

INVESTMENT APPEAL

Key drivers of FPC's investment appeal:

- A monopolistic position in the long-distance rail passenger transport market in Russia
- FPC is vital both socially and strategically to Russia as the leading transport operator for long- and medium-distance travel spanning most of the country, including travel to regions with extreme natural and climatic conditions and lacking road and air infrastructure
- Significant growth potential of population mobility
- Railway services to support major passenger flows in Russia
- A conservative financial policy and low debt level
- State-regulated fares for long-distance rail passenger services and compensation of revenue shortfall paid by the Russian Government
- Low competition from international companies in the domestic rail passenger services market due to high entry barriers for new players entering the Russian market
- Strategic importance in achieving the long-term objectives of the state-owned RZD Holding.

CREDIT RATINGS

In Q1 2019, rating agencies upgraded FPC's credit ratings:

- Moody's: from investment grade "Baa3" with a positive outlook to "Baa2" with a stable outlook, which is one notch higher than the sovereign credit rating
- Fitch: to investment grade "BBB-" with a positive outlook.

Standard & Poor's affirmed its "BBB-" rating on FPC, with a negative outlook.

Thus, the Company has maintained investment grade credit ratings from all three leading global rating agencies since regaining them in Q1 2019.

In August 2019, Fitch upgraded FPC's rating to "BBB" with a stable outlook.

In December 2019, the Russian national rating agency ACRA affirmed its "AA+(RU)" high credit quality rating for FPC, with a stable outlook.

FPC's credit ratings as at the end of 2019

AGENCY	RATING	FORECAST
Moody's	Baa2	Stable
Standard & Poor's	BBB-	Negative
Fitch	BBB	Stable
ACRA	AA+(RU)	Stable

EVENTS AFTER THE REPORTING DATE

In March 2020, Standard & Poor's revised its outlook on FPC from negative to stable and affirmed its credit rating at "BBB-".