

STRATEGIC AREAS OF DEVELOPMENT

Network

In 2021, the route network of double-decker trains was expanded. New double-decker trains No. 72/71 Moscow – Cheboksary, No. 277/278 Saint Petersburg – Anapa, No. 137/138 Orenburg – Samara – Moscow, No. 29/30 Saint Petersburg – Belgorod, No. 43/44 Saint Petersburg – Kostroma were launched.

Two pairs of high-speed daytime trains No. 717/718, No. 721/722 were also launched in 2021: they connect Moscow and Minsk by daily circulation of Lastochka trains.

Fleet

The carriages will be purchased under the Long-Term Contract signed with the suppliers for the period until 2025 and providing for the supply of rolling stock in four batches:

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

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

- Personal space and privacy for relaxation
- Spacious interior with room to walk around
- Low floors and barrier-free environment
- Dedicated baggage areas
- Advanced technical equipment
- IT-driven development

Purchased in 2021

436

NEW CARRIAGES

(346 single-deckers
and 90 double-deckers)

Product offering

The Company is planning transition to a new unified high-quality product offering.

The principle underlying the implementation of a strategic initiative is based on customer-centricity. An intuitive value proposition is being developed for passengers, based around the unification of technical equipment of carriages and standardisation of value-added services by service class.

In each service class, the passenger will be provided with a clear set of services and the rolling stock of the stated condition and equipment level.

Multimodality

In 2021 the Company operated traffic on seven routes, including:

- existing three routes: Belgorod – Alekseyevka – Rossosh, Boksity – Serov – Yekaterinburg, Kostroma – Yaroslavl – St Petersburg;
- two routes were recovered: Vologda – Yaroslavl – Moscow, Moscow – Arzamas – Diveyevo;
- two new routes: Moscow – Sergach – Bolshoye Boldino, Sovetskaya Gavan – Khabarovsk – Ussuriysk – Andreyevka.

43.5 thousand passengers travelled on multimodal routes in 2021.

FPC is planning to further expand its multimodal services and improve the performance of the existing routes.

Other business lines 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, in particular:

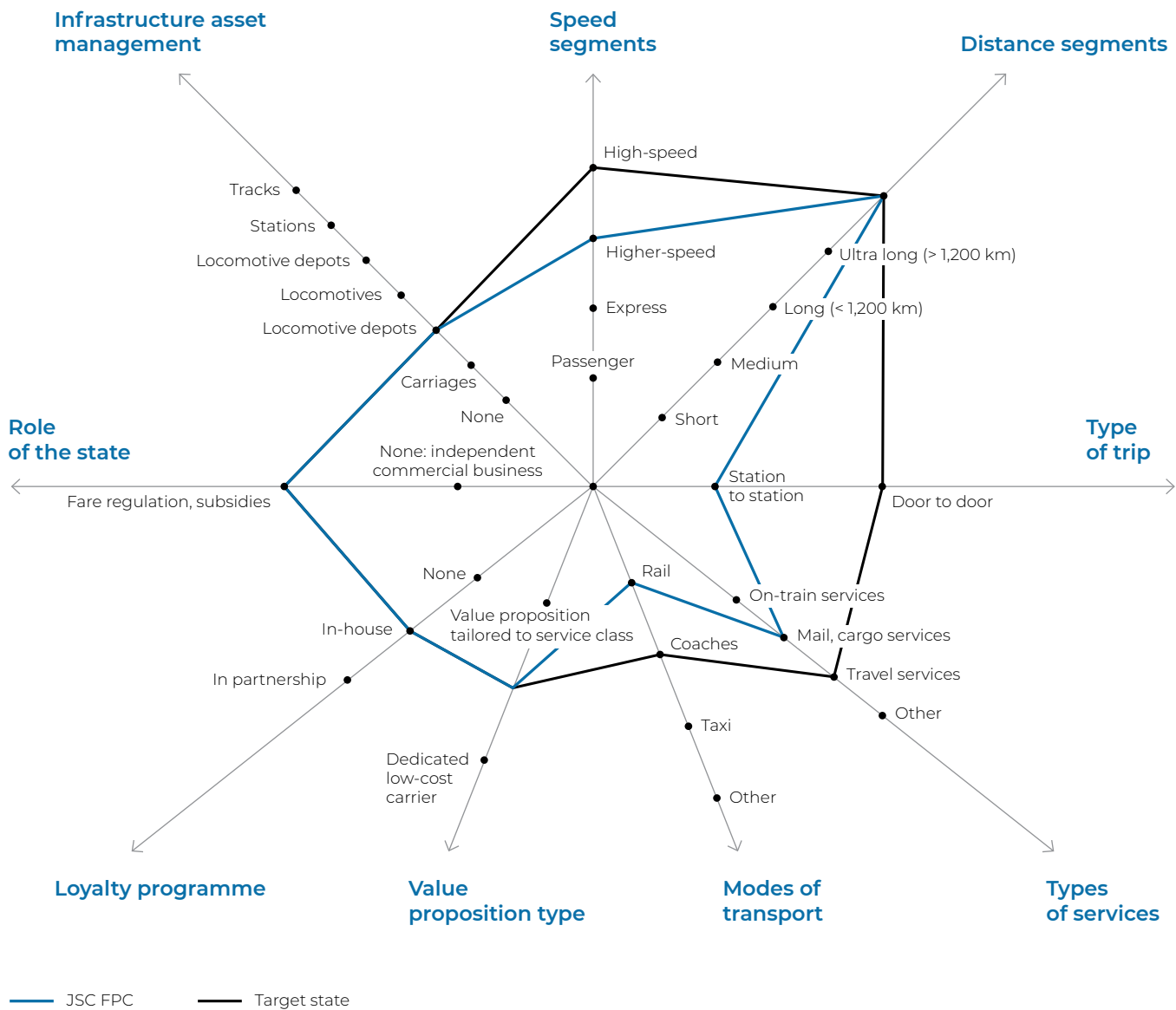
- On-train passenger services
- Development of rail tourism
- Services involving all modes of transport
- Logistics services (mail, cargo, etc.).

The following was accomplished in 2021:

- A cloud-based passenger identification and service system has been introduced
- An unaccompanied pet carriage service was made available
- Parcel transportation on trains has been increased
- April 2021 saw the launch of the national project Tourism and Hospitality Industry, which implies a doubling

of domestic tourist traffic by 2030. The Company has been actively involved in the development of railway tourism — about 81 thousand passengers were carried. Sochi, Zhemchuzhina Kavkaza (Pearl of the Caucasus) and Baikalskaya Skazka (Baikal Fairy Tale) are striking examples of tourist trains.

TARGET BUSINESS MODEL¹



¹ Draft target business model outlined for FPC in the Parent Company's Long-Term Development Programme until 2025. Elements may be adjusted.