

MESSAGE FROM THE GENERAL DIRECTOR

Dear shareholders, partners and colleagues,

2020 was a year of trials and restrictions for Federal Passenger Company due to the coronavirus pandemic and, as a consequence, the worsening social and economic situation in the country.

The key tasks for FPC during 2020 were to protect the health and well-being of passengers and employees while ensuring the smooth operation of our regional route network, boosting performance and driving further growth.

During 2020, the Company took comprehensive and timely measures to address these tasks.

Mandatory disinfection protocols were reinforced on trains to clean all carriage surfaces with special disinfectants, while the frequencies of cleaning in transit were stepped up.

Daily temperature checks were introduced for train crews, in parallel with regular COVID-19 testing. Amid the pandemic-induced restrictions, remote collaboration was operationalised, including online meetings, meetups and conferences, and remote-work arrangements were rolled out.

In order to ensure stable operations, we maintained our headcount and continued to pay salaries uninterrupted.

During this challenging period, the Company focused on strengthening its economic resilience, including by providing affordable travel and improving the quality of its services and products.

Throughout the year, priority was given to maintaining population mobility across Russia. Given the growing demand for passenger services, Federal Passenger Company prepared a phased plan to restore scheduled long-distance train services domestically, starting from mid-June 2020. As restrictions were gradually lifted, the number of trains in operation increased, for example seasonal trains were restored to the Russian Black Sea coast and North Caucasus resorts. We continue making further progress in this area, taking into account increased domestic travel demand from Russians.

To attract more passengers to rail, FPC consistently worked to optimise our pricing depending on changes in the COVID-19 situation: over 260 marketing promotions (including 59 network-wide) were run in 2020, which were used by more than 10 million people.

From April 2020, marketing promotions aimed at encouraging a higher level of social distancing were launched: entire compartments in second-class and first-class



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sleeping carriages could be bought at a discount. During the summer season, prompted by the growing passenger demand for travel, FPC successfully implemented traditional marketing promotions such as discounts and special fares for upper beds in second-class sleeping carriages, special fares for carriages with seats and discounts on round-trip tickets. The bulk of these marketing campaigns ran in Q3 2020 as the COVID-19 situation had improved.

For the first time, we launched targeted mailing of special offers for different passenger service segments, available through a discount code. As an example of this, in October 2020, as a sign of gratitude and appreciation for their professionalism and hard work, a campaign was launched to support healthcare workers on the COVID-19 frontline with a 50% discount code for round-trip tickets in second-class sleeping carriages on FPC trains.

We also actively pushed our online services, with the share of e-ticket sales up to 63% of total tickets sold in 2020.

We have also expanded the range of meal deliveries directly to trains from catering enterprises. Now food can be ordered not only via Russian Railways' website, but also via the RZD for Passengers mobile app, available for iOS and Android devices. In 2020, 36 restaurants and cafés across 21 Russian cities joined the service.

Despite the challenges of 2020, Federal Passenger Company has managed to retain its staff, adapt to a new mode of operation, respond promptly to restrictions, cut its own costs to ensure the affordability of rail transport, all without compromising on our high level of service.

Based on the experience gained, the Company will continue to work on improving the quality of service and boosting passenger demand for FPC train services.

General Director

Vladimir PYASTOLOV

