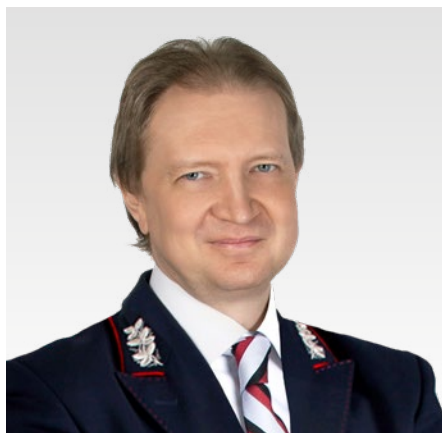


Russian Railways' financial results based on its consolidated IFRS financial statements for 2020



« 2020 was a year of significant challenges which made us think outside the box amid restrictions imposed to combat the COVID-19 spread. At the same time, the Russian Railways Group provided a timely response to the situation to ensure stable transportation and the Group's financial resilience. In 2020, its income totalled RUB 2,279 bn, down 9.1% y-o-y, primarily due to a drop in the operating performance of the passenger transportation segment, and EBITDA stood at RUB 421 bn. The Group financed its investment projects, inter alia, through perpetual bonds, thus curbing the growth of its debt portfolio. »

Vadim Mikhailov
First Deputy CEO of Russian Railways

The consolidated IFRS financial statements of Russian Railways include the operating results of 189 subsidiaries as at 31 December 2020.

In 2020, the Group's income fell by 9.1% y-o-y to RUB 2,279.2 bn, with income from freight transportation and infrastructure services decreasing by 4.2% (by 2.2% on a comparable basis, excluding TransContainer's 2019 results, with a 2.7% drop in handling volumes), and income from passenger transportation and logistics services going down 41.7%, due to imposed restrictions, and 8.1%, respectively. The Group's operating expenses for the year decreased by 4.1%

y-o-y to RUB 2,251.6 bn, which translated into sales profit after subsidies and EBITDA at RUB 87.7 bn and RUB 420.7 bn, respectively. The Russian Railways Group incurred a net loss of RUB 52.9 bn in 2020.

In the reporting year, Russian Railways became the undisputed leader in financial innovation as it had made the first-ever placement of perpetual and social bonds among Russian companies. On top of that, the Company remains the only borrower representing Russia in the global market of public green financing and the largest ESG borrower locally, given its commitment to sustainable development and eco-friendliness.

Thanks to the measures taken, the Russian Railways Group reduced its net debt to RUB 1,610 bn from RUB 1,739 bn as at the end of 1H 2020. The increase compared to 2019 (RUB 1,436 bn as at 31 December 2019) is mainly due to the growth in the rouble equivalent of foreign currency-denominated borrowings amid the weakening of the national currency against major currencies. At the same time, the Group sticks to a conservative approach as regards increasing its leverage in the long run to ensure a high level of financial stability.