

STRATEGIC AREAS OF DEVELOPMENT

NETWORK

Rail network optimisation is planned:

- In the under 1,500 km route segment:
 - accelerate trains
 - increase capacity
- In the over 1,500 km route segment:
 - improve efficiency
 - implement a hub-based model
 - develop high-speed lines after 2025.

The carriages will be purchased under the long-term contract signed with JSC TVZ, valid until 2025 and providing for the supply of rolling stock in four batches:

- Existing model range
- New single-decker carriages
- New double-decker carriages
- Innovative single-deckers and double-deckers.

FLEET

Over 4,400 carriages will be retired from FPC's passenger fleet between 2020 and 2022. To compensate for the carriage fleet shortage, the Company has significantly increased the previously planned investment into rolling stock replacement and upgrades.

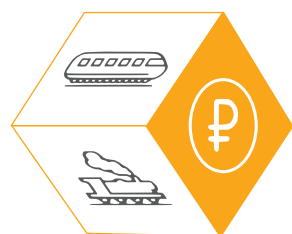
4,200 carriages (a third of the total rolling stock) will be replaced between 2020 and 2025. The innovative rolling stock will make up approximately 36% of the total rolling stock by 2025.

The rolling stock will feature an improved carriage design characterised by:

- personal space and privacy during rest
- spacious accommodation and freedom of movement
- low floors for easy boarding and barrier-free environment
- dedicated baggage areas
- advanced technical equipment
- IT-driven development (Digital Railway).

FPC's target product portfolio

is diversified by value proposition, service class and carriage age



Four types of the value proposition

Four service classes

Driven **by travel time**
(non-scheduled trains outside the mass market portfolio)

Driven **by a uniform range of services**
for each class (for sleeping and seating carriages)

PRODUCT OFFERING

The Company is planning the transition to a new unified product offering which includes:

- four train types – daytime express trains, night express trains, regular trains, and tourist trains
- four service classes – business, comfort, economy, economy budget.

MULTIMODALITY

The Company provides transport services across six multimodal routes. In 2019, three multimodal transport routes were launched with the participation of bus transport at a landfill in the Nizhny Novgorod region to test passenger information technologies and using the mobile AWP cashier¹.

To further develop our ticket aggregation system for different modes of transport, the Company designed a multimodal route builder, now available at ticket.rzd.ru, which can be used to build routes with up to four legs using different modes of transport.

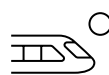
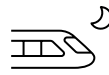



FPC is planning to further grow sales of its multimodal services and improve the performance of its existing routes by:

- launching at least 100 routes on ticket.rzd.ru by aggregating tickets for different modes of transport
- launching sales of multimodal tickets on trains.

OTHER TYPES OF ACTIVITIES AND ADJACENT BUSINESSES

FPC's sustainability will be further enhanced by diversifying its operations as well as developing businesses that improve the profitability of passenger services through value-added service offerings:

- On-train passenger services
- Services for travellers across transport modes
- Logistics services (cargo, mail, etc.).

	DAYTIME EXPRESS TRAINS	Quick travel within a business day. Travel time up to 6 hours. Target distances under 600 km
	NIGHT TRAINS	Comfortable travel conditions for a proper night's rest. Travel time up to 12 hours. Target distances under 1,200–1,500 km
	TRADITIONAL TRAINS	Low-cost travel option. Travel time over 12 hours, long distances
	TOURIST TRAINS	Deluxe carriages offering five-star hotel-grade service (Red Arrow, Rossiya)
	BUSINESS	Premium comfort and hotel-grade service for productive use of travel time during the day or night
	COMFORT	Comfort and an adequate range of services for affordable and comfortable travel during the day or night
	ECONOMY	An affordable and comfortable travel choice with access to value-added services on demand
	ECONOMY BUDGET	The lowest-cost travel option. Service offering is limited

¹ AWP – automated workplace.