

GOVERNMENT RELATIONS

In 2020, the Company's government engagement, both at the federal and regional levels, was focused on protecting its passengers and employees against the novel coronavirus (COVID-19) and mitigating the economic impacts from restricted population mobility.

In spring 2020, FPC had to suspend all international services and temporarily suspend a significant portion of its domestic route network, due in part to requests from the heads of Russian regions. The Company also took preventive measures to ensure safe passenger transportation and staff work in full compliance with applicable supervisory requirements.

These steps had a significant impact on the Company's financial performance in 2020 and prompted us to seek extra government support measures.

As a company systemically important to the Russian economy, in 2020, FPC concluded a number of loan agreements with favourable interest rates for a total of RUB 5 billion, used to pay wages and unified social tax.

Resolution of the Russian Government No. 927 On Changes to Section 1 of the List of Russian Economy Industries Most Severely Affected by the Spread of the Novel Coronavirus, dated 26 June 2020, included intercity rail passenger services (economic activity code OKVED 2 49.10.1) in the list of Russian industries most severely affected by the novel coronavirus, previously approved by Resolution of the Russian Government No. 434 dated 3 April 2020.

As a company active in a Russian industry most severely affected by the spread of the novel coronavirus (COVID-19), in 2020, FPC was able to conclude a working capital loan agreement with a favourable interest rate for RUB 4.6 billion with an option to write off the principal and accrued interest in 2021.

In the second half of 2020, the Company worked together with relevant departments of Russian Railways, the Russian Government and relevant ministries and agencies to restore rail traffic with the Kaliningrad Region with transit through Lithuania and Belarus as well as traffic with Abkhazia. The Company also received relevant approvals and helped repatriate large numbers of Uzbek citizens stranded in Russia during the lockdown.