annual coupon rate of the bonds for five years is 7.3% with interest paid semi-annually.

The series PBO-01 bonds will be redeemed in four equal semi-annual installments within the fourth and fifth years. As a result, these bonds are classified as long-term borrowings as at the reporting date.

As at 31 March 2021 the carrying value of the bonds amounted to RUR 10,304m (RUR 10,117m as at 31 December 2020), including the amount of accrued interest of RUR 322m (RUR 142m as at 31 December 2020). The amount of accrued interest has been included as short-term debt in the interim condensed consolidated statement of financial position.

Five-year RUR bonds, series BO-01

On 25 January 2018, the Company issued non-convertible five-year bonds for a total amount of RUR 6,000m at a par value of RUR 1,000 each. Net proceeds from the issuance after deduction of related offering costs amounted to RUR 5,985m. The annual coupon rate of the bonds for five years is 7.5% with interest paid semi-annually.

The series BO-01 bonds will be redeemed in four equal semi-annual installments within the fourth and fifth years. As a result, these bonds are classified as long-term borrowings as at the reporting date, except the first and second principal repayments to be made in July 2021 and January 2022 in the total amount of RUR 3,000m.

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11. SHORT-TERM AND LONG-TERM DEBT (CONTINUED)

As at 31 March 2021 the carrying value of the bonds amounted to RUR 6,079m (RUR 6,192m as at 31 December 2020), including the current portion of long-term debt in the amount of RUR 3,000m (RUR 1,500m as at 31 December 2020) and the amount of accrued interest of RUR 85m (RUR 198m as at 31 December 2020). The amount of current portion of long-term debt and the amount of accrued interest have been included as short-term debt in the interim condensed consolidated statement of financial position.

Five-year RUR bonds, series BO-02

On 22 September 2016, the Company issued non-convertible five-year bonds for a total amount of RUR 5,000m at a par value of RUR 1,000 each. Net proceeds from the issuance after deduction of related offering costs amounted to RUR 4,987m. The annual coupon rate of the bonds for five years is 9.4% with interest paid semi-annually.

The series BO-02 bonds will be redeemed in four equal semi-annual installments within the fourth and fifth years. As a result, these bonds are classified as current portion of long-term debt as at the reporting date. In March and September 2020 the Company made repayment of its obligations under the first and second installments in the total amount of RUR 2,500m. In March 2021 the Company made repayment of its obligations under the third installment in the amount of RUR 1,250m.

As at 31 March 2021 the carrying value of the bonds amounted to RUR 1,251m (RUR 2,565m as at 31 December 2020), including the current portion of long-term debt in the amount of RUR 1,250m (RUR 2,500m as at 31 December 2020) and the amount of accrued interest of RUR 1m (RUR 65m as at 31 December 2020). The amount of accrued interest has been included as short-term debt in the interim condensed consolidated statement of financial position.

The fair value of Company's bond is disclosed in Note 25.

As at 31 March 2021 and for the three-month period ended 31 March 2021, as well as at 31 December 2020 and for 2020 year there were no breaches of the debt covenants of the Group's debt (Note 25).

12. RIGHT-IN-USE ASSETS AND LEASE OBLIGATIONS

Leases - Group is the lessee

The Group leases flatcars, certain production buildings and office premises, tank-containers and handling equipment. Additionally, the Group leases the land on which its container terminals are located. The remaining terms of the relevant lease agreements as at 31 March 2021, including extension options, are from less 1 year to 68 years, including the lease of railway flatcars for 2 year, production buildings and office premises for 5 years, tank-containers for 5 years, handling equipment for 1 year, land for 68 years.

The following table presents a summary of net book value of rights-of-use assets:

| | 31 March 2021 | 31 December 2020 |
|-----------------------------------|--------------------------|-----------------------------|
| Land, buildings and constructions | 385 | 387 |
| Containers and flatcars | 1,174 | 765 |
| Cranes and loaders | 1 | - |
| Vehicles and other equipment | 11 | 11 |
| Total right-of-use assets | 1,571 | 1,163 |

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12. RIGHT-IN-USE ASSETS AND LEASE OBLIGATIONS (CONTINUED)

Depreciation of the rights-of-use assets for the three-month period ended 31 March included in depreciation and amortisation expense in the interim condensed consolidated statement of profit or loss and other comprehensive income was as follows:

| | <u>2021</u> | <u>2020</u> |
|-----------------------------------|-------------------|------------------|
| Land, buildings and constructions | 22 | 19 |
| Containers and flatcars | 249 | 70 |
| Vehicles and other equipment | <u>1</u> | <u>-</u> |
| Total depreciation charge | <u>272</u> | <u>89</u> |

Lease obligations

Liabilities under long-term lease were as follows:

| | <u>31 March 2021</u> | <u>31 December 2020</u> |
|--|--------------------------|-----------------------------|
| Lease obligations, current maturities | 865 | 550 |
| Lease obligations, net of current maturities | <u>936</u> | <u>776</u> |
| Total lease obligations | <u>1,801</u> | <u>1,326</u> |

The following table presents expenses related to lease, recognised in the interim condensed consolidated statement of profit or loss and other comprehensive income for the three-month period ended 31 March:

| | <u>2021</u> | <u>2020</u> |
|---|-------------|-------------|
| Depreciation of right-of-use assets | 272 | 89 |
| Interest expense on lease obligations | 34 | 22 |
| Expense relating to short-term leases (except of the expense relating to leases with a lease term of one month or less) | 143 | 8 |
| Expense relating to leases of low-value assets | 15 | 3 |
| Variable lease payments not included in the measurement of lease obligations under IFRS 16 | <u>3</u> | <u>4</u> |

The following table presents the maturity analysis of future undiscounted lease payments payable under long-term lease agreements, net of VAT:

| | <u>31 March 2021</u> | <u>31 December 2020</u> |
|----------------------------|--------------------------|-----------------------------|
| Within one year | 962 | 617 |
| Within one to three years | 634 | 438 |
| Within three to five years | 384 | 427 |
| After five years | <u>142</u> | <u>140</u> |
| Total | <u>2,122</u> | <u>1,622</u> |

The following table presents Total cash outflows for leases for the three-month period ended 31 March:

| | <u>2021</u> | <u>2020</u> |
|---------------------------------|-------------|-------------|
| Total cash outflows for leases, | 240 | 69 |
| included in interest paid | <u>34</u> | <u>22</u> |

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12. RIGHT-IN-USE ASSETS AND LEASE OBLIGATIONS (CONTINUED)

Leases - Group is the lessor

For the three-month period ended 31 March, income from operating lease of property, plant and equipment owned by the Group (Note 3) and income from sublease of right-of-use assets amounted (Note 19):

| | <u>2021</u> | <u>2020</u> |
|---|------------------|------------------|
| Income from operating lease of property, plant and equipment owned by the Group | 33 | 45 |
| Income from sublease of right-of-use assets | 8 | 21 |
| Total income | <u>41</u> | <u>66</u> |

The following table presents the maturity analysis of future undiscounted lease payments receivable:

| | <u>31 March 2021</u> | <u>31 December 2020</u> |
|----------------------------|--------------------------|-----------------------------|
| Within one year | 151 | 171 |
| Within one to two years | 111 | 115 |
| Within two to three years | 108 | 112 |
| Within three to four years | 105 | 112 |
| Within four to five years | 78 | 110 |
| After five years | 9 | 9 |
| Total | <u>562</u> | <u>629</u> |

13. EMPLOYEE BENEFIT LIABILITY

Defined contribution plans

The total amount recognised as an expense in respect of payments to defined contribution plans consisted of the following:

| | <u>Three-month period ended 31 March</u> | |
|---|--|-------------------|
| | <u>2021</u> | <u>2020</u> |
| Pension Fund of the Russian Federation | 220 | 266 |
| Defined contribution plan Blagosostoyanie | 5 | 6 |
| Total expense for defined contribution plans | <u>225</u> | <u>272</u> |

Defined benefit plans

Principal actuarial assumptions as at 31 March 2021 were substantially the same as those that applied to the consolidated financial statements as at 31 December 2020 with the exception of changes in discount rate, which increased to 7.1% as at 31 March 2021 (as at 31 December 2020: 6.3%) and in projected growth of consumer prices in 2021, which increased up to 4.6% as at 31 March 2021 (as at 31 December 2020: 4.0%).

The amounts recognised in the interim condensed consolidated statement of profit or loss for the three-month periods ended 31 March 2021 and 31 March 2020 in respect of these defined benefit plans, include the following:

| | <u>Post-employment benefits</u> | | <u>Other long-term benefits</u> | | <u>Total</u> | |
|--|-------------------------------------|------------------|---------------------------------|------------------|------------------|------------------|
| | <u>2021</u> | <u>2020</u> | <u>2021</u> | <u>2020</u> | <u>2021</u> | <u>2020</u> |
| Service cost | 8 | 7 | 26 | 36 | 34 | 43 |
| Net interest on obligation | 10 | 10 | 4 | 5 | 14 | 15 |
| Remeasurements of the net defined benefit | - | - | (3) | (4) | (3) | (4) |
| Net expense recognised in the consolidated profit or loss | <u>18</u> | <u>17</u> | <u>27</u> | <u>37</u> | <u>45</u> | <u>54</u> |

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13. EMPLOYEE BENEFIT LIABILITY (CONTINUED)

The amounts recognised in the interim condensed consolidated statement of financial position as at 31 March 2021 and 31 December 2020 in respect of these defined benefit plans, include the following:

| | Post-employment benefits | | Other long-term benefits | | Total | |
|---|--------------------------|------------|--------------------------|------------|------------|------------|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| Present value of defined benefit obligation | 644 | 695 | 263 | 252 | 907 | 947 |
| Fair value of plan assets | (41) | (45) | - | - | (41) | (45) |
| Net employee benefit liability | 603 | 650 | 263 | 252 | 866 | 902 |

14. CONTRACTS LIABILITIES

Contracts liabilities as at 31 March 2021 and 31 December 2020 consist mainly of advances from customers in the amount of RUR 6,182m and RUR 7,565m, respectively.

15. TRADE AND OTHER PAYABLES

| | 31 March 2021 | 31 December 2020 |
|--|---------------|------------------|
| Trade payables | 1,546 | 804 |
| Amounts payable for the acquisition of property, plant and equipment | 535 | 145 |
| Amounts payable for the intangible assets | 16 | 8 |
| Other liabilities | 74 | 114 |
| Total financial liabilities within trade and other payable | 2,171 | 1,071 |

16. TRADE FINANCE LIABILITIES

In September 2020 the Company entered into a service agreement with JSC ALFA-BANK, according to which JSC ALFA-BANK makes payments in favor of the Company's counterparties for the remuneration. In March 2021 maximum payment limit amount was increased from RUR 10bn up to RUR 15bn.

Settlements of JSC ALFA-BANK with the Company counterparties for the purpose of recording in the Interim Condensed Consolidated Statement of Cash Flows transactions are non-cash transactions, and therefore the item "Change in trade finance liability" contains a transfer JSC ALFA-BANK in favor of JSC RZD of funds within the framework of the main (operating) activities of the Company for the three months ended 31 March 2021 in the amount of RUR 12,860m. During the three-month period ended 31 March 2021 the Company repaid to JSC ALFA-BANK funds in the amount of RUR 12,680m.

In accordance with the terms of this service agreement the Company has obligations (covenants) to maintain a number of economic indicators, including level of debt ratio and the interest payment coverage ratio. If the Company fails to fulfill covenants JSC ALFA-BANK has the right not to make payments until the values of the financial covenants are brought to the standard indicators established by the agreement and / or require early repayment of part of the obligations and / or terminate a contract unilaterally. As at 31 March 2021 and during the three-month period ended 31 March 2021, as well as at 31 December 2020 and during 2020 year there were no breaches of the debt covenants of this service agreement (Note 25).

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17. TAXES OTHER THAN INCOME TAX PAYABLE

| | 31 March 2021 | 31 December 2020 |
|--|--------------------------|-----------------------------|
| Social insurance contribution | 439 | 384 |
| Property tax | 40 | 44 |
| Personal income tax | 39 | 37 |
| VAT | 8 | 1 |
| Other taxes | 7 | 8 |
| Total taxes other than income tax payable | 533 | 474 |

18. SETTLEMENTS WITH EMPLOYEES

Settlements with employees as at 31 March 2021 and 31 December 2020 comprised accrued salaries and bonuses of RUR 1,056m and RUR 1,025m, respectively, and accruals for unused vacation of RUR 260m and RUR 216m, respectively.

19. REVENUE AND SEGMENT INFORMATION

The Company's President is its chief operating decision-maker. The Group's business activities are interdependent in providing customers with rail-based container shipping and other logistics services. As such, the Group's internal reporting, as reviewed by the President to assess performance and allocate resources, is prepared as a single reportable segment. The Group's internal management reports are prepared on the same basis as these interim condensed consolidated financial statements.

Analysis of revenue by category

| | 2021 | 2020 |
|--|---------------|---------------|
| Integrated freight forwarding and logistics services | 27,725 | 19,682 |
| Agency fees | 861 | 765 |
| Other | 2,194 | 577 |
| Total revenue | 30,780 | 21,024 |

Analysis of revenue by location of customers

| | 2021 | 2020 |
|--|---------------|---------------|
| Revenue from external customers | | |
| Russia | 23,441 | 16,149 |
| China | 3,769 | 1,610 |
| Korea | 1,738 | 1,536 |
| Germany | 747 | 558 |
| Austria | 211 | 540 |
| Kazakhstan | 187 | 278 |
| Other | 687 | 353 |
| Total revenue | 30,780 | 21,024 |

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20. OPERATING EXPENSES

| | <u>2021</u> | <u>2020</u> |
|---|----------------------|----------------------|
| Third-party charges related to principal activities | 17,722 | 12,784 |
| Freight handling and transportation services | 2,212 | 1,869 |
| Payroll and related charges | 1,607 | 1,609 |
| Depreciation and amortisation | 1,260 | 1,030 |
| Taxes other than income tax | 1,227 | 132 |
| Materials, repair and maintenance | 1,008 | 1,072 |
| Rent | 161 | 15 |
| Consulting and information services | 58 | 55 |
| Fuel costs | 54 | 59 |
| Security | 46 | 46 |
| License and software | 45 | 38 |
| Communication costs | 14 | 16 |
| Other expenses | 621 | 197 |
| Total operating expenses | <u>26,035</u> | <u>18,922</u> |

21. FINANCE EXPENSE

| | <u>2021</u> | <u>2020</u> |
|--------------------------------|---------------------|-------------------|
| Interest expense on bank loans | 658 | 6 |
| Interest expense on RUR bonds | 345 | 407 |
| Trade finance expense | 90 | - |
| Interest expense on lease | 34 | 22 |
| Total interest expense | <u>1,127</u> | <u>435</u> |

22. INCOME TAX

| | <u>2021</u> | <u>2020</u> |
|-----------------------------|---------------------|---------------------|
| Current income tax expense | (960) | (274) |
| Deferred income tax expense | 142 | (224) |
| Income tax expense | <u>(818)</u> | <u>(498)</u> |

Income tax expense is recognised based on the management's best estimate of the weighted average annual income tax rate expected for the full financial year. The tax effect of the exceptional or one-off items has not been included in the estimation of the weighted average annual income tax rate. The estimated average annual effective income tax rate used for the three-month period ended 31 March 2021 was 19.49% (for the three-month period ended 31 March 2020: 20.64%).

23. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

In accordance with IAS 24 "Related party disclosures", parties are considered to be related if they are under common control or if one party has the ability to control the other party or can exercise significant influence or joint control over the other party in making financial and operational decisions. In considering each possible related-party relationship, attention is directed to the substance of the relationship, not merely the legal form.

Related parties may enter into transactions which unrelated parties might not, and transactions between related parties may not be effected on the same terms, conditions and amounts as transactions between unrelated parties.

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23. BALANCES AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

The nature of the related-party relationships for those related parties with which the Group has entered into significant transactions, or had significant balances outstanding as at 31 March 2021 and 31 December 2020, are disclosed below:

| Related party | Nature of relationship | |
|---|---|---|
| | 31 March 2021 | 31 December 2020 |
| LLC UK Delo | Ultimate parent company | Ultimate parent company |
| LLC Delo-Centr | Immediate parent company | Immediate parent company |
| JSC Atomenergoprom | Significant shareholder | Significant shareholder |
| Bank VTB (PJSC) | State-controlled Company | State-controlled Company |
| PJSC Sberbank | State-controlled Company | State-controlled Company |
| Bank GPB (JSC) | State-controlled Company | State-controlled Company |
| OJSC Russian Railways (RZD) | State-controlled Company | State-controlled Company |
| Oy ContainerTrans Scandinavia Ltd. | Joint venture of the Company | Joint venture of the Company |
| Chinese-Russian Rail-Container International Freight Forwarding (Beijing) Co, Ltd. | Joint venture of the Company | Joint venture of the Company |
| LLC Freight Village Kaluga Sever (FVK Sever Group) (Note 4) | Joint venture of the Company | Joint venture of the Company |
| LLC Ruscon | Subsidiary Delo Group | Subsidiary Delo Group |
| LLC Vostochnaya Stevedoring Company | Joint venture Delo Group | Joint venture Delo Group |
| JSC Carriage Repair Company - 1 | State-controlled Company | State-controlled Company |
| JSC RZD Logistics | State-controlled Company | State-controlled Company |
| Non-state Pension Fund Blagosostoyanie | Post-employment benefit plan for Company employees | Post-employment benefit plan for Company employees |

LLC Delo-Center was the immediate parent of the Group. LLC UK Delo, its subsidiaries, associates and joint ventures (Delo Group) are the Group's related parties. The Group's ultimate parent company is LLC UK Delo. The significant shareholder of Delo Group is the Group Atomenergoprom, which is controlled by the Russian Federation, and, therefore, all companies related to the Russian Federation are also treated as related parties of the Group for the purposes of these interim condensed consolidated financial statements.

In the ordinary course of business, the Group enters into various transactions and has outstanding balances with government related entities and governmental bodies, which are shown as "Other related parties" in the tables below. The Group also enters in transactions with government entities for acquisition of goods and providing services like electricity, taxes and post services. The majority of related-party transactions are with OJSC Russian Railways, its subsidiaries (RZD Group), its joint ventures and associates shown in the table below as "Other related parties", and Bank VTB (PJSC), which is a state-controlled entity. Bank VTB (PJSC) provides settlement and cash servicing of Company's bank accounts and carries out depository operations for free funds placement. Transactions with government related entities are conducted on commercial terms.

Relationships with JSC RZD, its subsidiaries, joint ventures and associates

The Group carries out various transactions with RZD, which is the sole owner and provider of railroad infrastructure and locomotive services in Russia. Furthermore, RZD Group owns the vast majority of rail-car repair facilities in Russia, which the Group uses to maintain its rolling stock in operating condition.

Under current Russian regulations, only RZD can perform certain functions associated with arranging the container transportation process. RZD engages the Company to act as its agent in the performance of these functions.

Group's revenue generated from such transactions with JSC RZD is reported as agency fees in the interim condensed consolidated statement of profit or loss and other comprehensive income.

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23. BALANCES AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

Transactions and outstanding balances with related parties as at and for the three-month period ended 31 March 2021 are shown below:

| | Ultimate parent company (LLC UK Delo) | Immediate parent company (LLC Delo-Center) | Other Delo group entities | Group's Joint ventures | Other related parties | Total |
|--|--|--|------------------------------------|------------------------------|-----------------------------|---------------|
| ASSETS | | | | | | |
| Non-current assets | | | | | | |
| Right-of-use assets | - | - | 688 | - | 158 | 846 |
| Long-term loans | 10,000 | - | - | - | - | 10,000 |
| Current assets | | | | | | |
| Cash and cash equivalents | - | - | - | - | 5,931 | 5,931 |
| Trade receivables | - | - | 50 | - | 466 | 516 |
| Advances to suppliers | - | - | 1 | - | 622 | 623 |
| Short-term loans | - | 2,800 | - | - | - | 2,800 |
| Other assets | - | - | - | 10 | 34 | 44 |
| Total assets | 10,000 | 2,800 | 739 | 10 | 7,211 | 20,760 |
| LIABILITIES | | | | | | |
| Non-current liabilities | | | | | | |
| Long-term debt | - | - | - | - | 40,000 | 40,000 |
| Long-term lease obligations | - | - | 179 | - | 142 | 321 |
| Current liabilities | | | | | | |
| Contracts liabilities | - | - | 421 | 58 | 128 | 607 |
| Current portion of long-term debt | - | - | - | - | 78 | 78 |
| Short-term lease obligations | - | - | 676 | - | 26 | 702 |
| Other payables | - | - | 80 | 37 | 130 | 247 |
| Total liabilities | - | - | 1,356 | 95 | 40,504 | 41,955 |
| Revenue | | | | | | |
| Integrated freight forwarding and logistics services | - | - | 992 | 245 | 578 | 1,815 |
| Agency fees | - | - | - | - | 838 | 838 |
| Other services | - | - | 1,439 | 1 | 64 | 1,504 |
| Interest income on deposits | - | - | - | - | 24 | 24 |
| Interest income on long-term loan | 167 | 38 | - | - | - | 205 |
| Other income | - | - | 4 | 1 | 10 | 15 |
| Total income | 167 | 38 | 2,435 | 247 | 1,514 | 4,401 |
| Operating Expenses | | | | | | |
| Third-party charges related to principal activities | - | - | 1 | 47 | 1,530 | 1,578 |
| Freight and transportation services | - | - | 46 | 55 | 14,804 | 14,905 |
| Repair services | - | - | - | - | 302 | 302 |
| Other expenses | - | - | 2 | - | 689 | 691 |
| Interest expense on lease obligations | - | - | 17 | - | 4 | 21 |
| Total expenses | - | - | 66 | 102 | 17,329 | 17,497 |
| Purchases of property, plant and equipment | - | - | - | - | 67 | 67 |
| Purchases of inventory | - | - | - | - | 161 | 161 |
| Contributions to non-state pension funds | - | - | - | - | 11 | 11 |
| Total other transactions | - | - | - | - | 239 | 239 |

Long-term and short-term loans to related parties, as well as their key terms, are summarized in Note 8.

Information regarding settlements under the non-revolved credit line agreement PJSC Sberbank presented in Note 11.

Information on the financial guarantee issued by the Company for the Joint venture LLC Freight Village Kaluga Sever under the loan agreement with related party PJSC GTLK is disclosed in Note 4.

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23. BALANCES AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

Transactions and outstanding balances with related parties as at 31 December 2020 and for the three-month period ended 31 March 2020 are shown below:

| | Ultimate parent company (LLC UK Delo) | Immediate parent company (LLC Delo-Center) | Other Delo group entities | Group's Joint ventures | Other related parties | Total |
|--|--|--|------------------------------------|------------------------------|-----------------------------|---------------|
| ASSETS | | | | | | |
| Non-current assets | | | | | | |
| Right-of-use assets | - | - | 237 | - | 161 | 398 |
| Long-term loans | 10,000 | - | - | - | - | 10,000 |
| Current assets | | | | | | |
| Cash and cash equivalents | - | - | - | - | 7,588 | 7,588 |
| Trade receivables | - | - | 57 | 28 | 483 | 568 |
| Advances to suppliers | - | - | 11 | - | 743 | 754 |
| Short-term loans | - | 2,100 | - | - | - | 2,100 |
| Other assets | - | - | - | 28 | 22 | 50 |
| Total assets | 10,000 | 2,100 | 305 | 56 | 8,997 | 21,458 |
| LIABILITIES | | | | | | |
| Non-current liabilities | | | | | | |
| Long-term debt | - | - | - | - | 40,000 | 40,000 |
| Long-term lease obligations | - | - | 2 | - | 145 | 147 |
| Current liabilities | | | | | | |
| Contracts liabilities | - | - | 545 | 20 | 91 | 656 |
| Current portion of long-term debt | - | - | - | - | 20 | 20 |
| Short-term lease obligations | - | - | 348 | - | 24 | 372 |
| Other payables | - | - | 83 | 28 | 81 | 192 |
| Total liabilities | - | - | 978 | 48 | 40,361 | 41,387 |
| Revenue | | | | | | |
| Integrated freight forwarding and logistics services | - | - | 743 | 103 | 531 | 1,377 |
| Agency fees | - | - | - | - | 753 | 753 |
| Other services | - | - | - | 1 | 60 | 61 |
| Interest income on deposits | - | - | - | - | 43 | 43 |
| Other income | - | - | - | - | 10 | 10 |
| Total income | - | - | 743 | 104 | 1,397 | 2,244 |
| Operating Expenses | | | | | | |
| Third-party charges related to principal activities | - | - | 50 | 957 | 9,859 | 10,866 |
| Freight and transportation services | - | - | - | 64 | 1,573 | 1,637 |
| Repair services | - | - | - | 14 | 558 | 572 |
| Other expenses | - | - | (5) | 24 | 110 | 129 |
| Total expenses | - | - | 45 | 1,059 | 12,100 | 13,204 |
| Purchases of property, plant and equipment | - | - | - | - | 37 | 37 |
| Purchases of inventory | - | - | - | - | 47 | 47 |
| Contributions to non-state pension funds | - | - | - | - | 17 | 17 |
| Total other transactions | - | - | - | - | 101 | 101 |

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23. BALANCES AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

Dividends

For the three-month period ended 31 March 2021 and 31 March 2020 dividends were not approved and not paid off.

Compensation of key management personnel

Key management personnel consist of members of the Company's Board of Directors of the Company, as well as the President of the Company, his deputies (first vice-president, vice-presidents) and directors of the central office who are under direct control of the President in accordance with the Company's existing organisational structure and comprised 20 and 22 persons as at 31 March 2021 and 31 March 2020, respectively.

Total gross compensation, including insurance contributions and before withholding of personal income tax, to key management personnel amounted to RUR 418m (including total social insurance contributions of RUR 60m) and RUR 120m (including total social insurance contributions of RUR 14m) and for the three-month period ended 31 March 2021 and 31 March 2020, respectively.

This compensation is included under payroll and related charges in the interim condensed consolidated profit and loss and comprises primarily short-term benefits. Major part of compensation for Key management personnel is generally short-term excluding contributions under pension plans with defined benefits. Defined benefits to Key management of the Group are calculated based on the same terms as for the other employees.

As at 31 March 2021 liabilities in respect of Key management personnel on accrued expenses and other current assets amounted to RUR 390m, and on employee benefit liability amounted to RUR 1m (RUR 360m and RUR 1m respectively as at 31 December 2020).

24. CAPITAL COMMITMENTS AND PROVISIONS

The Group's capital commitments as at 31 March 2021 and 31 December 2020 consisted of the following, including VAT:

| | 31 March 2021 | 31 December 2020 |
|---|--------------------------|-----------------------------|
| Acquisition of containers and flatcars | 6,751 | 7,349 |
| Construction of container terminal complexes and modernisation of existing assets | 21 | 7 |
| Acquisition of lifting machines and other equipment | 320 | 146 |
| Total capital commitments | 7,092 | 7,502 |

Provisions. On 3 December 2019, a fire broke out in the territory of JSC Logistics Terminal, the subsidiary of the Group (Note 1), as a result of which material damage was caused to the third parties (customers) related to compensation of damage to them.

The amount of the estimated liability for the future compensation of actual damage caused to third parties as a result of the fire was determined based on the quantity and value of the cargo completely destroyed by the fire and amounted to RUR 272m as at 31 March 2021 (RUR 353m as at 31 December 2020) and disclosed in "Other current liabilities" line of interim condensed consolidated statement of financial position.

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25. RISK MANAGEMENT ACTIVITIES AND FAIR VALUE OF ASSETS AND LIABILITIES

Operating environment of the Group. The Russian Federation displays certain characteristics of an emerging market. Its economy is particularly sensitive to oil and gas prices. The legal, tax and regulatory frameworks continue to develop and are subject to changes and varying interpretations. The Russian economy continues to be negatively impacted by ongoing political tension and international sanctions against certain Russian companies and individuals.

On 12 March 2020 the World Health Organisation declared the outbreak of COVID-19 a global pandemic. In response to the pandemic, the Russian authorities implemented numerous measures attempting to contain the spreading and impact of COVID-19, such as travel bans and restrictions, quarantines, shelter-in-place orders and limitations on business activity, including closures. These measures have, among other things, severely restricted economic activity in Russia and have negatively impacted, and could continue to negatively impact businesses, market participants, clients of the Group, as well as the Russian and global economy for an unknown period of time.

During the year ended 31 December 2020 and three-month period ended 31 March 2021 the Group largely compensated the impact of the coronavirus on its activity and its financial position through a diversified customer base and wide geography of operations, which ensured stability in the Group's performance.

The Group's management is taking necessary precautions to protect the safety and well-being of employees, contractors and their families against the infectious spread of COVID-19, while maintaining business continuity and commitment to meet the needs of customers domestically and internationally. The Group's management continues to work closely with authorities, as well as partners, to contain the spread of the coronavirus and to take appropriate actions, where necessary, to minimize the possible disruptions of the Group's business operations.

Management will continue to monitor the potential impact and will take all steps possible to mitigate any effects.

The future effects of the current economic situation and the above measures are difficult to predict and management's current expectations and estimates could differ from actual results.

Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and any other price risk), credit risk and liquidity risk.

During the three-month period ended 31 March 2021 there was the decrease of the Russian Rouble against USD while the CBRF exchange rate increased from RUR 73.8757 per USD as at 31 December 2020 to RUR 75.7023 per USD as at 31 March 2021 and also there was a strengthening against EUR while the CBRF exchange rate decreased from RUR 90.6824 per EUR as at 31 December 2020 to RUR 88.8821 per EUR as at 31 March 2021.

As at 31 March 2021 the Group received financial guarantees from Shinhan Bank, Standard Chartered Bank, JSC Ilim Group, PJSC SIBUR Holding, PJSC BANK SAINT PETERSBURG, PJSC CREDIT BANK OF MOSCOW, BANK VTB (PJSC), PJSC MTS-Bank, JSC ALFA-BANK and other banks in the total amount of RUR 2,832m in order to ensure the proper performance of contractual obligations and minimise risks of collecting receivables and advance payments (as at 31 December 2020: RUR 2,337m).

Company has an obligations to comply with certain terms of the agreements (covenants) related to the existing guarantee agreement for the execution of LLC Freight Village Kaluga Sever (FVKS) obligations under the loan agreement with PJSC GTLK (Note 4), credit line agreement revolved with JSC Raiffeisenbank (Note 11), credit line agreement non-revolved with PJSC Sberbank (Note 11) and service agreement with JSC ALFA-BANK (Note 16). Failure to comply with these conditions may lead to negative consequences for the Company, including requirements for early repayment of obligations. As at 31 March 2021 and during the three-month period ended 31 March 2021, as well as at 31 December 2020 and during 2020 the Company was in compliance with all the terms of the agreements.

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25. RISK MANAGEMENT ACTIVITIES AND FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

The interim condensed consolidated financial statements do not include all financial risk management statements and disclosures required in the annual consolidated financial statements of the Group, prepared for the year ended 31 December 2020. The information disclosed in the interim condensed consolidated financial statements as at 31 March 2021 should be considered in conjunction with the Group's annual consolidated financial statements as at 31 December 2020. There have been no significant changes in the Group's risk management policy during the three-month period ended 31 March 2021.

Fair value of assets and liabilities

Management uses its judgment to the assessment and classification of financial instruments by category using the fair value measurement hierarchy. As at the reporting date the Group had financial assets and liabilities classified as Levels 1, 2 and 3.

For financial assets and liabilities not measured at fair value but for which fair value is disclosed, management believes that the fair value of the following assets and liabilities approximates their carrying value: cash and cash equivalents, short-term and long-term loans issued, trade and other receivables, other financial assets, trade and other payables, trade finance liabilities, short-term and long-term loans received and financial guarantee for the investment in joint venture. These financial assets and liabilities, except for cash and cash equivalents and short-term and long-term loans received relate to Level 3 in the fair value hierarchy.

Cash refers to the Level 1 in the fair value hierarchy, cash equivalents and short-term and long-term loans received refer to the Level 2 in the fair value hierarchy.

Company's bonds are placed on the Moscow Exchange and quoted on the market, thus they refer to the Level 1 in the fair value hierarchy.

The following table details the fair value of the Company's bonds:

| | <u>31 March 2021</u> | <u>31 December 2020</u> |
|------------------------------|--------------------------|-----------------------------|
| Financial liabilities | | |
| Bonds | 17,544 | 19,183 |
| Total | <u>17,544</u> | <u>19,183</u> |

26. SUBSEQUENT EVENTS

Conclusion of the loan agreement. In April 2021 a non-revolving credit line agreement was signed between the Company and with PJSC Sberbank, a related party of the Group (Note 23), with a limit of RUR 45bn, a maturity date no later than June 2027 and at an interest rate equal to the Central Bank of Russia Key Rate + 2% per annum. This agreement provides for the security in the form of a pledge of fitting flatcars owned by the Company, intended for the transportation of large-capacity containers.

Short-term loan issue. In April 2021 under the previously concluded agreement on the provision of a short-term loan between the Company and a related party of the Group, the Company provided the fifth, sixth, seventh and eighth tranches to a related party of the Group in the total amount of RUR 350m (Note 8).

Dividends. Dividends of RUR 215.91 per share (RUR 3bn in total) were approved by the decision of the Company's sole shareholder on 30 April 2021 relating to the Company's results for the year ended 31 December 2020. On 12 May 2021 the dividends have been fully paid to the Company's sole shareholder.

Loans received under the previously concluded agreement. In April - May 2021 under the previously concluded revolving credit line agreement with Bank Saint-Petersburg PJSC the Company received the following loans

- in the amount of RUR 1bn at an interest rate of 6% per annum and maturity no later than April 2022;
- in the amount of RUR 3bn at an interest rate of 6.58% per annum and maturity no later than May 2022.

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26. SUBSEQUENT EVENTS (CONTINUED)

Agreements on acquisition of containers. In April-May 2021 the Company entered into the following agreements on acquisition of containers:

- with Qingdao Easy International Co., LTD on the delivery of 2,000 containers for a total amount of RUR 894m at the Central Bank of Russia official exchange rate as at the date of purchase, net of VAT. Delivery of containers is expected no later than December 2021;
- with Taicang CIMC special logistic equipment Co., Ltd on the delivery of 2,250 containers for a total amount of RUR 597m at the Central Bank of Russia official exchange rate as at the date of purchase, net of VAT. Delivery of containers is expected no later than December 2021;
- with LLC Torgoviy dom RM Rail on the delivery of 500 containers for a total amount of RUR 125m, net of VAT, under which a partial delivery of 160 containers was made for the total amount of RUR 40m, net of VAT. Delivery of containers is expected no later than July 2021.

Conclusion of an agency agreement. In May 2021 the Company entered into an agency agreement with PJSC Bank Otkritie Financial Corporation (hereinafter referred to as the Agent), according to which the Agent makes payments in favor of the Company's counterparties for the remuneration with a maturity date no later than October 2023, with a payment compensation period of no more than 180 calendar days and the maximum payment limit is not more than RUR 5bn. In May 2021 the Agent BANK transferred to the Company's counterparties funds for the total amount of RUR 1bn, with the compensation period for these payments no later than November 2021.

Liquidation of a subsidiary. In May 2021 the Company completely ceased its participation in the share capital of the subsidiary TransContainer-Slovakia, a.s., due to the liquidation procedure completion and deletion from the commercial register of the Kosice District Court, Slovak Republic (Note 1).

Acquisition of flatcars. In April - May 2021 the Company obtained under the previously signed agreements:

- 328 flatcars from LLC Torgoviy dom RM Rail for the total amount of RUR 978m, net of VAT;
- 8 flatcars from LLC KTG for the total amount of RUR 21m, net of VAT.

Acquisition of containers. In April-May 2021 the Company obtained under the previously signed agreements 1,357 containers from Taicang CIMC special logistic equipment Co.,Ltd for the total amount of RUR 363m at the Central Bank of Russia official exchange rate as at the date of purchase, net of VAT.