

# FPC AT A GLANCE

FPC<sup>1</sup> ensures transport accessibility and connectivity between Russian regions.

**+18%**

year-on-year increase in passenger traffic in 2022

**16,100**

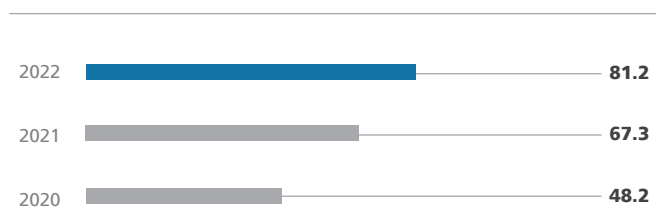
carriages rolling stock fleet

**~30**

touristic routes in 2022

**We develop travel itineraries and ensure comfort on every trip.**

Passenger-km travelled, billion



<sup>1</sup> Joint Stock Company Federal Passenger Company (JSC FPC), Primary State Registration Number (OGRN) 1097746772738, assigned on 3 December 2009 by the Interdistrict Inspectorate of the Federal Tax Service No. 46 in Moscow; Taxpayer Identification Number (INN) 7708709686. JSC FPC is a subsidiary of the Parent Company, hereinafter referred to as the parent company. Location and postal address of the Company: 34, Mashl Poryvaeva St., Moscow, 107078.

## Types of Activities



Rail passenger services on domestic routes in the regulated segment:

- Third-class open sleeping carriages;
- Fourth-class seating carriages;
- Carriages with seats;
- Motorised carriages.



Rail passenger services on domestic routes in the deregulated segment:

- Deluxe and saloon carriages;
- First-class sleeping carriages;
- Second-class sleeping carriages;
- Special order services;
- Tourist trips;
- All carriage types in higher-speed trains;
- Running of third-party carriages on FPC trains.



International long-distance passenger services:

- Passenger services on international routes;
- Running of third-party carriages on FPC trains.



Baggage, unaccompanied baggage and mail transportation:

- Baggage transportation;
- Unaccompanied baggage transportation;
- Running of carriages for freight forwarders on FPC trains.



Other lines of business:

- Repair and maintenance of clients' rolling stock;
- Provision of value-added services on trains;
- Leasing of rolling stock;
- Leasing of fixed property and equipment.



## Competitive advantages of long-distance trains

- Traffic safety
- Environmentally friendly mode of transport
- Extensive route network
- Over 97% train punctuality
- Travelling in any weather
- Comfortable travel
- Provision for the carriage of passengers with special needs
- Growing share of new carriages in the fleet
- Increased baggage allowance: in addition to personal items, passengers are allowed to carry hand luggage of up to 36 kg, or up to 50 kg in first-class sleeping carriages, per each ticket for free
- Children up to five years old travelling free of charge
- No long check-in procedure and proximity of train stations to city centres and other localities



## From Carriage Operator to Integrated Mobility Provider

2021

- Long-distance passenger service is on the path to sustainable recovery.
- More than 20 tourist trains were launched. The Zhemchuzhina Kavkaza (Pearl of the Caucasus) tourist train won the Made in Russia competition in the Across Russia with Love category.

2020

- Amid COVID-19 challenges, the Company maintained transport affordability, protected the health and safety of passengers and employees, continued upgrading the carriage fleet, and retained skilled staff.

2019

- JSC FPC's Development Strategy until 2030 was approved.
- A long-term agreement was signed for passenger carriage development, design, manufacture, testing, certification and delivery until 2025.
- New-design single-decker twin-unit carriages were put into operation.

2018

- Passenger-kilometres and passenger numbers increased by 6% and 8%, respectively, in 2018 — the largest year-on-year increases in FPC's history.
- A record-high number of passenger carriage replacements was achieved (724 new carriages purchased, up 70% vs. 2017).
- Over 4 million customers registered with the Bonus Loyalty Programme.

2017

- Over 3 million customers registered with the Bonus Loyalty Programme.
- FPC conducted its first Net Promoter Score (NPS) survey, achieving an overall score of 4.1 on a five-point scale.

2016

- The Company reversed its declining passenger numbers, achieving a growth of 4%.

2015

- A double-decker train made up of carriages with seats was launched.

2014

- Credit ratings were assigned to FPC by leading rating agencies.
- A pilot project on multimodal transport was implemented.
- Lastochka electric trains were launched.

2012

- The Development Strategy of JSC FPC until 2030 was approved.
- FPC-Logistics, a logistics subsidiary focused on unaccompanied baggage and mail transport, was established.
- The Loyalty Programme was launched.

2011

- Expansion of JSC FPC's presence in the tourism market: acquisition of a controlling stake in the authorised capital of a company operating in the railway tourism sector.

2010

- FPC commenced independent operations.
- The Company was included in the Register of Natural Monopolies.

## Significant Developments in 2022

### Increased availability of domestic tourism

The year 2022 saw the successful development of FPC's tourist routes.

In April and May 2022, the tourist train called Tales of the Volga Region made scheduled trips between Moscow and Yoshkar-Ola and Sviyazhsk. Beginning on 30 April 2022, the Pearl of the Caucasus train resumed its weekly schedule along the route Moscow/Rostov-on-Don – Nalchik – Grozny – Derbent – Kislovodsk – Rostov-on-Don/Moscow. Over the course of seven days, passengers on the train can learn about the history and cultures of five southern cities, view Mount Elbrus and the Chechen Republic's mountainous landscape, travel to Dagestan to see the Naryn-Kala castle, walk through Kislovodsk's Narzanaya Gallery, and visit a number of other interesting locations. The train maintains scheduled service from May to September, with two extra runs added in 2022 due to high demand.

The Blossoming Steppe train, which runs between Moscow and Rostov-on-Don, Elista, stops at Rostov-on-Don to take passengers to old merchant homes and historic squares. In the Republic of Kalmykia's capital, passengers can see a one-of-a-kind event – the blossoming of the Kalmyk steppe. Undoubtedly one of the highlights is a trip to the Golden Temple of Shakyamuni Buddha, one of the biggest Buddhist temples in Europe.

There are other tourist trains to enjoy, e.g., Bright Weekend in the Volga Region, Baikal Express, Silver Route, To Siberia, Baikal Tale, Cultural Petersburg, Pomorsky Voyage, etc. To make tourist travel appealing to passengers, special fare approaches are being devised for them.

# >60%

of tourist train passenger traffic in 2022 was on routes to Sochi and Karelia

### Train + plane = convenience and ease

In accordance with an agreement of cooperation signed at SPIEF<sup>1</sup>–2022, the Company and the Russian Airline are working together to develop the train+plane combined transport project. Two Lastochka electric trains had their routes altered particularly to make it more convenient for travellers to and from Sochi Airport. This makes travel logistics simpler and enables trains running to/from the airport to carry three times as many passengers. The electric trains Sochi Airport – Krasnodar and Sochi Airport – Rostov-on-Don started daily scheduled service in August 2022.

The Lastochka trains have all the amenities needed for a comfortable trip, including bio-toilets, individual plugs and USB ports, and climate control systems with air disinfection. There are special seats for disabled passengers. Airline passengers can book a combined train + plane fare on the air carrier's website in the Additional services section.



<sup>1</sup> St. Petersburg International Economic Forum.



## Renewal of the FPC fleet

In 2022, the Company purchased 433 carriages for long-distance trains, including 108 double-decker carriages (sleeping carriages, dining carriages and administrative carriages). As part of its fleet expansion, FPC is adding carriages with specially designed areas that are comfortable for families with kids. A total of more than 200 such carriages were delivered last year.

Climate control, air sanitisation, and bio-toilets are all included in the rolling stock's comfort package. Each compartment has outlets for charging mobile devices and USB-ports. A total of 550 units of new rolling stock will be purchased in 2023.



## 2022 Key Developments

### Key achievements

- FPC signed a number of important agreements during the XXV St. Petersburg International Economic Forum:
  - Memorandum of understanding with the Russian Airline;
  - Agreement with the Russian Postal Service on the development of mail delivery by rail to regions where delivery by road or by land is effortful;
  - Agreements on cooperation in tourism and the expansion of transport mobility with the governments of the Orenburg Region and the Republic of Kalmykia.
- A sovereign version of the passenger carriage, model 61-4447.08, was created during the import substitution process, covering rolling stock designs and technical sovereignty.
- The FPC Collective Bargaining Agreement for 2023–2025 was signed on 15 December 2022, preserving all standard benefits for railway employees. There are various innovations in place, such as the indexation of a number of socially significant payments, and increased financial support for the promotion of physical education, sport and volunteering.
- FPC took first place in the Best Practices of Cooperation with Employers, Educational Organisations and Employment Centres nomination of the All-Russian Best Practices in Youth Employment competition organised by the Russian Ministry of Labour and Social Protection.
- The training programme for Class 3 Passenger Attendant was modified and authorised on 12 April 2022. As a result, personnel could be trained promptly for the peak summer travel season. In 2022, a record 5,475 passenger attendants received training — the largest number in the previous ten years.

### Public regulation and reforms

- New Rules for Technical Operation of Railways of the Russian Federation were approved on 23 June 2022 (Order No. 250 of the Ministry of Transport of Russia dated 23 June 2022). The rules establish a traffic management system for trains, requirements for the technical operation of structures and facilities of public railway transport infrastructure, non-public railway tracks and railway rolling stock and define the obligations of railway staff.
- New Rules for the Carriage of Passengers, Baggage and Cargo Luggage by Rail were approved on 5 September 2022, (Order No. 352 of the Ministry of Transport of Russia dated 5 September 2022), which regulates the procedure for carrying passengers, hand luggage, baggage and cargo luggage by rail.
- On 29 December 2022, FPC received RUB 5.9 billion worth of subsidies from the Reserve Fund of the Russian Government to fully compensate for losses in FPC's income from passenger transportation in third-class open sleeping carriages and fourth-class seating carriages (Decree of the Russian Government No. 4183-r dated 24 December 2022).





## 2022 Key Developments

### Business development

- FPC carried 95.9 million passengers in 2022, which is nearly 90% more than it did in 2019 (up 18%, or 14.8 million passengers, year-on-year).
- It is ten years since Bonus Loyalty Programme was launched. More than 8.2 million people signed up for the programme.
- In 2022, FPC passengers experienced thrilling tours around the country. During the year, cruise trains and weekend trains were set going on more than 30 routes (including regional projects).
- The route network increased to 14 multimodal routes in 2022 (just four routes were into place in 2021).
- FPC, together with the Russian Airline, organised multimodal transportation using the train + plane scheme: the departure times of FPC's trains towards Anapa, Rostov-on-Don and Krasnodar are coordinated with the arrival times of flights to Sochi Airport, and similarly the arrival times of rail transport and flight departures to the country's regions are also synchronised.
- In 2022, the Rating Committee of the Russian Union of Industrialists and Entrepreneurs assigned JSC FPC an A1 Anti-Corruption Rating Class (a company with the highest level of anti-corruption and minimal corruption risks and a minimal level of associated threat to investors, creditors, business partners and other stakeholders).
- When FPC adopted year-round ticket plans in 2022, passengers with group I disability and disabled children who are members of the Bonus Loyalty Programme were eligible for discounts of 50% in first-class sleeping carriages and 55% – in second-class sleeping carriages.
- The set of ticket plans created intends to lower the cost of travel. More than 11 million people took advantage of discounted travel.
- The Faster Payment System (FPS) was made available at FPC ticket offices for the convenience of customers. The new payment mechanism gives customers the option to pay for services without using a bank card and is accessible on all BCWS HSCs<sup>1</sup> of the FPC sales network.
- The Business Pass project has been underway since 2018. In 2022, the list of Business Pass destinations was expanded to eight routes.
- A new product, the Gift Card, was launched in December 2022. The card can be applied for three routes. You can use the Gift Card to purchase e-tickets for FPC-marshalled trains on the route of the chosen ticket plan. Depending on the Gift Card ticket plan, passengers may take two trips on a certain route in either first-class or second-class sleeping carriages.
- In 2022, 28 railway stations in the Russian Federation had queue management systems installed in order to enhance the standard of passenger service.
- The Traveller's Club, a refreshed travel rewards scheme for passengers on tourist trains, was introduced in December 2022, enabling rail aficionados to take advantage of even more perks under the Bonus Loyalty Programme. Club members can earn electronic Tourist Medals and tourist points by raiding tourist trains, which can then be exchanged for free tickets and souvenirs.
- The Mobile Customer Identification and Service System alerts train crew members about the travel of physically challenged passengers and Bonus Loyalty Programme participants in order to enhance the quality of customer service.
- In partnership with MTS Bank, a pilot project was started to take non-cash payments from passengers for services and goods using e-ticket checkout devices (before, non-cash payments could only be made to the train manager via the Terminal hardware-software complex).
- A special tour operator fare was put in place from 11 September 2022 to 31 March 2023, under which tour operators had the opportunity to use a static fare, independent of the principles of dynamic pricing, for the transportation of tourist groups in the compartment cars of domestic through-service FPC-marshalled trains covering 15 routes (round trip) of the pilot operating domain. The national "Formula of Movement" award went to the tourist train called To Karelia in the category "The Best Transport Solution in Tourism".

## Redirecting Passenger Traffic in Southern Russia

The long-distance passenger service system was tasked with ensuring the population transportation mobility due to the shutdown of airports in southern Russia and existing flying restrictions. FPC adjusted its resources and responded as flexible as it could to market conditions to ensure seamless and comfortable transport services.

The Company designated more trains running in southern Russia (in addition to those on the regular schedule) and greatly expanded the size of offering. For this purpose, FPC used cutting-edge technology to operate trains while establishing a total turnover. As a result, routes from/to the country's central areas to/from the Black Sea coast resorts could be served by passenger trains made up in the eastern regions of the country and operated by train personnel from FPC's Far Eastern, East Siberian and West Siberian branches.

During peak periods, up to 550 long-distance trains departed from stations all over the country every day. Over 2,300 extra trains, including about 1,500 trains heading to the south of the country, ran in addition to the regular trains throughout the summer holiday time.

Thanks to the hard effort of its personnel, FPC organised the uninterrupted transportation of 42 million people during the summer period, up 17% year-on-year. For their summer vacations, more than 10 million people opted to travel by rail to places along the Black Sea coast and in the North Caucasus.



<sup>1</sup> Booking Clerk Workstation Hardware-Software Complex.