

Report on Review of Interim Financial Information  
**Joint Stock Company "Federal Passenger Company"**  
**and its subsidiaries**  
for the six-month period ended 30 June 2021

*August 2021*

**Translation of the original Russian version**

**Report on Review of Interim Financial Information  
Joint Stock Company “Federal Passenger Company”  
and its subsidiaries**

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**Translation of the original Russian version**

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## **Report on Review of Interim Financial Information**

### **Translation of the original Russian version**

To the shareholders and Board of Directors of  
Joint Stock Company "Federal Passenger Company"

#### ***Introduction***

We have reviewed the accompanying interim condensed consolidated financial statements of Joint Stock Company "Federal Passenger Company" and its subsidiaries, which comprise the interim consolidated statement of financial position as at 30 June 2021, the interim consolidated statement of profit or loss, interim consolidated statement of other comprehensive income, interim consolidated statement of changes in equity and interim consolidated statement of cash flows for the six-month period then ended, and selected explanatory notes (interim financial information). Management of Joint Stock Company "Federal Passenger Company" is responsible for the preparation and presentation of this interim financial information in accordance with IAS 34, *Interim Financial Reporting*. Our responsibility is to express a conclusion on this interim financial information based on our review.

#### ***Scope of review***

We conducted our review in accordance with International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## **Translation of the original Russian version**

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting*.

I.V. MOSKALENKO  
Partner  
Ernst & Young LLC

26 August 2021

### **Details of the entity**

Name: Joint Stock Company "Federal Passenger Company"  
Record made in the State Register of Legal Entities on 3 December 2009, State Registration Number 1097746772738.  
Address: Russia 107078, Moscow, Mashy Porivaevoy street, 34.

### **Details of the auditor**

Name: Ernst & Young LLC  
Record made in the State Register of Legal Entities on 5 December 2002, State Registration Number 1027739707203.  
Address: Russia 115035, Moscow, Sadovnicheskaya naberezhnaya, 77, building 1.  
Ernst & Young LLC is a member of Self-regulatory organization of auditors Association "Sodruzhestvo".  
Ernst & Young LLC is included in the control copy of the register of auditors and audit organizations, main registration number 12006020327.

**Translation of the original Russian version**  
**Joint Stock Company “Federal Passenger Company”**  
**Interim consolidated statement of financial position**  
**as at 30 June 2021**

*(All amounts are in millions of Russian rubles)*

	Notes	30 June 2021 Unaudited	31 December 2020 Audited
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	259,315	257,084
Right-of-use assets	7	1,067	1,242
Investment property		100	100
Advances issued for acquisition of non-current assets	6	122	110
Intangible assets		723	760
Investments in associates and joint ventures		77	85
Deferred tax assets	10	15,250	12,893
Other non-current financial assets		5,709	6,256
Other non-current assets		549	545
<b>Total non-current assets</b>		<b>282,912</b>	<b>279,075</b>
<b>Current assets</b>			
Inventories		4,494	4,515
Prepayments and other current assets	8	7,938	8,547
Income tax receivable		5	110
Receivables		4,344	4,029
Other short-term financial assets		1,300	800
Cash and cash equivalents	9	1,485	3,928
		<b>19,566</b>	<b>21,929</b>
Assets classified as held for sale		27	34
<b>Total current assets</b>		<b>19,593</b>	<b>21,963</b>
<b>Total assets</b>		<b>302,505</b>	<b>301,038</b>
<b>Equity and liabilities</b>			
<b>Equity attributable to equity holders of the parent</b>			
Share capital	12	221,961	206,961
Investment property revaluation reserve		1,110	1,111
Reserve on re-measurement of defined benefit liabilities		1,658	1,472
Accumulated deficit and other reserves		(50,791)	(41,383)
<b>Total equity attributable to equity holders of the parent</b>		<b>173,938</b>	<b>168,161</b>
<b>Non-current liabilities</b>			
Net assets attributable to non-controlling participants in LLCs		71	71
Deferred tax liabilities	10	3,599	3,334
Long-term borrowings	11	48,500	48,500
Lease liabilities, net of current portion	7	821	1,016
Employee benefit obligations		12,899	12,436
Other non-current contract liabilities		489	333
Other non-current liabilities		118	-
<b>Total non-current liabilities</b>		<b>66,497</b>	<b>65,690</b>
<b>Current liabilities</b>			
Trade and other payables		19,542	38,872
Transportation contract liabilities		20,860	4,223
Lease liabilities, short-term portion	7	466	429
Taxes and similar charges payable (other than income tax)		2,797	2,290
Short-term borrowings	11	11,572	15,889
Other current contract liabilities		1,195	1,132
Other current liabilities		5,638	4,352
<b>Total current liabilities</b>		<b>62,070</b>	<b>67,187</b>
<b>Total liabilities</b>		<b>128,567</b>	<b>132,877</b>
<b>Total equity and liabilities</b>		<b>302,505</b>	<b>301,038</b>

Pyastolov.V.G.

General Director

Muslovets A.A.

Chief Financial Officer

25 August 2021

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

**Translation of the original Russian version**  
**Joint Stock Company “Federal Passenger Company”**

Interim consolidated statement of profit or loss

for the six months ended 30 June 2021

*(All amounts are in millions of Russian rubles)*

	Notes	For the 6 months ended 30 June	
		2021	2020
		Unaudited	
<b>Revenues</b>			
Revenues from transportation	13	75,601	52,901
Other revenues	13	4,998	4,013
<b>Total revenues</b>	13	<b>80,599</b>	<b>56,914</b>
<b>Operating expenses</b>			
Railway infrastructure expenses		(28,775)	(26,136)
Wages, salaries and related contributions		(23,227)	(20,912)
Locomotives expenses		(18,494)	(17,510)
Rent of rolling stock and related expenses		(2,067)	(1,212)
Materials, repairs and maintenance		(9,703)	(6,995)
Depreciation and amortization	5, 7	(7,850)	(7,567)
Rolling stock maintenance and equipping		(1,743)	(1,382)
Bedding and servicing expenses		(2,540)	(1,860)
Taxes other than income tax		(277)	(370)
Bank charges		(917)	(569)
Fuel		(438)	(349)
Electricity		(267)	(240)
Loss on impairment of property, plant and equipment, right-of-use assets, advances issued for acquisition of non-current assets and intangible assets	5	(20)	(197)
Allowance for expected credit losses, net		835	(154)
Other operating expenses		(2,964)	(2,741)
<b>Total operating expenses</b>		<b>(98,447)</b>	<b>(88,194)</b>
<b>Operating loss before subsidies</b>		<b>(17,848)</b>	<b>(31,280)</b>
Subsidies	14	7,705	4,844
<b>Operating loss after subsidies</b>		<b>(10,143)</b>	<b>(26,436)</b>
Finance expense and similar items		(2,441)	(2,168)
Finance income and similar items		336	316
<b>Finance expense and similar items, net</b>		<b>(2,105)</b>	<b>(1,852)</b>
Other income	15	1,044	390
Other expenses	15	(260)	(3,280)
Foreign exchange gain / (loss)		1	(38)
<b>Loss before taxation</b>		<b>(11,463)</b>	<b>(31,216)</b>
Current taxes	10	(29)	(23)
Deferred taxes	10	2,083	5,087
<b>Net loss for the period</b>		<b>(9,409)</b>	<b>(26,152)</b>
<b>Attributable to:</b>			
Equity holders of the parent		(9,409)	(26,152)
<b>Loss per share</b>			
Basic loss for the period attributable to ordinary equity holders of the parent, in Russian rubles		(0.04)	(0.14)
Diluted loss for the period attributable to ordinary equity holders of the parent, in Russian rubles		(0.04)	(0.14)

Pyastolov V.G.

General Director

Muslovets A.A.

Chief Financial Officer

25 August 2021

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

## Translation of the original Russian version

Joint Stock Company “Federal Passenger Company”

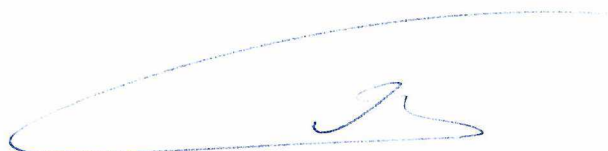
Interim consolidated statement of other comprehensive income

for the six months ended 30 June 2021

(All amounts are in millions of Russian rubles)

	For the 6 months ended 30 June	
	2021	2020
Notes	Unaudited	
<b>Net loss for the period</b>	<b>(9,409)</b>	<b>(26,152)</b>
<b>Other comprehensive loss</b> <i>Items not to be reclassified to profit or loss in subsequent periods, net of income tax</i>		
Income/(loss) on remeasurement of employee defined benefit liabilities	186	(443)
<b>Net other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods</b>	<b>186</b>	<b>(443)</b>
<b>Other comprehensive income/(loss) for the period, net of tax</b>	<b>186</b>	<b>(443)</b>
<b>Total comprehensive loss for the period, net of income tax</b>	<b>(9,223)</b>	<b>(26,595)</b>
<b>Attributable to:</b>		
Equity holders of the parent	(9,223)	(26,595)
	<b>(9,223)</b>	<b>(26,595)</b>

Pyastolov V. G.



General Director

Muslovets A.A.



Chief Financial Officer

25 August 2021

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

## Translation of the original Russian version

Joint Stock Company “Federal Passenger Company”

Interim consolidated statement of changes in equity

for the six months ended 30 June 2021

*(All amounts are in millions of Russian rubles, except share amount)*

		Attributable to equity holders of the parent					
		Share capital	Investment property revaluation reserve	Reserve on re-measurement of defined benefit liabilities	Accumulated deficit and other reserves	Total equity	
Notes	Common shares	Amount	Amount	Amount	Amount	Amount	
As at 1 January 2021 (audited)	12	206,961,040,539	206,961	1,111	1,472	(41,383)	168,161
Net loss for the period		-	-	-	-	(9,409)	(9,409)
Other comprehensive income for the period		-	-	-	186	-	186
<b>Total comprehensive loss</b>		-	-	-	186	(9,409)	(9,223)
Transfer of revaluation reserve on disposal of non-current assets		-	-	(1)	-	1	-
Share capital increase		15,000,000,000	-	-	-	-	15,000
As at 30 June 2021 (unaudited)	12	221,961,040,539	221,961	1,110	1,658	(50,791)	173,938

Pyastolov V.G.

General Director

Muslovets A.A.

Chief Financial Officer

25 August 2021

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



## Translation of the original Russian version

Joint Stock Company “Federal Passenger Company”

Interim consolidated statement of changes in equity

for the six months ended 30 June 2020

*(All amounts are in millions of Russian rubles, except share amount)*

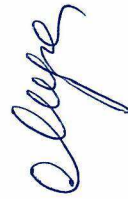
		Attributable to equity holders of the parent						
		Share capital		Investment	Reserve on	Accumulated	Total	
Notes	Common shares	Amount	property revaluation reserve	re-measurement of defined benefit liabilities	other reserves	deficit and other reserves	equity	
12	186,961,040,539	186,961	1,115	1,419	(6,564)		182,931	
As at 1 January 2020 (audited)								
	-	-	-	-	(26,152)		(26,152)	
Net loss for the period					-			
Other comprehensive loss for the period	-	-	-	(443)	-		(443)	
<b>Total comprehensive loss</b>	-	-	-	<b>(443)</b>	<b>(26,152)</b>		<b>(26,595)</b>	
	-	-	(16)	-	16		-	
Transfer of revaluation reserve on disposal of non-current assets								
12	186,961,040,539	186,961	1,099	976	(32,700)		156,336	
As at 30 June 2020 (unaudited)								

Pyastolov V.G.



General Director

Muslovets A.A.



Chief Financial Officer

25 August 2021

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

**Translation of the original Russian version**  
**Joint Stock Company “Federal Passenger Company”**

Interim consolidated statement of cash flows

for the six months ended 30 June 2021

*(All amounts are in millions of Russian rubles)*

	Notes	<b>For the 6 months ended 30 June</b>	
		<b>2021</b>	<b>2020</b>
		<b>Unaudited</b>	
<b>Cash flows from operating activities</b>			
Loss before taxation		(11,463)	(31,216)
<i>Adjustments to reconcile loss before taxation to net cash flows generated from operations</i>			
Depreciation and amortization	5, 7	7,850	7,567
Change in allowance for expected credit losses, net		(835)	154
(Gain)/loss on disposal of property, plant and equipment	15	(571)	3,020
Loss on impairment of property, plant and equipment, right-of use assets, advances issued for acquisition of non-current assets and intangible assets	5	20	197
Finance expense and similar items, net		2,105	1,852
Change in write-offs of obsolete and damaged inventories		(37)	(2)
Foreign exchange (gains)/loss		(1)	38
Effects of employees defined benefit obligations		640	384
Other (gains)/losses, net		(17)	215
<b>Operating loss before working capital changes</b>		<b>(2,309)</b>	<b>(17,791)</b>
Decrease in receivables		797	37
Decrease in prepayments and other current assets		609	3,879
Decrease/(increase) in inventories		67	(983)
(Decrease)/increase in trade and other payables		(9,200)	15,054
Increase/(decrease) in transportation contract liabilities		16,637	(2,314)
Increase/(decrease) in taxes and similar charges payable (other than income tax payable)		507	(738)
Increase/(decrease) in other contract liabilities and in other current liabilities		1,623	(1,215)
<b>Net cash received/(paid) from operating activities before income tax</b>		<b>8,731</b>	<b>(4,071)</b>
Income tax received		59	1,556
<b>Net cash flows received/(paid) from operating activities</b>		<b>8,790</b>	<b>(2,515)</b>

*Continued on next page*

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

**Translation of the original Russian version**  
**Joint Stock Company “Federal Passenger Company”**  
**Interim consolidated statement of cash flows**  
**for the six months ended 30 June 2021 (continued)**

*(All amounts are in millions of Russian rubles)*

	Notes	<b>For the 6 months ended 30 June</b>	
		<b>2021</b>	<b>2020</b>
		<b>Unaudited</b>	
<b>Cash flows from investing activities</b>			
Purchases of property, plant and equipment		(20,305)	(18,120)
Proceeds from disposal of property, plant and equipment and intangible assets		1,332	82
Purchases of intangible assets		(110)	(117)
Loans (issued)/returned, net		(500)	20,550
Interest received		128	265
Proceeds from disposal of controlling interests in subsidiaries, net off cash disposed		174	–
<b>Net cash (used)/received from investing activities</b>		<b>(19,281)</b>	<b>2,660</b>
<b>Cash flows from financing activities</b>			
Contributions to share capital from shareholder		15,000	–
Repayment of long-term borrowings		(357)	(357)
Proceeds from short-term borrowings		6,139	12,913
Repayment of short-term borrowings		(10,169)	(11,163)
Interest paid		(2,298)	(2,089)
Lease payments, excluding interest paid		(206)	(172)
Interest paid on leases		(61)	(78)
<b>Net cash received/(used) from financing activities</b>		<b>8,048</b>	<b>(946)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(2,443)</b>	<b>(801)</b>
Cash and cash equivalents at the beginning of the period	9	3,928	3,291
<b>Cash and cash equivalents at the end of the period</b>	<b>9</b>	<b>1,485</b>	<b>2,490</b>

Pyastolov V.G.



General Director

Muslovets A.A.



Chief Financial Officer

25 August 2021

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

## Translation of the original Russian version

### Joint Stock Company “Federal Passenger Company”

Selected notes to the unaudited interim condensed consolidated financial statements  
for the six months ended 30 June 2021

*(All amounts are in millions of Russian rubles)*

#### 1. Description of Business and Russian Environment

##### Corporate Information

Joint Stock Company “Federal Passenger Company” (“FPC” or “the Company”) was established on 3 December 2009 in connection with implementation of the Program of Railway Transportation Industry Restructuring (“the Program”) for the organization of effective passenger transportation in the long-haul passenger transportation segment. The Company is 100% less 1 share owned by the OJSC “Russian Railways” (OJSC “RZD” or “the Parent”). OJSC “Russian Railways” is 100% owned by the Russian Federation, which is the Company’s ultimate controlling party.

The legal address of FPC is Mashki Porivaevoy Street, 34, 107078, Moscow, Russian Federation.

These interim condensed consolidated financial statements of FPC and its subsidiaries (the “Group”) for the six months ended 30 June 2021 were authorized for issue by the management of FPC on 25 August 2021.

The Company’s subsidiaries are as follows:

Name of the subsidiary	The principal place of business	Nature of business	Group’s effective equity interest	
			30 June 2021	31 December 2020
“NapitkiTransService” LLC	Russia	Beverages sale	51%	51%
“Travel-Tur” LLC	Russia	Tourism	50.01%	50.01%
“Transmobilnost” JSC	Russia	Baggage transportation	100%	100%

Subsidiaries of the Company are registered in the Russian Federation.

The principal activities of the Group are described in Note 4.

##### Factors Affecting Financial Position of the Group

###### *Operating environment*

In 2020 the global economy was negatively impacted by coronavirus pandemic (COVID-19) spread from central China to whole world. Social distancing and lock-down measures to combat COVID-19 in numerous countries, including Russian Federation, continue to have a significant impact on business activity of market participants.

The Government introduced measures to support economy such as subsidies, social contributions payment holidays for affected industries and lending on preferential terms. Management actively interacts with the Government and federal executive authorities, takes measures for providing efficient and stable of Group’s businesses and for minimizing negative effects of external factors on the Group.

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.

## Translation of the original Russian version

### Joint Stock Company “Federal Passenger Company”

#### Selected notes to the unaudited interim condensed consolidated financial statements (continued)

#### 1. Description of Business and Russian Environment (continued)

##### Foreign Exchange

The following table presents official exchange rates of the Russian ruble to foreign currencies set by the Central bank of Russian Federation as at 25 August 2021, 30 June 2021 and 31 December 2020.

	<b>25 August 2021</b>	<b>30 June 2021</b>	<b>31 December 2020</b>
US dollar (USD)	73.95	72.37	73.88
Euro (EUR)	86.81	86.20	90.68
Swiss franc (CHF)	81.01	78.59	83.51

##### Liquidity

As at 30 June 2021, the Group’s current liabilities exceeded its current assets by Rbls 42,477 million (31 December 2020: by 45,224 Rbls million) which is to a large extent explained by the nature of Group’s current liabilities mainly represented by payables for purchase, modernization and maintenance of property, plant and equipment (“PP&E”) as a part of Company’s investment program, as well as by transportation contract liabilities (advances received) due to the fact that the largest part of the Company’s sales of transportation services are made on prepayment basis. The Company does not expect any changes in the general business terms of its contracts with customers and suppliers.

The Company determines the source of financing of an appropriate duration for all the projects included in the Company’s investment program in accordance with the approved financial plan.

The Group is investing in expansion and renewal of its PP&E. The Group finances its investment activities through cash generated from operations, equity and debt financial instruments, and also government funds received in the form of subsidies.

Management uses the following instruments in order to manage the Group’s liquidity:

- Continuous monitoring and management of loan portfolio structure aimed at maintaining its long-term nature and ensuring even flows of borrowings repayment in future periods;
- Maintaining diversified sources of external borrowings, including borrowings from commercial banks and issuance of equity and debt securities;
- Entering into long-term and medium-term credit agreements with local banks to ensure sufficiency of available financial resources;
- Using short-term bridge facilities to ensure smooth cash flows for financing investments and operations;
- Obtaining approval of subsidies from federal government to compensate the effects of passenger transportation tariffs regulation.

## **Translation of the original Russian version**

### **Joint Stock Company “Federal Passenger Company”**

Selected notes to the unaudited interim condensed consolidated financial statements  
(continued)

#### **1. Description of Business and Russian Environment (continued)**

##### **Liquidity (continued)**

Management believes that through twelve months after the date of authorization of these interim condensed consolidated financial statements, there will be sufficient funding for financing operating activities from (a) existing cash balances, (b) cash generated from operations in subsequent reporting periods, (c) available debt financing within credit limits under credit facility agreement (d) funds from issued equity financial instruments, and (e) additional government support. As of 30 June 2021 the unutilized amount under credit line agreements was Rbls 89,434 million.

#### **2. Summary of Significant Accounting Policies**

##### **Basis of Preparation of Interim Condensed Consolidated Financial Statements**

The interim condensed consolidated financial statements for the six months ended 30 June 2021 have been prepared in accordance with IAS 34 *Interim Financial Reporting*.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group’s annual consolidated financial statements as at 31 December 2020.

The Group’s interim condensed consolidated financial statements are presented in Russian rubles (“Rbls”) and all values are rounded to the nearest million (Rbls mln or Rbls million), unless otherwise indicated.

##### **Changes in Accounting Policy and Disclosures**

The accounting policies adopted in the preparation of these interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2020, except for the adoption of amendments to standards effective as of 1 January 2021. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Several other amendments and interpretations listed below were applied by the Group for the first time in 2021, but these amendments and interpretations do not have an impact on the interim condensed consolidated financial statements of the Group.

## **Translation of the original Russian version**

Joint Stock Company “Federal Passenger Company”

Selected notes to the unaudited interim condensed consolidated financial statements  
(continued)

### **2. Summary of Significant Accounting Policies (continued)**

#### **Amendments to the Existing Standards Applied for the First Time by the Group**

*Amendments to IFRS 9 Financial Instruments, IAS 39 Financial Instruments: Recognition and Measurement, IFRS 7 Financial Instruments: Disclosures, IFRS 4 Insurance Contracts and IFRS 16 Leases: Interest Rate Benchmark Reform – Phase 2*

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate.

The amendments include the following principal expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest;
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued;
- Provide temporary relief to entities from having to meet the separately identifiable requirement when risk-free interest rate instrument is designated as a hedge of a risk component.

These amendments had no impact to on the interim condensed consolidated financial statements of the Group. The Group intends to use the practical expedients in future periods if they become applicable.

### **3. Seasonality of Operations**

The Group’s business is significantly affected by seasonality. The Group’s revenues during the first six months of a year represent usually the lower part of the Group’s annual revenue. Higher revenue during the period from June to August is mainly attributed to the summer vacations season.

## Translation of the original Russian version

### Joint Stock Company “Federal Passenger Company”

Selected notes to the unaudited interim condensed consolidated financial statements  
(continued)

#### 4. Segment Reporting

The following tables present revenue and segment results information regarding the Group’s reportable operating segments:

The six months ended 30 June 2021:

	<b>Domestic regulated long-haul passenger transportation</b>	<b>Unregulated long-haul passenger transportation</b>	<b>All other segments</b>	<b>Eliminations (A)</b>	<b>Adjustments (B)</b>	<b>Total</b>
	<i>Rbls mln</i>	<i>Rbls mln</i>	<i>Rbls mln</i>	<i>Rbls mln</i>	<i>Rbls mln</i>	<i>Rbls mln</i>
Sales to third parties	35,303	35,740	10,158	–	(602)	<b>80,599</b>
Inter-segment sales	–	50	1,058	(1,108)	–	–
<b>Total income</b>	<b>35,303</b>	<b>35,790</b>	<b>11,216</b>	<b>(1,108)</b>	<b>(602)</b>	<b>80,599</b>
<b>Total expenses</b>	<b>(49,954)</b>	<b>(40,540)</b>	<b>(8,954)</b>	<b>1,108</b>	<b>6,278</b>	<b>(92,062)</b>
<b>Segment result</b>	<b>(14,651)</b>	<b>(4,750)</b>	<b>2,262</b>	–	<b>5,676</b>	<b>(11,463)</b>

The six months ended 30 June 2020:

	<b>Domestic regulated long-haul passenger transportation</b>	<b>Unregulated long-haul passenger transportation</b>	<b>All other segments</b>	<b>Eliminations (A)</b>	<b>Adjustments (B)</b>	<b>Total</b>
	<i>Rbls mln</i>	<i>Rbls mln</i>	<i>Rbls mln</i>	<i>Rbls mln</i>	<i>Rbls mln</i>	<i>Rbls mln</i>
Sales to third parties	27,251	23,173	6,809	–	(319)	<b>56,914</b>
Inter-segment sales	–	39	685	(724)	–	–
<b>Total income</b>	<b>27,251</b>	<b>23,212</b>	<b>7,494</b>	<b>(724)</b>	<b>(319)</b>	<b>56,914</b>
<b>Total expenses</b>	<b>(49,889)</b>	<b>(33,060)</b>	<b>(5,721)</b>	<b>724</b>	<b>(184)</b>	<b>(88,130)</b>
<b>Segment result</b>	<b>(22,638)</b>	<b>(9,848)</b>	<b>1,773</b>	–	<b>(503)</b>	<b>(31,216)</b>

(A) Inter-segment revenues and margins are eliminated on consolidation.



## Translation of the original Russian version

### Joint Stock Company “Federal Passenger Company”

#### Selected notes to the unaudited interim condensed consolidated financial statements (continued)

#### 4. Segment Reporting (continued)

(B) The operating profit of each operating segment does not include the following adjustments representing differences between management accounts and these interim condensed consolidated financial statements prepared in accordance with IAS 34 for the six months ended 30 June:

	2021	2020
	<i>Rbls mln</i>	<i>Rbls mln</i>
<b>Total segment results</b>	<b>(17,139)</b>	<b>(30,713)</b>
Amounts withheld from customers for tickets’ return (according to transportation rules)	232	143
Accrual of deferred income from Customer Loyalty Program RZD Bonus	(180)	140
Net-off of rent income from laundry premises	(543)	(506)
Other revenue adjustments	(111)	(96)
	<b>(602)</b>	<b>(319)</b>
Subsidies from federal budgets (Note 14)	7,705	4,844
PP&E adjustments (C)	1,540	(998)
Additional employee long-term benefit obligations	(640)	(384)
Free of charge transportation, bonuses and other employee benefits	(433)	(374)
Loss on impairment of property, plant and equipment, advances issued for acquisition of non-current assets and intangible assets (Notes 5, 6), net	(20)	(197)
Finance expenses and similar items, net	(2,105)	(1,852)
Bank charges	(917)	(569)
Contributions to trade union, membership fees to professional associations (Note 15)	(137)	(133)
Foreign exchange (loss)/profit, net	1	(38)
Net-off of bedding and servicing expenses provided by outsources	543	506
Other expenses adjustments	741	(989)
	<b>6,278</b>	<b>(184)</b>
<b>Total adjustments to loss before taxation</b>	<b>5,676</b>	<b>(503)</b>
<b>Loss before tax</b>	<b>(11,463)</b>	<b>(31,216)</b>

(C) PP&E adjustments represent the effect of different carrying values and useful lives of property, plant and equipment and accounting treatment of property, plant and equipment components for the purposes of management accounts and consolidated financial statements prepared in accordance with IFRS.

The Group did not present disclosure of operating assets and liabilities, as well as breakdown of expenses included in reported segment result as they are not regularly provided to the chief operating decision maker in assessing segment performance and deciding how to allocate resources.

## Translation of the original Russian version

### Joint Stock Company “Federal Passenger Company”

Selected notes to the unaudited interim condensed consolidated financial statements  
(continued)

#### 5. Property, Plant and Equipment

Property, plant and equipment as at 30 June 2021 and 30 June 2020 comprised the following:

30 June 2021:

<b>Gross book value</b>	<b>Balance as at 1 January 2021</b>	<b>Additions</b>	<b>Transfers</b>	<b>Disposals</b>	<b>Balance as at 30 June 2021</b>
	<i>Rbls mln</i>	<i>Rbls mln</i>	<i>Rbls mln</i>	<i>Rbls mln</i>	<i>Rbls mln</i>
Land	33	–	–	(16)	17
Buildings	19,160	–	191	(547)	18,804
Constructions	5,328	22	–	(1)	5,349
Superstructure	333	–	–	–	333
Operating equipment	20,451	149	181	(292)	20,489
Rolling stock, passenger	419,162	8,279	6,576	(1,530)	432,487
Other fixed assets	1,958	5	–	(24)	1,939
Construction-in-progress	9,378	2,238	(6,948)	(80)	4,588
<b>Total</b>	<b>475,803</b>	<b>10,693</b>	<b>–</b>	<b>(2,490)</b>	<b>484,006</b>

<b>Accumulated depreciation and impairment</b>	<b>Balance as at 1 January 2021</b>	<b>Depreciation charge for the period</b>	<b>Accumulated depreciation on disposals</b>	<b>Balance as at 30 June 2021</b>
	<i>Rbls mln</i>	<i>Rbls mln</i>	<i>Rbls mln</i>	<i>Rbls mln</i>
Land	–	–	–	–
Buildings	(3,800)	(390)	102	(4,088)
Constructions	(2,316)	(84)	1	(2,399)
Superstructure	(152)	(4)	–	(156)
Operating equipment	(9,909)	(538)	178	(10,269)
Rolling stock, passenger	(144,022)	(6,487)	923	(149,586)
Other fixed assets	(736)	(30)	20	(746)
Construction-in-progress	–	–	–	–
Impairment	(57,784)	–	337	(57,447)
<b>Total</b>	<b>(218,719)</b>	<b>(7,533)</b>	<b>1,567</b>	<b>(224,691)</b>

## Translation of the original Russian version

### Joint Stock Company “Federal Passenger Company”

Selected notes to the unaudited interim condensed consolidated financial statements  
(continued)

#### 5. Property, Plant and Equipment (continued)

30 June 2020:

Gross book value	Balance as at 1 January 2020	Additions	Transfers	Disposals	Balance as at 30 June 2020
	<i>Rbls mln</i>				<i>Rbls mln</i>
Land	32	1	–	–	33
Buildings	17,793	102	686	(98)	18,483
Constructions	4,906	239	1	(5)	5,141
Superstructure	333	–	–	–	333
Operating equipment	20,018	329	33	(147)	20,233
Rolling stock, passenger	395,316	6,926	4,298	(11,980)	394,560
Other fixed assets	1,953	57	–	(100)	1,910
Construction-in-progress	6,813	17,399	(5,018)	(144)	19,050
<b>Total</b>	<b>447,164</b>	<b>25,053</b>	<b>–</b>	<b>(12,474)</b>	<b>459,743</b>

Accumulated depreciation and impairment	Balance as at 1 January 2020	Depreciation charge for the period	Accumulated depreciation on disposals	Balance as at 30 June 2020
	<i>Rbls mln</i>	<i>Rbls mln</i>	<i>Rbls mln</i>	<i>Rbls mln</i>
Land	–	–	–	–
Buildings	(3,558)	(129)	9	(3,678)
Constructions	(2,163)	(77)	2	(2,238)
Superstructure	(143)	(4)	–	(147)
Operating equipment	(9,112)	(526)	73	(9,565)
Rolling stock, passenger	(140,463)	(6,449)	3,350	(143,562)
Other fixed assets	(765)	(40)	37	(768)
Construction-in-progress	–	–	–	–
Impairment	(58,674)	–	255	(58,419)
<b>Total</b>	<b>(214,878)</b>	<b>(7,225)</b>	<b>3,726</b>	<b>(218,377)</b>

Net book value	Balance as at 30 June 2021	Balance as at 30 June 2020	Balance as at 31 December 2020
	<i>Rbls mln</i>	<i>Rbls mln</i>	<i>Rbls mln</i>
Land	17	33	33
Buildings	14,716	14,805	15,306
Constructions	2,950	2,903	3,012
Superstructure	177	186	181
Operating equipment	10,220	10,668	10,542
Rolling stock, passenger	282,901	250,998	275,140
Other fixed assets	1,193	1,142	1,222
Construction-in-progress	4,588	19,050	9,378
Impairment	(57,447)	(58,419)	(57,784)
<b>Total</b>	<b>259,315</b>	<b>241,366</b>	<b>257,084</b>

## Translation of the original Russian version

### Joint Stock Company “Federal Passenger Company”

Selected notes to the unaudited interim condensed consolidated financial statements  
(continued)

#### 5. Property, Plant and Equipment (continued)

Borrowing costs capitalized as property, plant and equipment during the six months ended 30 June 2021 amounted to Rbls 1 million (six months ended 30 June 2020: Rbls 1 million).

During the six months ended 30 June 2021 the Group recognized loss from impairment related to carrying amount of certain property, plant and equipment and construction in progress items which were planned to be disposed by the management in amount of Rbls 20 million (six months ended 30 June 2020: loss in the amount of Rbls 197 million).

The Group represents one cash-generating unit (CGU FPC). As of 30 June 2021 the Group identified impairment indicators and performed impairment test for CGU FPC. Despite significant negative effect of COVID-19 infectious disease on the volume of long-haul passenger transportation (Note 1) the Group did not identify impairment loss for CGU FPC as of 30 June 2021.

#### 6. Advances Issued for Acquisition of Non-current Assets

As of 30 June 2021 and 31 December 2020 advances for acquisition of non-current assets comprised advance for technological connection to electric network, advance payments for cars and construction net of impairment provision as follows:

	<b>30 June 2021</b>	<b>31 December 2020</b>
	<i>Rbls mln</i>	<i>Rbls mln</i>
Advances issued for acquisition of non-current assets	122	110
Less: impairment allowance	–	–
<b>Advances issued for acquisition of non-current assets, net</b>	<b>122</b>	<b>110</b>

#### 7. Leasing – Amounts Recognized in the Statement of Financial Position and in the Statement of Profit or Loss

	<b>Buildings</b>	<b>Other</b>	<b>Total</b>	<b>Lease liabilities</b>
<b>Carrying values as at 1 January 2021</b>	<b>1,225</b>	<b>17</b>	<b>1,242</b>	<b>1,445</b>
Additions	50	–	50	50
Disposals	(2)	–	(2)	(2)
Interest expense	–	–	–	61
Payment of lease liabilities for the period	–	–	–	(267)
Depreciation charge for the period	(222)	(1)	(223)	–
<b>Carrying values as at 30 June 2021</b>	<b>1,051</b>	<b>16</b>	<b>1,067</b>	<b>1,287</b>

## Translation of the original Russian version

### Joint Stock Company “Federal Passenger Company”

Selected notes to the unaudited interim condensed consolidated financial statements  
(continued)

#### 7. Leasing – Amounts Recognized in the Statement of Financial Position and in the Statement of Profit or Loss (continued)

	<b>Buildings</b>	<b>Total</b>	<b>Lease liabilities</b>
<b>Carrying values as at 1 January 2020</b>	<b>1,708</b>	<b>1,708</b>	<b>1,836</b>
Disposals	(4)	(4)	(4)
Interest expense	–	–	78
Payment of lease liabilities for the period	–	–	(250)
Depreciation charge for the period	(219)	(219)	–
<b>Carrying values as at 30 June 2020</b>	<b>1,485</b>	<b>1,485</b>	<b>1,660</b>

Amounts recognized in the statement of profit or loss for the six months ended 30 June 2021 and 30 June 2020 are as follows:

	<b>2021</b>	<b>2020</b>
	<i>Rbls mln</i>	<i>Rbls mln</i>
Depreciation charge of right-of-use assets	(223)	(219)
Interest expenses related to lease liabilities	(61)	(78)
Rent expense – short-term leases	(2,006)	(1,196)
Rent expense – leases of low-value assets	(67)	(16)
<b>Total amount recognized in profit or loss</b>	<b>(2,357)</b>	<b>(1,509)</b>

#### 8. Prepayments and Other Current Assets

Prepayments and other current assets comprised the following:

	<b>30 June 2021</b>	<b>31 December 2020</b>
	<i>Rbls mln</i>	<i>Rbls mln</i>
VAT balance due from budget and VAT on advances received	7,056	7,735
Advances paid to suppliers	509	350
VAT on advances paid for non-current assets	24	23
Other current assets	349	439
<b>Total prepayments and other current assets</b>	<b>7,938</b>	<b>8,547</b>

#### 9. Cash and Cash Equivalents

Cash and cash equivalents comprised the following:

	<b>30 June 2021</b>	<b>31 December 2020</b>
	<i>Rbls mln</i>	<i>Rbls mln</i>
Cash and other cash equivalents in Russian rubles	1,464	3,887
Cash in foreign currencies	21	41
<b>Total cash and cash equivalents</b>	<b>1,485</b>	<b>3,928</b>

## Translation of the original Russian version

### Joint Stock Company “Federal Passenger Company”

Selected notes to the unaudited interim condensed consolidated financial statements  
(continued)

#### 10. Income Taxes

The major components of income tax expense and benefits for the six months ended 30 June 2021 and 30 June 2020 comprised the following:

	<b>2021</b>	<b>2020</b>
	<i>Rbls mln</i>	<i>Rbls mln</i>
<b>Current income tax</b>		
Income tax expense	(29)	(23)
<b>Current income tax expense</b>	<b>(29)</b>	<b>(23)</b>
<b>Deferred tax benefit</b>		
Relating to origination and reversal of temporary differences	2,083	5,087
<b>Income tax benefit reported in profit or loss</b>	<b>2,054</b>	<b>5,064</b>
Income tax benefit recognized in other comprehensive income	9	1
<b>Income tax benefit</b>	<b>2,063</b>	<b>5,065</b>

Deferred tax relates to the following:

	<b>30 June 2021</b>	<b>31 December 2020</b>
	<i>Rbls mln</i>	<i>Rbls mln</i>
<b>Tax effects of taxable temporary differences</b>		
Valuation of property, plant and equipment	(3,489)	(3,260)
Valuation of inventories	(97)	(61)
Valuation of investment property	(12)	(13)
<b>Tax effects of deductible temporary differences</b>		
Tax losses carry forward	12,177	10,010
Payables and accruals	1,303	1,009
Valuation of receivables	940	1,168
Employee benefit obligations	740	653
Right-of-use assets, net	44	40
Valuation of intangible assets	19	6
Other	26	7
<b>Total net deferred tax asset/(liability), net</b>	<b>11,651</b>	<b>9,559</b>
Deffered tax assets	15,250	12,893
Deffered tax liabilities	(3,599)	(3,334)

## Translation of the original Russian version

### Joint Stock Company “Federal Passenger Company”

#### Selected notes to the unaudited interim condensed consolidated financial statements (continued)

#### 11. Borrowings

The outstanding balances of long-term and short-term borrowings comprised the following:

30 June 2021		Original currency	Principal and interest amount in original currency	Interest rate per annum	Maturity of non-current portion	Current Rbls mln	Non-current Rbls mln
			<i>Rbls mln</i>				
<b>Fixed rates</b>							
Other		RUR	34			34	–
<b>Variable rates</b>							
JSC GazPromBank	(A)	RUR	357	Central Bank of Russia key rate + 1.25%		357	–
JSC “Alfa-Bank”	(C)	RUB	4,568	Central Bank of Russia key rate + 1.38%		4,568	–
JSC VTB	(E)	RUB	6,002	Central Bank of Russia key rate + 1.45%		6,002	–
<b>Debt securities issued</b>							
Bonds	(B)	RUR	39,010	6.9%-8.9%	2022-2025	510	38,500
Bonds	(B)	RUR	10,101	zero-coupon yield curve of Moscow Exchange	2028	101	10,000
<b>Total</b>						<b>11,572</b>	<b>48,500</b>

31 December 2020		Original currency	Principal and interest amount in original currency	Interest rate per annum	Maturity of non-current portion	Current Rbls mln	Non-current Rbls mln
			<i>Rbls mln</i>				
<b>Fixed rates</b>							
JSC VTB	(D)	RUB	4,935	1,50%		4,935	–
Other		RUR	66			66	–
<b>Variable rates</b>							
JSC GazPromBank	(A)	RUR	714	Central Bank of Russia key rate + 1.25%		714	–
JSC “Alfa-Bank”	(C)	RUB	9,569	Central Bank of Russia key rate + 1.38%-1.48%		9,569	–
<b>Debt securities issued</b>							
Bonds	(B)	RUR	39,018	6.90%-8.90%	2022-2025	518	38,500
Bonds	(B)	RUR	10,087	zero-coupon yield curve of Moscow Exchange	2028	87	10,000
<b>Total</b>						<b>15,889</b>	<b>48,500</b>

(A) In October 2011 the Group has signed a secured long-term credit facility agreement, denominated in Russian ruble, with JSC GazPromBank for the total amount of Rbls 7,500 million to finance acquisition of passenger rolling stock from Patentes Talgo S.L. Principal is to be repaid by equal quarterly instalments starting November 2014. As of 30 June 2021 the Group has drawn Rbls 6,324 million (31 December 2020: Rbls 6,324 million). There were no pledged assets as of 30 June 2021.

## Translation of the original Russian version

### Joint Stock Company “Federal Passenger Company”

#### Selected notes to the unaudited interim condensed consolidated financial statements (continued)

#### 11. Borrowings (continued)

- (B) In April 2017 Group issued non-convertible bonds series 001P-01 for the total amount of Rbls 5,000 million and maturity of 10 years each with embedded put option exercisable in 5.5 years. Bonds were issued on domestic market. The first coupon was set at 8.8%. Coupons are paid semi-annually in arrears.

In December 2017 Group issued non-convertible bonds series 001P-02 for the total amount of Rbls 5,000 million and maturity of 10 years each with embedded put option exercisable in 5 years. Bonds were issued on domestic market. The first coupon was set at 7.75%. Coupons are paid semi-annually in arrears.

In March 2018 Group issued non-convertible bonds series 001P-03 for the total amount of Rbls 10,000 million and maturity of 10 years each with embedded put option exercisable in 5 years. Bonds were issued on domestic market. The first coupon was set at 7.2%. Coupons are paid semi-annually in arrears.

In October 2018 Group issued non-convertible bonds series 001P-04 for the total amount of Rbls 5,000 million and maturity of 10 years each with embedded put option exercisable in 5 years. Bonds were issued on domestic market. The first coupon was set at 8.9%. Coupons are paid semi-annually in arrears.

In November 2018 Group issued non-convertible bonds series 001P-05 for the total amount of Rbls 10,000 million and maturity of 10 years each. Bonds were issued on domestic market. Coupon rate is fixed as 8.4% p.a. for the first and second coupon periods. Coupon rate starting from the 3-rd and subsequent coupon periods is set using floating interest rate with reference to point at zero-coupon yield curve of Moscow Exchange corresponding to maturity yield for 7 years re-set semi-annually at the end of the 5<sup>th</sup> business day before the next coupon period start. Coupons are paid semi-annually in arrears.

In June 2019 Group issued non-convertible bonds series 001P-06 for the total amount of Rbls 8,000 million and maturity of 10 years each with embedded put option exercisable in 4 years. Bonds were issued on domestic market. The first coupon was set at 8.4%. Coupons are paid semi-annually in arrears.

In November 2019 Group issued non-convertible bonds series 001P-07 for the total amount of Rbls 5,500 million and maturity of 10 years each with embedded put option exercisable in 6 years. Bonds were issued on domestic market. The first coupon was set at 6.9%. Coupons are paid semi-annually in arrears.

- (C) In January 2019 Group has signed revolving credit line agreement with in Russian ruble with AO “ALFA-BANK” for the total amount of Rbls 10,000 million to finance operating, investment and financial operation. As of 30 June 2021 the Group has received Rbls 9,566 million under the agreement.
- (D) In June 2020 Group signed short-term credit line agreement with JSC VTB denominated in Russian ruble for the total amount of Rbls 5,000 million to finance operating, investing and financing activities. As of 30 June 2021 the Group has received Rbls 5,000 million.



## Translation of the original Russian version

### Joint Stock Company “Federal Passenger Company”

#### Selected notes to the unaudited interim condensed consolidated financial statements (continued)

#### 11. Borrowings (continued)

(E) In September 2019 Group has signed renewable credit-line agreement with JSC VTB denominated in Russian ruble for the total amount of Rbls 10,000 million to finance operating, investing and financing activities. As of 30 June 2021 the Group has received Rbls 6,000 million.

As of 30 June 2021 the unutilized amount under credit line agreements was Rbls 89,434 million.

#### 12. Equity

##### Share Capital

The share capital of the Company as at 30 June 2021 consists of 221,961,040,539 (31 December 2020: 206,961,040,539) authorized, issued, outstanding common shares with par value of Rbls 1. Shares are issued and fully paid.

	<b>For the six months ended 30 June 2021</b>	<b>For the six months ended 30 June 2020</b>
Weighted average number of ordinary shares, mln	215,331	186,961
Loss for the period, Rbls mln	(9,409)	(26,152)
Basic loss per share, Rbls per share	(0.04)	(0.14)
Diluted loss per share, Rbls per share	(0.04)	(0.14)

Company does not possess any instruments (including contingently issuable shares) that could potentially dilute basic earnings per share in the future.

The Company shareholder structure was as follows:

	<b>30 June 2021</b>	<b>31 December 2020</b>	<b>1 January 2020</b>
OJSC “RZD”	100% less 1 share	100% less 1 share	100% less 1 share
OJSC “RZD UPRAVLENIE AKTIVAMI”	1 share	1 share	1 share
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

In June 2021 the Company’s shareholders took decision not to pay dividends for results of 2020.

## Translation of the original Russian version

### Joint Stock Company “Federal Passenger Company”

Selected notes to the unaudited interim condensed consolidated financial statements  
(continued)

#### 13. Revenues

Revenues from contracts with customers and operating lease income for the six months ended 30 June 2021 comprised the following:

Revenue description	Domestic regulated long-haul passenger transportation segment	Unregulated long-haul passenger transportation segment	All other segments	Total
	<i>Rbls mln</i>	<i>Rbls mln</i>	<i>Rbls mln</i>	<i>Rbls mln</i>
Domestic long-haul passenger transportation	32,215	33,444	5,082	<b>70,741</b>
International long-haul passenger transportation	–	1,219	–	<b>1,219</b>
Domestic baggage and cargo transportation	3,055	–	–	<b>3,055</b>
International baggage and cargo transportation	–	20	–	<b>20</b>
Tickets reissue and booking charges	–	566	–	<b>566</b>
Provision of passenger rolling stock	–	–	1,155	<b>1,155</b>
Printed matter and tea	–	–	933	<b>933</b>
Surcharges for tickets sales and other	–	–	747	<b>747</b>
Repair of rolling stock	–	–	693	<b>693</b>
Railway infrastructure services	–	–	327	<b>327</b>
Servicing of rolling stock and personnel services	–	–	170	<b>170</b>
Other services	–	–	522	<b>522</b>
<b>Total revenues from contracts with customers</b>	<b>35,270</b>	<b>35,249</b>	<b>9,629</b>	<b>80,148</b>
<b>Satisfied</b>				
At point in time	–	–	2,895	<b>2,895</b>
Over time	35,270	35,249	6,734	<b>77,253</b>
<b>Total revenues from contracts with customers</b>	<b>35,270</b>	<b>35,249</b>	<b>9,629</b>	<b>80,148</b>
Lease income	–	–	451	<b>451</b>
<b>Total income</b>	<b>35,270</b>	<b>35,249</b>	<b>10,080</b>	<b>80,599</b>

Reconciliation of revenues from contracts with customers revenues disclosed in Note 4 “Segment Reporting”:

	Domestic regulated long-haul passenger transportation segment	Unregulated long-haul passenger transportation segment	All other segments	Total
	<i>Rbls mln</i>	<i>Rbls mln</i>	<i>Rbls mln</i>	<i>Rbls mln</i>
Sales to third parties	35,303	35,740	10,158	<b>81,201</b>
Inter-segment sales	–	50	1,058	<b>1,108</b>
<b>Total revenue</b>	<b>35,303</b>	<b>35,790</b>	<b>11,216</b>	<b>82,309</b>
Adjustments and eliminations	(33)	(541)	(1,136)	<b>(1,710)</b>
<b>Total income</b>	<b>35,270</b>	<b>35,249</b>	<b>10,080</b>	<b>80,599</b>

## Translation of the original Russian version

### Joint Stock Company “Federal Passenger Company”

Selected notes to the unaudited interim condensed consolidated financial statements  
(continued)

#### 13. Revenues (continued)

Revenues from contracts with customers and operating lease income for the six months ended 30 June 2020 comprised the following:

Revenue description	Domestic regulated long-haul passenger transportation segment <i>Rbls mln</i>	Unregulated long-haul passenger transportation segment <i>Rbls mln</i>	All other segments <i>Rbls mln</i>	Total <i>Rbls mln</i>
Domestic long-haul passenger transportation	24,235	19,292	3,446	46,973
International long-haul passenger transportation	–	1,941	–	1,941
Domestic baggage and cargo transportation	2,991	–	–	2,991
International baggage and cargo transportation	12	–	–	12
Tickets reissue and booking charges	–	984	–	984
Railway infrastructure services	–	–	720	720
Repair of rolling stock	–	–	686	686
Provision of passenger rolling stock	–	–	506	506
Surcharges for tickets sales and other	–	–	503	503
Printed matter and tea	–	–	499	499
Servicing of rolling stock and personnel services	–	–	175	175
IT services	–	–	160	160
Locomotive traction services	–	–	128	128
Other services	–	–	251	251
<b>Total revenues from contracts with customers</b>	<b>27,238</b>	<b>22,217</b>	<b>7,074</b>	<b>56,529</b>
<b>Satisfied</b>				
At point in time	–	–	1,939	1,939
Over time	27,238	22,217	5,135	54,590
<b>Total revenues from contracts with customers</b>	<b>27,238</b>	<b>22,217</b>	<b>7,074</b>	<b>56,529</b>
Lease income	–	–	385	385
<b>Total income</b>	<b>27,238</b>	<b>22,217</b>	<b>7,459</b>	<b>56,914</b>

Reconciliation of revenues from contracts with customers revenues disclosed in Note 4 “Segment Reporting”:

	Domestic regulated long-haul passenger transportation segment <i>Rbls mln</i>	Unregulated long-haul passenger transportation segment <i>Rbls mln</i>	All other segments <i>Rbls mln</i>	Total <i>Rbls mln</i>
Sales to third parties	27,251	23,173	6,809	57,233
Inter-segment sales	–	39	685	724
<b>Total revenue</b>	<b>27,251</b>	<b>23,212</b>	<b>7,494</b>	<b>57,957</b>
Adjustments and eliminations	(13)	(995)	(35)	(1,043)
<b>Total income</b>	<b>27,238</b>	<b>22,217</b>	<b>7,459</b>	<b>56,914</b>

## Translation of the original Russian version

### Joint Stock Company “Federal Passenger Company”

Selected notes to the unaudited interim condensed consolidated financial statements  
(continued)

#### 14. Subsidies from Federal Budget

Subsidies from federal budget for the six months ended 30 June 2021 and 30 June 2020 comprised compensations of the effects of tariffs’ regulation for third- and fourth-class long-haul passenger transportation services.

#### 15. Other Income and Expenses

Other income for the six months ended 30 June 2021 and 30 June 2020 comprised the following:

	<b>2021</b>	<b>2020</b>
	<i>Rbls mln</i>	<i>Rbls mln</i>
Gain on disposal of property, plant and equipment, net	571	–
Payables with expired limitation of action period	106	14
Penalties charged to customers	99	125
Gain on inventories disposal, net	95	–
Gain on disposal of controlling interest in subsidiary	–	118
Other income	173	133
<b>Total other income</b>	<b>1,044</b>	<b>390</b>

Other expenses for the six months ended 30 June 2021 and 30 June 2020 comprised the following:

	<b>2021</b>	<b>2020</b>
	<i>Rbls mln</i>	<i>Rbls mln</i>
Loss on disposal of property, plant and equipment, net	–	(3,020)
Loss on inventories disposal, net	–	(8)
Contributions to trade union	(137)	(133)
Other expenses	(123)	(119)
<b>Total other expenses</b>	<b>(260)</b>	<b>(3,280)</b>

## Translation of the original Russian version

### Joint Stock Company “Federal Passenger Company”

#### Selected notes to the unaudited interim condensed consolidated financial statements (continued)

#### 16. Related Party Transactions

As defined by IAS 24 *Related Parties Disclosures* the entity is related to a reporting entity if any of the following conditions applies:

- (a) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (b) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (c) Both entities are joint ventures of the same third party.
- (d) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (e) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
- (f) The entity is controlled or jointly controlled by a person, that:
  - (i) Has control or joint control over the reporting entity;
  - (ii) Has significant influence over the reporting entity; or
  - (iii) Is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and 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.

## Translation of the original Russian version

### Joint Stock Company “Federal Passenger Company”

Selected notes to the unaudited interim condensed consolidated financial statements  
(continued)

#### 16. Related Party Transactions (continued)

The most significant balances with related parties as of 30 June 2021 and 31 December 2020 are as follows (for description of the nature of the relationships between the Group and its related parties refer to definitions in a.-f. above):

<b>Related party, nature of relations, type of service/product</b>	<b>As of 30 June 2021</b>		<b>As of 31 December 2020</b>	
	<b>Amounts receivable</b>	<b>(Amounts payable)</b>	<b>Amounts receivable</b>	<b>(Amounts payable)</b>
	<i>Rbls mln</i>	<i>Rbls mln</i>	<i>Rbls mln</i>	<i>Rbls mln</i>
<b>Operating activities</b>				
<i>Transactions with parent company (a)</i>				
<i>Attributed to sales and income</i>				
Transportation	479	(9)	106	(1)
Other	313	(90)	253	(152)
<i>Attributed to purchases and expenses</i>				
Railway infrastructure	166	(5,215)	52	(10,453)
Locomotives expenses	12	(4,634)	–	(7,785)
Fixed assets, materials and other services	346	(1,185)	259	(891)
<i>Transactions with parent’s subsidiary companies (a)</i>				
<i>Attributed to sales and income</i>				
Other	190	(13)	56	(8)
<i>Attributed to purchases and expenses</i>				
Repair and other services	49	(180)	67	(307)
<i>Transactions with associates and joint ventures (b)</i>				
<i>Attributed to sales and income</i>				
Other	113	–	54	(1)
<i>Attributed to purchases and expenses</i>				
Transportation	–	(5)	–	(8)
Repair services	–	(5)	–	(4)
Pension contributions	–	(39)	–	(34)
Other	–	(395)	–	(4)

## Translation of the original Russian version

### Joint Stock Company “Federal Passenger Company”

Selected notes to the unaudited interim condensed consolidated financial statements  
(continued)

#### 16. Related Party Transactions (continued)

<b>Related party, nature of relations, type of service/product</b>	<b>As of 30 June 2021</b>		<b>As of 31 December 2020</b>	
	<b>Amounts receivable</b>	<b>(Amounts payable)</b>	<b>Amounts receivable</b>	<b>(Amounts payable)</b>
	<i>Rbls mln</i>	<i>Rbls mln</i>	<i>Rbls mln</i>	<i>Rbls mln</i>
<b><i>Ministries of the Russian Federation (a)</i></b>				
<i>Attributed to sales and income</i>				
Transportation	744	(14)	1,059	(11)
Rent and other	222	(5)	785	(2)
<i>Attributed to purchases and expenses</i>				
Security and fire prevention services	–	(12)	–	(14)
Sanitation-and-epidemiological services	1	(59)	–	(52)
Banking services	–	(21)	–	(11)
Other	16	(15)	15	(4)
<b><i>Transactions with State-controlled entities (a)</i></b>				
<i>Attributed to sales and income</i>				
Transportation and other	6,501	(87)	6,621	(265)
Repair and other services	66	–	42	(1)
<i>Attributed to purchases and expenses</i>				
Electricity, fuel, oil	15	(13)	9	(23)
Banking services	–	(168)	–	(93)
Other	38	(1,298)	7	(2,598)
<b><i>Allowance for expected credit losses, net</i></b>				
Transactions with parent company and with parent’s subsidiary companies (a)	(7)	–	(4)	–
Transactions with associates and joint ventures (b)	(5)	–	(3)	–
Ministries of the Russian Federation (a)	–	–	(3)	–
Transactions with state-controlled entities (a)	(4)	–	(24)	–
<b>Financing activities</b>				
<b><i>Transactions with parent’s subsidiaries(a)</i></b>				
Loans issued	1,300	–	800	–
Loans received	–	(13)	–	(20)
<b><i>State-controlled entities (a)</i></b>				
Loans received	–	(6,359)	–	(5,650)
<b>Operations with pension funds</b>				
<b><i>Pension funds (e)</i></b>				
Payable to the pension fund	139	–	69	–

## Translation of the original Russian version

### Joint Stock Company “Federal Passenger Company”

Selected notes to the unaudited interim condensed consolidated financial statements  
(continued)

#### 16. Related Party Transactions (continued)

Related party, nature of relations, type of service/product	For the six months ended 30 June 2021		For the six months ended 30 June 2020	
	Sales/ income*	(Purchases)/ (expenses)*	Sales/ income*	(Purchases)/ (expenses)*
	<i>Rbls mln</i>	<i>Rbls mln</i>	<i>Rbls mln</i>	<i>Rbls mln</i>
<b>Operating activities</b>				
<i>Transactions with parent company (a)</i>				
<i>Attributed to sales and income</i>				
Transportation	2,918	–	2,344	–
Other	815	–	825	–
<i>Attributed to purchases and expenses</i>				
Railway infrastructure	–	(28,759)	–	(26,126)
Locomotives expenses	–	(18,506)	–	(17,506)
Fixed assets, materials and other services	–	(3,277)	–	(2,899)
<i>Transactions with parent’s subsidiary companies (a)</i>				
<i>Attributed to sales and income</i>				
Other	116	–	86	–
<i>Attributed to purchases and expenses</i>				
Repair and other services	–	(661)	–	(273)
<i>Transactions with associates and joint ventures (b)</i>				
<i>Attributed to sales and income</i>				
Other	4	–	7	–
<i>Attributed to purchases and expenses</i>				
Transportation	–	(28)	–	(25)
Repair services	–	(13)	–	–
Pension contribution	–	(193)	–	(238)
Other	–	(45)	–	(73)



## Translation of the original Russian version

### Joint Stock Company “Federal Passenger Company”

Selected notes to the unaudited interim condensed consolidated financial statements  
(continued)

#### 16. Related Party Transactions (continued)

Related party, nature of relations, type of service/product	For the six months ended 30 June 2021		For the six months ended 30 June 2020	
	Sales/ income*	(Purchases)/ (expenses)*	Sales/ income*	(Purchases)/ (expenses)*
	<i>Rbls mln</i>	<i>Rbls mln</i>	<i>Rbls mln</i>	<i>Rbls mln</i>
<b><i>Ministries of the Russian Federation (a)</i></b>				
<i>Attributed to sales and income</i>				
Subsidies (Note 14)	7,705	–	4,844	–
Transportation	2,941	–	2,106	–
Rent and other	1,017	–	417	–
<i>Attributed to purchases and expenses</i>				
Security and fire prevention services	–	(28)	–	(34)
Sanitation-and-epidemiological services	–	(121)	–	(79)
Banking services	–	(85)	–	(67)
Infrastructure services	–	–	–	–
Other services	–	(32)	–	(18)
<b><i>Transactions with state-controlled entities (a)</i></b>				
<i>Attributed to sales and income</i>				
Transportation and other	1,690	–	7,100	–
Repair and other services	167	–	215	–
<i>Attributed to purchases and expenses</i>				
Electricity, fuel, oil	–	(76)	–	(139)
Banking services	–	(812)	–	(488)
Insurance	–	(44)	–	(58)
Other	–	(52)	–	(54)
<b><i>Allowance for expected credit losses, net</i></b>				
Transactions with parent company and parent’s subsidiary companies (a)	–	(5)	–	–
Transactions with associates and joint ventures (b)	–	(5)	–	(8)
Ministries of the Russian Federation (a)	1	–	–	(1)
Transactions with state-controlled entities (a)	–	(1)	–	(13)
<b>Financing activities</b>				
<b><i>Transactions with parent’s subsidiary companies (a)</i></b>				
Interest income on loans given	100	–	202	–
Interest expense on loans payable	–	(3)	–	(3)
<b><i>Transactions with state-controlled entities (a)</i></b>				
Interest expense on loans received	–	(206)	–	(221)
Interest expense from changes in quoted price	142	–	–	–
<b>Operations with pension funds</b>				
<b><i>Pension funds (e)</i></b>				
Pension contributions	229	(99)	147	(112)

\* Amounts do not include VAT.

## Translation of the original Russian version

### Joint Stock Company “Federal Passenger Company”

Selected notes to the unaudited interim condensed consolidated financial statements  
(continued)

#### 16. Related Party Transactions (continued)

During the six months ended 30 June 2021 and 30 June 2020 the Group’s companies maintained several accounts in state-controlled and associate banks of the Parent. The amount of cash and short-term deposits held in these banks as at 30 June 2021 equated to Rbls million 689 (31 December 2020: Rbls 3,539 million), which comprised the following:

	<b>2021</b>	<b>2020</b>
	<i>Rbls mln</i>	<i>Rbls mln</i>
Cash and cash equivalents in state-controlled banks	689	3,539
<b>Total</b>	<b>689</b>	<b>3,539</b>

During the six months ended 30 June 2021 interest income from related parties was Rbls 128 million (six months ended 30 June 2020: Rbls 249 million).

Further, for the six months ended 30 June 2021 the Group was entitled to receive tariff compensation of Rbls 1,315 million (six months ended 30 June 2020: Rbls 867 million) for transportation of certain categories of passengers from the Federal Railroad Agency (Agency).

Accounts receivable balance outstanding for the tariff compensation on transportation of certain categories of passengers as at 30 June 2021 is Rbls 1,519 million (31 December 2020: Rbls 2,481 million). The impairment of this accounts receivable balance outstanding as at 30 June 2021 is Rbls 1,440 million (31 December 2020: Rbls 2,366 million).

The Group had following guarantees according to associates parties as at 30 June 2021 and 31 December 2020 are presented below:

	<b>30 June 2021</b>	<b>31 December 2020</b>
	<i>Rbls mln</i>	<i>Rbls mln</i>
Amounts guaranteed to the Group by related parties	5,179	4,606
Amounts guaranteed by related parties in favor of the Group	106	127

The fair value of guarantees issued by the Group as at 30 June 2021 and 31 December 2020 is not material.

## Translation of the original Russian version

### Joint Stock Company “Federal Passenger Company”

Selected notes to the unaudited interim condensed consolidated financial statements  
(continued)

#### 17. Commitments and Contingencies

##### Purchase Commitments for Capital Expenditures and Repairs

Purchase commitments for capital expenditures and repairs are disclosed including VAT, where applicable.

	<b>30 June 2021</b>	<b>31 December 2020</b>
	<i>Rbls mln</i>	<i>Rbls mln</i>
Purchase of new rolling stock (A)	201,036	209,121
Purchase of intangible assets	176	68
Modernization and capital repairs of rolling stock	27,968	42,927
<b>Total purchase commitments for capital expenditures and repairs</b>	<b>229,180</b>	<b>252,116</b>

As at 30 June 2021 purchase commitments for capital expenditures and repairs resulted from the contracts signed with related parties amounted to Rbls million 1,146 (31 December 2020: Rbls 1,218 million).

(A) Purchase commitments for the purchase of new rolling stock mainly relate to long-term agreement for the delivery of rolling stock.

#### 18. Fair Value of Financial Instruments

Based on management estimates the carrying amounts of financial instruments that are liquid or have a short term maturity (less than three months), such as cash and cash equivalents, short-term bank deposits, short-term accounts receivable and payable are assumed to approximate their fair value.

As no readily available market exists for a part of the Group’s financial instruments, judgment is necessary in arriving at fair value, based on current economic conditions and specific risks attributable to the instrument.

With regard to fixed rate financial instruments, their fair value was estimated by comparing market interest rates when they were first recognized with current market rates offered for similar financial instruments. The estimated fair value of fixed interest bearing deposits is based on discounted cash flows using prevailing money-market interest rates for debts with similar credit risk and maturity.

For quoted debt issued the fair values are calculated based on quoted market prices.

For those notes issued where quoted market prices are not available, a discounted cash flow model is used based on a current interest rate yield curve appropriate for the remaining term to maturity. The estimates presented herein are not necessarily indicative of the amounts the Group could realize in a market exchange from the sale of its full holdings of a particular instrument.

## Translation of the original Russian version

### Joint Stock Company “Federal Passenger Company”

Selected notes to the unaudited interim condensed consolidated financial statements  
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#### 18. Fair Value of Financial Instruments (continued)

The following table summarizes differences between the carrying amounts and fair values of financial assets and liabilities of the Group as at 30 June 2021 and 31 December 2020.

	<u>Carrying value</u>	<u>Fair value</u>	<u>Value</u>
	<i>Rbls mln</i>	<i>Rbls mln</i>	
<b>30 June 2021</b>			
<i>Financial assets</i>			
Long-term financial assets	5,709	5,333	Level 2
<i>Financial liabilities</i>			
Long-term fixed rate loans	34	34	Level 2
Long-term fixed rate debt securities:			
Bonds	10,097	10,365	Level 1
Bonds	28,913	29,440	Level 2
<b>31 December 2020</b>			
<i>Financial assets</i>			
Long-term financial assets	6,256	6,293	Level 2
<i>Financial liabilities</i>			
Long-term fixed rate loans	5,001	4,997	Level 2
Long-term fixed rate debt securities:			
Bonds	39,018	41,026	Level 1

Management believes that the carrying values of other financial assets and liabilities not detailed in the above table are assumed to approximate their fair values as at 30 June 2021 and 31 December 2020.

#### Capital Management

Capital includes equity attributable to the equity holders of FPC.

The Group manages its capital structure in light of changes in economic conditions and may adjust it by issuing new shares and dividend payments to the shareholders.

#### 19. Events After the Reporting Period

In July 2021 the Group entered into agreement with Parent for net assets increase (compensation on tariffs regulation) in amount of Rbls 1,991 million.