

FINANCIAL STATEMENTS

Financial results

RUB billion

Indicators	2019	2020	2021	Change 2021/2020	
				+/-	%
Operating revenue	236.9	130.9	188.2	57.3	143.8
Passenger services	213.4	114.6	166.7	52.1	145.4
Other sales	23.4	16.3	21.5	5.2	132.0
Operating expenses	230.9	181.5	203.6	22.1	112.2
Passenger services	215.1	169.0	187.0	17.9	110.6
Other sales	15,800	12.5	16.6	4.1	133.2
Operating result	6.0	-50.6	-15.4	35.2	30.4
Passenger services	-1.7	-54.4	-20.3	34.1	37.2
Other sales	7.7	3.8	4.9	1.1	128.2
Other revenue	23.6	24.4	20.4	-4.0	83.7
Subsidies from the federal budget	7.7	6.6	11.1	4.5	167.9
Other expenses	20.5	17.2	12.0	-5.1	70.0
Other revenue and expenses	3.1	7.2	8.4	1.2	116.4
Profit (loss) before tax	9.1	-43.4	-7.0	36.4	16.1
EBITDA, including subsidies	29.6	-22.9	15.7	38.6	-68.5
EBITDA margin, including subsidies, %	12.1	-16.7	7.9	24.6	-47.3
Income tax and other similar liabilities	0.5	-9.8	-1.6	8.2	15.9
Net profit	8.5	-33.6	-5.4	28.2	16.1
Net profit margin, %	3.6	-25.7	-2.9	22.8	-

REVENUE

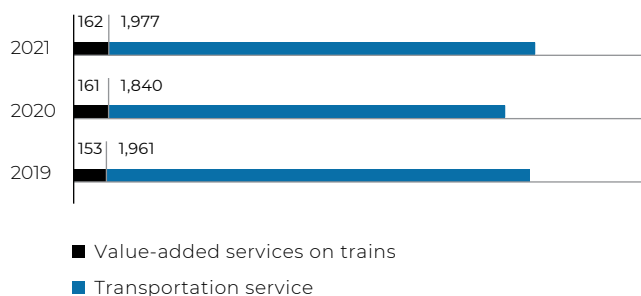
Revenue from passenger services

In 2021, revenue from passenger services amounted to RUB 166.7 billion, up 45.4% year-on-year.

The key factor behind the increase in revenue from passenger services in 2021 is the growth in the Company's overall transportation volume due to an increase in transportation mobility relative to 2020 and the annual indexation of the tariff. At the same time, revenue totals did not exceed 78.1% of the 2019 level.

Average revenue per passenger (including VAT)

RUB



Changes in operating revenue

RUB billion

Indicators	2019	2020	2021	Change 2021/2020, %
Operating revenue, total	236.9	130.9	188.2	143.8
Revenue from passenger services	213.4	114.6	166.7	145.4
Revenue from domestic passenger services	193.3	106.2	156.8	147.6
Deregulated segment	109.2	53.6	84.1	157.1
Domestic passenger servicing by the first- and second-class sleeping carriages	95.1	51.2	80.5	157.2
International services	14.0	2.3	3.6	156.7
Regulated segment	104.2	61.1	82.6	135.2
Domestic passenger servicing by the third-class sleeping carriages and fourth-class seating carriages	98.1	55.0	76.3	138.7
Baggage, unaccompanied baggage, and mail transportation	6.1	6.1	6.3	102.9
Revenue from other activities	23.4	16.3	21.5	132.0

The largest revenue growth trend is seen in the deregulated segment of passengers servicing by first-class and second-class sleeping carriages, with an increase in 2021 of over 157% compared to the 2020 level, and total revenue receipts amounting to RUB 80.5 billion.

The regulated segment of passengers servicing by third-class sleeping carriages and fourth-class seating carriages generated RUB 76.3 billion in 2021, which is 38.7% higher than in 2020.

At the same time, the recovery of revenue from passenger transportation in domestic services to 2019 levels in the deregulated segment is proceeding at a faster pace

than that in the regulated segment: 84.6% and 77.8% to 2019 levels, respectively.

Despite the positive growth dynamics relative to the previous year (156.7%), the volume of 2021 revenue from passenger servicing in international traffic amounting to RUB 3.6 billion, is not comparable with the figures achieved in 2019 (RUB 14.0 billion).

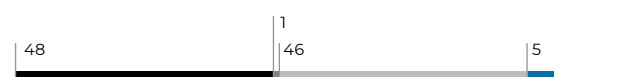
Revenues from baggage, unaccompanied baggage, and mail transportation increased by 2.9% compared to 2020 and amounted to RUB 6.3 billion.

166,7 RUB BILLION

Revenue from passenger services in 2021

+45.4% as compared to 2020

Revenue from passenger services %



- Servicing by first- and second-class sleeping carriages
- International services
- Servicing by third-class sleeping and fourth-class seating carriages
- Baggage / unaccompanied baggage / mail transportation

Revenue from other activities

JSC FPC's other activities include:

- Repair of clients' rolling stock
- Value-added services on trains
- Lease of movable and immovable property
- Other services

Breakdown of revenue from other activities

RUB billion

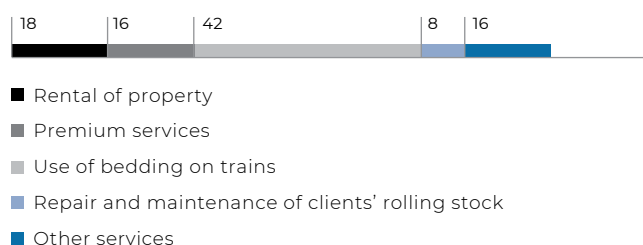
Indicators	2019	2020	2021	Change 2021/2020, %
Revenue from other activities	23.4	16.3	21.5	132.0
Repair of clients' rolling stock	1.9	1.9	2.0	107.7
Value-added services on trains	13.5	7.9	10.9	138.2
Bed linen on trains	9.8	5.7	8.2	143.4
Premium services	3.7	2.2	2.8	124.8
Property lease	4.3	3.9	5.1	130.1
Other services	3.7	2.6	3.5	133.6

In 2021, revenue from other activities totalled RUB 21.5 billion, up 32% year-on-year.

The gain against the previous year was mainly in the provision of additional services in trains (by 38.2% higher than in 2020) due to an increase in the number of passengers serviced by JSC FPC trains formed by 37.1%, in the leasing of property (30.1%) due to the growth in the number of requests for the lease of passenger carriages, other services (33.6%) due to higher demand for goods sold in trains, raised sales of scrap metal due to an increase in the number of carriages sent for cutting, as well as an amplification in demand for voluntary passenger insurance policies.

Breakdown of revenue from other activities

%



EXPENSES

Rail service expenses

Based on the 2021 results, the costs of transportation activities amounted to RUB 187.0 billion, or 110.6% compared to the 2020 level (86.9% compared to the 2019 level).

The cost of passenger services in 2021 totalled RUB 27.8 per 10 passenger-km, or 79.9% as compared to the 2020 level (120.9% as compared to the 2019 level).

Rail service expenses

RUB billion

Indicators	2019	2020	2021	Change 2021/2020, %
TOTAL	215.1	169.0	187.0	110.6
Payroll costs	34.0	27.3	30.7	112.7
Benefits-related deduction	9.5	7.6	8.7	114.4
Material costs	26.4	21.6	21.0	97.2
Materials	6.5	5.3	5.4	100.9
Fuel	0.7	0.5	0.7	127.7
Electricity	0.5	0.4	0.5	110.4
Other	18.7	15.3	14.5	94.5
Other expenses	129.9	97.6	110.2	113.0
Infrastructure payments	72.7	54.1	60.5	112.0
Locomotive lease	46.7	35.1	38.9	110.7
Depreciation	15.3	15.0	16.3	108.9

Expenses on other activities

Expenses on other activities

RUB billion

Indicators	2019	2020	2021	Change 2021/2020, %
Expenses on other activities	15,800	12.5	16.6	133.2
Repair of clients' rolling stock	1.5	1.6	1.7	107.7
Value-added services on trains	9.9	6.1	8.2	134.6
Bed linen on trains	7.0	4.2	6.1	145.1
Premium services	2.8	1.9	2.1	110.7
Property lease	1.9	2.6	4.0	152.7
Other services	2.6	2.2	2.7	123.9

In 2021, revenue from other activities totalled RUB 16.6 billion, up 33.2% year-on-year.

The gain against the 2020 level was mainly in the provision of additional services in trains (by 34.6% higher than in 2020) due to an increase in the number of passengers serviced by JSC FPC trains formed by 37.1%, in the leasing of property (52.7%) due to the growth in the number of requests for the lease of passenger carriages, other services (23.9%) due to higher demand for goods sold in trains, raised sales of scrap metal due to an increase in the number of carriages sent for cutting, as well as an amplification in demand

for voluntary passenger insurance policies, and elevating overheads allocated to other activities as well.

Overhauls programme

In 2021, actual expenses on overhauls of fixed assets were RUB 2.0 billion, or 36.2% of the 2020 level, including:

- RUB 1.7 billion for overhauls of passenger carriages (32.1% of the 2020 level)
- RUB 0.2 billion on overhauls of buildings and structures performed by third parties (383.3% of the 2020 level).

Changes in expenses on overhauls of fixed assets

RUB billion

Overhauls	2019	2020	2021	Change 2021/2020, %
Fixed assets, total	5.4	5.5	2.0	36.2
Carriages	5.2	5.4	1.7	32.1
Buildings and structures	0.2	0.1	0.2	383.3

Efficiency and Cost Optimisation Programme

JSC FPC developed the Operational Efficiency and Cost Optimisation Programme for 2021–2023 to enhance its performance. In 2021, the total impact of the programme was RUB 14.1 billion.

The Programme includes the following areas of activities:

- Assessment and optimisation of current expenses
- Enhancement of fixed assets management efficiency
- Optimisation of headcount

HEADCOUNT AND LABOUR PRODUCTIVITY

By 2020, productivity increased by 48.3%, which is caused by a low base in 2020 in view of the spread of coronavirus infection (with a significant reduction in traffic, the adjustment of personnel headcount to the volume

of traffic was suspended due to the implementation of government support measures).

Change in headcount and labour productivity

Indicators	2019	2020	2021	Change 2021/2020, %
JSC FPC's headcount, people	58,224	53,053	51,299	96.7
Including in rail services	53,861	48,516	45,876	94.6
Labour productivity, '000 passenger-km / employee	1,670	980	1,453	148.3

OTHER REVENUE AND EXPENSES

The financial result from other revenue and expenses in 2021 was RUB 8.4 billion, an increase of 16.7% compared to 2020.

Changes in other revenue and expenses

RUB billion

Indicators	2019	2020	2021	Change 2021/2020, %
Other revenue	23.6	24.4	20.4	83.7
Interest receivable	1.0	0.3	0.3	82.3
Proceeds from the disposal of fixed and other assets	10.1	9.0	2.8	30.5
Subsidies from the federal budget	7.7	6.6	11.1	167.9
Other	4.8	8.5	6.3	74.8
Other expenses	20.5	17.2	12.0	70.0
Interest payable	4.0	4.2	5.0	121.1
Expenses on the disposal of fixed and other assets	9.6	8.1	1.8	22.5
Cash management services	2.1	1.3	1.8	135.1
Other	4.8	3.6	3.4	95.2

Key revenues received as part of other JSC FPC's income were government subsidies allocated as compensation for the revenue shortfall caused by the government regulation of long-distance tariffs for third-class open-plan sleeping and fourth-class seating carriages. In 2021, RUB 11.1 billion in subsidies were received from the federal budget (RUB 6.6 billion in 2020).

Interest expenses on loans accounted for the bulk of other expenses, amounting to RUB 5 billion in 2021 (RUB 4.2 billion in 2020).

DEBT POLICY

As at 31 December 2021, JSC FPC's debt amounted to RUB 64.5 billion (excluding RUB 0.7 billion worth of accrued interest payable in the following quarter), including RUB 16 billion of loan liabilities and RUB 48.5 billion of bond liabilities.

JSC FPC had no debt denominated in a foreign currency.

JSC FPC's debt as at 31 December 2021, by maturities

RUB billion

Indicators	2022	2023	2024	2025	2026	2027	2028
Debt maturity	16	13	10	10.5	5	0	10

Borrowed funds in 2021 were raised by JSC FPC without government support programmes for business in the context of the pandemic coronavirus infection.

In order to close the cash gap, RUB 16.5 billion were raised in 2021 with maturities of up to 12 months.

Long-term debt financing in 2021 was raised for up to five years.

The nearest bond maturity date is in 2022, with a total of RUB 38.5 billion of bonds expected to be repaid between 2023 and 2028.

In confirmation of the borrowing limits at credit institutions, confirmations were received from partner banks that penalties for non-compliance with covenants will not be applied (covenant holidays).

BALANCE SHEET TOTAL

In 2021, JSC FPC's balance sheet total increased by RUB 15 billion, or by 5%.

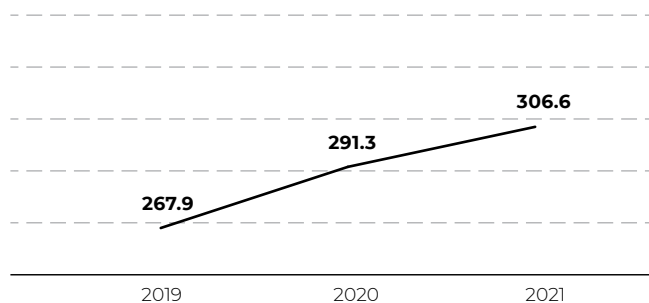
Key items of the balance sheet

RUB billion

Indicators	2019	2020	2021	Change 2021/2020, %
Non-current assets	267.9	291.3	306.6	105.2
Current assets	42.8	31.3	30.6	97.7
Assets	310.7	322.6	337.2	104.5
Equity and reserves	220.3	206.6	216.1	104.6
Non-current liabilities	56.5	49.7	49.3	99.2
Current liabilities	34.0	66.4	71.8	108.2
Liabilities	310.7	322.6	337.2	104.5

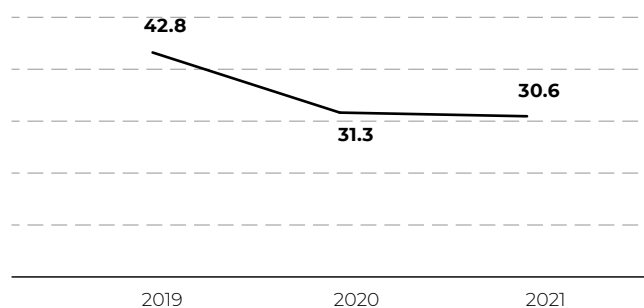
Non-current assets

RUB billion



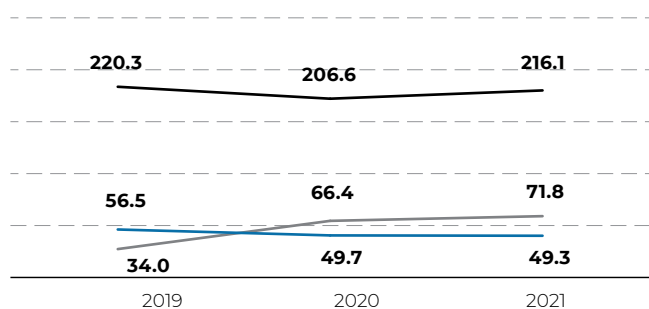
Current assets

RUB billion



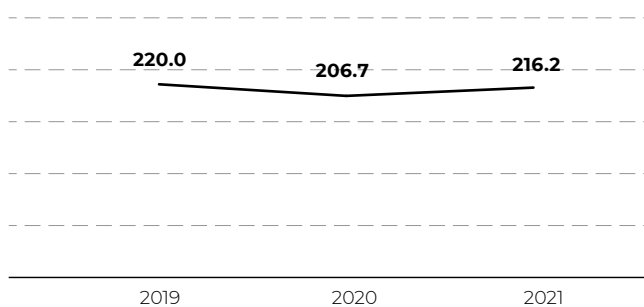
Changes in liabilities

RUB billion



Net assets

RUB billion



- Equity and reserves
- Non-current liabilities
- Current liabilities

As at 31 December 2021, JSC FPC's non-current liabilities totalled RUB 49.3 billion, including loans and borrowings in the amount of RUB 48.5 billion.

The size of JSC FPC's authorised capital was RUB 221,961,041,000 as at 31 December 2021.

Changes in JSC FPC's net assets

RUB billion

Indicators	2019	2020	2021	Change 2021/2020, %
Net assets	220.0	206.7	216.2	104.6

In the reporting year, the Company's net assets increased by 5% to RUB 216.2 billion.

INVENTORIES

The actual value of inventories at JSC FPC as at 31 December 2021 amounted to RUB 4.531 billion (including fuel — RUB 0.143 billion) against the prescribed standard of RUB 4.522 billion (including fuel — RUB 0.236 billion). The excess of actual inventory over the standard amounted to RUB 0.009 billion, or 0.2%.

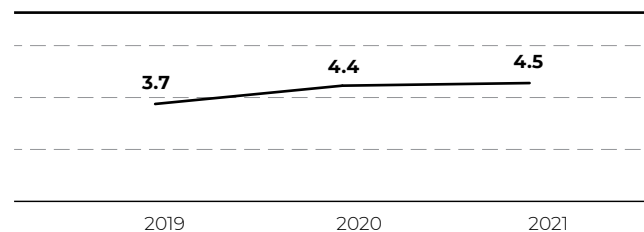
The main reasons for exceeding the standard for inventories:

- Optimisation of JSC FPC's production programmes during 2021, caused by a reduction in domestic traffic
- actual growth in prices for new materials and spare parts exceeding the official forecasts of the Russian Ministry of Economic Development for 2021, primarily for metal products, timber and construction materials.

The largest share of inventories is represented by passenger carriage spare parts at RUB 2.827 billion (62% of inventories

Inventories,

RUB billion



in total), consisting of new spare parts (RUB 1.302 billion) and reusable materials (RUB 1.525 billion), including passenger carriage wheelsets (RUB 0.991 billion).

RECEIVABLES AND PAYABLES

As at 31 December 2021, JSC FPC's receivables totalled RUB 22.15 billion.

Trade receivables (except for rail services) accounted for 46.9% of total receivables, or RUB 10.39 billion. The bulk of this debt, RUB 9.33 billion, was due to the application of the terms of settlements stipulated by a long-term contract.

Taxes and charges receivable accounted for 35.8%, or RUB 7.94 billion.

The largest share of trade receivables (except for rail services) was due for sale of property – 89.8%, or RUB 9.33 billion, and repairs of rolling stock – 2.8%, or RUB 0.3 billion.

Trade receivables due for passenger services amounted to 11.55%, or RUB 2.56 billion, in line with the terms of relevant contracts.

As at the end of December 2021, prepayments totalled 2.5%, or RUB 0.55 billion.

Receivables as at 31 December

RUB billion

Receivables	2019	2020	2021	Change 2021/2020, %
Trade receivables (excluding transport services)	0.59	11.32	10.39	91.8
Trade receivables (for rail services)	1.79	1.47	2.56	174.1
Prepayments	0.97	0.43	0.55	127.9
Taxes and charges	11.49	7.80	7.94	101.8
Other receivables	0.87	0.70	0.70	100.0
TOTAL	15.71	21.73	22.15	101.9

Payables as at the end of December 2021 were RUB 49.63 billion, up 8.49% year-on-year. The largest share of this amount falls on payables to suppliers and contractors — 76.7% or RUB 38.06 billion, including

restructured infrastructure related debt (RUB 13.5 billion) and advances received for transportation (14.17%, or RUB 7.03 billion).

Payables as at 31 December

RUB billion

Indicators	2019	2020	2021	Change 2021/2020, %
Trade payables	12.39	37.24	38.06	102.2
Payroll liabilities	1.59	1.14	1.43	125.4
Taxes and charges, social insurance	1.25	1.26	1.3	103.2
Prepayments received for other activities	0.26	0.25	0.35	140.0
Advances received for transport services	9.31	4.21	7.03	167.0
Other receivables	2.41	1.64	1.45	88.4
TOTAL	27.20	45.74	49.63	108.5

As payables are above receivables, the Company can use payables as an additional source of financing. Receivables to payables ratio is 0.45.

CASH FLOWS¹

Cash balance on accounts of JSC FPC (including short-term deposits) as at January 1, 2021 stood at RUB 3.9 billion.

Operating expenses amounted to RUB 229.5 billion, including expenses for infrastructure services and locomotive lease totalling RUB 123.2 billion, or 54%.

Cash flows from operating activities

In 2021, the cash flow from operating activities totalled RUB 222.9 billion, including RUB 11.1 billion of subsidies from the federal budget. Most cash (77%) was received from passenger services, totalling RUB 172.5 billion excluding transit charges.

Negative cash flow from operating activities was RUB 6.7 billion.

¹ In accordance with the management accounting data.

Cash flows from operating activities

RUB billion

Indicators	2019	2020	2021	Change 2021/2020, %
Net cash flow	-1.8	-37.1	-6.7	18.1
Cash received	275.7	149.7	222.9	148.9
Cash used	277.6	186.8	229.5	122.9

Cash flows from investing activities

Expenses for investment activities totalled RUB 261.0 billion.

Negative cash flow from investing activities amounted to RUB 32.6 billion.

In the reporting period, RUB 33.9 billion were allocated for passenger rolling stock replacement and upgrades:

- RUB 26.2 billion for the acquisition of new passenger carriages
- RUB 7.7 billion for passenger rolling stock upgrades

Cash flows from investing activities

RUB billion

Indicators	2019	2020	2021	Change 2021/2020, %
Cash flow	-47.8	-25.2	-32.6	129.4
Cash received	241.6	242.8	228.4	94.1
Cash used	289.3	268.0	261.0	97.4

Cash flows from financing activities

In 2021, cash received from financing activities totalled RUB 69.2 billion (of which 38% was attributed to borrowings).

Net cash flows from financing activities totalled RUB 38.4 billion.

Cash used in the amount of RUB 30.8 billion resulted from:

- Interest payments on loans and borrowings – RUB 5.0 billion
- Repayment of loans and borrowings – RUB 25.8 billion

Cash flows from financing activities

RUB billion

Indicators	2019	2020	2021	Change 2021/2020, %
Net cash flow	45.5	63.8	38.4	60.2
Cash received	68.5	79.7	69.2	86.8
Cash used	23.0	15.9	30.8	193.7

JSC FPC's total negative cash flow for the reporting year was RUB 0.9 billion.

The cash balance including short-term deposits on the accounts of JSC FPC as at 31 December 2021 amounted to RUB 3.0 billion.

FINANCIAL REVIEW

Indicators	2019	2020	2021
Liquidity			
Absolute liquidity ratio	0.67	0.07	0.04
Quick liquidity ratio	1.14	0.26	0.23
Current liquidity ratio	1.26	0.33	0.31
Leverage ratio	0.72	0.64	0.64
Margins, %			
Sales margin (including subsidies)	15.20	-20.38	3.66
Return on equity (ROE)	4.09	-15.76	-2.56
Return on assets, including subsidies (ROA):	5.46	-11.82	-0.52
Liabilities			
Liabilities in the balance sheet total	0.29	0.36	0.36
Financial leverage (interest-bearing borrowings / equity)	0.23	0.31	0.30
Total debt / EBITDA	1.71	-2.81	4.15
Total debt / revenue	0.21	0.49	0.35

Absolute liquidity ratio: 0.04

The ratio is the most stringent solvency criterion showing how much short-term debt can be covered by the Company immediately if necessary by the available cash and highly liquid short-term investments.

In 2021, the ratio decreased by 0.03 p.p. compared to the same period of the previous year (0.07 in 2020).

Quick liquidity ratio: 0.23

The ratio shows how much short-term debt can be covered by the Company if its receivables are fully repaid (where payments are expected within 12 months after the reporting date).

In 2021, the ratio decreased by 0.03 p.p. compared to the previous period (0.26 in 2020).

Current liquidity ratio: 0.31

The ratio shows how much short-term debt can be covered by the Company from its current assets. In contrast to the absolute and quick liquidity ratios, this indicator shows the Company's solvency over a relatively longer term.

In 2021, the ratio decreased by 0.02 points year-on-year (0.33 in 2020).

Leverage ratio 0.64

The ratio shows the share of the Company's assets that are covered by its funds. The higher the ratio, the more financially stable the Company is and the lower its reliance on third-party loans. From an investor or creditor's perspective, the higher the ratio, the lower the risk of losing investments in the Company or loans extended to the Company.

In 2021, the ratio is at the level of the previous period (0.64 in 2020).

Sales margin (including subsidies): 3.66

It is an indicator of the Company's financial performance, indicating the share of profit in the Company's revenue. Sales margin shows the effectiveness of the Company's pricing policy and its ability to control costs. It indicates the share of gross profit in the Company's sales.

In 2021, the value of the indicator has improved by 24.04 p.p. as compared to the previous period (-20.38% in 2020).

Return on equity (ROE): -2.56

This indicator is one of the key indicators of the Company's performance, used to evaluate its investment appeal over the longer term and showing how many units of net profit the Company generates with each unit of shareholders' equity.

In 2021, the value of the indicator has improved by 13.18 p.p. as compared to the previous period (-15.75% in 2020).

Return on assets, including subsidies (ROA): -0.52

This financial ratio shows the return on all assets used by the Company. The ratio indicates the Company's ability to generate profit without taking into account its capital structure (financial leverage), as well as the quality of asset management.

In 2021, the value of the indicator has improved by 11.30 p.p. compared to the previous period (-11.82% in 2020).

Liabilities in the balance sheet total: 0.36

The lower share of borrowings in the balance sheet total (0.36 in 2020) clearly demonstrates the trend towards stronger financial stability of the Company. Accordingly, the higher the share of own funds in the balance sheet total, the better the financial position of the Company.

Financial leverage (interest-bearing borrowings / equity): 0.30

Financial leverage indicates the ratio of borrowings to total capitalisation and shows how efficiently the Company uses equity. It determines the degree of the Company's reliance on borrowings. The capitalisation ratio is used only in the same industry context and in the context of the Company's revenue and cash flows (0.31 in 2020).

Total debt / EBITDA: 4.15

This indicator shows the Company's debt burden and its ability to repay existing liabilities (solvency).

In 2021, the value of the indicator has increased by 6.96 p. (-2.81 p.p. in 2020).

TOTAL DEBT /REVENUE: 0.35

This indicator shows the Company's debt burden vs its total revenue (0.49 in 2020).

Net asset position of JSC FPC

RUB million

INDICATORS		2019	2020	2021
1	Authorised capital	171,961.0	206,961.0	221,961.0
2	Net assets	220,047.0	206,714.9	216,161.9
2.1	1. Equity and reserves	220,300.4	206,559.5	216,051.5
	Authorised capital	171,961.0	206,961.0	221,961.0
	Add-on capital	25,249.1	10,231.6	10,112.8
	Retained earnings (accumulated deficit)	21,773.6 ¹	-11,949.8	-17,670.5
	Other	1,316.7	1,316.7	1,648.2
2.2	2. Deferred income	243.6	155.4	110.4
3	Deviations	48,086.0	-246.1	-5,799.2

Deterioration of retained earnings (accumulated deficit), as compared to the 2019 level, is due to unfavourable epidemiological situation resulting from the spread of the new Covid-19 coronavirus infection and a decrease in volumetric indicators of JSC FPC.

JSC FPC developed the Operational Efficiency and Cost Optimisation Programme for 2021–2023 to enhance its performance. In 2021, the total impact of the programme was RUB 14.1 billion.

The Programme includes the following areas of activities:

- Assessment and optimisation of current expenses
- Enhancement of fixed assets management efficiency
- Optimisation of headcount

In order to bring the company's net asset value in line with its authorised capital, JSC FPC is working in 2022 to fully compensate for revenue losses arising from state regulation of tariffs and the provision of benefits to certain categories of citizens. The Board of Directors of JSC FPC also approved the Operational Efficiency and Cost Optimisation Programme of JSC FPC for 2022–2024.



¹ Due to the transition to RAS 18/02 (Corporate Income Tax Accounting) in 2020, retrospective changes were made to retained earnings for 2019.