

Message from the Chairman of the Board of Directors

Dear shareholders, partners and colleagues,

JSC FPC ended 2023 with solid financial performance and strong operating results. As a national long-distance railway carrier, the Company made an effective use of the situation unfolding in the domestic freight and passenger market, turning challenges into new opportunities.

Improvement in the macroeconomic situation is one of the contributors to FPC's operations: according to Rosstat, Russia's GDP increased by 3.6% last year. The growth of household disposable income exceeded the forecast values, which had a positive impact on transport mobility of people. Growing interest in domestic travel is now another factor propelling the Company's growth.

In order to meet the growing demand for rail service, FPC used available technical resources and personnel, while placing a strong focus on passenger comfort.

The Company allocated RUB 48.9 billion (93.5% of the investment programme) for the acquisition and upgrade of the rolling stock fleet. FPC added 104 double-deck and 427 single-deck carriages to its fleet, which meet high comfort and safety requirements.

The use of modern rolling stock and improvement of service quality had a positive impact on the transport process, including in the tourist segment. The Company increased the number of bistro carriages with the new catering concept: there were 47 of them in 2023. Along with an electronic ticket for a tourist train, passengers now have the option to book not only a vacation package but also individual tours. The list of tourist destinations was expanded, and the Travellers' Club became fully operational as part of the loyalty programme.

It is worth noting that in the reporting period, investments aimed at developing information technologies almost doubled and reached RUB 1.3 billion.

The Company's work was highly appreciated by the expert community. Thus, the Analytical Credit Rating Agency affirmed FPC's rating at AA+(RU) with a stable outlook. For the first time, the Russian Institute of Directors assigned JSC FPC a National Corporate Governance Rating of 6++, Good Corporate Governance Practice. These achievements will surely provide the Company with additional motivation for further successful development.

In 2023, FPC joined the Anti-Corruption Charter of Russian Business and according to the rating results, received the highest grade AA+, which is assigned to organisations with the highest possible level of anti-corruption.

The FPC's awards portfolio has also expanded. The Company won the XIV Annual Award "Quality of Service and Consumer Rights" for a new catering concept. The Digital Leaders Award 2023 is given in recognition of the Company's accomplishments related to digital transformation. The Red Arrow premium-service train received the prestigious national customer confidence award "Brand No. 1 in Russia".

I am positive that the achievements will serve as an incentive to enhance FPC's standing within the passenger service market. The Company will continue to introduce innovative services and technologies, expand the range of train services and ensure stable railway connections between the regions of our country.

Chairman of the Board of Directors, JSC FPC

Message from the General Director

Dear shareholders, partners and colleagues,

In 2023, Federal Passenger Company continued to effectively work through shifting market conditions for transportation services, expanded its route network, and raised service standards. I would like to thank our passengers for their trust in our Company and our staff for their excellent job performance, responsible approach and dedication.

By adhering to the principles of customer focus and social responsibility, we ensure transport mobility for the general public and establish conducive environments for secure, reasonably priced and comfortable travel.

During the year, the Company successfully applied a range of tariff plans that allowed approximately 16 million of our passengers to travel at reduced prices. This means that almost every seventh ticket was discounted. Special rates are available for children, large families, students and passengers with disabilities, etc.

Third-class open sleeping carriage and fourth-class seating carriage travel has historically been quite popular; in the state-regulated segment, traffic volume climbed by 9.5% to 60.7 million passengers.

Unquestionably, rolling stock renewal contributes significantly to the Company's competitiveness in addition to an alluring pricing offer. In 2023, the fleet received 531 new carriages meeting all modern comfort and safety requirements. We also gave an overhaul reconditioning to our carriages to revamp our fleet.

At the same time, the Company worked on performance augmentation of rolling stock: for example, first-class sleeping carriages with vertical seats were put into service. This unconventional approach allowed increasing the berth width. And for those travelling with children or elderly relatives, it is

now possible to combine two compartments into one. In 2023, these carriages were tried out by passengers of the Ocean branded train Khabarovsk – Vladivostok, and the geography of their service is expanding.

The development of customer care services is still a top priority. Last year, we updated the local infotainment system "Poputchik": it was redesigned to improve the user experience and intuitive navigation, and added a wider range of media content.

What's more, cutting-edge technologies proved to be the recipe for success. The Company has been making comprehensive efforts to integrate them into its business processes.

In the reporting period, JSC FPC approved its Digital Transformation Strategy, which is focused on technological sovereignty, competitive growth and economic efficiency of the Company.

I am convinced that the achievements of the past year will serve as the cornerstone for future success and will give us the confidence to proceed with our development strategy going forward. With tonnes of exciting initiatives in front of it, the Company will keep its focus on the mission, while keeping up and even accelerating its growth rates.

I would note that 2024 is a special year for us: JSC FPC turns 15 years old. There is no doubt that this stage will go down as a pivotal moment in the Company's history, as well as the national railway service history.

General Director, JSC FPC