

FINANCIAL STATEMENTS (RAS)

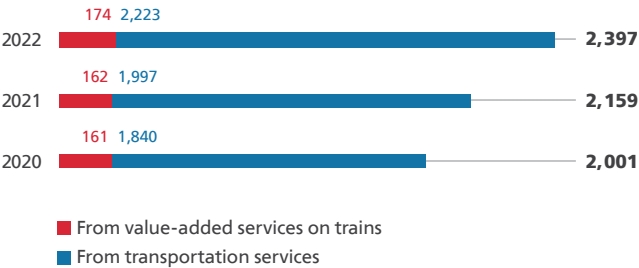
Financial results

RUB billion

Indicators	2020	2021	2022	Change 2022/2021	
				+/-	%
Operating revenue	130.9	188.2	250.5	62.3	133.1
Passenger services	114.6	166.7	221.0	54.3	132.6
Other sales	16.3	21.5	29.5	8.0	137.2
Operating expenses	181.5	203.6	236.2	32.6	116.0
Passenger services	169.0	187.0	215.9	28.9	115.5
Other sales	12.5	16.6	20.3	3.7	122.3
Operating result	-50.6	-15.4	14.3	29.7	-92.9
Passenger services	-54.4	-20.3	5.1	25.4	-25.1
Other sales	3.8	4.9	9.2	4.3	187.8
Other income	24.4	20.4	21.3	0.9	104.4
Federal subsidies	6.6	11.1	12.1	1.0	109.0
Other expenses	17.2	12.0	21.8	9.8	181.7
Other revenue and expenses	7.2	8.4	-0.5	-8.9	-6.0
Profit (loss) before tax	-43.4	-7.0	13.7	20.7	-195.7
EBITDA, including subsidies	-22.9	15.7	41.9	26.2	266.9
EBITDA margin, including subsidies, %	-17.5	8.3	16.7	8.4	201.2
Income tax and other similar liabilities	-9.8	-1.6	2.7	4.3	-168.8
Net profit	-33.6	-5.4	11	16.4	-203.7
Net profit margin, %	-25.7	-2.9	4.4	7.3	-151.7

Revenue

Average revenue per passenger (including VAT), RUB



Changes in operating revenue

RUB billion

Indicators	2020	2021	2022	Change
				2022/2021, %
Operating revenue, total	130.9	188.2	250.5	133.1
Revenue from passenger services	114.6	166.7	221.0	132.5
Domestic traffic revenue from passenger service	106.2	156.8	206.9	131.9
Deregulated segment:	53.6	84.1	116.1	137.9
• Domestic passenger servicing by the first- and second-class sleeping carriages	51.2	80.5	109.7	136.2
• International services	2.3	3.6	6.4	176.8
Regulated segment:	61.1	82.6	104.9	127.0
• Domestic passenger servicing by the third-class sleeping carriages and fourth-class seating carriages	55.0	76.3	97.2	127.4
• Baggage, unaccompanied baggage and mail transportation	6.1	6.3	7.7	122.6
Revenue from other activities	16.3	21.5	29.5	137.2

Revenue from passenger services

Revenues from passenger traffic totalled RUB 221.0 billion in 2022 as a result of rising demand for long-distance rail transit, up 32.5% year-on-year.

The deregulated segment exhibited the most noticeable revenue growth pattern, with passenger transport in first-class and second-class sleeping carriages seeing a year-on-year gain of 36.2%, and total proceeds amounted to RUB 109.7 billion by the end of 2022. For the first time in the previous three calendar years, revenues from international service exceeded the RUB 6.4 billion level.

The regulated segment of passengers servicing by third-class sleeping carriages and fourth-class seating carriages generated RUB 97.2 billion in 2022, which is 27.4% higher than in 2021.

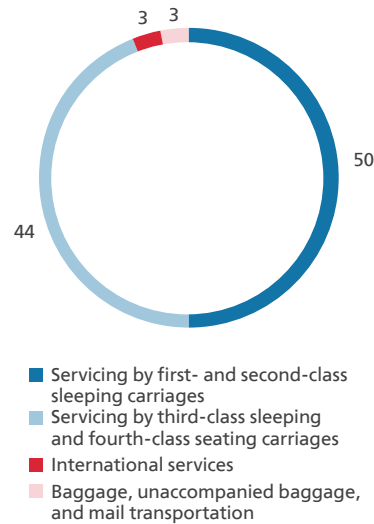
Revenues from baggage, unaccompanied baggage, and mail transportation increased by 7.8% compared to 2021 and amounted to RUB 7.7 billion

221.0 RUB billion

revenue from passenger service in 2022

+32.5% year-on-year

Revenue from passenger services, %



Revenue from other activities

FPC’s other activities include:

- Repair of clients’ rolling stock;
 - Provision of value-added services on trains;
- Lease of movable and immovable property;
 - Other services.

Changes in revenue from other activities				RUB billion
Indicators	2020	2021	2022	Change 2022/2021, %
Revenue from other activities	16.3	21.5	29.5	137.2
Repair of clients’ rolling stock	1.9	2.0	2.3	113.0
Value-added services on trains:	7.9	10.9	13.9	127.5
• Provision of bedding	5.7	8.2	10.3	126.1
• Premium services	2.2	2.8	3.6	131.7
Property lease	3.9	5.1	9.9	196.3
Other services	2.6	3.5	3.3	96.0

Over 2022, revenues from other activities amounted to RUB 29.5 billion, up 37.2% year-on-year.

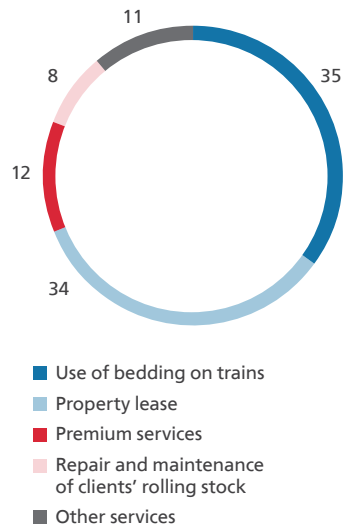
The considerable increase was primarily brought about by a rise in lease income (+96.3%) as a result of an increase in carriage leasing applications. The revenue from additional services provided in trains (up 27.5% year-on-year) was driven up by an increase in the number of passengers carried in FPC-marshalled trains; the revenue from the repair and maintenance of customer rolling stock (up 13.0% year-on-year) increased as the customers placed more requests for depot repairs and maintenance of carriages. These two factors contributed the most to the positive behaviour of revenue from other activities.

29.5 RUB billion

revenue from other activities in 2022

+37.2% year-on-year

Breakdown of revenue from other activities, %



Expenses

Rail service expenses

Based on the 2022 results, the costs of transportation activities amounted to RUB 215.9 billion, or 115.5% compared to the 2021 level (127.7% compared to the 2020 level).

The net cost of passenger services in 2022 was RUB 26.6/10 passenger-km, or 98.7% vs. 2021 (75.8% against 2020).

Rail service expenses				RUB billion
Indicators	2020	2021	2022	Change 2022/2021, %
Total	169.0	187.0	215.9	28.9
Payroll costs	27.3	30.7	38.3	7.6
Social contributions	7.6	8.7	10.7	2.0
Material costs:	21.5	21.1	25.5	4.5
• Materials	5.3	5.4	6.5	1.1
• Fuel	0.5	0.7	0.6	0.0
• Electricity	0.4	0.5	0.5	0.0
• Other	15.3	14.5	17.9	3.4
Other expenses:	97.6	110.2	123.3	13.1
• Infrastructure payments	54.1	60.5	65.4	4.8
• Locomotive lease	35.1	38.9	45.3	6.4
Depreciation	15.0	16.3	18.1	1.8

Expenses on other activities

Expenses on other activities				RUB billion
Indicators	2020	2021	2022	Change 2022/2021, %
Expenses on other activities	12.5	16.6	20.3	122.2
Repair of clients' rolling stock	1.6	1.7	1.6	95.0
Value-added services on trains:	6.1	8.2	10.2	123.7
• Provision of bedding	4.2	6.1	7.6	123.6
• Premium services	1.9	2.1	2.6	124.2
Property lease	2.6	4.0	5.6	139.9
Other services	2.2	2.7	2.9	108.4

In 2022, revenue from other activities totalled RUB 20.3 billion, up 22.2% year-on-year.

Key drivers behind the year-on-year growth were as follows: a 39% increase in expenses associated with the lease of property (due to an increase in the number of requests to lease passenger cars) and an increase in expenses associated with the provision of additional services in trains (up 23.7% year-on-year), which resulted from an increase in the volume of passengers carried on FPC-marshalled trains, an increase in expenses associated with the provision of other services (up 8.4% year-on-year), which stemmed from growing demand for goods sold on trains, and an increase in overheads allocated to other activities.

Changes in expenses on overhauls of fixed assets

RUB billion

Overhauls	2020	2021	2022	Change 2022/2021, %
Fixed assets, total	5.5	2.0	2.9	146.8
Carriages	5.4	1.7	2.5	147.0
Buildings, structures and equipment	0.1	0.2	0.4	145.0

Overhauls programme

In 2022, actual expenses on overhauls of fixed assets were RUB 2.9 billion, or 146.8% of the 2021 level, including:

- RUB 2.5 billion on overhauls of passenger carriages (147.0% of the 2021 level)
- RUB 0.4 billion for third-party capital repairs of buildings, structures and equipment (up 145.0% year-on-year)

Headcount and Labour Productivity

Labour productivity in 2022 increased by 22.7% compared to 2021, due to a 19.9% increase in transportation volumes and a downsizing of FPC’s workforce as a result of optimisation of production capacity in Q4 2021.

Change in headcount and labour productivity

Indicators	2020	2021	2022	Change 2022/2021, %
FPC’s headcount, FTEs	53,053	51,299	50,499	98.4
• Including in rail services	48,516	45,876	44,827	97.7
Labour productivity, ‘000 passenger-km/FTE	980	1,453	1,783	122.7

Other Revenue and Expenses

The loss for 2022 was RUB 0.6 billion, while 2021 saw a profit of RUB 8.4 billion. This negative trend was caused by the introduction of federal accounting standards FAS 6/2020 Property, Plant and Equipment and FAS 26/2020

Capital Investments on 1 January 2022. As required by these standards, the Company worked on the impairment of individual fixed assets, as well as the depreciation of laid-up fixed assets.

Changes in other revenue and expenses

RUB billion

Indicators	2020	2021	2022	Change 2022/2021, %
Other income	24.4	20.4	21.3	104
Interest receivable	0.3	0.3	1.2	384
Proceeds from the disposal of fixed and other assets	9.0	2.8	1.4	51
Federal subsidies	6.6	11.1	12.1	109
Other	8.5	6.3	6.6	105
Other expenses	17.2	12.0	21.8	182
Interest payable	4.2	5.0	6.1	122
Expenses on the disposal of fixed and other assets	8.1	1.8	0.7	38
Cash management services	1.3	1.8	2.1	117
Other	3.6	3.4	13.0	381



Key revenues received as part of other 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 sleeping and fourth-class seating carriages. In 2022, federal subsidies amounted to RUB 12.1 billion (RUB 11.1 billion in 2021).

Interest expenses on loans accounted for the bulk of other expenses, amounting to RUB 6.1 billion in 2022 (RUB 5.0 billion in 2021).

12.1 RUB billion
federal budget subsidies in 2022

Liabilities

As at 31 December 2022, principal repayments were RUB 66.5 billion, including RUB 28.0 billion – for loans and RUB 38.5 billion – for bonds.

There are no liabilities denominated in foreign currencies.

FPC principal repayment schedule as of 31 December 2022

RUB billion

	2023	2024	2025	2026	2027	2028
Principal repayment	25	10	10.5	5	6	10

The nearest maturity date for the bonds is May 2023, with a total of RUB 25.5 billion of bonds expected to be repaid between 2024 and 2028.

The values of the financial covenants for 2022 did not exceed the maximum permissible limits.

Balance Sheet Total

The balance sheet total for 2022 increased by RUB 24 billion, or 7%. The increase in the asset side of the balance sheet resulted from both current assets and non-current assets. The increase in the liabilities side of the balance sheet

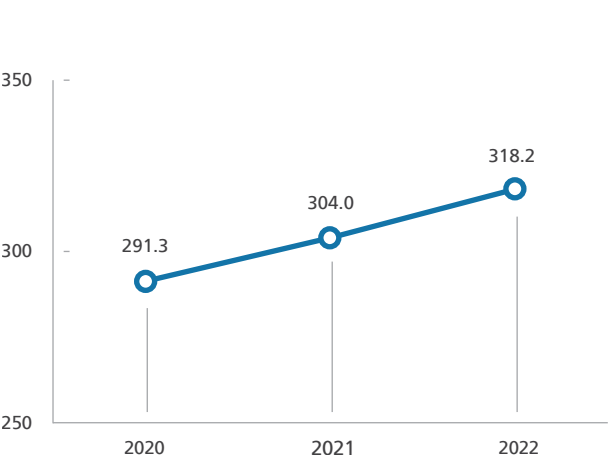
resulted exclusively from an increase in equity and reserves, while long-term and short-term liabilities of the Company, on the other hand, decreased.

Key balance sheet items

RUB billion

Indicators	2020	2021	2022	Change 2022/2021, %
Non-current assets	291.3	304.0	318.2	104.7
Current assets	31.3	30.2	40.1	132.8
Assets	322.6	334.3	358.4	107.2
Equity and reserves	206.6	213.1	250.8	117.7
Non-current liabilities	49.7	49.3	41.6	84.5
Current liabilities	66.4	71.8	65.9	91.8
Liabilities	322.6	334.3	358.4	107.2

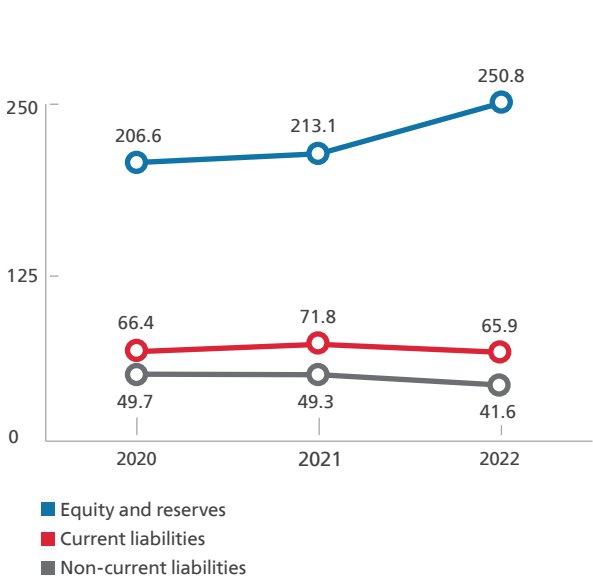
Non-current assets, RUB billion



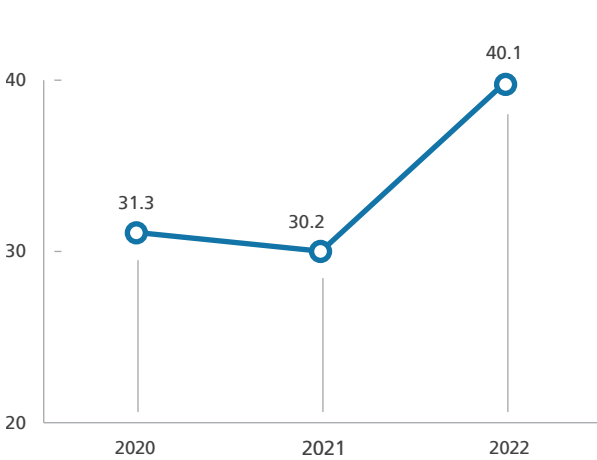
As at 31 December 2022, FPC’s non-current liabilities totalled RUB 41.6 billion, including loans and borrowings in the amount of RUB 41.5 billion.

As of 31 December 2022, short-term liabilities of FPC amounted to RUB 65.9 billion, including RUB 33.6 billion of payables, RUB 25.6 billion of loans and borrowings.

Changes in liabilities, RUB billion

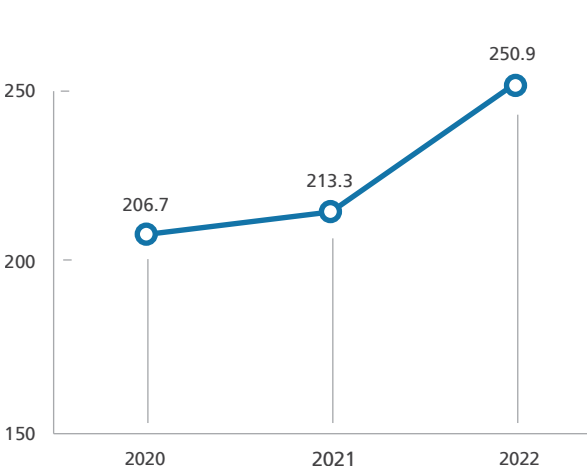


Current assets, RUB billion



The size of FPC’s authorised capital was RUB 248,588,839 thousand as at 31 December 2022.

Net assets, RUB billion



In the reporting year, the Company’s net assets increased by 18% to RUB 250.8 billion

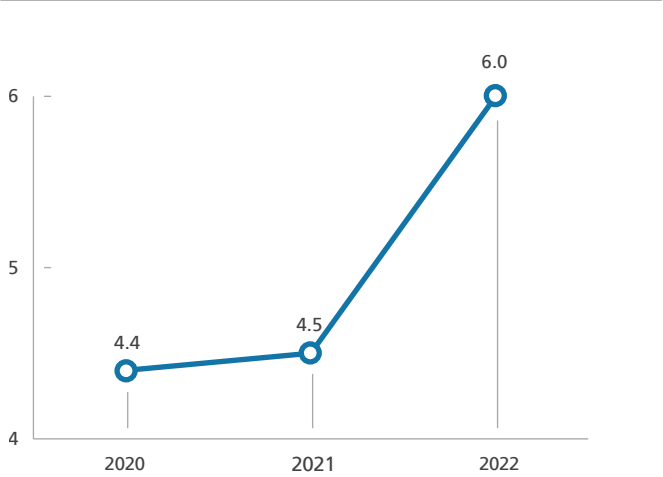
Inventories

As at 31 December 2022, FPC’s actual inventories amounted to RUB 6.021 billion, including RUB 0.172 billion worth of fuel, against the set standard of RUB 6.725 billion, including RUB 0.260 billion worth of fuel. There was no excess of actual inventory over the standard.

The year-on-year increase in the level of inventories in 2022 is associated with a growth in the volume, nomenclature and share of the insurance stock of basic materials and spare parts for carriages. This increase is necessary to organize uninterrupted material and technical support for the transportation process under conditions of global economic and financial instability and unfriendly actions by European states toward the Russian Federation.

The largest share of inventories is represented by passenger carriage spare parts at RUB 3.836 billion (64% of inventories in total), consisting of new spare parts (RUB 2.078 billion) and reusable materials (RUB 1.758 billion), including passenger carriage wheelsets (RUB 1.174 billion).

Inventory items, RUB billion



6.021 RUB billion
actual value of the inventory items

Receivables and Payables

As at 31 December 2022, FPC’s receivables totalled RUB 24.16 billion.

Trade receivables (except for rail services) accounted for 43.1% of total receivables, or RUB 10.42 billion. The bulk of this debt, RUB 7.89 billion, was due to the application of the terms of settlements stipulated by the long-term contract.

Taxes, fees and charges receivables accounted for 40.1%, or RUB 9.70 billion.

The largest specific weight in the structure of trade receivables (except for transportation) is represented by receivables under agreements to purchase and sell property – 82.6%, or RUB 8.62 billion, as well as receivables under agreements to lease rolling stock – 12.5%, or RUB 1.30 billion.

Trade receivables due for passenger services amounted to RUB 1.88 billion, or 7.8%, which is in line with the terms of relevant contracts.

Advances issued as of the end of December 2022 accounted for 5.0% of total accounts receivable, or RUB 1.21 billion

Receivables as at 31 December

RUB billion

Receivables	2020	2021	2022	Change 2022/2021, %
Trade receivables (except for rail services)	11.32	10.39	10.42	100.3
Trade receivables (for rail services)	1.47	2.56	1.88	73.4
Prepayments	0.43	0.55	1.21	220.0
Taxes and charges	7.80	7.94	9.71	122.3
Other receivables	0.71	0.71	0.94	132.4
Total	21.73	22.15	24.16	109.1

Accounts payable at the end of 2022 decreased by 32.3% year-on-year and reached RUB 33.61 billion. Such a significant decrease was driven by the repayment of the restructured debt of the Parent Company restructured debt for 2021.

The largest share in accounts payable is represented by trade payables – 38.9%, or RUB 13.09 billion, and advances received for transportation – 31.83%, or RUB 10.70 billion

Payables as at 31 December

RUB billion

Indicators	2020	2021	2022	Change 2022/2021, %
Trade payables	37.24	38.06	13.09	34.4
Payroll liabilities	1.14	1.43	2.37	165.7
Taxes and charges, social insurance	1.26	1.3	4.69	360.8
Prepayments received for other activities	0.25	0.35	0.86	245.7
Prepayments received for rail services	4.21	7.03	10.70	152.2
Other payables	1.64	1.45	1.90	131.0
Total	45.74	49.63	33.61	67.7

As payables are above receivables, the Company can use payables as an additional source of financing. Receivables to payables ratio is 0.72.

32.3%
decrease in accounts payable
at the end of 2022

0.72
receivables to payables ratio

Cash Flows¹

Cash balance on accounts of FPC (including short-term deposits) as at 1 January 2022 stood at RUB 3.0 billion.

Cash flows from operations

In 2022, the cash flow from operating activities totalled RUB 322.2 billion, including RUB 12.1 billion of subsidies from the federal budget. Most cash (71%) was received from passenger services, totalling RUB 227.3 billion excluding transit charges.

Operating expenses amounted to RUB 276.3 billion, including expenses for infrastructure services and locomotive lease totalling RUB 148.7 billion, or 54%.

Net cash flow from operations was RUB 45.9 billion.

3.0 RUB billion

cash balance of JSC FPC including short-term deposits as at 1 January 2022

Cash flows from operations

RUB billion

Indicators	2020	2021	2022	Change 2022/2021, %
Net cash flow	−37.1	−6.7	45.9	149.7
Cash received	149.7	222.9	322.2	104.4
Cash used	186.8	229.5	276.3	99.4

Cash flows from investing activities

Expenses for investment activities totalled RUB 65.6 billion. In the reporting period, RUB 39.2 billion were allocated for passenger rolling stock replacement and upgrades:

- RUB 30.5 billion for the acquisition of new passenger carriages;

- RUB 8.7 billion for passenger rolling stock upgrades.

Negative cash flow from investing activities amounted to RUB 62.6 billion

Cash flows from investing activities

RUB billion

Indicators	2020	2021	2022	Change 2022/2021, %
Cash flow	−25.2	−32.6	−62.6	91.0
Cash received	242.8	228.4	3.0	172.0
Cash used	268.0	261.0	65.6	93.0

Cash flows from financing activities

In 2022, cash received from financing activities totalled RUB 50.6 billion (of which 47% was attributed to borrowings).

- Repayment of loans and borrowings – RUB 22.0 billion.

Cash outflow in the amount of RUB 28.1 billion resulted from:

- Interest payments on loans and borrowings – RUB 6.1 billion

Net cash flows from financing activities totalled RUB 22.5 billion.

Cash flows from financing activities

RUB billion

Indicators	2020	2021	2022	Change 2022/2021, %
Net cash flow	63.8	38.4	22.5	61.5
Cash received	79.7	69.2	50.6	77.1
Cash used	15.9	30.8	28.1	96.9

The total net cash flow of FPC from operating, investing and financing activities for the reporting period was RUB 5.9 billion.

Cash balance on accounts of FPC (including short-term deposits) as at 1 January 2022 stood at RUB 8.8 billion

Financial Review

Indicators ¹	2020	2021	2022
Liquidity			
Absolute liquidity ratio	0.07	0.04	0.13
Quick liquidity ratio	0.26	0.23	0.38
Current liquidity ratio	0.33	0.30	0.49
Leverage ratio	0.64	0.64	0.70
Margins, %			
Sales margin (including subsidies)	−20.4	3.7	14.9
Return on equity (ROE)	−15.8	−2.5	4.8
Return on assets, including subsidies (ROA)	−11.8	−0.5	8.5
Liabilities			
Liabilities in the balance sheet total	0.36	0.36	0.30
Financial leverage (interest-bearing borrowings/equity)	0.31	0.31	0.27
Total debt/EBITDA	−2.81	4.15	1.62
Total debt/revenue	0.49	0.35	0.27

¹ In accordance with the management accounting data.

¹ According to the accounting records for 2022.

Absolute liquidity ratio

0.13

Quick liquidity ratio

0.38

Return on assets, including subsidies (ROA)

8.5

Liabilities in the balance sheet total

0.30

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 2022, the ratio increased by 0.09 p.p. compared to the same period of the previous year (0.04 in 2021).

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 2022, the ratio increased by 0.15 p.p. compared to the previous period (0.23 in 2021).

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 2022, the ratio increased by 9.0 p.p. compared to the previous period (–0.5% in 2021).

The lower share of borrowings in the balance sheet total (0.36 in 2021) 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.

Total debt/ EBITDA

1.62

Current liquidity ratio

0.49

Leverage ratio

0.70

Financial leverage (interest-bearing borrowings/equity)

0.27

The ratio shows how much short-term debt can be covered by the Company by 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 2022, the ratio increased by 0.19 p.p. compared to the previous period (0.30 in 2021).

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.

The ratio increased by 0.06 p.p. in 2022 (0.64 in 2021).

Financial leverage indicates the ratio of borrowings to total capitalisation and shows how efficiently the Company uses its 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 (0.31 in 2021).

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

In 2022, the ratio increased by 2.53 p.p. compared to the previous period (4.15 in 2021).

Total debt/ revenue

0.27

This indicator shows the Company’s debt burden vs its total revenue (0.35 in 2021).

Sales margin (including subsidies)

14.9

Return on equity (ROE)

4.8

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 2022, the ratio increased by 11.2 p.p. compared to the previous period (3.7% in 2021).

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 2022, the ratio increased by 7.3 p.p. compared to the previous period (–2.5% in 2021).

Changes in FPC’s net assets

RUB million

Indicators		2020	2021	2022
1	Authorised capital	206,961.0	221,961.0	248,588.8
2	Net assets	206,714.9	213,255.2	250,900.7
2.1	1. Equity and reserves	206,559.5	213,144.8	250,811.2
	Authorised capital	206,961.0	221,961.0	248,588.8
	Add-on capital	10,231.6	10,112.8	10,076.7
	Retained earnings (accumulated deficit)	–11,949.8	–20,577.2	–9,502.5
	Other	1,316.7	1,648.2	1,648.2
2.2	2. Future income	155.4	110.4	89.5
3	Deviations	–246.1	–8,705.8	2,311.9

The net value of FPC assets as at 31 December 2022 is RUB 250.9 billion and exceeds the Company’s authorised capital (RUB 248.6 billion as at 31 December 2022). This indicates compliance with the mandatory provisions

of Federal Law No. 208-FZ dated 26 December 1995 On Joint Stock Companies concerning the net asset value of joint stock companies.