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Annual Report

THINKING
BIG

About the Report

This presentation version of FESCO's Annual Report is based on the Annual Report of Far-Eastern Shipping Company approved by the Company's Board of Directors on 30 May 2025.

In this Annual Report (the Annual Report, the Report), the term "FESCO" shall mean Far-Eastern Shipping Company PLC.

The terms "FESCO Group", "FESCO Transportation Group", "FESCO", "Group" and "Company" shall mean FESCO and any legal entities either directly or indirectly controlled by FESCO (controlled entities).

The reporting period extends from 1 January to 31 December 2024.



Disclaimer

This Annual Report has been prepared based on information available to Far-Eastern Shipping Company PLC and its controlled entities at the time of its drafting, including information provided by third parties. The Company reasonably deems this information to be complete and reliable as at the date of the Annual Report's publication. However, it is in no position to claim or guarantee that no adjustments, amendments or other changes will be made to the said information later on. This Annual Report may also include certain forward-looking statements pertaining to the business activities, economic performance, financial position, economic and operating results of the Company, its plans, projects and performance expectations, dividend and capital expenditure policies, trends in prices, rates, volumes of transportation, production and consumption, costs, estimated expenses, growth prospects, asset life cycles and other similar factors or economic forecasts for the industry and the markets.

Such words as "forecast", "consider", "anticipate", "intend", "plan", "will", "may", "must", "might", "estimate", "expect", "seek", "believe", "proceed from", "continue", "strive", "speculate" and other similar expressions generally indicate a forward-looking statement and are based on the plans, estimates and projects available at the time of making such statements. By their nature, forward-looking statements are subject to inherent risks and uncertainties (both general and more specific). Besides, there are certain factors which may influence future operating performance of the Company and cause results to differ materially from predictions, forecasts, projections and other forward-looking statements included

in the Report. In view of the above risks, uncertainties and assumptions, the Company warns that the actual results may significantly differ from the results set out, directly or indirectly, in the forward-looking statements, which were true only at the time of drafting the Report. The Company provides no assurances or guarantees that the results announced in the forward-looking statements will be achieved. The Company also bears no responsibility for any losses which may be incurred by individuals or legal entities due to their reliance on the forward-looking statements. In each case, such forward-looking statements represent only one of possible scenarios, which shall not be treated as the most probable one.

Other factors which may influence the financial and operating performance of the Company, its plans, projects, capital expenditures and other aspects of their operations may include changes in macroeconomic or market conditions, and actions taken by the government authorities in the Russian Federation and other jurisdictions within the Company's footprint. The provided list of factors is not exhaustive.

Unless otherwise directly required by the applicable laws of the Russian Federation, the Company or its representatives, employees and advisors do not intend, feel obliged or undertake to amend, change, update or review the forward-looking statements based on the new available information or any subsequent events.

The Annual Report may include links to the Company's website. Such links are provided for a reader's convenience.

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Company overview

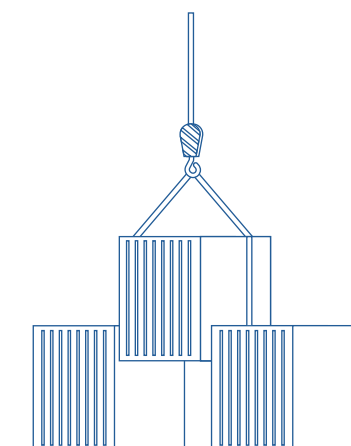
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For more details on this Report, see the Company's website <https://www.fesco.com/en/>

[Go to Company Overview](#)

IMPROVING LOGISTICS

No. 1

provider of container transportation services in Russia's Far East

>200
thousand TEU¹

record-breaking container fleet

>30
vessels

under management
(+2 in 2024)

nearly 15
thousand units

fleet of fitting platforms

FESCO is one of Russia's largest transportation and logistics companies. We leverage in-house transport assets and provide international and domestic multimodal freight services, including door-to-door delivery.

¹ Twenty-foot Equivalent Unit.

FESCO at a glance

FESCO is one of Russia's largest transportation and logistics companies with port, railway, and integrated logistics assets. A diversified asset portfolio enables FESCO to provide door-to-door solutions and control all links of the intermodal transportation value chain. The majority of the Group's operations are located in the Russian Far East. This gives the Company an extra advantage of tapping into rapidly growing trade flows between Russia and Asia.

FESCO is the leading provider of container transportation services in Russia's Far East leveraging international sea routes to/from Asia, domestic sea lines and rail network. In addition, the Group is the largest port container operator of Russia's Far East.

General information

Far-Eastern Shipping Company PLC (FESCO PLC)

Location: Moscow.

Legal address: 7/11 Novokuznetskaya St., Bld. 1, floor 3, office 338, Zamoskvorechye Municipal District, Moscow, 115184.

Tel.: +7 800 23 44499.

Fax: +7 495 780 6003.

Main state registration number: 1022502256127.

Date of state registration: 16 July 2002.

Registering authority: Inspectorate of the Ministry of Taxation of the Russian Federation for the Frunzensky District of Vladivostok

INN/KPP: 2540047110/770501001

OKVED code (main type of activity): 50.20.

Branch address: 15 Aleutskaya St., Vladivostok, Primorye Territory, 690000.

Official website: www.fesco.com/en

Auditor details

The auditor of FESCO's annual accounting statements and consolidated financial statements under the IFRS for 2024 is Kept.

Full company name: Joint Stock Company Kept (before 1 July 2022: Joint Stock Company KPMG).

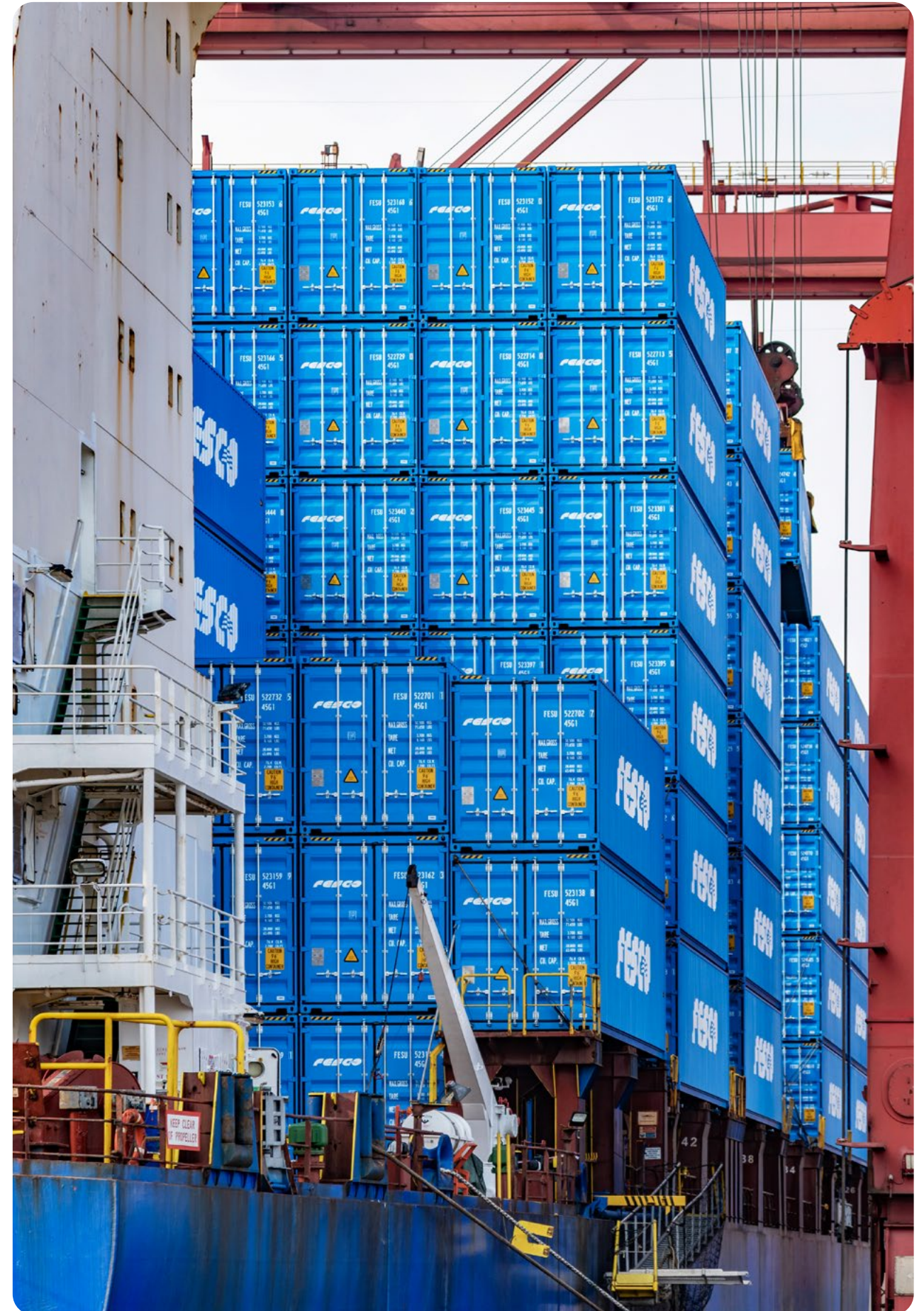
Short company name: Kept JSC (before 1 July 2022: KPMG JSC).

Location: Moscow.

Legal address: 34A Leningradsky Av., Begovoy Municipal District, Moscow, 125040.

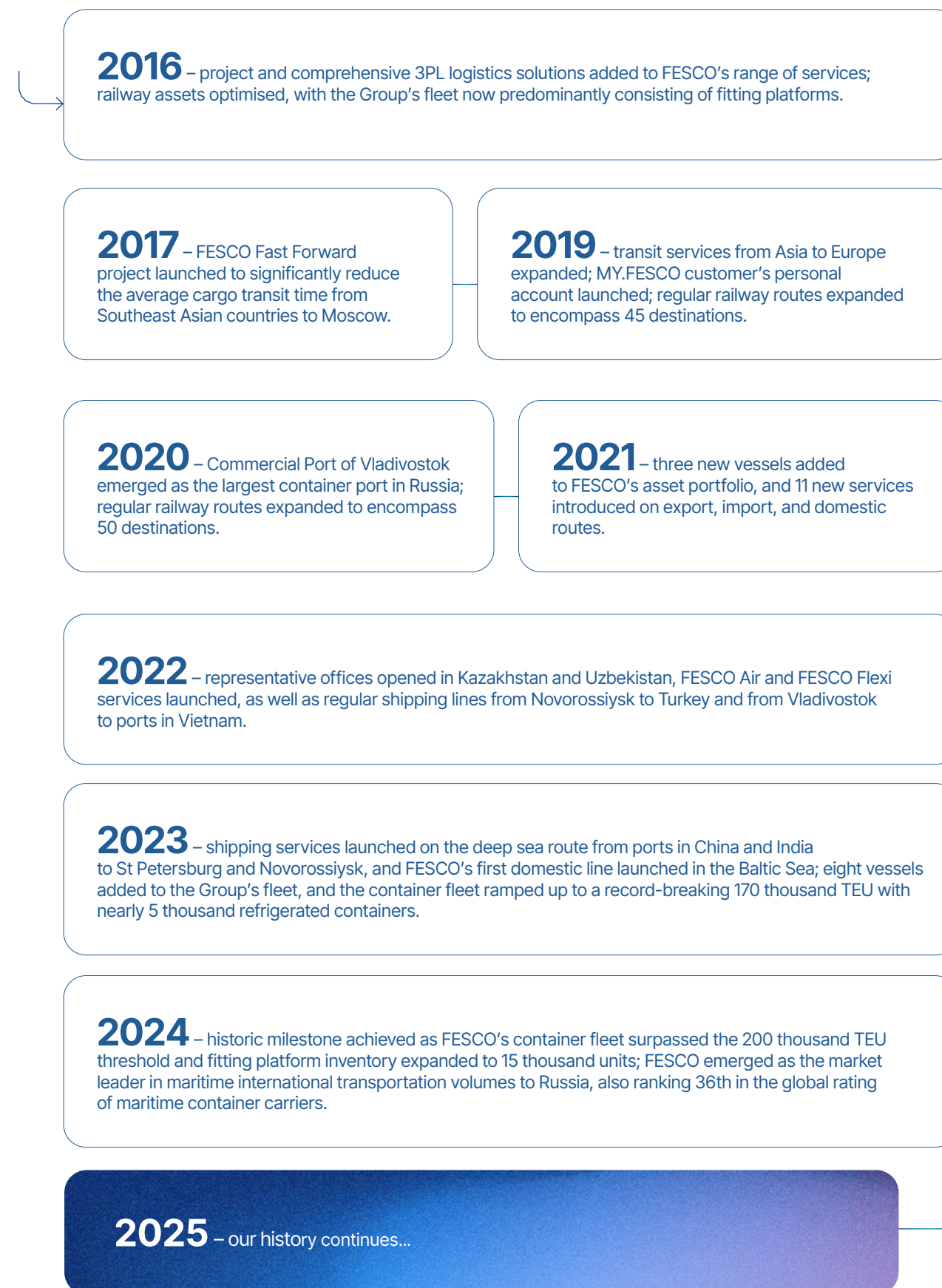
INN: 7702019950.

OGRN: 1027700125628.



Development milestones

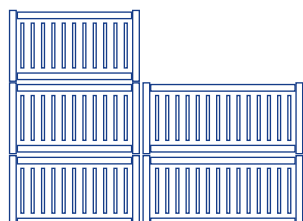
FESCO's history began on 25 April 1880, when a representative office of the Russian Volunteer Fleet (Dobroflot) was founded in Vladivostok. That same day, the Moscow ship heading from Odessa entered the Golden Horn Bay, thus giving a start to regular cargo and passenger voyages between the European part of Russia and its Far East.



FESCO assets

FESCO consistently increases its core assets, which enable the Company to offer reliable logistics solutions to its customers.

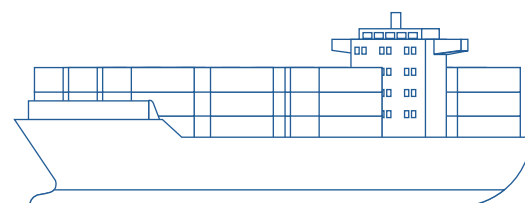
Today, FESCO's assets comprise all essential links of its multimodal chain:



Container fleet

>118
thousand units

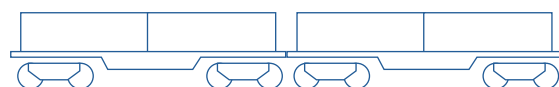
200 thousand TEU



Vessel fleet

693
thousand tonnes

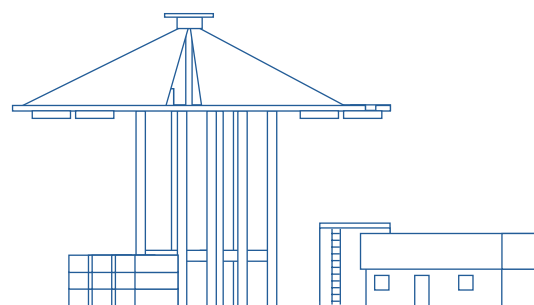
total deadweight



Fitting platform fleet

14,844
units

total count



Terminals

1,113
thousand TEU

total throughput capacity

Container fleet

FESCO's container fleet comprises general-purpose and refrigerated containers.

Container fleet structure, units

Container type	2021	2022	2023	2024	YoY change, % 2024/2023
General-purpose containers	60,510	78,639	96,823	114,248	18
• 20-foot containers	21,324	30,667	29,186	36,543	25
• 40-foot containers	39,186	47,972	67,637	77,705	15
Refrigerated containers	2,926	4,659	4,928	4,742	(4)
• 20-foot containers	575	629	628	628	0
• 40-foot containers	2,351	4,030	4,300	4,114	(4)
Total	63,436	83,298	101,751	118,990	17

Source: Company data

In 2024, FESCO's fleet expanded by 17% to a record high of 118,990 units.

The main contributors to this growth, which responded to increased transportation volumes and customer needs, were 20-foot (up 25%) and 40-foot (up 15%) general-purpose containers.



General view of VMTP

Fleet

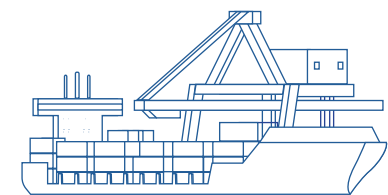
The total deadweight and container capacity of FESCO's fleet totals 693 thousand tonnes and 51 thousand TEU, respectively, including container vessels and universal bulk carriers,

as well as an icebreaker transport ship which is unique in the Russian and global markets.

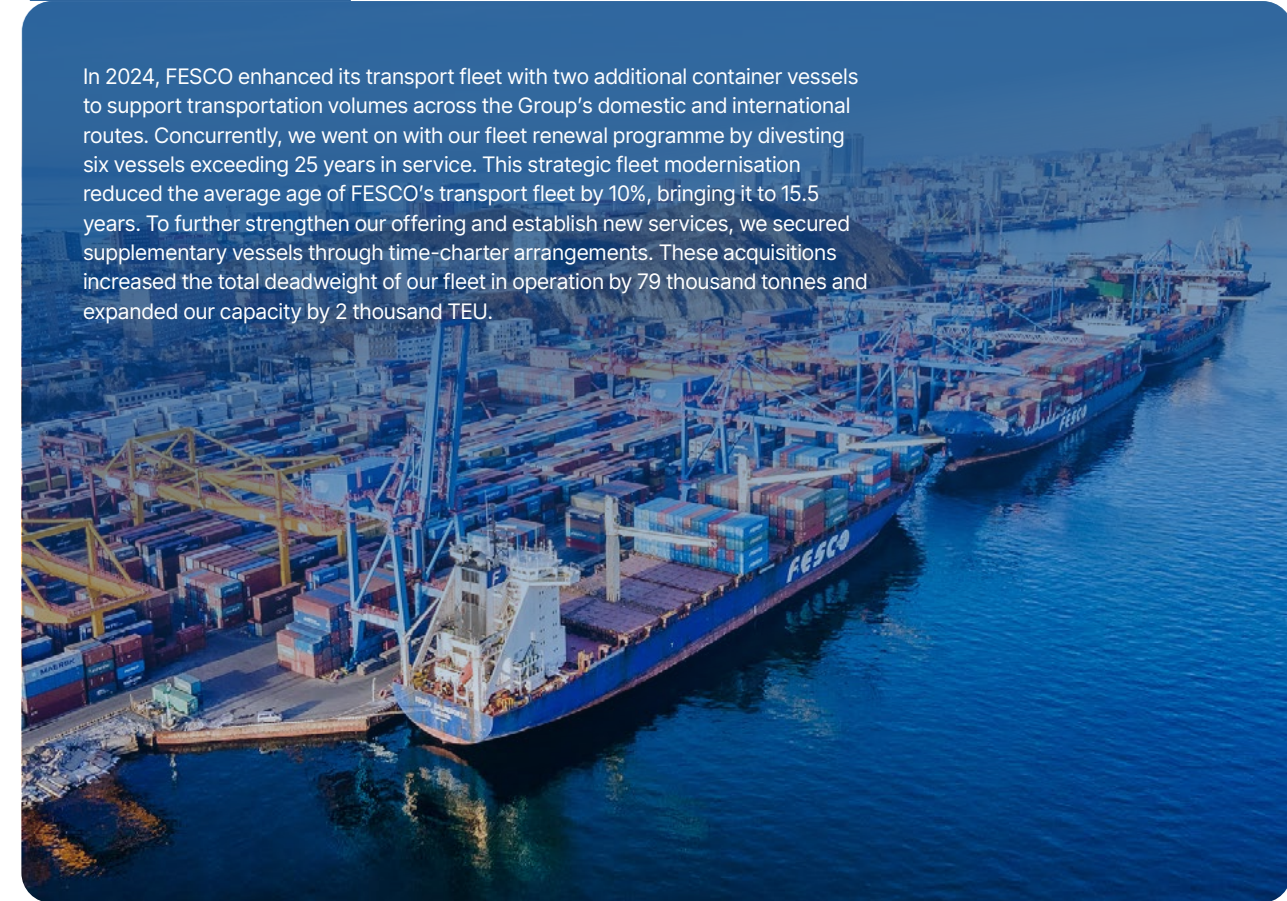
Fleet structure, kt

Vessel type	2021	2022	2023	2024	YoY change, % 2024/2023
Number/deadweight, kt					
Container vessels	15/290	21/385	29/529	31/629	7/19
Universal bulk carriers	6/61	6/70	6/70	4/53	(33) / (24)
Icebreaker transport ships	1/11	2/15	2/15	1/11	(50) / (27)
Total	22/362	29/470	37/614	36/693	(3) / 13

Source: Company data



In 2024, FESCO enhanced its transport fleet with two additional container vessels to support transportation volumes across the Group's domestic and international routes. Concurrently, we went on with our fleet renewal programme by divesting six vessels exceeding 25 years in service. This strategic fleet modernisation reduced the average age of FESCO's transport fleet by 10%, bringing it to 15.5 years. To further strengthen our offering and establish new services, we secured supplementary vessels through time-charter arrangements. These acquisitions increased the total deadweight of our fleet in operation by 79 thousand tonnes and expanded our capacity by 2 thousand TEU.



General view of the container terminal. Aerial shot. FESCO container vessels in the foreground

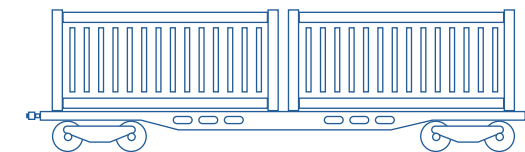
Fitting platform fleet

With fitting platforms of various footage at the core of FESCO's rolling stock, we can diversify our services and transport all types of containers.

Fitting platform fleet structure, units

Platform type	2021	2022	2023	2024	YoY change, % 2024/2023
40-foot platforms	995	944	1,051	1,005	(4)
60-foot platforms	1,236	1,065	1,060	1,060	0
80-foot platforms	6,523	8,399	10,907	12,779	17
Total	8,754	10,408	13,018	14,844	14

Source: Company data



In 2024, our fleet expanded by 1,826 fitting platforms, or 14%, to reach 14,844 platforms by the year-end.



The main increase came from 80-foot platforms, which increased by 1,872 units, or 17%, in 2024.

Port and terminals

FESCO's expedited logistics services rely on the Company's own terminal network with specialised container and multi-purpose terminals across Russia.

The total annual throughput capacity of FESCO's terminals exceeds 1,113 thousand TEU.

Key metrics of FESCO's port and terminals

Indicator	FESCO Gaydamak	VMTP	Novosibirsk	Khabarovsk	Tomsk
Total area, ha	4.5	71.6	20.4	9.7	0.6
Container storage area, ha	0	12.6	2.3	1.6	0.6
Container storage capacity ¹ , TEU	0	34,069	2,200	2,389	600
Storage area, ha	2.6	4.4	0	0	0
Container storage capacity, kt	93.6	93.8	0	0	0

Source: Company data

VMTP's annual handling capacities

Indicator	2024
General cargoes, mt	5.0
Containers, k TEU	928
Vehicles, k units	100
Oil products, mt	0.4

Source: Company data

The Novosibirsk terminal and Stroyopttorg LLC in Khabarovsk are the base terminals for FESCO's logistics chains in Novosibirsk and the Khabarovsk Territory.

The terminals own railway lines, locomotives, and reachstackers.

FESCO's inland terminals capacity, k TEU

Indicator	Novosibirsk	Khabarovsk	Tomsk
Containers	118	54	13

Source: Company data

In 2024, Commercial Port of Vladivostok (VMTP PJSC, VMTP or Port of Vladivostok), FESCO's key terminal, retained its leadership in container handling in Russia. VMTP benefits from convenient access to the Trans-Siberian Railway and allows FESCO to capitalise on trade flows between Asia and Europe using the ice-free Golden Horn Bay.

In 2024, the Novosibirsk terminal revised its Development Programme to introduce a hybrid handling technology utilising a gantry crane to include the development of infrastructure at the Yuzhnaya and Novosibirsk-Vostochny railway stations with a commercial railcar inspection system.

FESCO takes further steps to expand its terminal network:

- work is ongoing to construct a container terminal with a throughput capacity of 450 thousand TEU in the Trans-Baikal Territory with a view to strengthening the Company's logistics services via land border crossings;
- for the container terminal in Kazan, we are securing inputs for infrastructure connectivity and finalising land rights acquisition to build a 70 thousand TEU terminal.



¹ Terminal FESCO Gaydamak is a universal reloading station (excluding heavyweight container handling).

Geography

FESCO is one of the leading providers of international and transit transportation in the Russian Far East, servicing the key transport corridors and export and import routes. In 2024, FESCO continued to develop its key services and tap into new markets.

FESCO's transportation geography

We service the key transport corridors and export and import routes



Agent network in all major ports of Southeast Asia

25
days

CHINA–MOSCOW



LEGEND:

- Ports
- Junctions
- Railway lines
- Shipping services
- Terminals
- FESCO offices

For a complete list of ports of call, offices, and details on shipping services, please visit our website at www.fesco.ru/en/

Agent network in all ports of Southeast Asia

Russia's only stable weekly transportation service

- Fixed schedule liner services
- Cargo insurance and forwarder's liability coverage
- Optimised delivery through operation on high-speed trains
- Transport in a single refrigerated container throughout the entire route
- Exchange fleet availability across all major locations
- One-stop-shop for all sales (railway, sea, auto, and temporary storage capacity)



LEGEND:

- Weekly railway transportation services
- Weekly maritime transportation services

Business model

FESCO is made up of five operating divisions:
Liner and Logistics, Port, Rail, Shipping, and Fuel

FESCO Group

184,978 **54,498**

RUB million

RUB million

Revenue

EBITDA¹

FESCO operation is based on deep integration of the business divisions maintained by the management company and the shared service centre, which form part of the Extra-divisional Group. Such business architecture makes it possible to offer unique logistics solutions to our customers, including support along the entire transportation route.

Diversified assets and management functions combined in a single service for the customer provide a reliable basis under volatile market conditions as well as improve financial and operating performance every year, maintaining the leading role in the transportation industry.

¹ EBITDA is calculated as operating profit net of amortisation, depreciation of tangible fixed assets, and one-off expenses and includes the adjustments for IFRS 16.

Value created for stakeholders

Employees

Social programmes:

RUB 486 million

Training expenses:

RUB 98 million

Occupational health and safety expenses:

RUB 65.7 million

Lost time injury frequency rate (LTIFR) reduced
to **0.34** in 2024

Total procurement:

RUB 203 billion

Procurement procedures in 2024:

10,389

Environment

Environmental expenses:

RUB 314.2 million

GHG emissions reduced by

1.74%

Government and local communities

Taxes paid to federal and local budgets:

RUB 17 million

Social investments:

RUB 1 billion

Outreach of the Company's social
and cultural initiatives:

>100 thousand people



Key performance indicators

Group's financial results, RUB million

Indicator	2021	2022	2023	2024	YoY change, % 2024/2023
Revenue, RUB million	113,709	162,639	172,004	184,978	8
EBITDA, RUB million	47,474	71,483	53,607	54,498	2
EBITDA margin, %	42	44	31	29	(2) pp
Indicator	2021	2022	2023	2024	YoY change, % 2024/2023
Liner and Logistics Division					
Revenue, RUB million	94,591	138,926	146,608	163,129	11
EBITDA, RUB million	34,967	48,771	22,347	26,846	20
EBITDA margin, %	37	35	15	16	1 pp
Port Division					
Revenue, RUB million	22,746	32,977	35,238	33,424	(5)
EBITDA, RUB million	11,792	20,749	20,364	19,458	(4)
EBITDA margin, %	52	63	58	58	-
Rail Division					
Revenue, RUB million	5,115	6,932	8,915	10,272	15
EBITDA, RUB million	1,991	3,947	5,005	5,434	9
EBITDA margin, %	39	57	56	53	(3) pp
Shipping Division					
Revenue, RUB million	4,115	7,807	14,850	12,627	(15)
EBITDA, RUB million	1,108	3,446	9,141	1,640	(82)
EBITDA margin, %	27	44	62	13	(49) pp
Fuel Division					
Revenue, RUB million	1,809	2,788	2,884	3,290	14
EBITDA, RUB million	82	125	154	211	37
EBITDA margin, %	5	4	5	6	1 pp

Group's operating results

Indicator	2021	2022	2023	2024	YoY change, % 2024/2023
Liner and Logistics Division					
Intermodal transportation, k TEU	465	507	625	635	2
International maritime transportation, k TEU	288	342	419	501	20
Domestic maritime transportation, k TEU	81	84	105	104	(1)
Port Division					
Container handling, k TEU	757	768	859	879	2
General cargoes handling, kt	5,195	5,138	4,328	4,429	2
Oil product handling, kt	389	480	454	451	(1)
Vehicle handling, units	81,748	110,783	97,443	105,222	8
Rail Division					
Rolling stock, units	9,118	10,791	13,061	14,886	14
Shipping Division					
Transport fleet, units	22	29	37	37	0
Operable vessel days ¹	6,236	6,931	8,470	9,162	8
Bunkering Division					
Bunkering volumes, kt	63	98	151	185	22

¹ Total number of days when the vessel was available for operation, excluding downtime due to the vessel's overhaul, upgrade, dry docking, or specialised or intermediate maintenance.



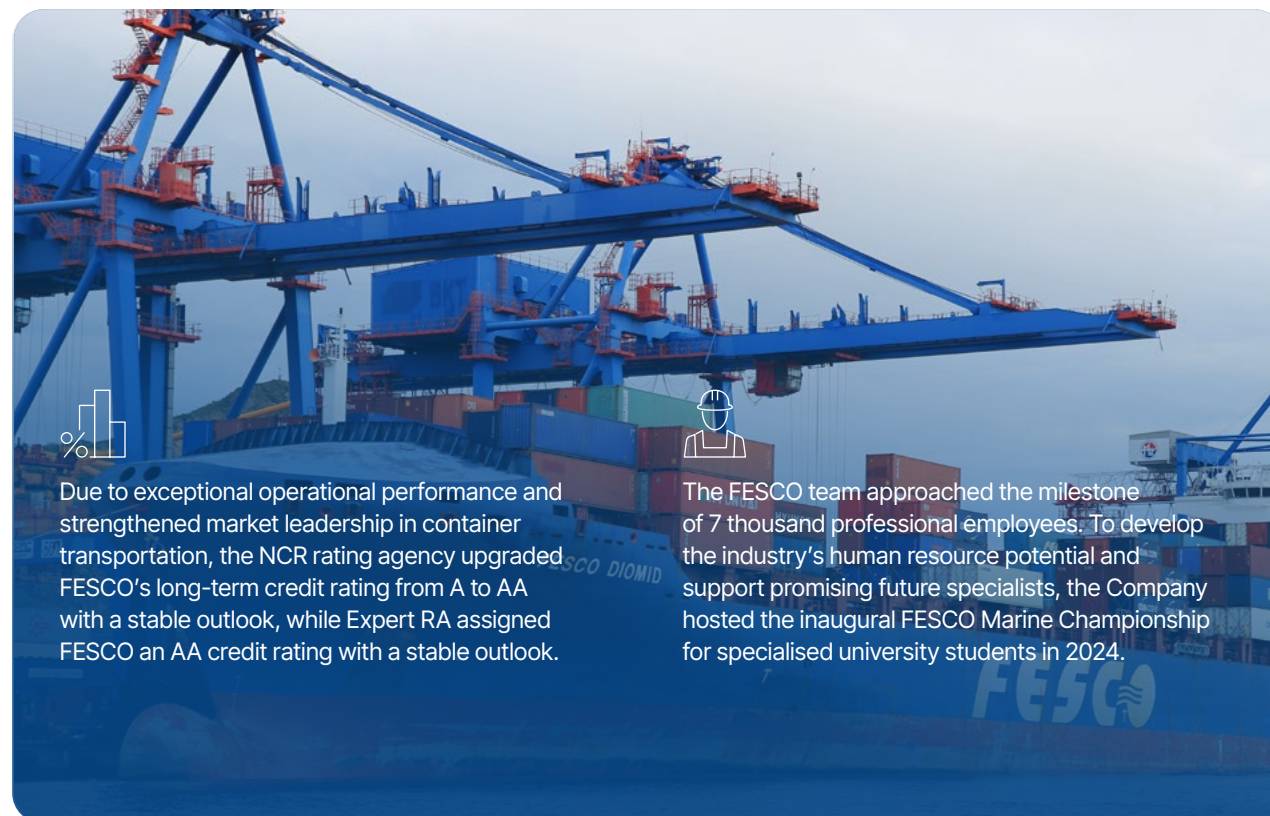
Key developments

FESCO improved key operational indicators across all core business segments.

- ↳ FESCO emerged as the market leader in maritime international transportation volumes to Russia, also ranking 36th in the global rating of maritime container carriers, according to the Alphaliner agency.
- ↳ The Group set a new record in containerised cargo handling at the port of Vladivostok, processing 879 thousand TEU in 2024 – nearly 20 thousand TEU above 2023's previous record. VMTP has been the largest container port in Russia for five consecutive years now.
- ↳ International shipping increased by 20%, reaching 501 thousand TEU thanks to active commercial efforts and the expanded transportation geography.
- ↳ Intermodal transportation increased by 2% to 635 thousand TEU.
- ↳ On the Chinese route through land border crossings, FESCO nearly doubled dispatches of international container trains to 60 trains monthly.

To broaden its transportation geography and support core operations, in 2024 the Group continued to expand its core assets.

- ↳ As part of its container fleet enhancement programme, FESCO acquired over 16 thousand containers in 2024, establishing a historic container fleet volume record exceeding 200 thousand TEU, while simultaneously reducing average container age to five years.
- ↳ The number of fitting platforms operated by the Group reached a record 14,844 units following the acquisition of Logbox LLC.
- ↳ During the year, FESCO expanded its transport fleet with two new container vessels for operations on domestic routes in the Russian Far East and on the international FBOL line.
- ↳ FESCO acquired 11 new RTG cranes, increasing VMTP's crane fleet by 25% to 56 units.



Due to exceptional operational performance and strengthened market leadership in container transportation, the NCR rating agency upgraded FESCO's long-term credit rating from A to AA with a stable outlook, while Expert RA assigned FESCO an AA credit rating with a stable outlook.



The FESCO team approached the milestone of 7 thousand professional employees. To develop the industry's human resource potential and support promising future specialists, the Company hosted the inaugural FESCO Marine Championship for specialised university students in 2024.

FESCO container vessel at VMTP

Services expansion, new routes.

- ↳ In 2024, FESCO launched its first sea line in nearly 20 years without Russian port calls – FESCO Intra Asia Service, connecting ports in Vietnam and Malaysia.
- ↳ The Company initiated container transportation between Novorossiysk and ports in Jebel Ali (UAE) and Mombasa (Kenya), while adding new feeder ports to the FESCO Indian Line West (FIL-W) sea service between India and Novorossiysk, as well as Chattogram (Bangladesh), Karachi (Pakistan), Colombo (Sri Lanka), and others.
- ↳ FESCO launched the enhanced FESCO Black Sea Service (FBSS), directly connecting Chinese ports with Novorossiysk via the Suez Canal.
- ↳ To strengthen China – Far East sea services, FESCO introduced FESCO China Direct Line-5 (FCDL-5), creating a direct connection between Shanghai and the Commercial Port of Vladivostok.
- ↳ The Group continued expanding its railway container transportation geography with several new services in 2024: FESCO Neva Moscow Shuttle (St Petersburg to Moscow), FESCO Baltic Black Sea Shuttle (St Petersburg to Novorossiysk), FESCO Komi Shuttle (Syktyvkar to Vladivostok), and FESCO Togliatti Shuttle (Vladivostok to Tolyatti).
- ↳ The FESCO Rail Jet service was launched for transporting consumer goods, electronics, appliances, express cargo, and specialised equipment between Hunchun (China) and Moscow in luggage railcars (150 cu m / 25 tonne and 200 cu m / 35 tonne capacity) on a weekly schedule with seven-day transit time.

FESCO actively participated in logistics support for Rosatom projects.

- ↳ Throughout 2024, the Group managed complex transportation of heavy and oversized equipment for power units under construction at the nuclear power plants Kudankulam in India and Akkuyu in Turkey.
- ↳ FESCO maintained its status as the unified logistics operator at the Vostochny cargo terminal located at the Akkuyu NPP construction site.

In addition to traditional services, in 2024 FESCO introduced comprehensive logistics solutions for supply chain management in specific industries.

- ↳ FESCO Fashion, a new service, provides end-to-end logistics for clothing, footwear, and textile deliveries from China, Turkey, Bangladesh, and Southeast Asia to Russian fashion industry clients.
- ↳ In line with its service expansion, FESCO Agro completed its first bulkier transportation of sunflower seed meal to China. This shipment delivered 4.5 thousand tonnes granules of this agricultural by-product, which is a popular feed additive for livestock and poultry farming, to the Nantong port.
- ↳ FESCO Chemical was launched for chemical industry enterprises and traders, offering delivery services for chemical products from China, Turkey, India, and Southeast Asia via regular sea, rail, and intermodal services.
- ↳ In 2024, FESCO became the first transportation company to arrange Russian-produced pork shipments to China following the lifting of restrictions in effect since 2008. This milestone led to the launch of the Meat Shuttle export refrigerated container service for delivering Russian meat products to Asian markets.

Opening of new offices.

- ↳ FESCO established a Kaliningrad office to support operations and develop container transportation for the FSKL domestic line. This office provides comprehensive logistics services in the Kaliningrad Region, including door-to-door delivery through the Company's own regional vehicle fleet.
- ↳ To enhance maritime and intermodal container transportation in Southeast Asia, FESCO opened a Vietnamese subsidiary. This entity ensures smooth operation and development of Group services in Vietnam, including the regular FESCO Vietnam Direct Line connecting Vladivostok with the Haiphong and Ho Chi Minh City ports, and the direct FESCO Intra Asia Service between Ho Chi Minh City and Port Klang, Malaysia.

PUSHING THE BOUNDARIES

FESCO continues to strengthen its position in the multimodal transportation market. We are actively enhancing logistics connectivity across Russian regions and expanding cooperation with countries in Southeast Asia, Africa, and the Persian Gulf.

>13.8 up 1.4% YoY
million tonnes

of cargo handled at the terminals

In 2024, FESCO launched its first sea line in nearly 20 years without Russian port calls – FESCO Intra Asia Service, connecting ports in Vietnam and Malaysia

635 up 2% YoY
thousand TEU

intermodal transportation volume

501 up 20% YoY
thousand TEU

international maritime transportation volume

Letter from the President

**Dear shareholders, partners,
and customers,**

Each year in FESCO Transportation Group's rich, 145-year history marks a step forward in our development. This means new achievements and new opportunities for Russian logistics, both domestically and internationally. As we continue this journey, we are proud to now move forward hand in hand with Rosatom State Corporation.



The year 2024 reaffirmed FESCO's commitment to its growth strategy with a focus on expanding the vessel and container fleets and developing port capacities. The Group's vessel fleet welcomed two new, state-of-the-art vessels, which, in keeping with the tradition, were named after iconic figures for FESCO and the transportation industry – Captain Maslov and Captain Malakhov.

The container fleet operated by FESCO set a historic volume record. Over the last two years it grew by more than 55% to exceed 200 thousand TEU. In addition, the number of fitting platforms operated by the Group reached nearly 15 thousand in 2024, also setting an absolute record for FESCO.

We keep expanding the Group's assets to unlock new services and markets for our customers. Some of the logistics products introduced in 2024 were the first of their kind in decades. For example, the FESCO Intra Asia Service regular line directly connected the ports of Vietnam and Malaysia, becoming the Group's first maritime service in nearly 20 years without calling at Russian ports. We have entered the market dominated by global carriers and are starting to compete with them on an equal footing. This move underscores the Group's ambition to be among the key players in the logistics landscape of nations friendly to Russia.

At the same time, we continue to actively strengthen Russia's transportation sovereignty, expanding our range of services both domestically and internationally for the benefit of Russian businesses. Yet another milestone in 2024 was the launch of a new service for shipping meat products to Asian countries, which reopened supplies of Russian pork to China after nearly 15 years of restrictions. Furthermore, in 2024, FESCO's new routes connected Russian economic hubs with the African continent, the Gulf countries, and new industrial regions of China, including through land border crossings. We launched a direct maritime service from Chinese ports to Novorossiysk, and significantly expanded the geography and capacity of our Indian line, which grew almost seven-fold in the reporting year. To develop container transportation across various markets and countries while maintaining control over all shipping stages, FESCO continued to expand its network of representative offices. We established an office in Kaliningrad, Russia's westernmost region, and a subsidiary in Vietnam, which started operating at the end of the year with full-fledged offices in Ho Chi Minh City and Haiphong.

As we expand our business geography, we always pay close attention to the social and cultural development in the regions where we operate. Our Sea of Opportunities grant contest, which celebrated its fifth anniversary in 2024, has become an integral part of supporting the initiatives of non-profit organisations and active citizens in the Primorye Territory.

Every year, we continue to scale our FESCO for the Kids programme to create opportunities for young talents in Primorye and provide them with comprehensive support.

The effectiveness of these programmes has been highly praised both by participants and the expert community. In 2024, the Group earned the high A status in the nationwide Leaders of Corporate Charity ranking and was among the finalists of the Our Contribution national award, which recognises the contribution of businesses and non-profit organisations to national projects.

With a long-term perspective, FESCO's initiatives draw on past experience and present successes to shape the future. We actively implement innovations, invest in upskilling our team and future talent, and leverage artificial intelligence in transportation management and operations of the Commercial Port of Vladivostok (VMTP). These efforts bear fruit: the port consistently ranks as Russia's largest in container handling, breaking its own records year after year. In 2024, VMTP handled nearly 879 thousand TEU, which is 20 thousand more than in 2023.

I am confident these results are not the limit, but important steps toward even greater achievements – ones we will surely reach as part of the larger Rosatom family. What matters most on this journey is the support of our shareholders, partners, and the entire FESCO team. On behalf of our Company, let me thank you for supporting us in all our endeavours. Your support drives us to create new logistic solutions and expand the geography of our operations – benefitting both our customers and Russia's transportation industry as a whole.

Peter Ivanov

President, Chairman of the Executive Board

Strategy

Key factors underpinning our strategy from 2024 to 2030

Macro environment



Global economy

- Global economic growth is projected to remain stable at 3.2–3.3% in 2025, with 3.3% growth forecast for 2026.
- Global inflation is expected to decline to 4.2% in 2025 and 3.5% in 2026.
- Inflationary pressures will continue easing gradually, prompting central banks to begin rate cuts.
- Average global economic growth is projected at 3% annually through 2030.
- Moderate global growth will constrain prices in global commodity markets.
- US economic growth will stabilise at 2.1% annually due to slowing demand amid reduced savings and declining fixed investment growth.
- China's annual GDP growth will slow down to 3.6% by 2028 due to population ageing and declining demographic growth.
- India's economy will expand (projected 6.6% average annual growth) driven by population growth and strengthening investment appeal.
- Asian and African economies will outpace Europe and America in growth rates.
- New Asian growth leaders will emerge (India and some Southeast Asian nations).
- High market uncertainty persists due to geopolitical tensions in Ukraine and the Middle East.

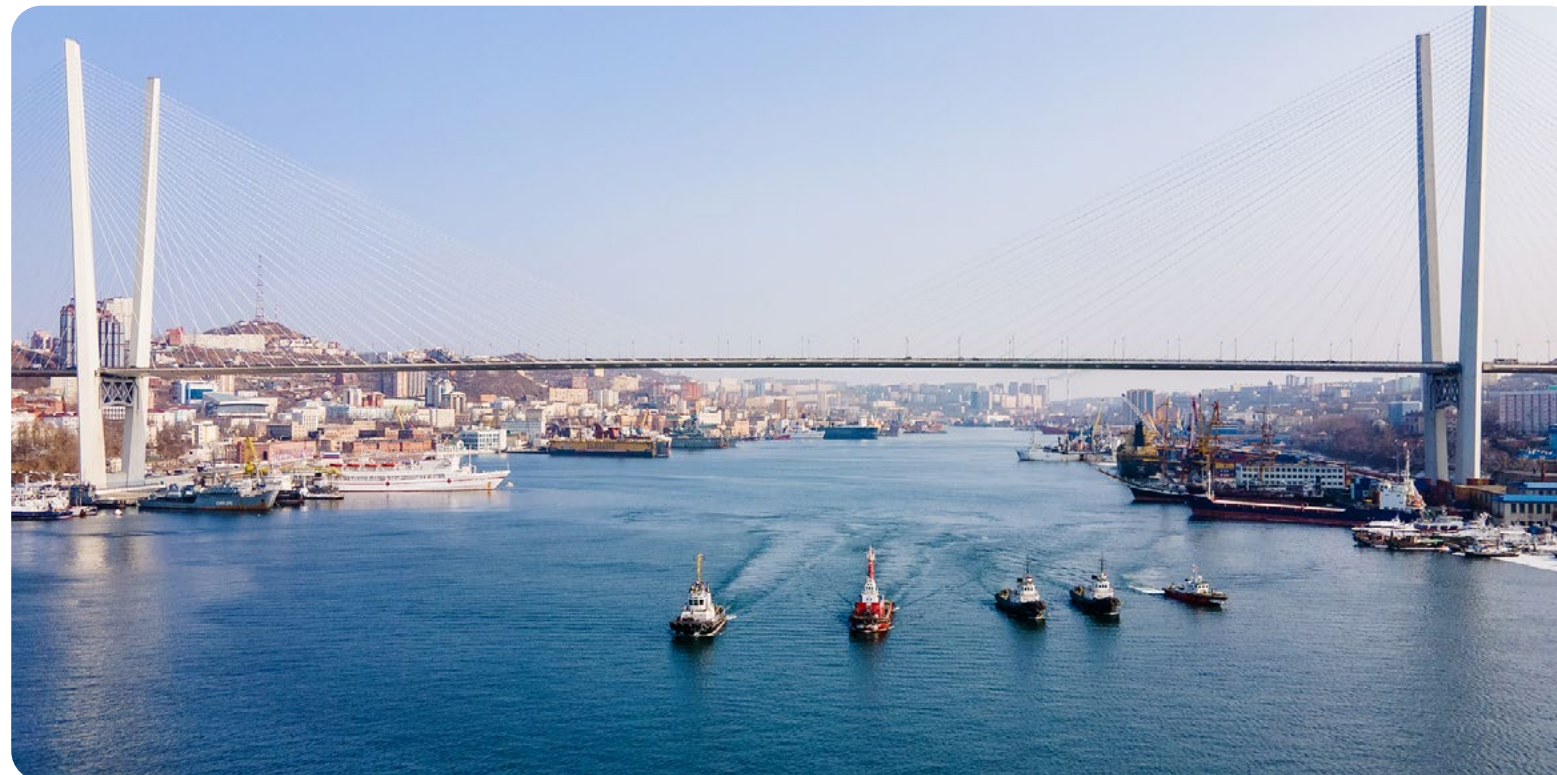
- In 2024, global economic growth reached **3.2%**.
- Emerging markets account for **~45%** of global GDP.
- New trade restrictions emerged in 2024.
- India's population (**1.426 billion**) surpassed China's (**1.425 billion**) in 2024.



Russian economy

- Russia's GDP is expected to grow by 1.6% in 2025 and 1.1% in 2026.
- Long-term potential GDP growth is forecast in the range of 1.5–2.5%.
- Investment activity in 2025 is projected at 2% (against a high 2024 base), with growth later accelerating to 3% and more.
- Inflation will gradually decline throughout 2025 and 2026. Due to the tight monetary policy and higher than expected year-end inflation in 2024, the inflation rate is anticipated to reach 7–8% in 2025 before stabilising at the 4% target level from 2026 onward.
- Russia's economic growth will be driven predominantly by consumer demand and continuing substitution of imported goods and components.
- The recovery in Russia's export volumes in 2024 and sustained growth in subsequent years will be driven by exporters entering new foreign markets.
- Russian-Chinese economic integration will continue to strengthen.
- Cooperation with BRICS countries will expand further.

- Russia's economy grew by **3.9%** in 2024.
- The key rate was raised three times in 2024: to **18%**, then **19%**, and finally **21%**.
- Inflation reached **9.52%** in 2024.
- Investment growth amounted to **7.8%** in 2024.
- Russia maintains its position as the world's fourth-largest economy by GDP in PPP terms.
- The slowdown in Russia's economic growth in 2024 was primarily due to weakened private consumption amid tight monetary policy and elevated inflation.
- In 2025, foreign economic activity will expand. The government has launched an updated national project titled International Cooperation and Exports.
- Forecasts for the Russian economy vary (Bank of Russia: **+1.5%** in 2025, **+2.0%** in 2026, **+2.5%** in 2027; World Bank: **+1.6%** in 2025, **+1.1%** in 2026).
- China's share in Russian exports reached **31%** in 2024 (up **1%** from 2023), while its share in imports grew from **37%** to **39%**.



Long-term trends in container logistics

- Continued expansion of intermodal chain assets by Russian companies.
- New logistics hubs emerging in Russia–China border areas
- Growing multimodal transport share.
- Development of the Northern Sea Route as a potentially year-round alternative transport corridor.
- Expansion of the North–South transport route operations.
- Continued heavy utilisation of eastbound logistics infrastructure.
- Rising e-commerce shipment volumes.
- Deployment of proprietary IT solutions for deeper customer integration.
- Growing influence of digital platforms and logistics marketplaces.
- Implementation of digital solutions and automation in transport and warehouse logistics.
- Strengthening market positions in BRICS countries amid Western sanctions.



Global container market

- Global container transportation volumes are projected to grow by about 4% in 2025.
- 2024 disruptions in the Red Sea positively impacted shipping companies' financial performance.
- Global freight and time-charter rates remained high for most of 2024 due to the use of longer shipping routes.
- Global implementation of ESG strategies will place additional pressure on regional carriers lacking sufficient resources to transition to greener container vessels.
- Transit through the Suez Canal is expected to resume by the end of 2025.
- An increase in US tariffs is anticipated, which could affect global supply chains.

- The global container market grew by **6%** in 2024 compared to 2023.
- There was a sharp rise in container prices in China, with a **45%** increase in May 2024.
- Demand for container transportation increased by about **7%** in 2024, while capacity grew by **3%** due to longer shipping routes.



Russian container market

- Further moderate growth at around 4.2% annually is projected through 2029.
- Export will be the main transportation growth driver, with an anticipated increase in trade with Global South countries (Asia, Africa, and Latin America).
- Imports will dominate shipments (38% of the entire container market), but their share is expected to decline due to high key rates, slow growth in purchasing power, and foreign trade restrictions.
- The import-export imbalance will drive domestic shipping growth.
- Transit volumes will largely depend on Belarusian cargo flows, while ongoing Red Sea tensions will boost China–Europe transit via Russia.
- Increasing pressure on infrastructure in eastern Russia remains the primary constraint to export growth.
- Existing infrastructure limitations and sanctions will urge logistics companies and freight owners to adopt new transport technologies.
- Further recovery and growth in container shipments to the northwest are anticipated.
- In 2025, Russian export flows will target Southeast Asia, Central Asia, the Middle East, and Africa.
- Transit from Belarus to CIS countries via Russia will keep growing (key cargoes: mineral fertilizers, timber, and wood products).
- New tariff regulations include empty container movement rate hikes: +5% from 1 January 2025 and another +5% from 1 January 2026 (with hikes included in the indexed base).

- Russia's container market grew by **5.8%** in 2024 vs 2023.
- The export share reached **27%** in 2024 and is expected to rise to **28%** by 2029.
- Transit accounted for **9%** of Russia's container market in 2024.
- The railway container transportation market via Russia's northwestern ports was rebounding (with the Baltic Basin showing the fastest growth in 2024).
- China accounted for **68%** of Russia's container handling in 2024.



FESCO container vessel en route from China to St Petersburg

Strategy

The key factors affecting FESCO Group's strategy implementation are geopolitical pressures on Russia's economy and expanding trade with Asia and Africa.

Target markets

FESCO's strategic growth markets are Southeast Asia, India, the Middle East, the Black Sea and Mediterranean regions, Africa, and Latin America.

Considerations for identifying FESCO's potential markets



FESCO's historically strong presence in Southeast Asia and the Black Sea and Mediterranean basins



Development of the Trans-Arctic Transport Corridor



Russia's heightened focus on expanding trade with Africa and Latin America

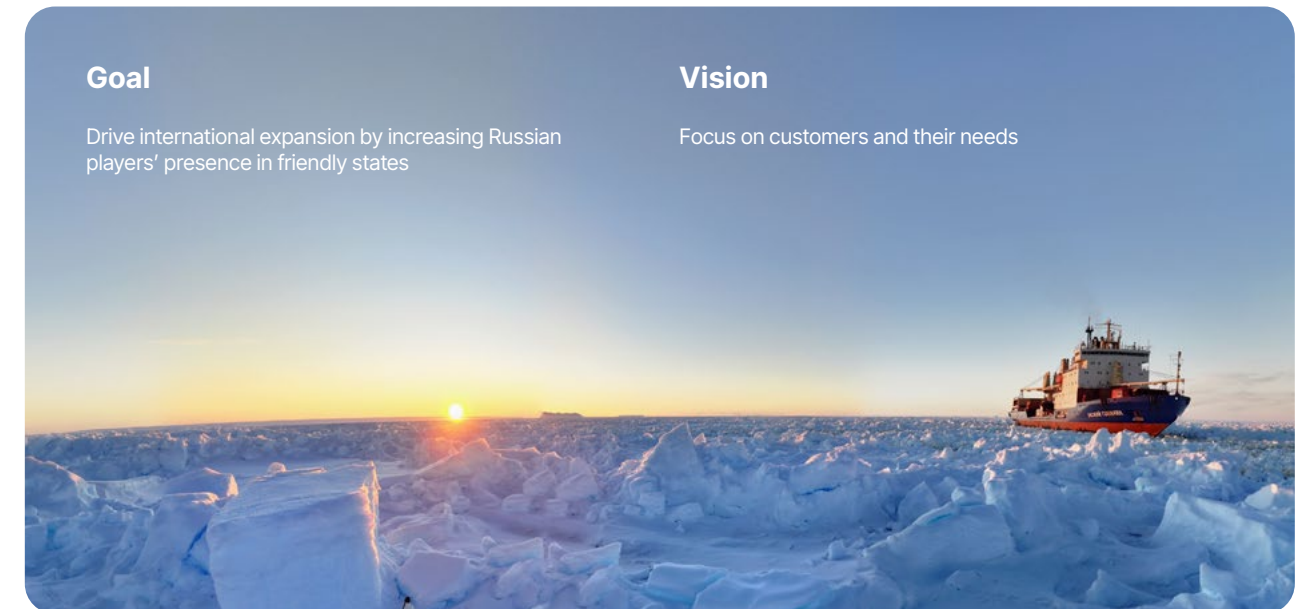
Mission, vision and values

Goal

Drive international expansion by increasing Russian players' presence in friendly states

Vision

Focus on customers and their needs



The diesel-electric ship Vasily Golovnin in the Antarctic.

Photo taken during the 7th Indian research expedition by travel blogger Konstantin Parfenyev (A Place on Earth project).

Key principles

Processes

To encourage better cross-functional and intra-Group interactions, we make a continuous effort to improve our business processes through the redesign of our production systems and adoption of lean manufacturing.

Quality service indicators are integrated into our incentive policy. Through continuous system development, we are able to create digital solutions and increase the quality of our services to meet the growing market demand. By investing in business process automation, the Company anticipates an additional economic effect over the strategic planning horizon.

To improve its processes, the Company runs the following projects as a strategic initiative:

- ✦ Service Excellence, a project to improve customer experience;
- ✦ FESCO's online services to submit transportation requests and have access to information on a 24/7 basis.

People

Our people remain at the heart of our business. We strive to provide our employees with all the tools and support they need to achieve their full potential. Attracting and retaining talent remains our core focus.

FESCO consistently engages with Russia's leading dedicated universities to cultivate a highly conducive environment for nurturing its future talents.



Antarctic expedition.

Photo taken by travel blogger Konstantin Parfenyev (A Place on Earth project).

¹ Less-than-Container Loaded.

Solutions

Expanding our geographic footprint and service offering is key to our strategy. We are committed to providing integrated added-value services that enable customers to outsource logistics functions worldwide.

These services include:

- ✦ multimodal transportation;
- ✦ customs clearance;
- ✦ warehouse operations, responsible storage and cross-docking;
- ✦ LCL deliveries¹.

We promote project logistics, which enables the Company to capitalise on its extensive experience in project cargo transportation and build long-term business relations with EPC contractors and direct customers.

We offer comprehensive logistics solutions to the timber, mining, and agricultural sectors.

Assets and reliable supplier network

Our assets provide a solid foundation to meet our customers' logistics needs.

FESCO works consistently to:

- ✦ expand and upgrade the vessel fleet;
- ✦ enhance the efficiency of managing the rolling stock fleet;
- ✦ increase the fitting platform fleet to keep its railway container transportation market share and become less sensitive to container transportation market volatility, as well as maintain meaningful presence in that market segment;
- ✦ develop its own handling capacity;
- ✦ expand and optimise its terminal network across all regions of Russia and beyond.

To capitalise on logistic synergies, Rosatom (FESCO's controlling shareholder) plans to maximise utilisation of FESCO's assets, including its existing infrastructure, in the best interests of the entire Rosatom Group.

Key strategic focus areas

The key principles underpinning FESCO's strategic development until 2030 must align closely with Rosatom's objectives in the transportation segment. This encompasses FESCO's participation in the development of new transportation corridors as well as leveraging synergies between FESCO's and Rosatom's other transportation assets, including those of the Delo Group.

Terminal network development across our regions of operation

FESCO is building a backbone network of container terminals and logistics parks to strengthen its presence in Russia and the CIS, improve customer experience, and offer high-margin products.

Key development focus areas are Russia's Far East, Siberia, the Urals, Moscow, and northwestern regions, as well as border crossings and Kazakhstan.

Investment decisions regarding project implementation will consider leveraging existing infrastructure or Rosatom's projects with a high degree of completion.

Development of VMTP and FESCO Gaydamak Terminal, FESCO's stevedoring assets

The anticipated trend of demand shifting from European to Asian products has proven accurate. Ports in the Russian Far East and land border crossings with Russia will remain the main entry points for Asian goods.

In addition to container imports and transit flows, exports are also set to go up until 2030 as new production facilities are commissioned across Russia with a focus on the Asian market.

Given VMTP's plans to retain its leadership in the Russian Far East and Russia overall, the port of Vladivostok needs to expand its capacities.

Under its development programme until 2028, VMTP plans to:

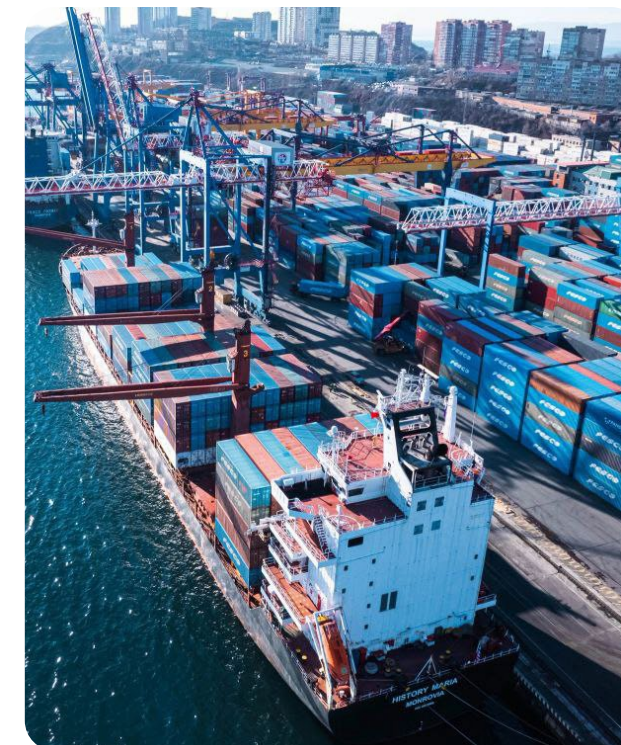
- ✦ remain the leader by container handling among stevedoring companies of Russia and the Russian Far East;
- ✦ keep its capacity utilisation levels at 80–90%;
- ✦ engage in a set of measures to expand its capacities to 1.2 million TEU by 2028.

The FESCO Gaydamak Terminal development programme envisages expanding terminal capacities for handling general and unitised cargoes, as well as optimising the Company's capacity structure.

Maritime segment development

The main strategic objectives of FESCO's maritime segment are:

- ✦ maintaining leadership in domestic and international services in the Russian Far East;
- ✦ increasing maritime transportation volumes;
- ✦ raising the share of new geographies and businesses to 32% of FESCO's total shipping services;
- ✦ improving fleet utilisation efficiency and driving the average vessel age down to under 15 years.



FESCO container vessel at VMTP

Geographic expansion

With robust quality of logistics solutions in key areas of business, FESCO is well-positioned to expand its geography by scaling up its expertise and competencies to new regions.

Turkey

Amid increasing sanctions pressure from the US, trade turnover between Russia and Turkey in 2024 decreased by 7% YoY to USD 52.6 billion.

The container market is expected to reach

400 thousand TEU by 2027.

Southeast Asia

Reconfiguration of logistics routes between Southeast Asia and Russia and the resulting increase in traffic through the Russian Far East increases FESCO's expansion potential in Southeast Asian markets.

Trade volume between Russia and Vietnam in 2024 amounted to

USD 4.6 billion, up 24% YoY.

By 2025, the target trade turnover is set to reach

USD 10 billion

Africa

African countries are among Russia's fastest-growing trade partners. Egypt remained the leader among African countries by the volume of trade with Russia, followed by Morocco, Tunisia, South Africa, and Senegal.

In 2024, trade turnover between Russia and African nations increased

by **10%** compared to 2023.

India

The goal is to increase bilateral trade to USD 100 billion by 2030. In 2024, Russia became the fourth largest trade partner of India and its second largest importer after China. The development of the International North–South Transport Corridor is expected to provide an additional impetus to the growth of trade between Russia and India.

In 2024, trade turnover between Russia and India grew by 15% to

~USD 66 billion

CIS (Uzbekistan and Kazakhstan)

In 2024, trade between Russia and Uzbekistan increased by 20.5%, reaching a record

USD 10.7 billion.

Trade with Kazakhstan in 2024 grew by 2.7% to

USD 27.8 billion.

CIS countries continue to be significant trade partners for Russia.



Growth in the share of sales in the segment of added-value services

Development of SCM¹ services and project logistics.

Solidifying our market position

Leveraging synergies between Rosatom's transportation divisions is essential to FESCO's strategy implementation.

Expansion tools:

- creating a product range in countries focused on Russia;
- working through agents/representatives;
- setting up corporate offices and engaging in partnerships with local operators;
- putting in place assets (Company-owned vessels and terminals).



Antarctic expedition.

Photo taken by travel blogger Konstantin Parfenyev (A Place on Earth project).

Risks

The implementation of FESCO's long-term plans and targets involves various risks, some of which are beyond the Company's control. If materialised, the risks can result in actual events that differ significantly from the expectations set out above.

Macroeconomy

- Risk of major international maritime container shipping players re-entering the Russian market;
- protectionist government policies;
- declining freight rates

Commercial tools

- Tightening competition;
- systemic limitations;
- maintaining sales culture standards;
- preserving high service quality

Talent acquisition and retention

- Labour market shortages;
- competition for talent with higher-margin sectors;
- dependence on highly qualified management teams and staff with technical and operational expertise at all organisational levels

Compliance

- Regulations related to taxation, customs, VAT², and data privacy;
- anti-monopoly laws;
- sanctions policy

M&A and integration failures

- Integration failures;
- incomplete realisation of synergies;
- high costs;
- failure to achieve cost savings

Infrastructure constraints

- Limitations of the railway network;
- reduced investment programme for railway transportation

¹ Supply chain management.

² Value added tax.

Market overview and industry position

The world economy in 2024 developed against a backdrop of slowing recovery growth. National governments focused primarily on ensuring domestic market protection through two simultaneous strategies: implementing additional import duties

and providing extensive government support programmes for domestic market development. These measures led to rising production costs.

Russian economy

Amid a global rise in production costs, the Russian economy grew by 4.1%, with final consumption of households as the key contributor and the consumer price index rising by 9.5% YoY.

Total freight turnover experienced modest growth – the decline in railway transport was effectively offset by increased transportation via other modes. Road freight turnover growth decelerated to 6.5% (down from growth of 22% in 2023). The consumer price index exhibited the greatest volatility (growing by 9.5%), reflecting the macroeconomic structure during a period of high interest rates. Additionally, a double wave of frost across Russia in May 2024 resulted in decreased agricultural production by year-end.

Russia continued to maintain a trade balance surplus, with exports consistently exceeding imports throughout the year.

Export volumes have stabilised, whilst import flows remain more stable and predictable due to well-established transport and payment routes.

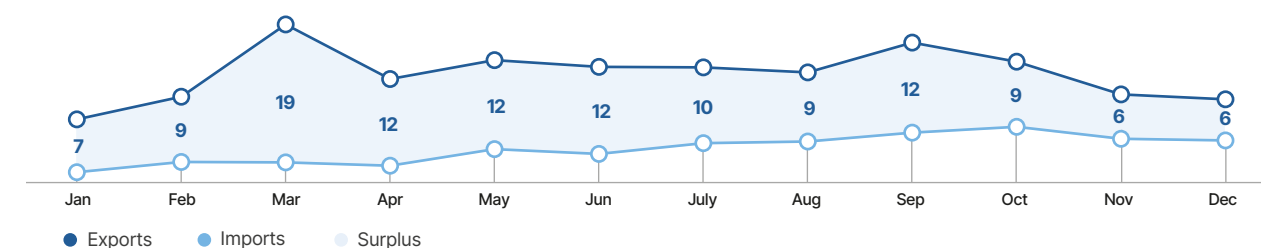
Total merchandise trade for Russia reached USD 711.7 billion. Against a backdrop of declining commodity exports, imports showed 3% growth. Export geography is shifting, as the share of Europe shrank to USD 71 billion and businesses continue to refocus on Asia.

Russia's key macroeconomic indicators in 2024, %



Source: Eurasian Economic Commission

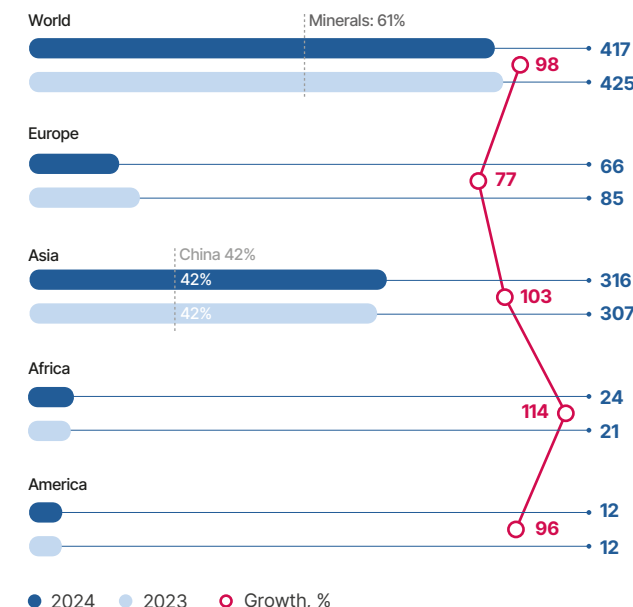
Russia's international trade by month of 2024, USD billion



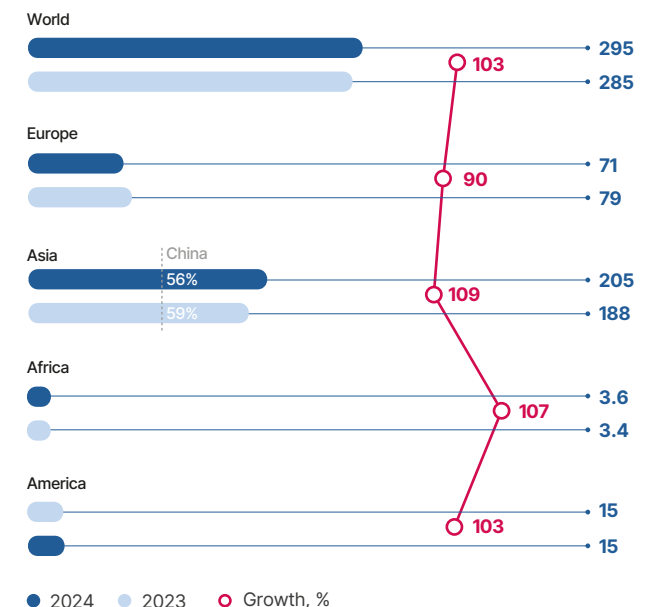
Source: Central Bank of the Russian Federation

Geography of merchandise trade in 2024, USD billion

Exports



Imports

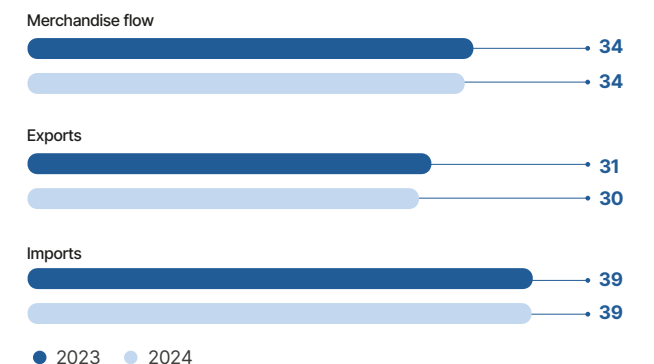


Source: FESCO estimates based on data by the Federal Customs Service and the Central Bank of the Russian Federation

The primary driver of decline in the European direction is the continued fall in commodity exports. China remains Russia's key trading partner in Asia, accounting for 41% of exports and 56% of imports. The decreasing share of China in trade with Asian countries reflects the development and growth of alternative markets in Southeast Asia.

Trade with China increased modestly to USD 245 billion. China's share in Russia's merchandise trade remained stable at 34% as a result of successful stabilisation of commodity flows.

China in Russia's merchandise flows in 2023–2024, %



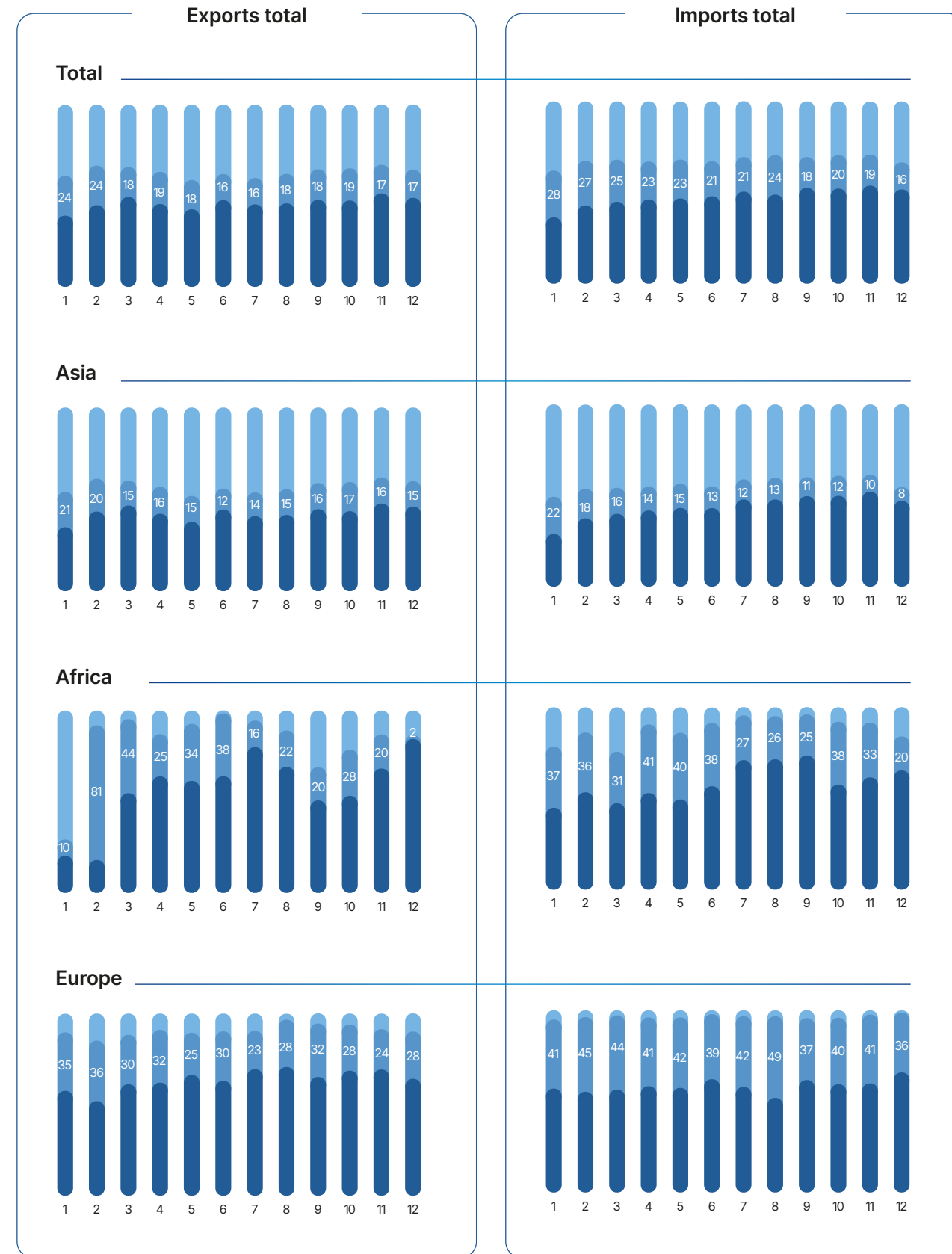
Source: Federal Customs Service of Russia, General Administration of Customs of the People's Republic of China

One of the key limiting factors in foreign trade continues to be the challenge of settling with partners amidst ongoing sanctions pressure on the banking system.

In 2024, the Russian rouble's importance in Russia's international settlements continued to grow, whilst the share of settlements in US dollars and euros decreased for the second consecutive year. Throughout the year, foreign economic activity participants increasingly favoured the Russian rouble. For the first time, its use

surpassed that of third-country currencies, which maintained a combined share of 42% in Russia's total foreign trade. This growth occurred at the expense of settlements in US dollars and euros. The share of settlements in other national currencies remained unchanged at 38% of all Russian foreign trade.

Russia's international trade settlements by month of 2024, %



● Rouble ● Euro, US dollar ● National currencies

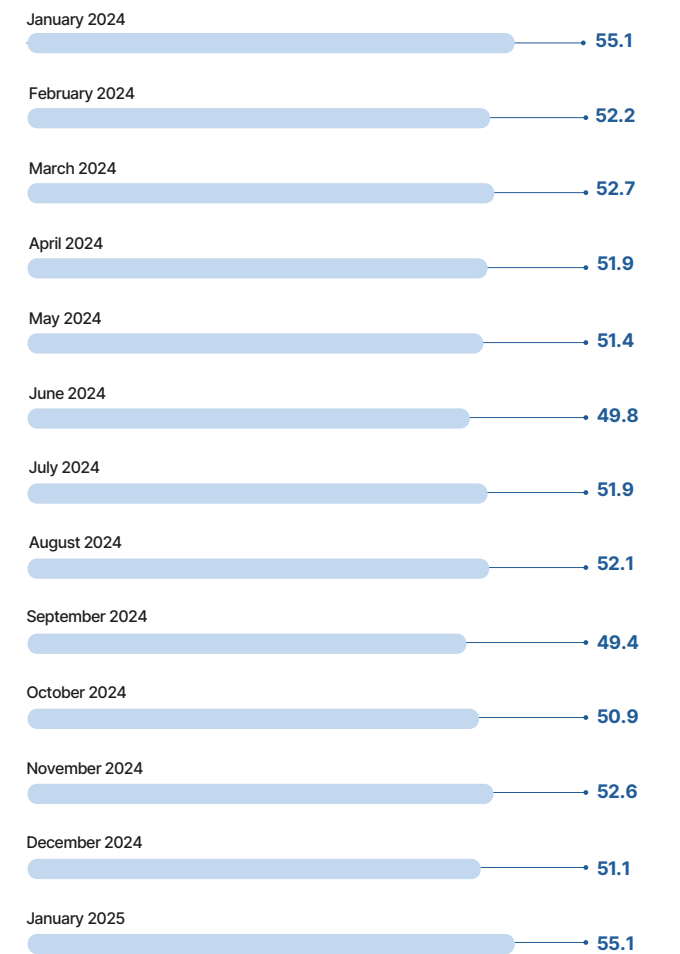
Source: FESCO estimates based on data by the Central Bank of the Russian Federation

The key driving force behind changes is the Asian market, including China, India, Turkey, and Iran, which by the end of the year accounted for over 40% and 45% of export and import payments in Russian roubles, respectively. Significant shifts also occurred in trade with African countries, with 54% of transactions conducted using the rouble by the end of 2024.

2023 saw explosive growth in localisation and import substitution for numerous goods essential to the Russian market. However, Russian industry experienced a slowdown in 2024, as confirmed by the composite PMI index. By mid-2024, this indicator began declining, falling below the 50-point threshold in June to 49.8. This decline stemmed from currency fluctuations, inflation, key rate increases, and staff reductions. These economic factors negatively impacted investment activity, hindering the construction of new production facilities and reducing opportunities for launching large investment projects, as lending became prohibitively expensive under these conditions. Alongside factors affecting the manufacturing sector (manufacturing PMI), decreased purchasing power contributed to the composite index decline.

The persistence of a high key rate will continue to negatively impact imported goods volumes, generating stable demand for domestic industry products.

JP Morgan Russia Composite PMI



Source: PMI TM by IHS Markit

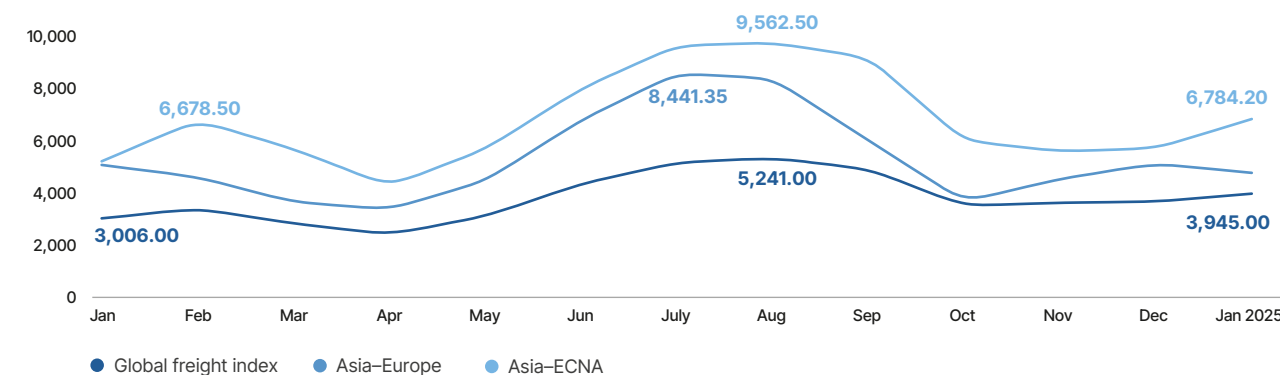


Global container market

By the end of 2024, the global container market grew by 6.2% compared to 2023, reaching 183.2 million TEU (according to Container Trades Statistics). Shipments from Asia to North America demonstrated particularly significant growth – 12%. This increase stemmed from Asian shippers' desire to dispatch goods before the formation of the new US government, which had previously announced its intention to review tariffs on Chinese imports. European container transportation volumes experienced a decline, particularly to the Indian subcontinent and Asia, while political tensions in the Middle East led to reduced transportation volumes from Europe to this region.

The year 2024 saw a substantial increase in TEU-miles – the measurement of container transportation distance – which rose by 21% compared to the previous year.

Global freight index in 2024, USD



Source: Freightos

The global container vessel fleet expanded by 10% in 2024, primarily driven by the commissioning of vessels ordered during 2020–2022. In line with the ESG agenda, container operators actively ordered ships running on alternative fuels. These vessels accounted for half of the construction orders placed in 2024. According to Alphaliner, over 81% of new container vessel capacity under construction is designed to operate using environmentally friendly fuels.

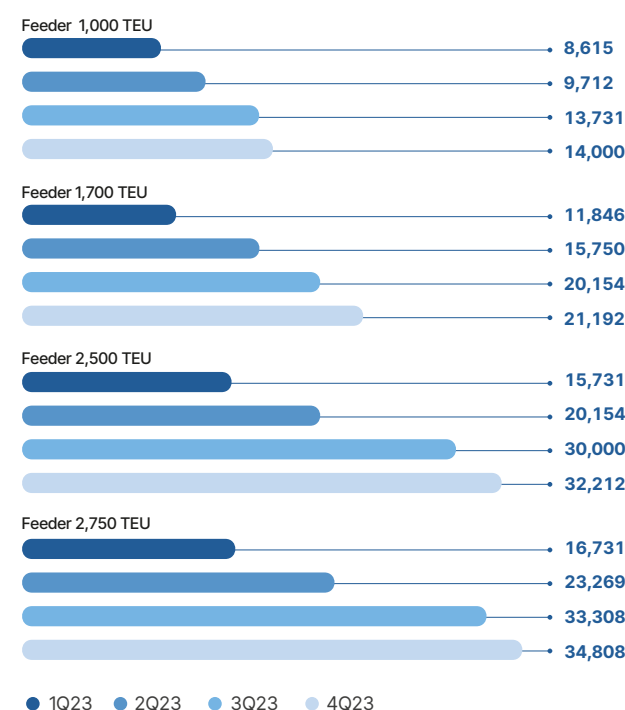
Alongside active construction of new container vessels, time-chartered vessels remain in high demand. The global fleet continues to experience a shortage of container ships with nominal capacity below 3 thousand TEU, leading to increased time-charter rates against a backdrop of global trade fragmentation.

By the end of 2024, growth in the new Handymax and Feeder class fleet fell short of carrier demand for these vessels. Tightening vessel age requirements and growing regional trade will likely drive further fleet demand increases.

This growth was driven primarily by continuing instability in the Red Sea, creating shipping risks and causing vessels to navigate around Africa, thereby increasing transportation distances.

Freight rates doubled in 2024 relative to 2023's average values. The first half of the year saw indices trending strongly upward due to equipment shortages in Asian ports. The trend reversed in the second half, with rates beginning to decline. However, the fourth quarter experienced another rise – a typical seasonal factor.

Time-charter rates, USD



Source: Braemar

Russian container market and industry position

In 2024, the Russian container market slightly exceeded post-pandemic 2021 volumes. This reflects the transformation of the national logistics system following the departure of major global players, changes in Russia's trade structure, and continuing sanctions pressure from unfriendly countries.

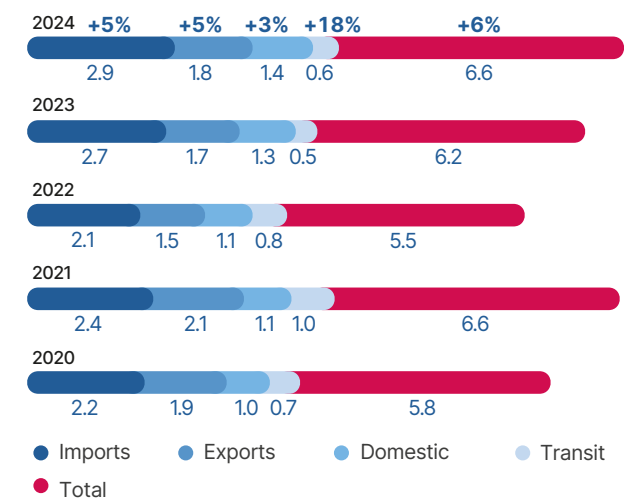
The year 2024 saw continued intensive economic development, with the Russian container transportation market evolving under the influence of the following trends:

- development of new alternative markets and strengthened partnerships with friendly countries;
- localisation of automotive industry production within the country;
- modernisation and development of domestic industrial production and high value-added products;
- growth in investment projects nationwide, particularly following the introduction of export duties on raw materials, making processed products more profitable (for example, grains and oilseeds);
- development of Russia's agricultural sector and expansion of cultivated areas;
- new partnership agreements with Asian and African countries;
- transport infrastructure development.

The primary limiting factors negatively affecting Russian container market growth were the eastern railway infrastructure constraints and resulting congestion in Far Eastern ports,

alongside difficulties with currency payments due to import-export imbalances. These factors influenced changes in external container flow routes and structure. Overall, in 2024 the Russian container market expanded by 6% from the previous year to 6.6 million TEU.

Russian container market by type of transportation, million TEU



Source: Morcenter-TFC



Imports

Imports served as the main driver of Russian container market growth, reaching the highest value in five years at 2,865 thousand TEU (up 5% compared to 2023, or 145 thousand TEU). This growth stemmed from increased imports through Far Eastern ports (up 14%) and St Petersburg ports (up 24%). Recovery continues through the development of trade relations with new countries replacing lost partners, infrastructure improvements increasing throughput capacity, and settlement system restructuring.

FESCO's share in imports reached 20% by the end of 2024, representing a 1% increase compared to the previous year. This growth resulted from the Company's expanded presence in Southeast Asian markets and the launch of the new FCXP-5 line with China.

Exports

Container exports increased by 5% (79 thousand TEU) by the end of 2024 compared to 2023. The export structure saw the largest increase through northwestern ports, amounting to 35% compared to 2023, associated with new route development and flow diversion from Far Eastern ports. Exports through Far Eastern ports showed the most significant decrease due to the eastern railway congestion: down 21% compared to 2023, though still exceeding export volumes through St Petersburg.

FESCO's share in exports through Baltic ports reached 8% by year-end, reflecting increased fleet capacity in this direction. In the Russian Far East, against a declining market caused by infrastructure constraints, FESCO maintained a 25% export share.

Domestic shipments

Domestic shipments remained relatively stable by the end of the reporting year, with a modest 3% increase compared to 2023 levels on the back of an increase in railway transportation driven by the localised manufacturing of certain goods. However, anticipated decreases in residential real estate construction amid rising mortgage rates may negatively impact this flow in future.

FESCO remains the leader in the market for domestic maritime transportation through Far Eastern ports with a 39% market share, conducting transportation with its own fleet, including as part of shipments to the northern territories of Russia.

Transit

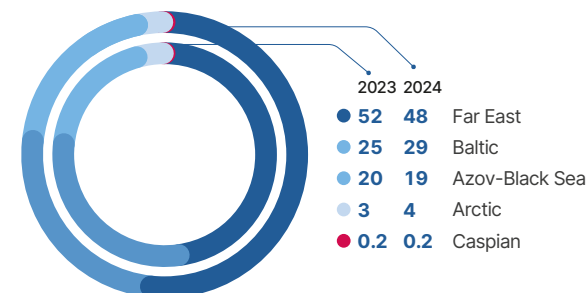
In 2024, container transit grew by 18% compared to the previous year, with the key contributor being transit from the Republic of Belarus through St Petersburg ports (up 167 thousand TEU), driven by fertiliser shipments to Brazil and Zimbabwe. Despite overall increases, significant decreases occurred in transit from Asia to Central Asia (down 73 thousand TEU), including reduced auto parts transportation from South Korea to Kazakhstan and Uzbekistan.

Container handling

In the reporting year, container handling in Russian ports changed across the basins. The Baltic Basin expanded handling to 1.6 million TEU thanks to significantly increased imports and exports through its ports, while the Far East Basin saw a 5% YoY increase in handling volumes despite a shrinking share.

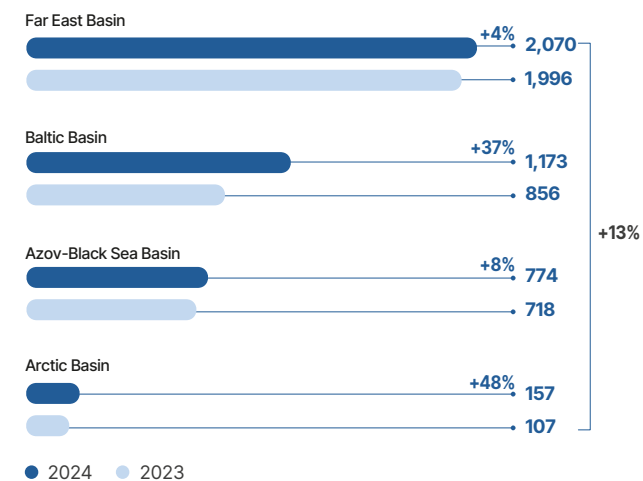
The Caspian Basin share decreased by 13%.

Basins' shares in total container handling, %



Source: Morcenter-TFC

Loaded container handling in Russian ports in 2023–2024 by basin, k TEU

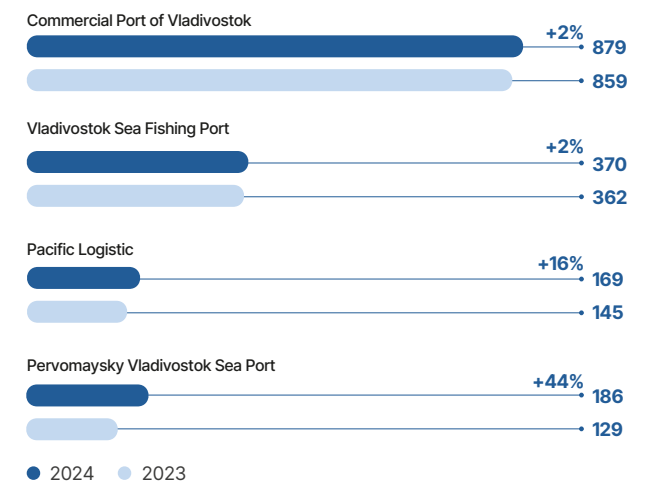


Source: Morcenter-TFC

Growth in loaded container handling was observed across all basins, especially Baltic ports. In percentage terms, the Arctic Basin showed the greatest increase, while the Baltic Basin led in absolute growth. The volumes lost to geopolitical factors have been recovering, but the Baltic Basin's full recovery potential is yet to be realised, with pre-crisis freight turnover values still not restored.

VMTP maintains its leadership position in the Russian Far East, with the terminal holding a 38% market share in stevedoring services by year-end.

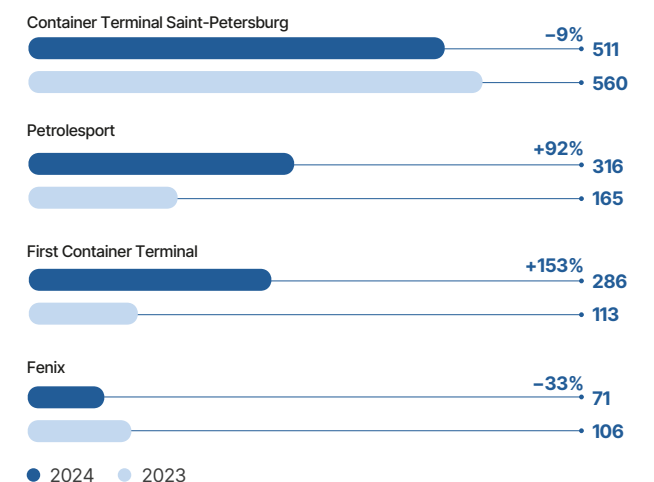
Container handling in major container terminals of the port of Vladivostok in 2023–2024, k TEU



Source: Morcenter-TFC

In 2024, container handling at VMTP increased by 2% from the previous year, with Pervomaysky Port showing the largest increase for the year (freight turnover up 44%). Pacific Logistic showed a 16% growth, increasing freight turnover to 169 thousand TEU.

Container handling in major container terminals of the Port of St Petersburg in 2023–2024, k TEU



Source: Morcenter-TFC

Among the terminals of the Port of St Petersburg, decreases occurred at Container Terminal Saint-Petersburg (down 9% compared to 2023) and Fenix (down 33% compared to 2023). The First Container Terminal delivered the largest increase, expanding container cargo handling to 286 thousand TEU.



Core business activities and operational overview

Maritime container transportation

FESCO provides domestic, export, import, and transit container transportation services and is the leader in shipping containers from Southeast Asian countries to Russia via the Far East. We also offer integrated services to transport dangerous, oversized, less-than-container-load (LCL), and general cargo along with special equipment. The Group operates 17 international and domestic sea routes, with its transportation geography spanning over 110 ports globally.

2024 achievements in the international transportation segment:

- to increase capacity on one of its most busiest routes, the Company introduced a new FESCO China Direct Line-5 (FCDL-5) as part of its FCDL line, establishing a direct connection between Shanghai and VMTP, with a transit time of three days and weekly sailings;
- the Company launched the FESCO Intra Asia Service (FIAS) between Vietnam and Malaysia, marking its first shipping service in nearly two decades that does not call at Russian ports. This route was designed not only to facilitate local container transportation between Vietnam and Malaysia, but also to serve as a feeder line transporting additional cargo volumes between Malaysia and other Southeast Asian and Indian subcontinent countries (including Sri Lanka, Singapore, Bangladesh, India, Indonesia, and Thailand) and Russia. Containers are transhipped in Ho Chi Minh City onto other vessels of the Group's vessel fleet operating on the FESCO Vietnam Direct Line, which links Vietnamese ports with VMTP;
- FESCO significantly expanded the FESCO Baltorient Line (FBOL) connecting ports in China, India, and St Petersburg, shipping over 75 thousand TEU – nearly triple the 2023 volume. In 2024, the Company added direct port calls at China's Dalian and Qingdao, as well as South Korea's Busan. The same year saw the deployment to this route of the final vessel in a series of six modern container ships built for FESCO at a Chinese shipyard;

- the FESCO Indian Line West (FIL-W) service between Indian ports and Novorossiysk handled over 16 thousand TEU – a tenfold increase over the previous year. This exponential growth resulted from intensified maritime shipping between the countries and expanded fleet capacity on the route. Furthermore, in September 2024, the Group added regular direct calls at Jebel Ali Port (UAE) to the FIL-W route, and in December, initiated container transportation between Novorossiysk and Mombasa Port (Kenya) as part of the FIL-W service. Russian exports are routed through the Mundra transshipment port (India), while Kenyan imports transit via Jebel Ali;
- FESCO launched the enhanced FESCO Black Sea Service (FBSS), now directly connecting Chinese ports with Novorossiysk via the Suez Canal. The service's import traffic primarily consists of consumer goods, cars and SKD and CKD kits, while exports feature forest products, pulp and paper industry goods, non-hazardous chemicals, fertilisers, agricultural products, and refrigerated cargo moving in both directions.

2024 achievements in the domestic transportation segment:

- the Company deployed higher-capacity vessels, resulting in a 3,005 TEU increase (up 20% vs 2023) in loaded container volumes on the Petropavlovsk-Kamchatsky – Vladivostok (FPKL) route. This fleet modernisation also enabled combined voyages on the Vladivostok–Anadyr–Egvekinot (FADL) and FPKL routes without compromising service reliability and regular schedule integrity, with additional capacity support for the FPKL service;
- the Company upgraded the fleet serving the FESCO Saint-Petersburg Kaliningrad Line (FSKL), achieving a 49% capacity expansion.

Key operating results of maritime container shipments, k TEU

Indicator	2021	2022	2023	2024	YoY change, % 2024/2023
International routes, k TEU	288	342	419	501	20
Domestic routes, k TEU	81	84	105	104	(1)

Source: Company data

Tramp shipping

FESCO implements a range of logistics solutions for its fleet aimed at project and special shipments. In 2024, operable vessel days totalled 9,162, up 8% YoY.

2024 achievements in project and special shipments:

- FESCO further expanded Northern Sea Route shipments using specialised MPP¹-type vessels between St Petersburg, Arkhangelsk, Pevek, Nakhodka, Southeast Asian countries, and China, transporting over 115 thousand tonnes of general cargo;
- the Company completed seven voyages as part of the Northern Sea Route development programme;
- the Company continued cooperation with India's National Centre for Polar and Ocean Research (under the Ministry of Earth Sciences): the diesel-electric ship Vasilii Golovnin successfully completed its first voyage under a five-year contract, delivering cargo to India's Bharati and Maitri research stations.



The diesel-electric ship Vasilii Golovnin in the Antarctic.

Photo taken during the 7th Indian research expedition by travel blogger Konstantin Parfenyev (A Place on Earth project).

Key operating indicators of the transport fleet

Indicator	2021	2022	2023	2024	YoY change, % 2024/2023
Operable vessel days	6,236	6,931	8,470	9,162	8

Source: Company data

Intermodal services

FESCO provides domestic and international (export, import, and transit) intermodal container services.

In 2024, FESCO continued to expand its geography by developing existing routes and introducing new services:

- the Company launched a regular FESCO Togliatti Shuttle connecting Vladivostok and Togliatti. The service focuses on the transportation of imported goods arriving at VMTP from East and Southeast Asia to Togliatti and the Volga region;

- complementing the existing FESCO Chelyabinsk Shuttle for imports, the Company introduced an export service from the Formachevo station, enhancing shipment capabilities from the Ural region to VMTP;
- the Company expanded rail services in Russia's Northwestern region with the launch of the FESCO Komi Shuttle (Syktyvkar to Vladivostok), FESCO Neva Moscow Shuttle (St Petersburg to Moscow), and FESCO Baltic Black Sea Shuttle (St Petersburg to Novorossiysk). To ensure seamless intermodal connectivity, these rail services are integrated with FESCO's maritime services;

¹ Multi-purpose vessel.

- FESCO launched new services with regular shipments from the Zhigulevskoye More (Togliatti), Orlovka, Sterlitamak, Voinovka, Alapayevsk, Maryanovka, and Barabinsk stations, significantly expanding export cargo capabilities from these regions;
- the Company achieved record shipment volumes in export-bound land trains, handling 31,678 TEU (up 150% YoY), including an exceptional 1,559% increase in shipments routed through Kazakhstan;
- despite an overall reduction in railway network orders for shipments bound to the Russian Far East, FESCO maintained its export shipment volumes and increased the share of trains used for direct mixed railway and water transportation to 39% (up 8% YoY);
- FESCO introduced its first long high-speed container trains for export shipments from the Tobolsk station, achieving a 43% increase in container loading capacity per train;
- the growth in import land transportation from China to Russia enabled FESCO to increase its intermodal shipping volumes by 50% compared to 2023 levels;
- FESCO focused on further boosting its FESCO Asian Land Border (FALB) service sales by introducing through-transportation from China to the Silikatnaya station with direct coordination with Chinese railway contractors. The Company also established dedicated service trains on the Chongqing–Kolyadichi route (for automotive industry customers) and Xi'an–Novocheboksarsk route;

- the Company launched sales of intermodal services through its agents in Turkey, India, and UAE. These agency sales complement the sales handled by FESCO's Russian offices;
- FESCO implemented comprehensive supply chain management solutions for two additional import sectors: FESCO Fashion for the textile industry and FESCO Chemical for chemical manufacturers and traders;
- to expand import and export traffic on its FESCO Saint-Petersburg Kaliningrad Line (FSKL), the Company opened its office in Kaliningrad. This office represents both FESCO and the FSKL service in the Kaliningrad Region while providing full-range transport and logistics services, including trucking operations using the Group's own vehicle fleet;
- to expand the Group's maritime and intermodal services in Vietnam, Malaysia, Thailand, and other Southeast Asian countries, FESCO established a Vietnam-based subsidiary offering a complete suite of transport and logistics solutions with a focus on maritime and intermodal transportation.

In 2024, FESCO increased its intermodal transportation volumes by 2% compared to 2023 through service enhancements, development of new routes, and growth in overland import and export traffic between China and Russia.

Key operating results of intermodal shipments

Indicator	2021	2022	2023	2024	YoY change, % 2024/2023
Volume, k TEU	465	507	625	635	2

Source: Company data

Terminal operations

FESCO provides stevedoring, surveyor, and freight forwarding services, including loading and unloading of vessels, railcars, and trucks, using its own terminal network, which comprises:

- VMTP, the largest multi-purpose port in the Russian Far East, handling a broad variety of cargo types, including containerised, LCL, bulk, and general cargoes, machinery, and heavy-duty vehicles;
- FESCO Gaydamak Terminal handling general cargoes, grain, construction materials, timber, and vehicles for export/import shipments.



FESCO container vessel at VMTP

Key operating results of VMTP and FESCO Gaydamak Terminal

Indicator	2021	2022	2023	2024	YoY change, % 2024/2023
Total handling, kt	13,318	13,884	13,637	13,829	1
Container handling, k TEU	757	768	859	879	2
General cargoes handling, kt	5,195	5,138	4,328	4,429	2
Vehicle handling, units	81,748	110,783	97,443	105,222	8
Oil product handling, kt	389	480	454	451	(1)

Source: Company data

Heavyweight containers

VMTP set a new container cargo handling record in 2024, processing 879 thousand TEU – 20 thousand TEU more than in 2023. This growth was due to a timely expansion of own assets (containers, fleet, fitting platforms), active cooperation with third-party sea carriers and freight forwarders, and the implementation of VMTP's integrated territory development programme.

Vehicles

Handling of vehicles and machinery increased by 8% to 105.2 thousand units vs 97.4 thousand units in 2023. In 2024, the Company began handling new Chinese vehicles.

General and bulk cargoes

In 2024, VMTP increased its general cargo handling by 2% YoY to 4.4 million tonnes. This increase was attributed to higher volumes of metals, coal, and grain handling, along with the launch of ore handling.

Vessel handling (unloading/loading) went down by 17% or 484 units YoY and reached 2,312 units. In 2024, FESCO terminals handled a total of 1,560 vessels vs 1,885 vessels in 2023. The reduction in the number of vessel calls is attributed to the increased capacity of handled vessels.

Key operating indicators of VMTP and FESCO Gaydamak Terminal

Indicator	2021	2022	2023	2024	YoY change, % 2024/2023
Vessel handling (unloading/loading), units	1,670	2,242	2,796	2,312	(17)
Vessel calls, units	1,128	1,613	1,885	1,560	(17)
Average daily fleet handling, kt	35.42	36.72	36.12	36.55	1
Rolling stock handling, k units	222.0	224.4	217.5	209.6	(4)
Average daily railcar handling, units	608	615	596	573	(4)

Source: Company data

Inland terminals

Key operating results of inland terminals, k TEU

Container handling	2021	2022	2023	2024	YoY change, % 2024/2023
Novosibirsk	101	117	116	118	1
Khabarovsk	52	52	43	20	(53)
Tomsk	7	8	9	6	(35)
Total	160	177	168	144	(14)

Source: Company data

In 2024, inland terminal handling volumes declined by 14% YoY to 144 thousand TEU.

Throughout the year, terminal operations continued to face significant external constraints associated with the railway network and prioritisation of shipments with higher priority status under non-discriminatory railway infrastructure access rules.

To enhance the Group's operational efficiency, routes going through terminals in Novosibirsk and Khabarovsk were restructured, resulting in:

- increased volumes and share of core regular services from Novosibirsk to Irkutsk, Khabarovsk, and Vladivostok;

- higher containerised cargo volumes from Novosibirsk to Krasnoyarsk Railway stations;
- growth in transit cargo volumes from Moscow and St Petersburg to Novosibirsk;
- an increased share of loaded container handling and higher volumes of loaded container receipt from western routes;
- expanded handling of imported cargo transported from the Russian Far Eastern ports in gondola car trains.

With container handling volumes flat YoY, the restructured cargo flows helped FESCO boost operational efficiency, revenue, commercial activity, and geographic coverage of shipments going through Novosibirsk.

Refrigerated transportation

FESCO dominates the refrigerated transportation market and is the only Russian operator relying entirely on its own assets.

In 2024, we continued to tap into new markets, which yielded the following results in terms of freight turnover:

- a new FESCO Indian Line (FIL) from India to Novorossiysk – 674 TEU;
- a new FESCO Saint-Petersburg Kaliningrad Line (FSKL) from St Petersburg to Kaliningrad – 962 TEU;
- FESCO Baltorient Line (FBOL) from Southeast Asia to St Petersburg and back – 2,739 TEU.

In 2024, refrigerated container maritime transportation volumes added 42% YoY and reached 28.8 thousand TEU.

Operating indicators of refrigerated transportation, TEU

Indicator	2021	2022	2023	2024	YoY change, % 2024/2023
Volume	11,362	17,004	20,219	28,768	42

Source: Company data

Supply chain management

FESCO Supply Chain provides supply chain management solutions. As a 3PL service provider, FESCO cooperates with a wide range of partners across the globe. We represent freight owners' interests throughout the transportation process, and ensure cargo delivery, storage, and transfer to consignees using our own and third-party transportation, warehousing, loading, and other assets and facilities as needed.

In 2024, the Company further developed its logistics services – FESCO Agro, FESCO Air, FESCO LCL, and FESCO Automotive, while expanding FESCO Supply Chain's domestic and international presence in multimodal transportation for both containerised and non-containerised cargo.

LCL cargo

In 2024, FESCO transported over 31 thousand cu m of LCL cargo, up 19% compared to 2023.

LCL cargo is received, dispatched and processed at warehouses in Russia (Moscow, Vladivostok, Yuzhno-Sakhalinsk, Petropavlovsk-Kamchatsky, Magadan) and China (Busan, Shanghai, Ningbo, Rizhao, Yantian). For LCL cargo transportation, FESCO utilises its own logistics assets, including containers, vessels, rolling stock, and trucks. Shipments are primarily performed using the Group's intermodal, maritime, and rail services, which guarantee priority dispatch for our customers' LCL cargo. Our LCL transportation solutions include customs clearance, insurance service, responsible storage, cargo consolidation and deconsolidation, and first- and last-mile delivery (door-to-door truck transportation from/to customer's warehouse).

Agricultural cargo transportation (FESCO Agro)

In 2024, the FESCO Agro service delivered 4.2 thousand TEU of agricultural cargo to Asian countries – double the 2023 volume of approximately 2 thousand TEU. Russian exporters most frequently used FESCO Agro for sunflower oil shipments in flexitanks, accounting for over 3 thousand TEU (about 77% of total volume). Other exported Russian agricultural products included rapeseed and soybean oil, beet pulp, flax seeds, peas, and soybean meal.

The FESCO Agro project has broadened its geographical reach. Departures now include container trains from Kazan, Samara, and Chelyabinsk, with deliveries going to Malaysia, Bangladesh, India, and the UAE. The service utilises flexitanks with enhanced technical properties.

Air freight (FESCO Air)

In 2024, FESCO opened its office at Sheremetyevo Airport to operate as a cargo agent for Aeroflot – Russian Airlines, with all requirements for securing an agency agreement being fulfilled.

Customs clearance

In 2024, the number of processed customs declarations (import, transit) increased by 2.5% compared to 2023, demonstrating stable development and growing market share among customs brokers.

FESCO actively participated in industrial projects involving customs clearance of goods based on classification decisions.

Chemical cargo

FESCO continues developing the transportation of chemicals in tank containers on export, import, and domestic routes.

The project is implemented using FESCO's own services and assets, providing customers with a full range of logistics solutions for domestic shipments as well as export and import transportation to Malaysia, Indonesia, South Korea, India, Kyrgyzstan, Tajikistan, and other countries.

In autumn 2024, FESCO joined the Tank Container Development Alliance (TCDA), the largest international tank container association bringing together over 160 companies

The Group continues to effectively manage its own fleet of tank containers and rotate leased equipment.

>60%

new customer growth in the segment in 2024

Project logistics

FESCO offers turnkey project transportation of bulky and heavyweight cargoes: from receipt at the manufacturing plant to lifting into the mounting position at the destination point. Transportation is fully compliant with the regulatory requirements for transit of cargo along the route, including border crossings.

FESCO's business priorities include expanding the portfolio of contracts signed with large customers and increasing the share of the market for transportation of heavyweight and oversize cargoes.

Project logistics results in 2024:

- more than 350 thousand tonnes of project cargo were transported;
- the maximum weight of delivered cargo reached 1,250 tonnes; its delivery was performed with a full range of services, including loading and securing on specialised vessels in Chinese ports, transshipment at a port, and transportation by tug-barge units along the river;
- new types of work were performed to relocate a drilling fluids plant in Sakhalin;
- batches of oversized equipment weighing a total of over 100 thousand tonnes were transported from China to De Kastro and Ust-Luga, as well as from Vladivostok to Kamchatka and Chukotka by the Company's own fleet for the needs of developing projects;

- the Company continued managing the cargo terminal of the Akkuyu Nuclear Power Plant under construction in Turkey: over 20 thousand tonnes of oversized and heavyweight equipment were delivered to the construction site, with the maximum weight of delivered equipment standing at 250 tonnes;
- a number of projects were implemented to move and lift heavyweight and oversized cargo into mounting position, assemble and start up process lines at facilities under construction (a total of over 3 thousand tonnes of equipment was assembled at various key facilities).



Bunkering

FESCO provides a full range of oil product services: from fuel purchase and its handling at the Company's petroleum tank farm to transfer to the tanks of transport vessels at the ports of the Primorye Territory (in particular Vladivostok, Nakhodka, and Vostochny). As a fuel agent, FESCO arranges the supply of oil products to its fleet at foreign ports and renders centralised oil product logistics support to its own companies across Russia. Oil products are purchased from Russian producers and delivered to the destination as well as from regional suppliers and distribution companies and delivered to vessels or land facilities.

In 2024, the Company rendered bunkering services primarily to its own companies.

By the end of 2024, bunkering volumes grew by 22% YoY to 185 thousand tonnes due to a fleet increase and expanded geography of FESCO vessels' operation.

Key operating indicators of the bunkering complex, kt

Indicator	2021	2022	2023	2024	YoY change, % 2024/2023
Bunkering volumes	63	98	151	185	22

Source: Company data

Digitalisation

In 2024, FESCO continued active work on its digital services seeking to develop and support the Group's production assets, and to streamline the Company's operations.



The main centres of expertise are located in Moscow and Vladivostok, with IT offices in 18 cities nationwide. We are setting up competence and business support centres in FSU nations (Kazakhstan, Uzbekistan, and Belarus) and in our offices overseas. Collectively, these IT units manage and support upwards of 80 information systems for FESCO Group's almost 7 thousand employees.

A key workstream in 2024 was our project to develop and put into commercial operation FESCO Management System (FMS) – an information system automating the Company's unique business processes. The solution is based on a local platform. It helps automate production operations in the long term.

In 2024, we implemented an action plan to integrate FESCO into Rosatom. FESCO's IT provided tools and solutions facilitating integration of Group businesses' operations into Rosatom's basic

processes. At the same time, we took key steps to align our digitalisation-related strategic plans and approaches. FESCO now shares a number of Rosatom's uniform policies and regulations:

- a uniform technology policy;
- uniform industry guidelines on managing IT architecture and integration;
- industry-wide guidelines on standardising IT products;
- uniform industry-wide guidelines on integrating information systems;
- an access levels management policy.

The measures we took enabled us to align approaches to target development of digital services at FESCO and Rosatom.

A special focus is made on continuity of the Group's operations as regards import substitution matters. FESCO is now guided by Rosatom's uniform import substitution roadmap.

Business digitalisation projects

Customer's personal account

MY.FESCO customer's personal account is a self-service portal for our customers. Improvement of this service is the key priority of FESCO digitalisation. The main objective of the project is to provide a fully digital transportation service. Our efforts on portal improvement enabled us to implement one of the best and most feature-rich solutions in the market.

The personal account was piloted in 2017 and back then only supported requests for intermodal imports from Southeast Asia to Vladivostok and Moscow. Today, the personal account can be used to request any key transportation services from FIT and Dalrefrans, make contracts of ten types signed on paper or electronically, and receive accounting and transportation documents associated with any of FESCO Group's 19 legal entities.

In 2024, the growth of requests placed via the personal account continued:

- ↗ the number of requests via the personal account increased by 11.2%;
- ↗ the TEU equivalent of requests via the personal account grew by 10% YoY;
- ↗ over 4.2 thousand contracts were made via the personal account during the year.

Priority areas of personal account improvement in 2024:

- Dalrefrans requests filing via the personal account scaled up;
- FIT's container transportation calculator to facilitate the search for rates in the door-to-door format upgraded;
- contracts for VMTP facilitated;
- customer report on Dalrefrans requests developed;
- coverage of digitisation of door-to-door delivery calculations using a map location expanded;
- routes as part of the approval protocol for dangerous goods transportation extended;
- new authorisation system developed;
- functionality for instructions on handing over empty containers created;
- FIT's migration to a new production system facilitated.

Production systems

FIT LLC

In 2024, in its activities to support and develop production systems, FESCO focused on completion of the programme of projects to replace FIT's current production system.

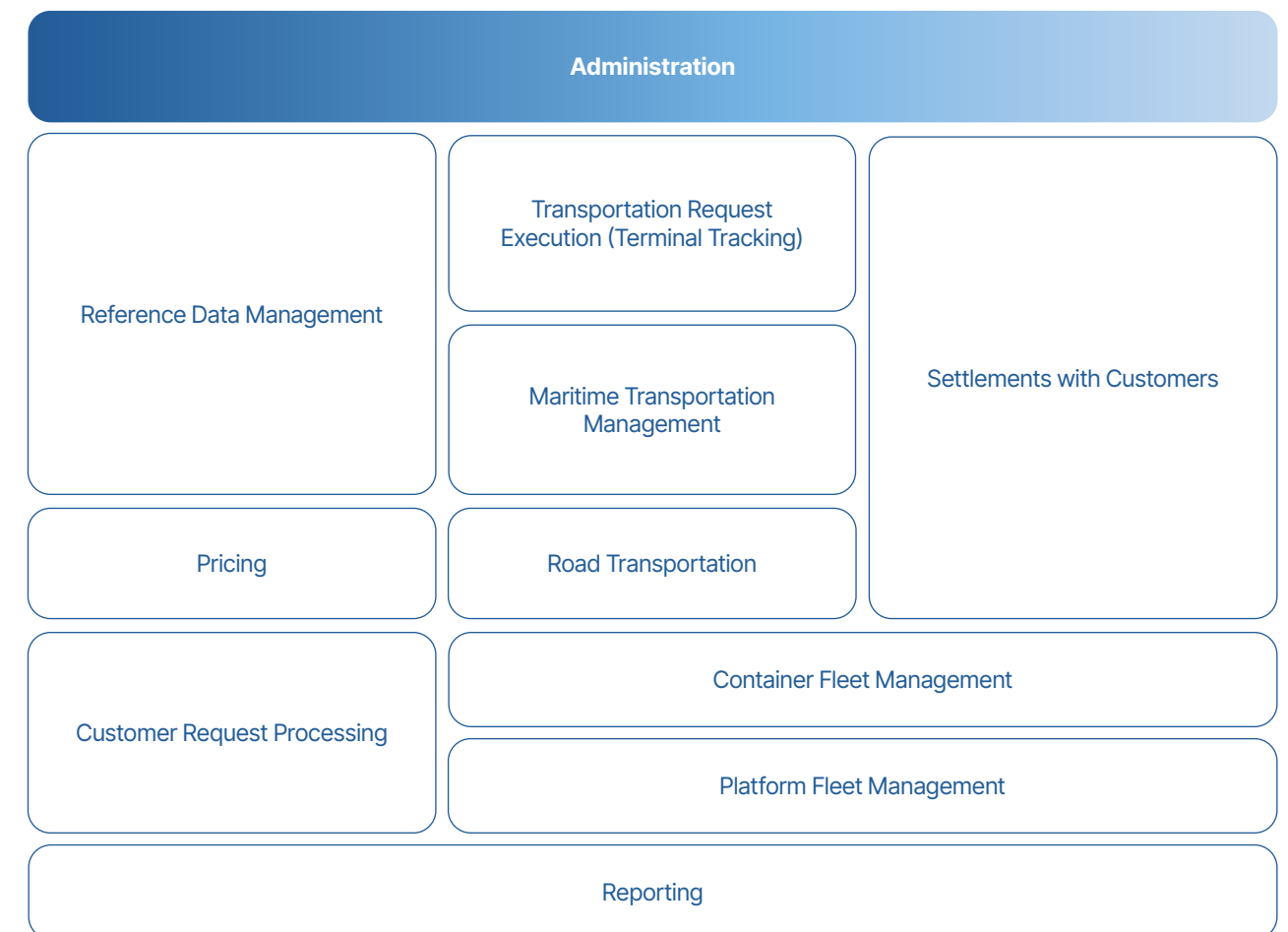
Launched in May 2022, the programme included a set of projects to create several modules of the would-be FESCO Management System (FMS):

- ↗ FMS.Transportation Management – the main module of the system, which automates the end-to-end customer service, from taking and processing requests to making settlements with customers and compiling production management reports;
- ↗ FMS.Dangerous Goods – transportation of dangerous goods, including preliminary coordination with all parties involved in transportation;
- ↗ FMS.Document Control – accounting for container expenses;
- ↗ FMS.Container Repair – a web portal to arrange for container repairs at terminals and depots, enabling selection of the best supplier based on repair time, cost, and quality;
- ↗ FMS.Cost Control Operations – collection and recognition of direct transportation costs, enabling the calculation of the actual cost and profit margin of transportation services.

The FMS programme was implemented not only to replace FIT's current production system but also to provide a uniform digital solution based on the Russian universal platform 1C:Enterprise 8.

2023 saw the launch into commercial use of the modules for dangerous goods, document control, container repair and cost control operations. In 2024, we successfully completed the project to create the main module of FMS.Transportation Management, integrating it with the functional modules.

FMS.Transportation Management



While developing and introducing the FMS.Transportation Management module, we completed the following key tasks:

- ↗ business processes to organise, plan and execute transportation, and customer relations processes (over 300 business processes all in all) standardised and streamlined;
- ↗ single digital space created for interaction of business units within FIT and with the Group's other companies to exercise related functions (currently the system has over 500 active users);
- ↗ a fail-safe microservice architecture developed, based on a local technological platform, which enhances performance of key operations and eliminates sanctions risk exposure.

With the FMS programme implemented, we now have a system unique for the domestic market for management of intermodal container transportation and LCL transportation, as good as its western equivalents.

In 2025, we expect further development of the FMS system, which is planned to become a foundation for developing digital services not only for FIT but also for the Group's other companies.

FESCO BelTrans

The Company's growth and launch of new businesses revealed the need to automate activities of the new companies in a quick and efficient manner. FESCO opted for proprietary IT solutions already implemented in the Group. This allowed to bring down automation time and offer solutions factoring into the specifics and requirements of the companies. In 2024, based on such solutions, we completed a project for our Belarusian subsidiary, FESCO BelTrans:

- ↗ intermodal transportation of containers to/from Belarus;
- ↗ automated billing and financial paperwork.

VMTP

For five consecutive years, the Commercial Port of Vladivostok (VMTP) has maintained its leadership in container handling in Russia. VMTP digitalisation drive focuses on expediting cargo handling and organising electronic communication with customers through a single point of contact. Seamless integration of the port's ecosystem with regulators facilitates electronic coordination and cargo release from the port.

In 2024, VMTP's port management system was honoured with another award, for Proprietary Innovation of the Year, of the **Business Flagships: Evolution, Responsibility, Resilience – 2024** all-Russian contest run by the Russian Union of Industrialists and Entrepreneurs (RSPP).

In 2024, VMTP launched a new process, digital mooring of ships, which helps to:

- plan vessel approach online;
- do digital vessel mooring, taking into account dimensions and weights;
- get online access to information on each vessel in VMTP, including the vessel size, mooring berth number, and number of containers on the vessel.

Customer service

In 2024, new electronic services were added to the VMTP personal account, ensuring transparency and promptness of the cargo operations:

- integrated services;
- warehouse inspection documents;
- customs inspection documents;
- electronic requests for imports receipt;
- tracking outgoing railcars;
- billing for shifting slots.

Internal digitalisation

Control over cash flows of foreign companies

In 2024, FESCO rolled out its methodologies, practices and digital tools of control over cash flows of the Group's foreign companies, including not only those in the CIS but also those in China. As part of a large-scale project for foreign companies, we organised a multi-language integrated information space and a toolkit for budget control and treasury operations used

LCL cargo warehouse

In 2024, the LCL cargo warehouse was automated, which helped to:

- digitalise all containerisation/decontainerisation operations and those of compiling individual lots in real time;
- use a mobile tablet for cargo search, inventory, receipt, and dispatch;
- automate customs operations, such as inspection, release, and drawing up customs certificates;
- introduce digital topology of the LCL cargo warehouse;
- automate cargo labelling and reduce the time it takes from 20 to 0 minutes;
- reduce the time for LCL cargo request approval from 36 to 3 hours.

Electronic waybills

Electronic waybills were introduced in the terminal operating system, with their integration into the government information system of electronic transportation documents.

Automated workplaces were developed and introduced for healthcare specialists, staff training centre, and dockers in charge of waybill records. Integration with filling stations was made for fuelling vehicles.

Electronic waybills helped to half the port service labour input and to simplify records management. Electronic waybills contain data on the check-ups of drivers and technical condition of transport. This solution ensures compliance with statutory requirements, controls drivers' work hours and condition of vehicles, mitigating the risk of errors and fines. Electronic waybills confirm fuel expenses for tax reports. They are also used for VMTP payroll purposes.

by the Group as a standard, subject to those companies' specifics and needs. The project covers 19 companies of the Group. Thanks to the project, the Group strengthened control over cash flows, making them transparent and predictable.

In addition, FESCO implemented a project to replace accounting and taxation software at its Chinese subsidiaries, promoting uniform accounting standards and tools. The new product is integrated into the Group's IT landscape, which ensures seamless automation of consolidated reporting in the overseas segment.

Data Office

In 2024, we continued developing Data Office aimed at exercising a uniform and effective approach to using data for analytics.

The corporate data platform for analytics was modified:

- Arenadata DB, a specialised system of database management, was deployed. Its solutions for automation, monitoring and fine-tuning drive up to a double increase in performance in processing analytical requests, while the cost of support goes down by 30%;
- a unified mechanism of streaming integration of data from source systems based on the Change Data Capture principle was developed, allowing for report generation with a minimum difference as compared with the source.

It is a solid foundation for building up-to-date data-driven products, and unlocks the potential of the Group's end-to-end analytics development, using artificial intelligence technology, among other things.

Automated reporting and artificial intelligence

2024 results:

- over 90% of all reports previously generated by a foreign BI system were moved to Visiology, a new domestic platform;
- over 30 new analytical reports were created;
- HR Assist tool was developed – the first service driven by generative AI to support recruiters which is fully deployed within the Group, resulting in lower recruitment costs, with a 14.2% decrease per vacancy on average;
- a project was started to create an automated system to predict the remaining container availability and so streamline the management of the Group's assets.

Digital services for FESCO employees

In 2024, FESCO successfully completed a project to digitise the process of familiarisation of executives and employees with regulatory and administrative documents, and internal guidelines.

Key factors that facilitated a swift rollout included:

- electronic HR workflow seamlessly operating since 2023;
- methodological procedures available;
- high level of automation from the outset.

It was decided to automate the process of familiarisation and signing with an enhanced encrypted non-certified digital signature used in the electronic HR workflow. This is how we integrated the process into the current framework of the HR services. The process covers the companies that have migrated to the electronic HR workflow.

Project outcomes:

- 100% of FESCO employees are covered by the project;
- familiarisation grew by 80% as compared to familiarisation with hard copies;
- over 100 thousand pages of familiarisation with regulatory and administrative documents were circulated electronically within four months since the launch of the project;
- process participants and labour inputs were reduced to one person for the entire scope.

Digital infrastructure

Anti-sanctions measures

In 2024, FESCO continued efforts to counteract sanctions, along with infrastructure projects. The Company implemented a number of solutions that support its smooth operation in the current circumstances:

- bidding held and work started to move the corporate portal and the cloud data storage to Bitrix24, a Russian platform;
- pilot operation of a Russian backup system launched;
- migration to IVA, a Russian video conferencing system, prepared and technically implemented;
- commercial testing of SD-WAN-based network equipment by the Russian manufacturer BI.ZONE started;
- over 530 system units, 800 displays, and 600 laptops made in Russia procured and put into operation.

Import substitution

In 2024, we started a project to develop an import substitution roadmap. The audit stage is completed, pilot-testing projects are in progress. Efforts include piloting projects in these areas:

- IT infrastructure;
- IS infrastructure (information security);
- system software;
- standard automated workplace (office software);
- automated engineering process control system;
- telecommunication systems;
- business applications.

As part of the import substitution programme, FESCO's IT employees visited factories producing Russian equipment, such as Inferit, Kvadra, Parus Electro, and Svyaz Engineering.

Development of branches and offices

FESCO is vigorously expanding, not only by establishing new offices but also by revamping existing ones:

- new offices were opened in Kaliningrad and Khimki (Moscow Region);
- networks in Novosibirsk and Vladivostok were upgraded;
- an additional office in Moscow joined the scope.

Novosibirsk terminal upgrade

A LED display was installed at the container terminal in Novosibirsk for showing information to newly arriving container chassis drivers. The display shows the following data:

- ✦ vehicle number;
- ✦ operation (loading or unloading);
- ✦ handling zone number;
- ✦ directions to the handling zone;
- ✦ number of the container to be handled.

The installation of an additional display is a modern approach to informing container chassis drivers arriving at the terminal:

- ✦ it helps them to find their way around the terminal to get to the handling zone they need, with indication arrows;
- ✦ terminal employees can see how many vehicles are serviced at the terminal, broken down by loading/unloading operation;
- ✦ it helps to provide drivers with additional information, e.g., about the remaining time slots for the next calendar day.

FESCO's IT infrastructure upgrade and fleet IT support

With an eye on bolstering competitive edges and advancing fleet digitalisation, FESCO proceeded with its fleet IT infrastructure upgrade. Accomplishments to date:

- ✦ laying a modern communication network for quick information exchange between computers on different decks (storeys) at FESCO's vessels nearing completion;
- ✦ all critical gaps in IT support of vessels filled; all operations part of the scheduled maintenance programme now;
- ✦ a cloud storage created for immediate exchange of documents between the land and the vessel crews;
- ✦ all vessels provided with high-speed coastal (up to 50 km range) 4G-multirouter internet access and unlimited VSAT satellite internet access, with an automated switch-over depending on the coverage area;
- ✦ systems to monitor the condition of PCs and computer network online from ashore attuned and launched;
- ✦ special software for IT audit of steamers developed and introduced;
- ✦ launch of a system to test crews for alcohol in progress; the system supports automatic face recognition, sending statistics to the data centre, and also warning responsible officers on shore about any incidents detected;
- ✦ a training class in St Petersburg prepared and equipped for regular training of the Western region ship crews.

VMTP production machinery IT systems upgrade

- ✦ A set of IT equipment for wheeled production vehicles developed and introduced, allowing for uninterrupted operation in the terminal information systems (ensuring seamless backup and switch-over), and also automated connection to production information resources with a corporate pass. By now, over 80 wheeled vehicles have been equipped with this IT solution. The project was developed and implemented, and the equipment installed, by FESCO's in-house IT staff;
- ✦ 11 new handling cranes at VMTP furnished with sets of IT equipment and radio communication systems.

Development of infrastructure systems and digital projects

- ✦ the first stage of engineering systems upgrade programme at the in-house data centre in Vladivostok was completed. The bulk of the obsolete cooling equipment was replaced, with its effective life exceeding ten years and no further maintenance possible. Russian equipment and technology were used in the upgrade. The preparation of the project, planning and technical support at the execution stage were done by FESCO's IT employees;
- ✦ the first stage of the project to equip the administrative building of the Stroyopttorg terminal in Khabarovsk with up-to-date monitoring and access control systems completed. It enhanced the facility's security and provided the security officers with internal access control tools;
- ✦ a system of automated access to VMTP's administrative building launched into commercial operation, using video content analysis and port employees' biometrics. Most of the in-house administrative staff use this system to enter/exit the building. The launch of the system almost halved the time it takes an employee to pass the checkpoint.

FESCO actively developed, maintained and upgraded equipment while also creating new jobs. In 2024, nearly 1 thousand workplaces were set up and around 160 thousand queries to the technical support service regarding infrastructure and information systems were processed. The average user satisfaction score is 4.96 out of 5.

Cybersecurity

In 2024, there were ever increasing computer attacks against the Russian information infrastructure facilities.

The involvement in the hacker attacks of unfriendly countries' intelligence agencies explains why they are so targeted and massed. The malevolence against FESCO's corporate network in 2024 is characterised not only by a higher number of attacks (network attacks and virus attacks grew YoY 1.6 times and 3.3 times, respectively) but also by stronger impact on the information infrastructure. The most powerful cyberattacks against FESCO's IT infrastructure took place in January and October 2024. In 2024, FESCO's cybersecurity experts submitted 456 reports on external malevolent attacks against the corporate network to the National Coordination Centre for Computer Incidents of the Russian Federal Security Service.

Mitigation of cyber risks needs enhancing of network security. To that end, in 2024, we had two tests of FESCO's corporate network for resilience against internet break-ins through modelling malefactor actions. In cooperation with the Federal Security Service Primorye Region Department, we analysed how well protected the Far Eastern segment of the IT infrastructure is. The deficiencies identified were used as a basis for the protection debottlenecking plan. A new effective Russian service to promptly identify vulnerabilities was added to the range of tools used by the Information Security Department.

Pursuant to Federal Law No. 187-FZ On the Security of the Critical Information Infrastructure of the Russian Federation dated 26 July 2017, in 2024 we started a large-scale project to classify pieces of the critical information infrastructure in FESCO Group's key transportation

companies. We reviewed critical business processes and respective information systems. In cooperation with Russia's Federal Service for Technical and Export Control, we assess the materiality of critical information infrastructure pieces. The project is set for completion in 2025.

With a view to increasing the level of import independence from foreign information security solutions, we did pilot testing of Russian solutions seeking to:

- ✦ control actions of privileged users;
- ✦ ensure protection against targeted attacks using unknown malware;
- ✦ label, unqualise, and code electronic documents to assign different access levels to users based on sensitivity labels;
- ✦ create distributed deception platforms for hackers.



In 2024, we successfully introduced Russian information security systems to:

- prevent leaks of sensitive information from FESCO's corporate network;
- provide automated training to FESCO employees to develop their immunity to phishing attacks.

The new solutions expand the range of the Information Security Department's tools and ensure better protection of FESCO Transportation Group's information resources from damage.

Customer experience management

Our customers

FESCO's customer base

>19.6
thousand customers

in 2024

>1.1 thousand

new customers acquired in 2024

30%
of customers

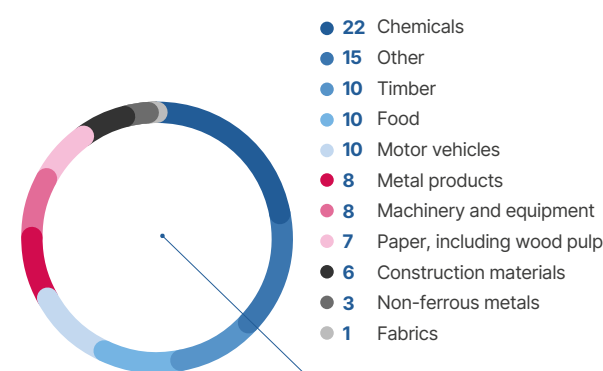
with FESCO for over three years

The Company's interaction with customers is built on the following principles:

- ✦ FESCO is the leader in the container transportation market in terms of quality. We develop internal regulations for our processes and seek to standardise and automate them in line with a continuous improvement approach.
- ✦ FESCO is quick to launch new projects. Our system easily adjusts to changes as we constantly develop and test hypotheses on potential opportunities and rely on quick project launch practices.
- ✦ FESCO appreciates the loyalty of its key customers. We build seamless communication channels by focusing on consistent interaction and personalised approach to key customers. We foster loyalty in response to our consistent delivery against the commitments we have taken on.

FESCO provides its services in the most essential industries.

FESCO transportation in 2024 by cargo type, %



Source: Company data



Customer interaction mechanisms

In 2024, FESCO upgraded its customer service system, resulting in significant improvements to key performance indicators.

Contact centre service improvements

Thanks to innovative solutions implementation, the contact centre's Service Level KPI achievement reached 93%, up 15 pp YOY. The average operator response time also improved substantially, now standing at just 20 seconds, ensuring customers receive prompt assistance.

Service quality control

In 2024, FESCO launched a comprehensive system for evaluating the quality of consultations provided by contact centre operators. Based on annual performance evaluation, the average service quality score was 4.8 out of 5, reflecting the high professionalism of employees and customer satisfaction with the quality of services provided.

Customers are now able to rate the performance of the FESCO employee handling their shipment and share feedback about their interaction. This option is available for each individual service request, making sure any issues can be quickly identified and addressed. Positive feedback and expressions of gratitude help boost employee motivation and contribute to improving the overall customer experience. The average employee performance score in 2024 was 4.7 out of 5.

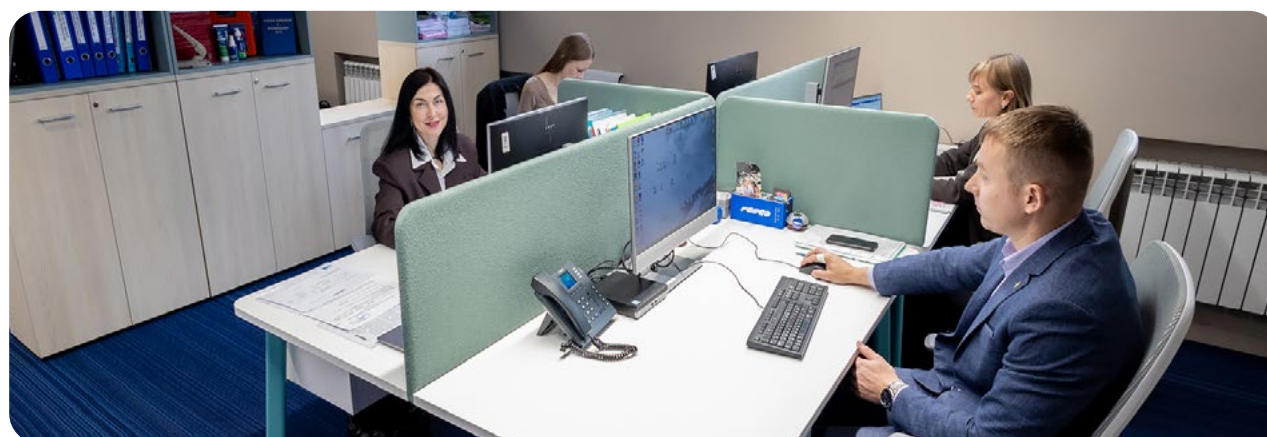
Service automation

The 24/7 chatbot remains a vital customer service tool, providing uninterrupted round-the-clock support. The chatbot handles diverse tasks, from basic service queries to detailed personal account assistance and technical support. This tool's effectiveness is confirmed by user satisfaction rates exceeding 93%.

Customer query management upgrade

A significant advancement was the implementation of a unified system for recording and processing customer queries. All FESCO customer queries are now handled through a single point of contact, substantially streamlining the interaction process and ensuring full transparency at all stages of customer query management.

The customer service upgrade enabled the Company to achieve a new level of service quality, positively impacting customer satisfaction and brand loyalty.



Customer experience analysis

In 2024, FESCO achieved tangible results in customer service improvement, as confirmed by customer experience evaluation metrics and research findings.

Key loyalty metrics

One of the most important success indicators was the average NPS¹ of 61% in 2024, reflecting high customer satisfaction and their willingness to recommend the Company to partners. This score shows that FESCO maintained the strong customer loyalty levels achieved in 2023, highlighting the stability and consistency of its customer service improvements.

Customer experience research

In September, the Company conducted a customer experience study covering several key areas. The centrepiece of the research was a focus group, which gathered customer feedback on interactions with FESCO across various touchpoints. Special attention was paid to evaluating the accessibility of information on the Company's official website, functionality of the MY.FESCO personal account, and usability of the Telegram bot's news feed.

Analysis of the collected data revealed the following trends in customer opinion distribution.

Service stability (49%)

Nearly half of the respondents (49%) observed no significant changes in the Company's performance. However, they emphasised that the service quality remained consistently high, which itself represents a positive opinion.

Positive changes (11%)

11% of respondents reported noticeable improvements in the Company's performance, specifically highlighting:

- significant enhancements in customer service;
- expansion of new route geography;
- rapid deployment of new services.

¹ Net Promoter Score.

Digital transformation

The study placed particular emphasis on evaluating the Company's digital solutions. The results revealed impressive progress:

- ✦ 56% of respondents identified FESCO as having the most user-friendly digital solutions;
- ✦ high scores were given to the functionality of the MY.FESCO personal account;
- ✦ the ability to obtain nearly all necessary information through digital channels was praised.

Corrective measures

Based on the research findings, corrective measures were developed and implemented to enhance the customer experience. These initiatives are aimed at further improving service quality and addressing identified shortcomings.

As a result of the research and subsequent improvements, FESCO has reinforced its reputation as a company with high-quality customer service. The consistently high NPS score and positive customer feedback on the Company's digital solutions and overall performance confirm the success of our chosen development path and the effectiveness of implemented enhancements.

FESCO remains committed to further enhancing customer experience based on the research findings and customer feedback, creating a solid foundation for future growth and success.



Conclusions and results

The conducted research enabled FESCO to:

- identify strengths of its customer service;
- pinpoint areas requiring further improvement;
- develop a clear plan of corrective measures;
- confirm the effectiveness of ongoing digital transformation.

Financial review

Financial overview

Financial results

Indicator	2023	2024	YoY change, % 2024/2023
Revenue, RUB million	172,004	184,978	8
EBITDA, RUB million	53,607	54,498	2
EBITDA margin, %	31	29	(2) pp
CAPEX	60,345	22,694	62

Revenue, RUB million

Indicator	2023	2024	YoY change, % 2024/2023
Port Division	35,238	33,424	(5)
Rail Division	8,915	10,272	15
Liner and Logistics Division	146,608	163,129	11
Shipping Division	14,850	12,627	(15)
Fuel Division	2,884	3,290	14
Eliminations	(36,491)	(37,764)	(3)
FESCO Group	172,004	184,978	8

In 2024, the Group's consolidated revenue increased by 8% to RUB 184,978 million vs RUB 172,004 million in 2023. The Liner and Logistics Division was the main growth driver.

The Port Division's revenue in 2024 went down by 5%, or RUB 1,814 million, to RUB 33,424 million. The decline was primarily driven by lower vehicle-related income due to intensified competition among automotive terminals in the Vladivostok port area.

The Rail Division's revenue in 2024 rose by 15%, or RUB 1,357 million. The growth was mainly attributed to the expansion of the fitting platform fleet.

The Liner and Logistics Division's revenue went up by RUB 16,521 million, or 11% YoY. The increase was supported by higher transportation volumes resulting

from active commercial efforts and the development of new routes. International shipping saw a 20% growth largely due to the expansion of FESCO Baltorient Line, FESCO Indian Line West, and FESCO China Direct Line.

Revenue of the Shipping Division in 2024 decreased by 15%, or RUB 2,223 million, due to lower time-charter rates for universal bulk carriers and international fleet amid changing market conditions, as well as technical downtime of vessels prior to their sale.

The Fuel Division's revenue in 2024 rose by 14%, or RUB 406 million. The growth was driven by higher sales volumes of oil products, increased agency services, and a shift in the oil product transshipment structure toward a larger share of heavy oil products.

Operating expenses, RUB million

Indicator	2023	2024	YoY change, % 2024/2023
Port Division	10,630	10,290	(3)
Rail Division	2,526	3,390	34
Liner and Logistics Division	113,288	123,597	9
Shipping Division	5,211	8,520	63
Fuel Division	2,622	2,930	12
Eliminations	(36,431)	(37,487)	(3)
FESCO Group	97,846	111,240	14

Operating expenses of the Port Division in 2024 decreased by 3%, or RUB 340 million, primarily due to reduced spending on freight forwarding services.

The Rail Division's operating expenses in 2024 went up by 34%, or RUB 864 million. This growth was driven by the expansion of the rolling stock fleet, leading to higher repair and maintenance expenses, as well as increased prices for spare parts and materials.

Operating expenses of the Line and Logistics Division rose by 9%, or RUB 10,309 million. Higher fleet voyage expenses resulted from increased international shipment volumes. Infrastructure constraints associated with the railway network complicated container repositioning to Southeast Asia, increasing repositioning times and consequently raising container equipment costs. The expansion of the Company's container fleet also contributed to higher maintenance and repositioning expenses.

The Shipping Division's operating expenses went up by 63%, or RUB 3,309 million, mainly due to the acquisition of new vessels, which led to higher fleet operating costs, as well as increased expenses for fleet repairs and maintenance.

The Fuel Division's operating expenses increased by 12%, or RUB 308 million driven by higher procurement volumes of oil products for sale.

Gross profit

In 2024, FESCO's gross profit stood at RUB 73,738 million vs RUB 74,158 million in 2023.

FESCO's administrative expenses decreased by 11% to RUB 21,071 million in 2024 from RUB 23,755 million in 2023.

This reduction was primarily driven by lower payroll expenses, legal and consulting fees, and business travel and hospitality expenses.

Administrative expenses, RUB million

Indicator	2023	2024	YoY change, % 2024/2023
Salary and other staff related costs	15,181	13,296	(12)
Professional fees	3,235	2,683	(17)
Office rent	334	438	31
Other administrative expenses	5,005	4,654	(7)
Total administrative expenses	23,755	21,071	(11)

EBITDA, RUB million

Indicator	2023	2024	YoY change, % 2024/2023
Port Division	20,364	19,458	(4)
Rail Division	5,005	5,434	9
Liner and Logistics Division	22,347	26,846	20
Shipping Division	9,141	1,640	(82)
Fuel Division	154	211	37
Extra-divisional Group	(3,404)	908	127
FESCO Group	53,607	54,498	2

EBITDA margin, %

Indicator	2023	2024	YoY change, % 2024/2023
Port Division	58	58	–
Rail Division	56	53	(3)
Liner and Logistics Division	15	16	1
Shipping Division	62	13	(49)
Fuel Division	5	6	1
FESCO Group	31	29	(2)

In 2024, the Port Division's EBITDA declined by 4% YoY, or RUB 906 million, mainly due to reduced vehicle-related revenue.

The Rail Division's EBITDA rose by 9% YoY, or RUB 429 million, supported by the expansion of the core fleet of fitting platforms.

The Line and Logistics Division's EBITDA increased by 20% YoY, or RUB 4,499 million, driven by a rise in international shipment volumes resulting from expanded service geography and the development of new services.

The Shipping Division's EBITDA decreased by 82%YOY, or RUB 7,501 million, primarily due to lower time-charter rates amid unfavourable market changes, increased fleet repair and maintenance costs, and technical idling of ageing vessels prior to their disposal.

The Fuel Division's EBITDA rose by 37% YoY, or RUB 59 million, mainly owing to a shift in the oil product transshipment structure toward a larger share of heavy oil products.



Depreciation and amortisation, RUB million

Indicator	2023	2024	YoY change, % 2024/2023
Port Division	1,044	987	(5)
Rail Division	2,319	2,854	23
Liner and Logistics Division	4,942	4,240	(14)
Shipping Division	2,695	4,375	62
Fuel Division	3	3	0
Extra-divisional Group	511	448	(12)
FESCO Group	11,514	12,907	12

In 2024, the Group's depreciation and amortisation charges increased by 12% to RUB 12,907 million from RUB 11,514 million in 2023. The growth came on the back of the acquisition of new fleet and rolling stock.

Profit from operating activity

In 2023, FESCO's profit from operating activity amounted to RUB 36,297 million compared to RUB 38,375 million in 2022.

Other financial expenses

FESCO's other net financial income and expenses came in at RUB 3,635 million compared to RUB 5,256 million in 2023.

Net profit

Net profit stood at RUB 25,408 million compared to RUB 37,851 million in 2023.

FESCO's liabilities as at 31 December 2024:

- ▢ RUB 32,450 million – loans and borrowings;
- ▢ RUB 12,099 million – lease liabilities.



Net debt decreased from RUB 24,809 million as at 31 December 2023 to RUB 24,270 million as at 31 December 2024.

Net debt / EBITDA ratio as at 31 December 2024 remained flat at 0.5x (excluding IFRS 16 impact).

Debt obligations, RUB million

Indicator	31.12.2023	EBITDA	31.12.2024	EBITDA
Cash and cash equivalents	(4,641)	(0.1x)	(20,279)	(0.4x)
Debt obligations and lease liabilities ¹	29,450	0.6x	44,549	0.8x
Short-term	5,332		7,798	
Long-term	24,118		36,751	
Net debt	24,809	0.5x	24,270	0.5x

¹ Lease liabilities do not include obligations under lease agreements that were classified as operating leases before 1 January 2019, prior to the adoption of IFRS 16. Therefore, an adjusted EBITDA figure is used for ratio calculations that excludes the impact of IFRS 16 adoption.

Capital expenditures

In 2024, the Group's CAPEX totalled RUB 22,695 million, down 62% YoY.

Fleet purchase CAPEX in 2024 came in at RUB 6,863 million. During the year, FESCO expanded its transport fleet with two new container vessels for operations on domestic routes in the Russian Far East and on the international FBOL line.

In 2024, the container fleet operated by the Company expanded to 200 thousand TEU. CAPEX for heavyweight container acquisitions amounted to RUB 5,452 million, including 16 thousand dry containers and 200 refrigerated containers. This expanded FESCO's overall container fleet by 17% to 118,990 units. The Company also acquired 130 tank containers to develop its chemical cargo transportation segment.

Investments in the Port Division's capacities totalled RUB 3,296 million in 2024. The Company continues its development programme to ramp up the throughput capacity of the Port of Vladivostok. Most investments in 2024 went to the acquisition of cranes and machinery, as well as the expansion and upgrade of terminal infrastructure. VMTP's throughput capacity as at the end of 2024 reached 928 thousand TEU.

In 2024, FESCO invested RUB 1,297 million to further expand its rolling stock fleet. The Company completed the acquisition of Logbox LLC, adding 1,826 fitting platforms (up 14%) and bringing its total fitting platform fleet to 14,844 units as at year-end. The Company also continued investments in the development of innovative platforms.

1,400

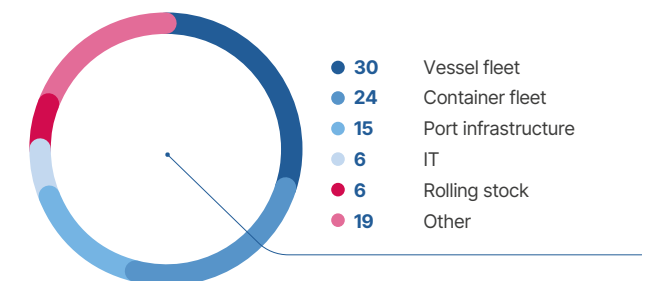
RUB million

FESCO's IT investment in 2024

In 2024, FESCO invested RUB 1,400 million in IT with the aim of developing and maintaining corporate information systems for enterprise and production management, as well as substituting imports of software products.

Other capital expenses were associated with acquisition and repairs of wheel sets, dry docking, investments in inland terminals, tractors, trailers, along with other maintenance CAPEX.

CAPEX for 2024, %



Source: Company data



CREATING A SUSTAINABLE FUTURE

65.7
RUB million

occupational health and
safety expenses

>1
RUB billion

social investments

314.2
RUB million

environmental protection expenses

FESCO is committed to reducing its environmental impact, supporting development in the regions of operation, and participating in social and charitable initiatives. In 2024, FESCO was awarded the Leader status with a score of AAA in the EPS Responsible Business Rating.

Sustainable development is a fundamental pillar of FESCO Group's corporate culture. The Company has decades of experience applying corporate governance best practices and implementing meaningful social and environmental projects across all its regions of operation.

Building upon this successful track record and recognising the growing importance of logistics in advancing sustainable supply chains – which are fundamental to global sustainable development models – FESCO Group has set a strategic goal to comprehensively transform its business by embedding environmental, social, and governance principles across all its operations.

This ESG transformation addresses global challenges facing the logistics industry while meeting the expectations of the Company's shareholders, partners, employees, and society at large.

Sustainable development management system

In 2024, FESCO began developing a comprehensive sustainable development management system with a view to ensuring timely updates to goal-setting and maintaining transparency in this area.

- ✦ A dedicated sustainable development management function was established within the corporate governance system, along with an internal centre of expertise and coordination for sustainable development.
- ✦ Key internal regulations on sustainable development were drafted and approved.

FESCO Group shares the commitment of Rosatom State Corporation to prioritising ESG considerations in its operations. To align its sustainable development management approaches and have them successfully integrated with Rosatom's industry-wide model, FESCO adopted several of Rosatom's regulations and methodologies, the key of them being:

- ✦ Uniform Industry-Wide Policy on Sustainable Development of Rosatom State Corporation and its Organisations: this core regulation governs FESCO Group's sustainable development efforts, establishing goals, objectives, and core principles for environmental protection, occupational health and safety, social responsibility, and corporate governance;
- ✦ Uniform Industry-Wide Environmental Policy of Rosatom State Corporation and its Organisations: this core regulation outlines requirements for environmental protection and safety, defining goals and key focus areas for ensuring environmental protection and safety across all regions of operation.

In 2025, the Company will continue improving its sustainable development management system, with the following steps planned:

- ✦ establishment of a collegial body overseeing sustainable development;
- ✦ development and approval of strategic initiatives and targeted projects across key areas of operation;
- ✦ development and approval of functional sustainable development KPIs for the management of key business lines;
- ✦ expansion of the internal regulatory framework for sustainable development;
- ✦ centralisation of ESG risk management approaches within the key companies of FESCO Group.

Key internal regulations on sustainable development

- ✦ Uniform Industry-Wide Policy on Sustainable Development of Rosatom State Corporation and its Organisations, approved by Rosatom Order No. 1/800-P dated 27 July 2024.
- ✦ Uniform Industry-Wide Environmental Policy of Rosatom State Corporation and its Organisations, approved by Rosatom Order No. 1/1232-P dated 5 December 2017.
- ✦ Uniform Industry-Wide Guidelines for Sustainable Development Management at Rosatom State Corporation and its Organisations, approved by Rosatom Order No. 1/1623-P dated 25 December 2020 (as amended by Order No. 1/897-P dated 19 May 2023).
- ✦ Uniform Industry-Wide Guidelines for Greenhouse Gas Emissions Calculations at Rosatom State Corporation and its Organisations, approved by Rosatom Order No. 1/2470-P dated 21 December 2023.
- ✦ Uniform Industry-Wide Guidelines for Environmental Policy Implementation at Rosatom State Corporation and its Organisations, approved by Rosatom Order No. 1/517-P dated 4 June 2014.
- ✦ Regulations on a System for Accounting Greenhouse Gas Emissions at Rosatom Organisations Operating in Russia, approved by Rosatom Order No. 1/170-P dated 20 February 2020 (as amended by Orders No. 1/1714-P dated 21 December 2022 and No. 1/322-P dated 21 February 2024).
- ✦ Production and Consumption Waste Management Standard of Far-Eastern Shipping Company PLC (FESCO) and its Controlled Entities, No. 01-148 dated 29 November 2024.
- ✦ Industrial Safety Management System Regulations of FESCO and its Controlled Entities, along with the list of entities and resolutions required to initiate their consolidation, No. 01-154 dated 29 November 2024.
- ✦ Occupational Health and Industrial, Environmental and Fire Safety Policy of FESCO and its Controlled Entities, No. 01-151 dated 29 November 2024.
- ✦ Regulations on Occupational Health and Industrial, Environmental and Fire Safety Training of FESCO and its Controlled Entities, No. 01-81 dated 29 July 2024.
- ✦ Resource and Energy Efficiency Regulations of FESCO and its Controlled Entities, No. 01-129 dated 8 November 2024.

FESCO's core sustainable development principles

Precaution

Prioritising the safety of people and environmental protection in all FESCO operations

Compliance

Upholding high ethical standards and transparent, fair business practices to foster a corporate culture based on best international practices

Open dialogue and transparency

Promoting constructive, open dialogue, respecting stakeholder rights, and balancing diverse stakeholder interests in decision-making

Continuous improvement

Constantly refining internal processes to enhance sustainable development practices and contribute to the achievement of the United Nations Sustainable Development Goals (UN SDGs)




Human centricity

Focusing on creating positive, lasting changes in the well-being of employees at FESCO and its subsidiaries, suppliers, and contractors, as well as local communities, and all stakeholders

Contribution to Russia's National Development Goals and UN SDGs

FESCO aligns its sustainable development initiatives with Russia's National Development Goals through 2030 and the UN Sustainable Development Goals (UN SDGs). The Company has identified four priority National Development Goals and six key UN SDGs.

Russia's National Development Goals	UN SDGs	Initiatives	FESCO's 2024 contribution
Preserving the population, promoting health and improving the well-being of people, supporting families		<ul style="list-style-type: none"> Comprehensive social benefits, including voluntary health insurance (VHI), for all Company employees Support for charitable events and participation in initiatives of charitable foundations in the regions of operation Programmes to promote sports and a healthy lifestyle 	<ul style="list-style-type: none"> Nine types of financial assistance to employees was approved. Financial assistance expenditure increased by 5% to approximately RUB 157 million. VHI expenditure increased by 23% to over RUB 160 million. Occupational health and safety expenditure increased by 23% to RUB 65.7 million. Benefits and compensations were granted to 1,620 employees working in hazardous or dangerous conditions. Over 370 cultural events were held for employees' children and families.
Ensuring steady growth in household incomes. Unlocking the potential of each individual, developing their talents, and fostering a patriotic and socially responsible personality		<ul style="list-style-type: none"> Comprehensive young talent management efforts: programme for young talent onboarding and professional development, and the Youth Council Personnel development programmes: corporate academy, and professional development and further education programmes Corporate volunteering Collaboration with universities Support for educational initiatives Preservation of historical memory Protection of cultural and historical heritage Grant support for researchers 	<ul style="list-style-type: none"> A unified approach to employee incentives and benefits was adopted. A unified salary indexation system was adopted. Collective agreements have been extended in their entirety through 31 December 2025. More than 50 educational solutions addressing Group needs were developed. Russia's first inter-university industry championship for maritime specialty students was organised (involving five Russian universities). Annual economics and logistics championships were conducted (involving four Vladivostok universities). Over 15 projects were developed jointly with universities. Investment in cultural support programmes surpassed RUB 100 million. Beneficiary reach exceeded 100 thousand people. More than 400 events were carried out across six cities in Russia.
Sustainable and dynamic economy		<ul style="list-style-type: none"> Vessel fleet and port and terminal infrastructure development and upgrade programme Advancement of business digitalisation and development proprietary digital solutions 	<ul style="list-style-type: none"> Electronic workflow was implemented. An automated corporate system for accounting fuel and energy resources was developed and implemented.

Russia's National Development Goals	UN SDGs	Initiatives	FESCO's 2024 contribution
Environmental well-being	  	<ul style="list-style-type: none"> Energy saving and energy efficiency measures Environmental impact mitigation programmes Commitment to reducing the share of waste sent to landfills Biodiversity conservation through participation in dedicated environmental campaigns 	<ul style="list-style-type: none"> Total environmental protection expenditure in 2024 amounted to RUB 314.2 million. The share of waste sent to landfills went down by 22.8%. The Company implemented the monitoring of potential seabed contamination in the Golden Horn Bay due to pollution from its operations and participated the shoreline and water area clean-ups. Boiler upgrades were carried out, including the conversion of boilers in Vladivostok and Khabarovsk to less carbon-intensive fuels. Greenhouse gas emissions were reduced by 1.74% as a result of energy saving and energy efficiency measures. In 2024, VMTP employees released 10 thousand juvenile chum salmon into the wild.

ESG ratings and rankings



EPS (Environment, Personnel, State) Responsible Business Rating:

- FESCO was awarded the **Leader** status with a rating of **AAA**.
- FESCO ranked among the **Top 3** leaders in the Environment section of the responsible business rating.
- FESCO topped the rating of responsible water transportation companies.



FESCO Group was ranked in the **High Performance** category, according to RBC.



FESCO Group was ranked among Russia's **Top 100** largest employers and **Top 3** employers in the transport and logistics sector, according to HeadHunter.



FESCO Group maintained its **Gold** employer status in 2024, awarded by Forbes in 2023.

FESCO was named laureate of the Corporate Charity Leaders Award in the high **A** category.







FESCO ranked among the **Top 10** Russian ESG transparency leaders in the **transport and infrastructure** sector, according to the Expert RA rating agency.

FESCO was named laureate of the **Corporate Charity Leaders Award** for the best programme promoting sustainable development through grant competitions (Sea of Opportunities grant contest) and the best corporate family support programme (FESCO for the Kids).

Stakeholder engagement

Open dialogue with stakeholders is key to FESCO's operations. Our stakeholder engagement is guided by transparency and mutual respect, as defined in the Company's Sustainable Development Policy. Constructive dialogue and a balanced consideration of stakeholder interests in decision-making support FESCO's strong operational performance and enable well-rounded sustainability solutions.

FESCO identifies eight main stakeholder groups, each with dedicated communication channels to ensure effective stakeholder engagement.

Stakeholder group	Key stakeholder interests	Engagement methods	Response mechanisms
 Shareholders, investors, and financial institutions	<ul style="list-style-type: none"> Growth in operational and financial performance Economic and financial stability Reputation preservation High level of corporate governance Information transparency Company and industry growth prospects Effective risk management 	<ul style="list-style-type: none"> General Shareholders Meeting Annual reports, financial statements, information brochures and booklets Press releases, mandatory disclosures Corporate website, including the Shareholders and Investors section Query responses, provision of requested documents and information Shareholder hotline Regular contacts with rating agencies 	<ul style="list-style-type: none"> Preparation of public annual reports Participation in credit and ESG ratings Development of the risk management system Development of the corporate governance framework Maintenance of information transparency
 Suppliers and contractors	<ul style="list-style-type: none"> Ethical business conduct Fulfilment of contractual obligations Tender process transparency and fairness 	<ul style="list-style-type: none"> Invitations to tender for the supply of goods, performance of works, and provision of services In-person and online negotiations Formalisation of partnerships (cooperation contracts and agreements) Participation in conferences and forums Collaboration with trade unions and associations 	<ul style="list-style-type: none"> Timely procurement Electronic trading and procurement platform Supplier and contractor evaluation for compliance with Company requirements and Russian laws Code of Corporate and Business Ethics
 Customers	<ul style="list-style-type: none"> Fair pricing for services Uninterrupted cargo transportation Customer-centric service approach Group's sustainability efforts 	<ul style="list-style-type: none"> Information on services, rates, and schedules available on the Company's website and via email MY.FESCO, customer's personal account Single customer support service (call centre) NPS, CSAT, in-depth interviews with key customers, focus groups Dedicated information source (Telegram channel) Negotiations, offline customer events Development of personalised transportation and logistics solutions for key customers Participation in industry-specific conferences and exhibitions Formalisation of contractual relations 	<ul style="list-style-type: none"> Competitive pricing High service quality and safety standards On-site customer support Customer satisfaction research Implementation of integrated transportation solutions Electronic workflow implementation and development Continuous improvement of customer interaction processes Responses to sustainability-related inquiries (as they arise)
 Employees	<ul style="list-style-type: none"> Safe and comfortable working conditions Protection of employee rights Social benefits and decent pay Professional development opportunities High employer rating 	<ul style="list-style-type: none"> Corporate communication channels, including FESCO's news portal, Telegram channel, and educational webinars Personnel engagement surveys Regular meetings with management Veterans' council Trade unions and Youth Council 	<ul style="list-style-type: none"> Competitive remuneration Comprehensive social benefits under collective bargaining agreements Voluntary health insurance Corporate Academy development, and internal training programmes Cultural and sports events Support of volunteering By-laws governing remuneration, benefits, compensations, and internal staff rules New employee onboarding Performance management based on goals (KPIs)

Stakeholder group	Key stakeholder interests	Engagement methods	Response mechanisms
 Local communities	<ul style="list-style-type: none"> Contribution to regional development Job creation Social investments and charity (supporting education, culture, and sports) Support for small and medium businesses in the regions of operation 	<ul style="list-style-type: none"> Conducting and participating in sociological surveys, research studies, and focus groups Management meetings with local community representatives, including managers and employees of non-profit organisations, volunteer movements, social and cultural institutions, university students and faculty in the regions of operation, school students, teachers and administrative staff, veteran organisations, etc. Meetings with officials from government agencies and local authorities in the regions of operation Participation in industry-specific, public and other exhibitions, conferences, forums, etc. Corporate websites and social media pages of the Group and its individual programmes and projects 	<ul style="list-style-type: none"> Long-term or short-term social, environmental, and cultural programmes in the regions of operation Volunteer programmes, projects, and campaigns PR activities, including themed events, workshops, forums, and competitions Promotion of sports and healthy lifestyle Educational initiatives Internships and traineeships for students
 Members of professional industrial communities	<ul style="list-style-type: none"> Industry-specific agenda Maintaining partnership relations Constructive collaboration between businesses and the expert community 	<ul style="list-style-type: none"> Membership in industrial unions and associations: <ul style="list-style-type: none"> Eurasian Union of Rail Freight Transport Participants; Organisation for Cooperation of Railways; Union of Railway Operators Market; Association of Commercial Sea Ports; Russian Chamber of Shipping; International Coordinating Council on Trans-Eurasian Transportation; Russian Union of Industrialists and Entrepreneurs (RSPP); Russian Association of Freight Forwarding and Logistic Organisations Public Council of the Northern Sea Route; Russian-Chinese Business Council; Association of Exporters and Importers; Chamber of Commerce and Industry of the Primorye Territory; Association of Operators of the Refrigerator Rolling Stock; Association of Partners on Coordination and Usage of the Northern Sea Route Participation in expert councils Participation in conferences, forums, round tables, plenary and strategic sessions 	<ul style="list-style-type: none"> Supporting non-profit initiatives and projects Establishing joint coordination committees and working groups
 Higher education institutions	<ul style="list-style-type: none"> Internships and traineeships Joint educational programmes 	<ul style="list-style-type: none"> Internship and traineeship offers Work in the project management office at the Far Eastern Federal University (FSC – Workflow Management, Accounting) Organisation of competitions to select talented students (case championships, brain storms) Lectures and master classes by FESCO experts Project-based learning 	<ul style="list-style-type: none"> Participation in industry events for young scientists, professionals, and students Offering traineeships for vocational and higher education students Offering internships at Company facilities
 Government agencies	<ul style="list-style-type: none"> Compliance with national legislation Timely tax payments Implementation of socially significant projects Contribution to regional development across the Group's footprint Contribution to the transport and logistics industry development and Russia's transport sovereignty 	<ul style="list-style-type: none"> Participation in the meetings of intergovernmental commissions, their working bodies, and port expert groups; participation in official delegations accompanying Russian deputy prime ministers and select ministers on their working visits to the countries where FESCO operates Participation in meetings and working groups of industry associations (the Organisation for Cooperation of Railways, Union of Railway Operators Market, Association of Commercial Sea Ports, Russian Chamber of Shipping, Russian-Chinese Business Council, International Coordinating Council on Trans-Eurasian Transportation, Eurasian Union of Rail Freight Transport Participants, Russian Association of Freight Forwarding and Logistic Organisations, RSPP, Public Council of the Northern Sea Route, etc.) Developing the Company's response to inquiries from government agencies Putting forward legislative initiatives regarding maritime shipments, stevedoring services at ports, and intermodal container transportation Participation in working groups, joint meetings, round tables, conferences, and forums Submitting queries and proposals to federal and regional executive authorities Interacting with relevant government agencies to obtain permits, certificates, licences, etc. Implementing initiatives to improve intermodal transportation procedures in collaboration with relevant government authorities 	<ul style="list-style-type: none"> Legal compliance and participation in improving legislation relevant to Company's operations Timely tax payments and tax information disclosures Developing cooperation and maintaining constructive relations with government (municipal) bodies in accordance with Russian laws Logistics industry development and tariff indexing Infrastructure development investments

Environment and energy efficiency

Minimising environmental impact and preserving natural resources for future generations is one of FESCO's key operational priorities.

Key 2024 results

22.8%

reduction in the share of waste sent to landfills

4.5%

reduction in energy intensity of non-container cargo handling

RUB 314.2 million

total environmental protection expenditure

1.6%

decrease in energy intensity of cargo transportation by sea

4.4%

decrease in energy intensity of cargo transportation by road

1.74%

reduction in greenhouse gas emissions driven by energy saving and energy efficiency measures

An automated corporate system for accounting fuel and energy resources was developed.

FESCO's environmental protection efforts contribute to achieving the following goals.

Russia's National Development Goals

- Comfortable and safe living environment
- Environmental well-being

UN SDGs



Goal 9.
industry, innovation and infrastructure



Goal 13.
climate action



Goal 12.
responsible consumption and production



Goal 14.
life below water

Strategic environmental priorities and planned initiatives

- Reducing carbon footprint, in particular through the heating systems transition to alternative energy sources and the implementation of an energy efficiency programme
- Improving wastewater treatment efficiency
- Implementing a closed-loop water supply system, including wastewater treatment, collection in storage tanks, and secondary use in fog cannons for dust suppression during coal handling
- Separate waste collection, sorting, and transfer to licensed organisations for further recycling and disposal.

Environmental management

Responsible environmental stewardship and continuous commitment to reducing carbon footprint and improving fleet energy efficiency are key sustainability goals for FESCO.

In conducting its operations, the Company follows the strategic objectives of the International Maritime Organisation (IMO) regarding the reduction of greenhouse gas emissions, as well as other regulatory standards at international, regional, and national levels.

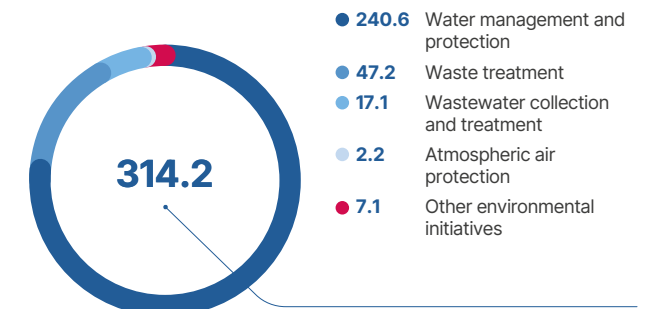
FESCO's core environmental principles are outlined in its Environmental Policy, a key internal regulation defining goals and key focus areas for ensuring environmental protection and safety. It applies to all branches and standalone units within FESCO Group, as well as its subsidiaries and affiliates.

In 2024, FESCO joined the Uniform Industry-Wide Environmental Policy of Rosatom State Corporation and its Organisations. This step ensures the Company's compliance with Rosatom's regulations on public consultations in making environmentally significant decisions, which are to be followed as part of the Interaction with Regional Authorities, Local Communities, and Public Organisations group of processes with a view to ensuring environmentally sustainable development of Rosatom and its organisations.

To enhance environmental performance and prevent negative impacts from operations, FESCO Group companies have implemented an Environmental Management System (EMS) certified to GOST R ISO 14001:2016 (ISO 14001:2015) Environmental Management System. The certification remains valid until 24 December 2027. The system integrates documented procedures, plans, standard operating procedures, internal and external audits, regulatory inspections, self-assessments, and management reviews.

In 2024, FESCO's branch was certified for compliance with the international standard ISO 9001:2015 Quality Management Systems. The management system covers maritime and coastal cargo transportation and crew recruitment operations.

Environmental safety expenses, RUB million



Source: Company data



Waste management

Responsible waste handling is one of the priorities of FESCO Group's environmental policy. To promote circular economy principles, the Company implements measures and initiatives aimed at reducing total waste generation and increasing the proportion of waste sent for recycling and neutralisation.

The Company's key waste management regulations are the Environmental Policy and the Production and Consumption Waste Management Standard.

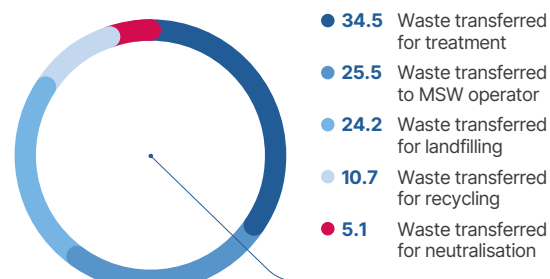
All temporary waste storage facilities fully comply with current environmental, sanitary, and epidemiological laws.

In 2024, FESCO Group generated 2,487.8 tonnes of industrial waste, down 236.2 tonnes compared to the previous year. The share of waste sent to landfills went down by 22.8%.

Waste movement	Hazard class, tonnes					Total, tonnes
	I class	II class	III class	IV class	V class	
Generated	0.3	0.2	250.8	1,015.4	1,221.1	2,487.8
Transferred	0.3	0.2	250.8	1,015.4	1,221.1	2,487.8
Including:						
To regional MSW ¹ operator	0	0	0	464.5	170.5	635.0
• For treatment	0	0	0	0.0	857.8	857.8
• For recycling	0.3	0.1	141.5	117.8	7.3	267.0
• For neutralisation	0	0.1	109.3	13.3	4.2	126.9
• For landfilling	0	0	0	419.8	181.3	601.1

Source: Company data

Waste management in 2024, %



Source: Company data

22.8%

reduction in the share of waste sent to landfills

10%

reduction in total waste generated across Group facilities

¹ Municipal solid waste.

Water consumption and protection of water resources

In managing water resources, FESCO adheres to the following regulations:

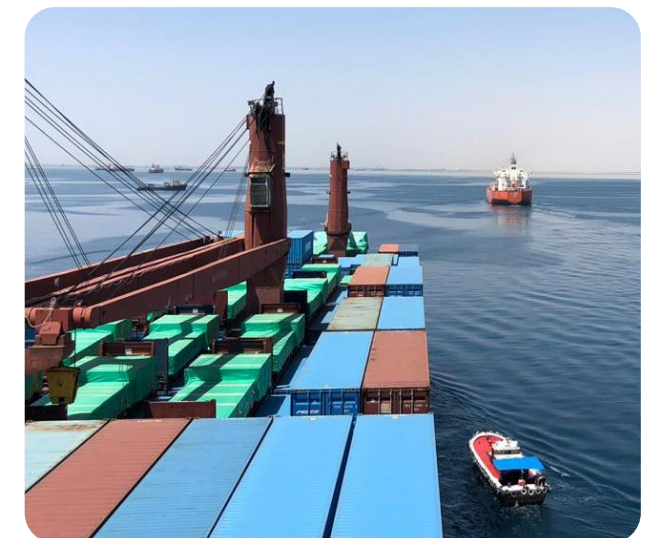
- ✦ Ballast water management:
 - International Convention for the Prevention of Pollution from Ships (MARPOL);
 - International Convention for the Control and Management of Ships' Ballast Water and Sediments, 2004.
- ✦ Treated wastewater discharge management:
 - Water Code of the Russian Federation (No. 74-FZ, 3 June 2006);
 - Russian Government Resolution No. 18 On Preparing and Adopting Decisions on Granting Water Bodies for Use dated 19 January 2022;
 - Russian Government Resolution No. 748 On Approving the Limits of Permissible Concentrations and Conditions for Discharging Harmful Substances in Russia's Exclusive Economic Zone dated 3 October 2000;
 - Order No. 552 of the Ministry of Agriculture of Russia On Approving Water Quality Standards for Fishery Water Bodies, Including Limits of Permissible Concentrations for Harmful Substances in the Waters of Fishery Water Bodies dated 13 December 2016;
 - Order No. 1118 of the Ministry of Natural Resources and the Environment of Russia On Approving the Methodology for Developing Limits for Permissible Discharges of Substances and Microorganisms into Water Bodies for Water Users dated 29 December 2020;
 - SanPiN 2.1.3684-21 Sanitary and epidemiological requirements for the maintenance of the territories of urban and rural settlements, for water bodies, drinking water and drinking water supply, atmospheric air, soils, residential premises, operation of industrial and public premises, organisation and conduct of sanitary and anti-epidemic (preventive) measures.

To prevent contamination of open water bodies, reduce negative impacts on water resources from wastewater discharge, and decrease water consumption, FESCO implemented the following measures:

- ✦ monthly monitoring of wastewater for compliance with permissible discharge limits as part of industrial environmental control conducted by an accredited organisation;
- ✦ participation in the annual marine cleanup of the Golden Horn Bay organised by the Far Eastern Interregional Office of the Russian Federal Service for Supervision of Natural Resources;

- ✦ coastal zone cleaning operations using oil-spill response and debris collection vessels under a contract with the Far Eastern Branch of Rosmorport to remove floating debris;
- ✦ marine biota monitoring studies (assessment of organisms sharing a habitat) conducted in May and September through specialised organisations, including evaluation of aquatic biological resources in operational areas to prevent negative industrial impacts;
- ✦ seabed sediment analysis in the Golden Horn Bay during May and September as part of industrial environmental monitoring to prevent seabed sediment contamination;
- ✦ participation in the Save the Salmon campaign to address Far Eastern environmental challenges and contribute to preserving biodiversity (10 thousand juvenile chum salmon released by VMTP employees into the wild 2024);
- ✦ employee awareness sessions on water conservation and sustainable usage practices.

FESCO tracks water usage from centralised sources using commercial and technical water flow meters. Quarterly reports on wastewater volume and quality are compiled and submitted to regional water basin management authorities.



FESCO container vessel en route from China to St Petersburg

Wastewater and ballast water management

All companies within FESCO's Shipping Division strictly comply with the International Convention for the Prevention of Pollution from Ships (MARPOL), the International Convention for the Control and Management of Ships' Ballast Water and Sediments, and the International Convention on the Control of Harmful Anti-fouling Systems on Ship, observing the following requirements:

- prohibition of untreated wastewater discharge at sea;

- ban on tin-containing organic compounds in ship coatings and paints used to limit or prevent hull fouling;
- mandatory installation of wastewater treatment systems on all vessels;
- mandatory treatment of vessel ballast water.

Reduction in greenhouse gas emissions

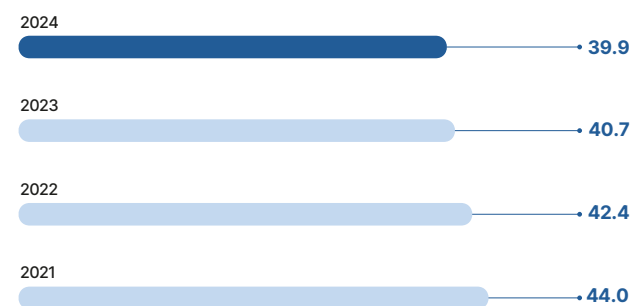
In 2024, FESCO Group companies emitted 572.5 thousand tonnes of CO₂-e from their operations into the atmosphere.

FESCO Group's primary mechanism for reducing greenhouse gas emissions is the efficient use of fuel and energy resources. Through energy saving measures and reduced specific energy consumption, the Group achieved 9.9 thousand tonnes of CO₂-e, or 1.7%, in emission reductions, exceeded initial projections of 8.3 thousand tonnes of CO₂-e.

Target values for reducing greenhouse gas emissions were set and approved for the upcoming period, totalling 9.8 thousand tonnes of CO₂-e.

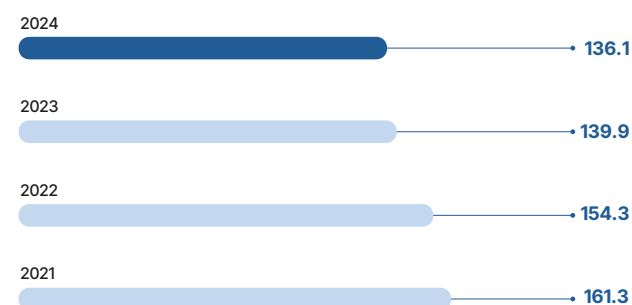
In 2024, Group facilities emitted 58.8 tonnes of atmospheric pollutants from stationary sources.

Specific greenhouse gas emissions from terminal operations (kg CO₂-e / HCC)



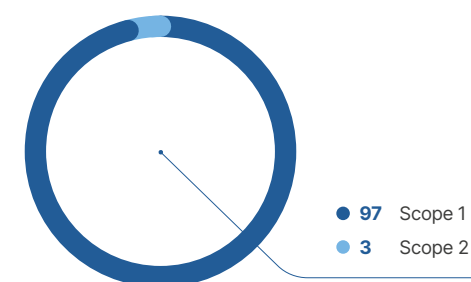
Source: Company data

Specific greenhouse gas emissions from maritime cargo transportation (kg CO₂-e / million DWT)



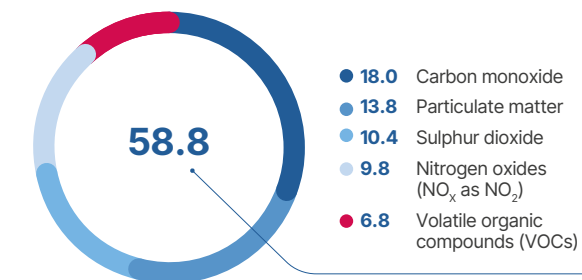
Source: Company data

Scope 1 and Scope2 GHG emissions,%



Source: Company data

Atmospheric pollutant emissions in 2024, tonnes



Source: Company data

In compliance with the Agreement on Cooperation for Ensuring Favourable Environmental Conditions for Vladivostok Residents' Health and Well-Being and Minimising Environmental Impact from Coal Handling, VMTP conducted continuous tracking of suspended particulate concentrations across the port territory and at sanitary protection zone boundaries. Automated emission control data was transmitted to the Far Eastern Interregional Office of the Russian Federal Service for Supervision of Natural Resources.

As part of its operations monitoring (during August and September), VMTP engaged a specialised organisation to conduct day and night noise level measurements at control points at the nearby residential area boundaries, assessing compliance with hygienic standards. No violations of threshold levels were recorded in 2024.

FESCO Group's Energy Policy

While creating best logistics solutions for customers across Russia and Eurasia, FESCO Group focuses on enhancing energy efficiency and reducing greenhouse gas emissions.

The Energy Policy forms the basis for analysing and setting FESCO Group's energy goals and objectives, as well as for selecting priority energy saving and energy efficiency improvement measures with the highest potential.

In 2023, FESCO successfully passed an audit for compliance with the international standard ISO 50001:2018 and its Russian equivalent GOST R 50001-2023 Energy management systems – Requirements with guidance for use.

The internationally accredited certification body provided positive feedback on the organisation of energy management systems across Group companies and identified areas for further development.

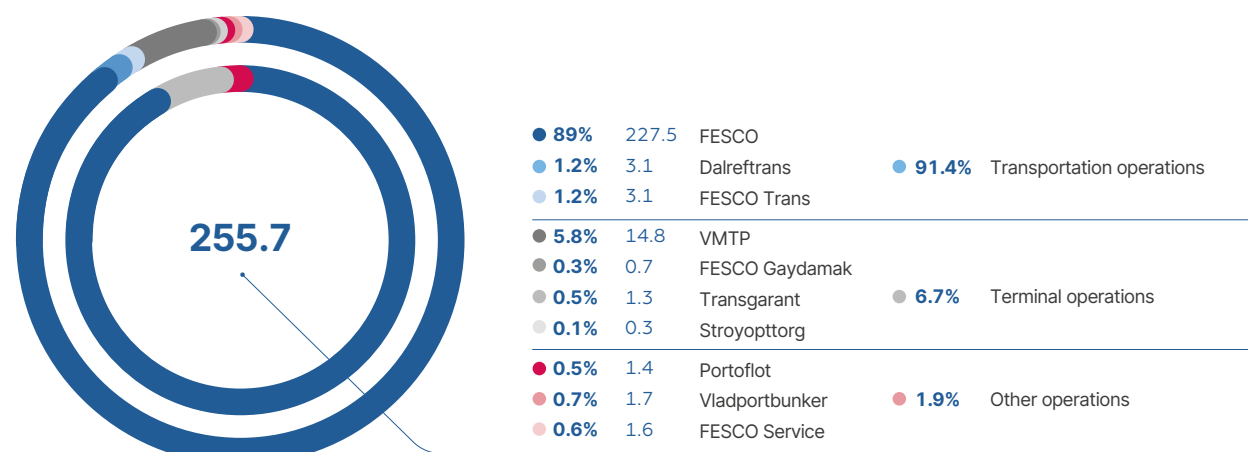


Energy consumption

FESCO Group's fuel and energy resource usage is split between two core operational segments: transportation and terminal operations, where fuel and energy costs are allocated to maritime cargo transportation, and containerised and non-containerised cargo handling at ports and inland terminals.

In 2024, FESCO Group consumed a total of 255.7 thousand tonnes of reference fuel, of which 233.7 thousand tonnes of reference fuel (91.4%) were attributed to transportation operations and 17.2 thousand tonnes of reference fuel (6.7%) to terminal operations.

Fuel and energy consumption by FESCO Group companies by type of operations, kt of reference fuel, %



Source: Company data

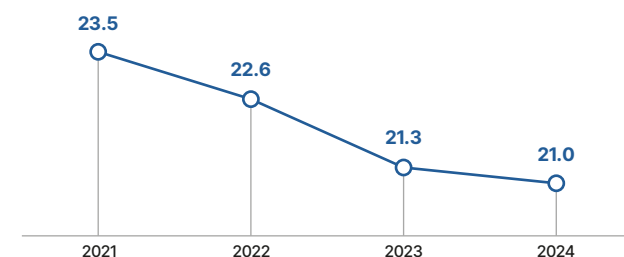
An automated corporate system for accounting fuel and energy resources was developed and implemented in 2024.

The scale of reduction in specific consumption of fuel and energy associated with FESCO Group's operations in the reporting year proves that we are on the right track with the measures we implement.

Energy intensity of container handling at FESCO's terminals stood at 21.0 kg of reference fuel per HCC in 2024, which is a 1.7% reduction YoY.

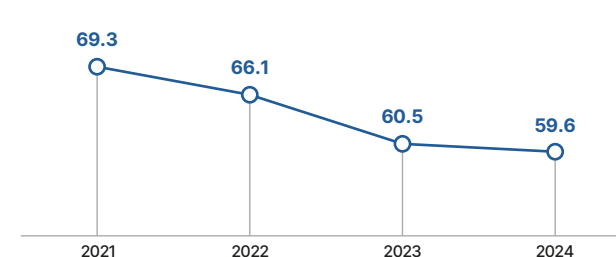
Energy intensity of cargo transportation by sea in 2024 was down by 1.6% to 59.6 kg of reference fuel per 100 DWT miles.

Energy intensity of terminal operations, kg of reference fuel / HCC



Source: Company data

Energy intensity of transportation operations, kg of reference fuel / 100 DWT miles



Source: Company data

Key energy intensity metrics for FESCO Group's operations

Indicator	Fuel consumption, kt of reference fuel		Energy intensity of operations, kg of reference fuel / volume of operations		Energy intensity YoY change, %
	2023	2024	2023	2024	
Terminal operations					
Container cargo handling	13.24	13.09	21.3	21.0	(1.7)
Non-container cargo handling	3.50	3.39	7.74	7.39	(4.5)
Transportation operations					
Cargo transportation by sea	157.1	223.5	60.5	59.6	(1.6)
Cargo transportation by road	2.4	3.1	42.8	40.9	(4.4)
Cargo transportation by rail (refrigerated containers)	2.9	3.1	138.4	137.2	(0.9)



General view of VMTP

Energy saving

As part of its energy management system and Energy Policy implementation, FESCO Group developed and put in place the Energy Saving and Energy Efficiency Improvement Programme for 2024, which includes organisational and technical initiatives planned by FESCO and its controlled entities in this area.

The energy saving programme targets reductions in energy consumption across maritime transport operations, building heating systems, loading/unloading equipment, special and motor transport vehicles and equipment, railway infrastructure needs, lighting system upgrades, and process flow streamlining.

4.3

thousand tonnes
of reference fuel

total fuel and energy savings in 2024 driven by the Energy Saving and Energy Efficiency Improvement Programme (vs planned savings of 3.6 thousand tonnes)

During programme implementation:

- ↗ a range of measures were implemented to restore heating grids insulation, with entrance areas of administrative and production buildings also being insulated;
- ↗ the refrigerated container fleet was renewed with containers having improved thermal characteristics;
- ↗ energy-efficient solutions were used when upgrading and constructing VMTP's outdoor lighting systems;
- ↗ electronic waybills were used in pilot mode at VMTP during 2024;
- ↗ implementation continued of the SSV (Smart Ship View) system for comprehensive monitoring of operational parameters and fuel consumption on vessels. As at the end of 2024, a total of 15 vessels were equipped with SSV solutions.

Savings

2.5

kt



Marine fuel

376

thousand l



Diesel fuel

0.6

million kWh



Electricity

700

Gcal



Heat

The Group's fleet complies with the energy efficiency requirements of the MARPOL Convention. Fuel consumption is monitored in accordance with the approved ship energy efficiency plans (SEEMP). All vessels under FESCO management have registry certificates confirming proper data collection.

The Group's vessels operating in territorial waters near the European part of the global ocean comply with the EU MRV (monitoring, reporting, verification) Regulation, which requires them to maintain approved energy efficiency plans and collect and report data on fuel consumption, greenhouse gas emissions, and activities completed to date. These measures are also designed to reduce GHG emissions into the air.

Personnel

People are FESCO's most valuable asset. We prioritise comprehensive staff support and regional development across our footprint as fundamental corporate commitments.

Self-realisation opportunities and talent development form cornerstones of our personnel policy. We emphasise creating comfortable working environments and establishing trust

with employees through adaptation and training programmes, professional skill development, and expanded benefits packages, including voluntary health insurance (VHI).

Key 2024 results

~157

+5%
RUB million

financial assistance
expenditure

Nine types of financial
assistance approved

Unified approach
to employee incentives
and benefits adopted

65.7

RUB million

occupational health and safety
expenses

Collective bargain-
ing agreements
extended in full through
31 December 2025

More than 50 educational
solutions developed
addressing Group needs

>160

+23%
RUB million

VHI expenditure

Economics and logistics
championships
conducted annually
(involving four
Vladivostok universities)

Over 15 projects
developed jointly with
universities

Russia's first inter-university industry championship
for maritime specialty students organised (involving five
Russian universities)

FESCO successfully implements its HR management strategy until 2025, which encompasses all aspects of employer and employee relations.

Staff acquisition:

- ↳ youth engagement development (Youth Council);
- ↳ wider geographical outreach and deeper student engagement;
- ↳ enhanced presence on social networks and specialised career platforms;
- ↳ automation of the staff recruitment process and development of the employer brand.

Staff development:

- ↳ corporate university and shared training system advancement;
- ↳ key position talent pool formation;
- ↳ career growth pathways;
- ↳ participation in cross-functional projects.

Corporate culture and social protection:

- ↳ improvements in employee engagement;
- ↳ enhancement of the employer's social responsibility;
- ↳ uniform corporate culture development;
- ↳ interaction with trade unions.

Improvements in the efficiency of HR management processes:

- ↳ HR process automation;
- ↳ HR process unification exceeding 90%, automation rate surpassing 70%;
- ↳ development of internal regulations based on unified standards (in line with both mandatory labour law requirements and additionally approved criteria to meet specific business needs);
- ↳ introduction of electronic workflow in HR processes.

Remuneration and incentives, employee benefits and organisational development:

- ↳ unified remuneration and incentivisation system;
- ↳ unified system of employee benefits;
- ↳ unified system for salary indexation and payroll reviews;
- ↳ staff performance management system;
- ↳ unified system for building organisational structures.

Thanks to the implementation of strategic personnel management initiatives, FESCO Transportation Group made it to the ratings of Russia's best employers in 2024.

Staff composition

In 2024, FESCO's average headcount increased by 3.8% to 6,798 FTEs. The increase was driven by business growth and the development of new business lines.

FESCO's average headcount, FTEs¹

Location	2021	2022	2023	2024
Russia	5,008	5,702	6,313	6,540
Asia	146	146	202	202
Europe	33	35	34	56
Total	5,187	5,883	6,549	6,798

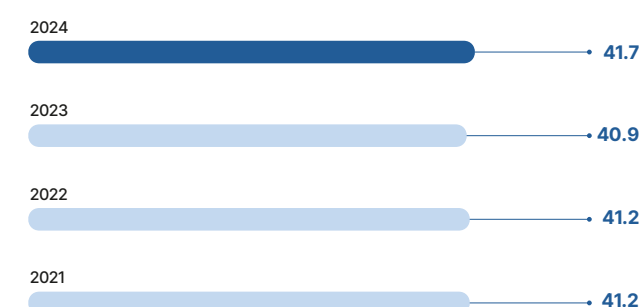
Source: Company data

¹ Full-time equivalent (abbreviated FTE) is the equivalent of full-time employment of company employees, which allows determining the level of employee involvement in the labour process.

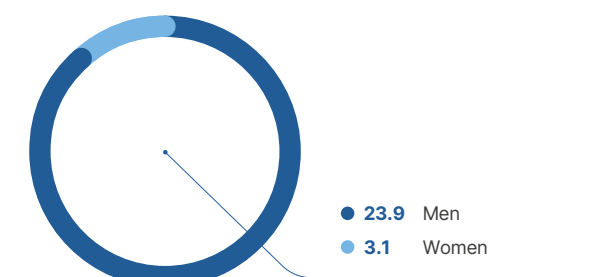
FESCO's employees come from various age groups.

FESCO strictly observes Russian labour laws, respects employee rights and freedoms, offers equal opportunities, and guarantees employee protection against any form of discrimination.

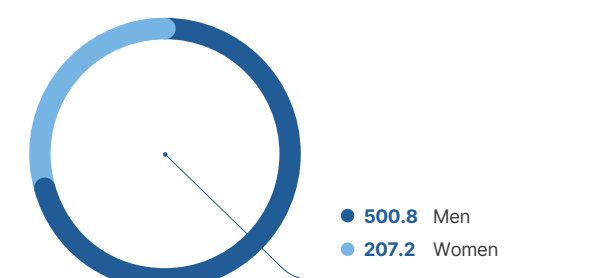
Average employee age in Russia, years



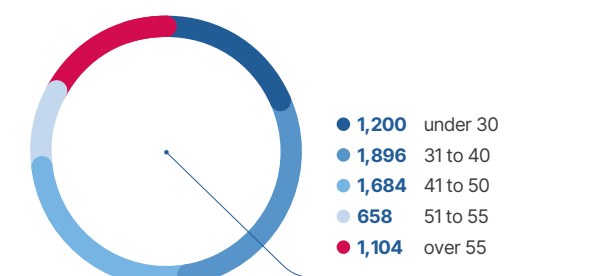
Senior executives by gender in Russia, FTEs, 2024



Executives by gender in Russia, FTEs, 2024

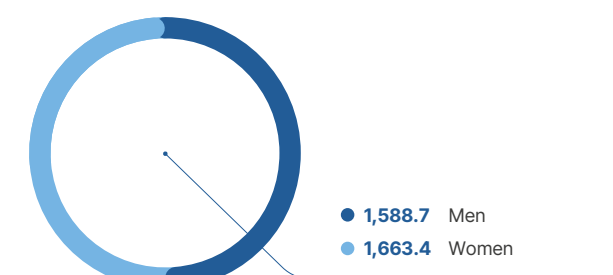


Personnel structure by age in Russia in 2024, FTEs

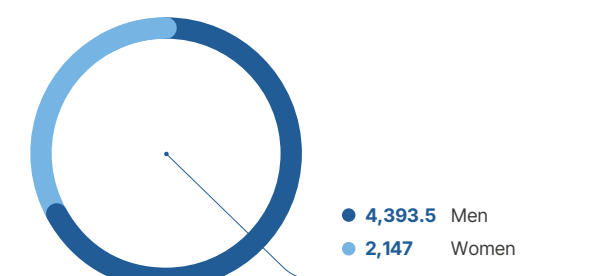


Source: Company data

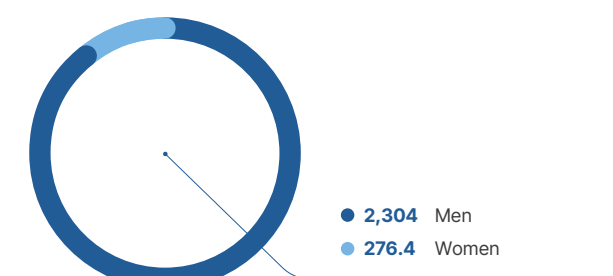
White-collar employees by gender in Russia, FTEs, 2024



Personnel structure by gender in Russia in 2024, FTEs



Blue-collar employees by gender in Russia, FTEs, 2024

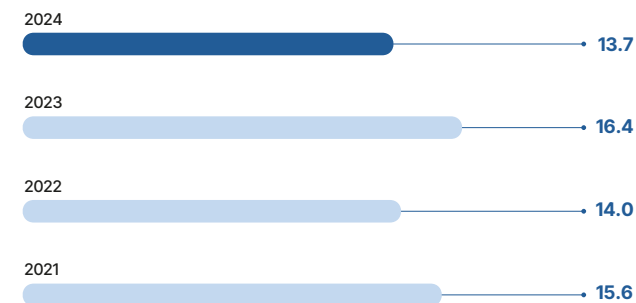


Source: Company data

Personnel turnover

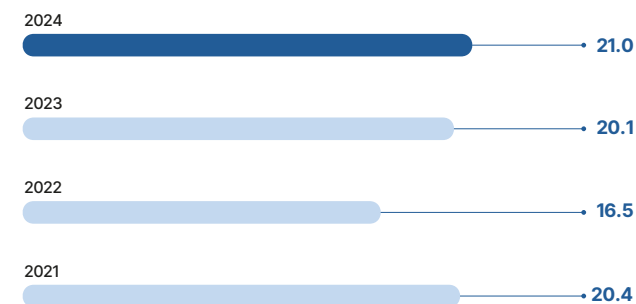
Our effective HR policy and use of a variety of staff recruitment methods helped reduce the voluntary personnel turnover rate by 2.7% to 13.7% in 2024 – our lowest figure in four years.

Personnel turnover rate (voluntary turnover), %



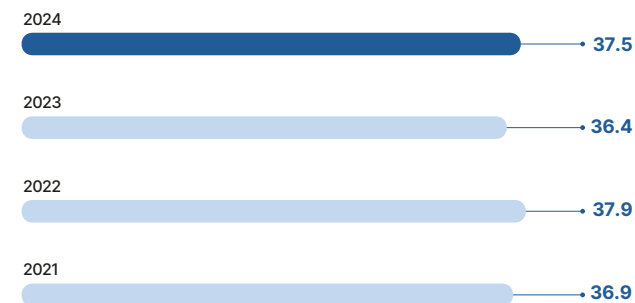
Source: Company data

Personnel turnover rate (total turnover), %

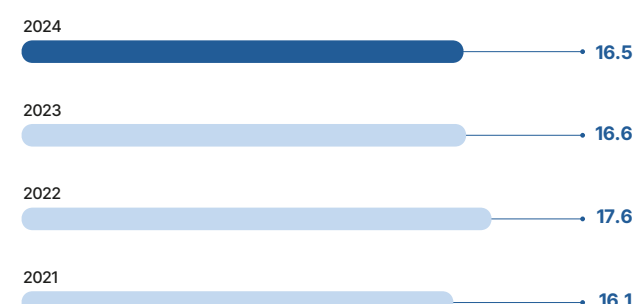


Source: Company data

Average employee age in Russia as at the employment date, years



Recruitment of young professionals (under 35 years old), %



Incentives

Financial incentives

We aim to create comfortable working conditions through competitive salaries and comprehensive corporate benefits.

Our remuneration system, aligned with the corporate strategy, focuses on improving operational efficiency and productivity, achieving strong results, and retaining highly qualified personnel. The incentive scheme provides for remuneration payment depending on the Company's operating and financial performance and employees' personal contribution.

FESCO establishes salaries without regard to gender, age, race, nationality, origin, or religion.

Our work regulations, developed with trade union input, establish working hour parameters in accordance with Russian Labour Code standards – 40 hours weekly for standard positions and no more than 36 hours weekly for employees working in harmful and/or dangerous conditions.

All weekend and overtime work is paid for in accordance with the Labour Code of Russia.

In 2024, FESCO adopted a unified approach to employee incentives and benefits (VHI, business trip and hospitality expenses, mobile telephony and transportation, relocation and training).

Social protection

FESCO provides its employees with social protection and benefits over and above those provided for by the Russian labour laws, which helps increase labour efficiency and performance. All FESCO employees hold VHI policies and can receive free medical care at the country's best healthcare facilities specified in the insurance contract. The VHI programme covers outpatient care, hospital services, preventive vaccination, dental care, treatment procedures, round-the-clock trauma services, diagnostic testing, healthcare at home, and emergency medical services.

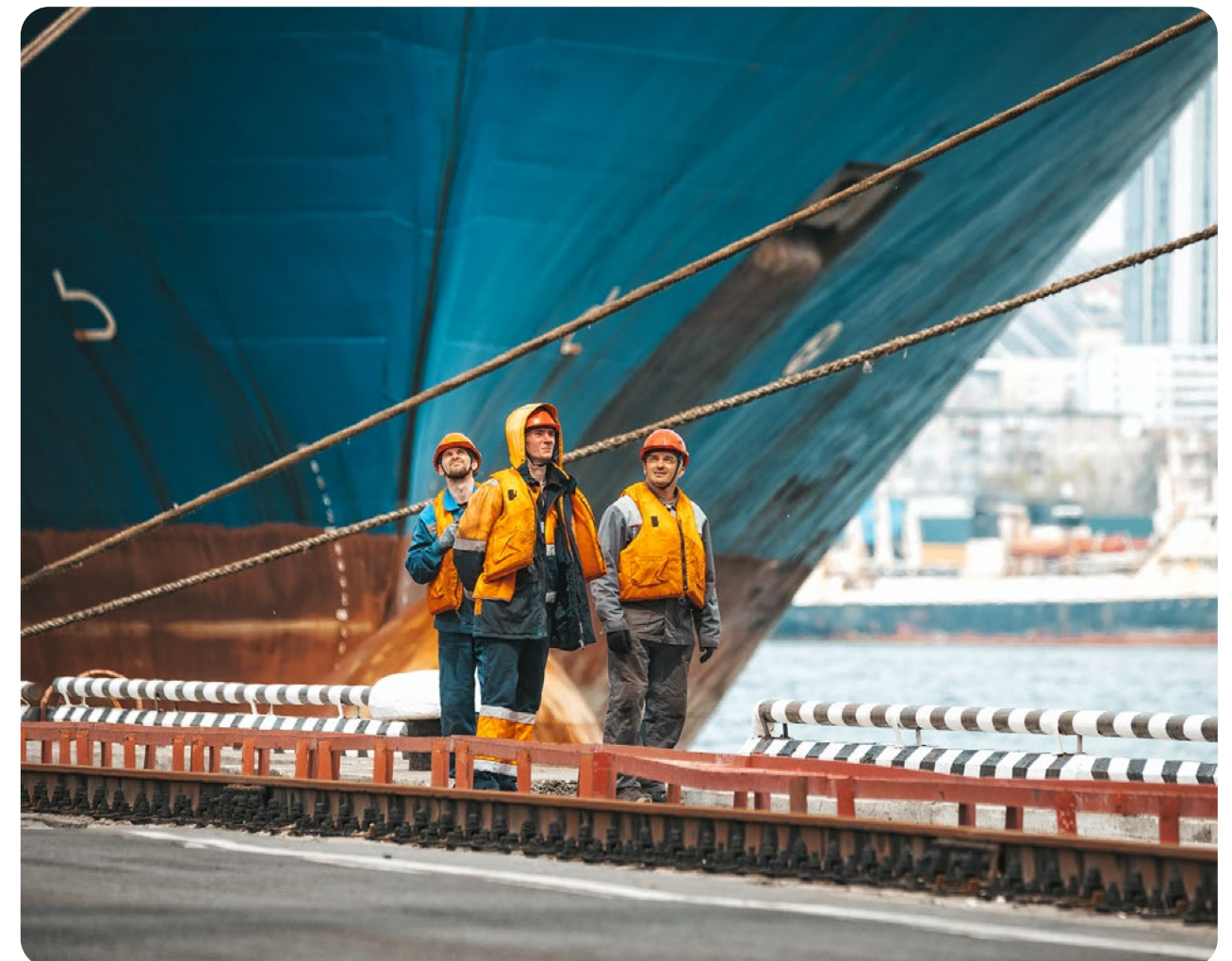
VHI policies are made available to all of the Company's employees in the first month of their employment. In 2024, VHI expenses increased by 23% compared to 2023, reaching over RUB 160 million.

FESCO offers its employees financial aid on special occasions in their life or to help them and their families overcome serious health issues. In 2024, we formalised nine financial assistance categories:

- child birth/adoption: RUB 50,000 per child;

- third and subsequent child birth/adoption: RUB 100,000 per child;
- close relative death: RUB 50,000;
- employee death payment to close relatives: RUB 50,000;
- education, medical expenses, and psychological assistance: up to RUB 300,000 annually;
- employee marriage: RUB 10,000;
- personal property damage/loss from emergencies: up to RUB 100,000;
- surgeries or prolonged illness affecting employee or dependants: 30% of expenses, but no more than RUB 100,000;
- employee disability: up to 60 statutory minimum wages depending on disability category.

In 2024, social expenses amounted to around RUB 486 million, reflecting an 8.3% decrease from 2023 due to corporate event spending optimisation.



Staff recruitment and acquisition

FESCO strengthened its position amid intensifying labour market competition in 2024. We focused on strategic HR brand development, internal process refinement, new technology implementation, and active young specialist engagement.

We launched an artificial intelligence candidate screening pilot project for more effective recruitment.

Our employer image enhancement, particularly among younger demographics, was supported through intensive educational institution collaborations, professional conference participation, and university partnerships. These initiatives generated a substantial increase in vacancy responses (by 10%) while maintaining high candidate loyalty. Efficient process automation and external cost reduction decreased our per-vacancy fulfilment cost by 5%.

Job requisitions

Indicator	2021	2022	2023	2024
Job requisitions received	1,193	1,655	1,839	1,941

Source: Company data

Requisition fulfilment by category

Indicator	2021	2022 ¹	2023	2024
Commercial personnel	49	145	206	210
Blue-collar employees	65	413	412	417
Middle management	42	622	770	795
Top management	58	28	29	25
Total requisition fulfilment speed, days	49	39	37	37

Source: Company data

Recruitment of young professionals

To attract young professionals, we have a standalone function – Young Talent Engagement and Cooperation with Educational Institutions, which pursues three primary objectives:

- staff FESCO with qualified personnel, including rejuvenation of the workforce;
- attract young professionals from universities and vocational schools in the regions of operation, including through internships, apprenticeships, and employment;
- provide career guidance for schoolchildren in the regions where FESCO operates.

FESCO's youth policy has four focus areas:

- Cooperation with universities and vocational schools. Engagement with existing students and young talents to get them work in FESCO Transportation Group.

Partnerships were established with the following Russian universities:

- Far Eastern Federal University (Vladivostok);
- Admiral Nevelskoy Maritime State University (Vladivostok);
- Vladivostok State University (Vladivostok);
- Far Eastern State Technical Fisheries University (Vladivostok);
- Siberian State University of Water Transport (Novosibirsk);
- Siberian Transport University (Novosibirsk);
- Novosibirsk State University of Economics and Management (Novosibirsk);
- Admiral Makarov State University of Maritime and Inland Shipping (St Petersburg);
- Saint Petersburg State University of Economics (St Petersburg);
- Russian University of Transport (MIIT) (Moscow);
- Moscow Automobile and Road Construction State Technical University (MADI) (Moscow);
- Financial University under the Government of the Russian Federation (Moscow);
- Kutafin Moscow State Law University (Moscow);

- Higher School of Economics (Moscow);
- Admiral Ushakov Maritime State University (Novorossiysk);
- Kazan Federal University (Kazan).

We actively engage with educational institutions in Vladivostok, Moscow, St Petersburg, and Novosibirsk to facilitate student practical training, internships, and graduate employment across Group divisions.

Collaboration with universities is structured around four areas:

- science and education:
 - teaching;
 - workshops;
 - conferences;
 - open lectures;
- selection and assessment of students for future employment in FESCO Transportation Group:
 - case tournaments;
 - project activities;
 - participation in the state examination boards;
- development of professional skills in students:
 - apprenticeships;
 - internships;
 - employment;
 - involvement in projects;
 - work in a project management office (Far Eastern Federal University);
- social and sponsorship support:
 - classroom renovations;
 - establishment of public creative spaces (co-working spaces);
 - assistance in maintaining administrative and household property.

FESCO's 2024 student project collaborations included:

- Russia's first inter-university industry championship for maritime specialty students (involving five Russian universities);
 - economics and logistics championships conducted annually (involving four Vladivostok universities);
 - development of over 15 projects jointly with universities;
 - establishment of the Sea Inside co-working space at the Far Eastern Federal University;
 - establishment of the Sea Inside co-working space at the Admiral Nevelskoy Maritime State University, which serves as a multifunctional student centre.
- Career guidance and industry promotion. Engagement with school students and graduates to help them choose their future profession and to raise awareness about opportunities offered by the Primorye Territory and the Russian Far East.
 - Industry ambassadors. Transfer of practical professional knowledge to students and professors, development of communication between educational institutions, industry representatives, and FESCO.
 - Social and sponsorship support for key educational partners.

By year-end 2024, we recorded our highest four-year growth in graduate employment rates.

Graduate employments statistics

Academic year	2021/2022	2022/2023	2023/2024
Total admissions	2,285	2,320	2,228
Traineeships	135	193	236
Internships	38	71	85
Graduates employed ²	102	115	98
Share in the total number of people employed	6.1%	8.0%	8.2%

Source: Company data

¹ Taking into consideration automated calculations introduced in 2022.

² First-time employment only.

Personnel training and development

FESCO's main goals in rolling out educational projects are to achieve global objectives of personnel training for the transport and logistics industry. A strong talent pool is impossible without early career guidance programmes for schoolchildren, which is why FESCO places special emphasis on such projects.

Professional development reached new heights with the 2023 launch of the FESCO Academy. This educational initiative employs experienced trainers, methodologists, e-learning specialists, and assessment professionals. The FESCO Academy represents an ecosystem incorporating current educational trends across several domains: adaptation, training and development, assessment and talent management, mentoring, and succession planning.

In 2024, the FESCO Academy successfully:

- ✦ expanded educational solutions for port specialists, ship crews, and cargo movement personnel;
- ✦ secured occupational safety and fire safety training accreditation;
- ✦ automated and digitalised production personnel and ship crew training processes;
- ✦ launched foreign asset employee training and development initiatives.

In 2024, we developed more than 50 educational solutions addressing Group needs. We leverage artificial intelligence for educational content development, integrating generative AI into image selection and processing, summarisation

In 2024, we processed 344 training requests for 1,450 employees.

We assessed 596 employees in 2024, with approximately 2.3 thousand assessments planned for 2025.

~98 ^{+40%}
RUB million

Personnel development expenses

of texts (including technical ones), and development of verification cases and assignments. This significantly reduces course and simulator production time and costs.

The internal expertise built as part of the personnel training and development process does not prevent the Company from engaging external providers. FESCO employees attend conferences, seminars, training sessions, and practical workshops, while the corporate Academy helps select the best available solution and process structure.



The applied nature of selected subjects and an opportunity to put the acquired knowledge into practice are important aspects of the training process. To further enhance the learning process, the Academy has an assessment unit designed to build core corporate competencies, develop profiles for different job categories, and find solutions for automating both the assessment process and issuance of recommendations in the form of individual development plans.

The Academy facilitates experience exchange platforms. We hosted two St Petersburg conferences, each engaging about 100 navigators, senior mechanics, and senior electrical engineers. Programmes addressed maritime safety, cybersecurity, ship survivability, ship supply and repair, and shore service interactions. Participants from other shipping companies joined these discussions and praised their practical focus and relevance of discussed topics.

Our New Generation Intelligence conference on AI in logistics provided another open dialogue forum. Industry experts and FESCO representatives explored unmanned technologies, digital port solutions, generative neural networks for operational tasks, and related topics.

Business training portfolio:

- ✦ 30 internal training programmes;
- ✦ 1,115 employees;
- ✦ 92% NPS (Net Promoter Score).

Online training:

- ✦ 4,056 courses completed;
- ✦ 1,561 students completed courses in 2024;
- ✦ 6,123 employees registered on the platform.

Training on request:

- ✦ 344 training requests;
- ✦ 1,450 student participants;
- ✦ 494 students completed Skyeng online foreign language training.

Ship crew training:

- ✦ 1,190 simulator sessions;
- ✦ 559 specialists trained.

Corporate culture

FESCO's corporate culture embodies our Group's values, principles, and objectives, drawing upon our rich 145-year history. Key corporate culture initiatives include:

- ✦ business ethics;
- ✦ internal communications and employee engagement research;
- ✦ corporate events.

We regularly conduct targeted surveys and engagement level assessments to evaluate our social programme effectiveness. More than 79% of Company employees participated in our 2024 engagement study.

Cultural and corporate events

In 2024, cultural and corporate event expenses increased by 34% compared to 2023, reaching over RUB 188 million.

Our FESCO Time family values corporate event attracted 6.3 thousand employees in 2024. Vladivostok hosted more than 40 events bringing together over 4 thousand people.

We provided 6.5 thousand employees with state holiday gifts. Additionally, all children of employees under the age of 14 received New Year gifts from the Company. First-grade children received complete school supply backpacks.



Sports

Employee sports engagement and healthy lifestyle promotion represent vital FESCO corporate culture components. Sports positively influence work efficiency through team interaction development.

Group companies provide all the basic opportunities for employees wishing to practise sports:

- ✦ Moscow: regular football, hockey, yoga, and volleyball training;
- ✦ Vladivostok: regular swimming, football, volleyball, stretching, basketball, and hockey sessions;
- ✦ St Petersburg: regular football training.

We constructed a modern employee gym at VMTP offering both group and individual training sessions.

Port workers can visit a swimming pool and attend volleyball, basketball, futsal, hockey, jogging and wrestling classes for free. Furthermore, VMTP hosts friendly Russian bench press, table tennis, and ice hockey competitions.

Our sports development initiatives have established dedicated teams within the Company: VMTP Tigers (basketball), Portovik (football), and VMTP Sharks (hockey).

Employees participate (including as part of teams) in various sports competitions of the Primorye Territory – winter and summer business spartakiads, the Interregional Amateur

>18.2 +82%
RUB million

Corporate sports expenses in 2024

Basketball League, Alternative Hockey League of the Primorye Territory, Hockey Federation Cup of the Primorye Territory, Open Futsal Championship of Vladivostok, Open Football Championship, etc. – and win different awards. FESCO's employees also take part in sports marathons such as Vladivostok Bridges and Hero Race.

We hosted 14 sports events in Vladivostok during 2024, engaging over 800 participants. In total, more than 20 sports events across FESCO's operational cities attracted over 1.2 thousand participants.

We organised our first FESCO football tournament for all Group employees in 2024, with final rounds in Moscow. Tournament champions participated in Rosatom's memorial football match honouring Efim Slavsky.

More than 313 employees took part in the Hero League events – Hero Race and ZaBeg.



Trade unions

FESCO's trade unions are represented by six shop-floor trade unions consolidated into regional trade union organisations of Vladivostok and the Primorye Territory and forming part of three public organisations: the Primorye Territory Public Organisation of Sea Port Workers of the Russian Dockers' Union, the Water Transport Workers Union, and the Russian Seafarers' Union which is affiliated with the International Transport Workers' Federation.

In their activities, the trade unions of dockers and seafarers represent and protect the rights and legitimate interests of the trade union members in matters associated with labour relations and coordination of the trade union organisations' efforts to protect trade union members' individual and collective social, labour, professional, and other related rights and interests.

Over 30% of FESCO employees are trade union members, of whom approximately 25% are managerial staff and 75% are operational personnel.

In 2024, the trade unions provided social support to trade union members and their families in the following areas:

- ✦ financial support (in connection with illness, death, child birth, marriage registration, employees' anniversaries, retirement, as well as for families with multiple children and those raising disabled children), benefitting 535 members;
- ✦ recognition of 31 members for 25 years of professional service;
- ✦ 95 corporate events for trade union members;
- ✦ tennis and chess tournament organisation;
- ✦ Victory Day recognition for veteran home front workers;
- ✦ gifts for children at Vladivostok's special needs school at 36 Safonova St.;
- ✦ cultural and theatrical event access.

The trade unions maintain an ongoing and constructive dialogue with the employer – FESCO Transportation Group.

All collective bargaining agreements were extended in their entirety through 31 December 2025.

FESCO Council of War and Labour Veterans

FESCO provides financial support to both the FESCO Council of War and Labour Veterans and the VMTP Council of Veterans. Funding supports:

- ✦ financial assistance provided in connection with illness and costly medical treatment, including for the purchase of medications, dental treatment, and prosthetics;
- ✦ partial compensation of funeral costs to the families of deceased veterans;
- ✦ operations of the Council of War and Labour Veterans;
- ✦ quarterly pensioner payments;
- ✦ jubilee payments;
- ✦ one-time financial assistance paid on the Victory Day, on the Day of Sea and River Fleet Workers, and to the widows of deceased sailors.

25.2
RUB million

Payments to veterans' organisations in 2024

Youth Council

We established the FESCO Youth Council in 2024, hosting two council member events, developing a strategy, and implementing its first initiatives. More than 200 employees under the age of 35 participated in Youth Council activities during 2024.



Code of Corporate and Business Ethics

FESCO strictly observes labour laws and regulations, upholds employee rights and freedoms, offers equal opportunities, and guarantees employee protection against any form of discrimination. FESCO's ethical conduct rules apply to employee relations through its Code of Corporate and Business Ethics, which states that the Company has no work limitations based on gender, ethnic origin, religion, or any other grounds or circumstances unrelated to employees' business qualities.

The Company strives to create an inclusive work environment that prohibits all discrimination forms.

FESCO adheres strictly to these employee-focused principles:

- ✦ Non-discrimination. The Company respects cultural diversity and individual differences among employees, and prohibits all forms of discrimination, including by gender, nationality, language, social background, age, religious beliefs, and others. The Company strives to participate in the social and political life of local communities in the regions of operation, and treats people in a fair and just manner.
- ✦ Prohibition of child and forced labour. The Company's employees work on a voluntary basis, they are familiar with the working conditions and receive regular wages. The Company upholds children's rights, taking a zero tolerance approach towards child labour.
- ✦ The Company guarantees people dignity and equality by preventing all forms of persecution and violence and taking appropriate response measures.

- ✦ Official employment and personnel decisions guided by legal and objective criteria such as employees' knowledge and skills.
- ✦ Decent, competitive, and fair remuneration that meets or exceeds the statutory minimum wage requirements; equal pay for equal work, taking into account salary differences across regions.
- ✦ Compliance with all regulatory requirements on working and rest hours, commitment to minimising overtime work (in situations where it is not required by production needs) and to ensuring appropriate compensation.
- ✦ The Company provides equal access to social guarantees, benefits, and training opportunities to all stakeholders to help them maintain sufficient living standards necessary for health, well-being, and improvements in life quality.
- ✦ Effective communication between employees and management, respect for freedom of association and collective bargaining, timely notification of employees about changes that might affect them.

The Company takes a responsible approach to respecting the rights and addressing the issues related to the well-being of local communities and indigenous peoples in the areas of operation. It also collaborates with relevant government authorities and respects residents of the areas where it operates.

The Company follows the principles of an honest, fair, and open policy in respect of both its own staff and external counterparties. As part of this commitment, we focus on:

- ✦ promoting open attitudes in business communication;
- ✦ ensuring workplace management conducive to effective teamwork and employees' satisfaction with their job;
- ✦ creating and maintaining a stable, positive psychological climate within the team that encourages open exchange of opinions, effective problem-solving, and the unlocking of employee potential;
- ✦ creating conditions for staff training and skill enhancement.

The Code of Corporate and Business Ethics applies to staff relations with external counterparties.

Occupational health and industrial safety

Occupational health and environmental, industrial and fire safety are FESCO Group's top priorities.

In 2024, in line with the amended Occupational Health and Safety Management System Regulations, the Company updated its Occupational Health and Industrial, Environmental and Fire Safety Policy (a core document governing health and safety at FESCO), **adopting ten vital rules.**

1. I do not come to work sick or under the influence of alcohol, drugs or other intoxicating substances.
2. I always move around following safety rules, notice and eliminate unsafe conditions/situations, and stop unsafe actions.
3. I do not leave unattended and I properly store/use explosive and fire hazardous materials, I do not smoke, start fires, or conduct hot work in inappropriate places.
4. I never stand under a suspended load / in an area where machinery is operating.
5. I understand what kind of work can be hazardous and I never start without a valid work permit and briefing.
6. I always use personal and collective protective equipment while working, including seat belts in vehicles.
7. I always check isolation/lockouts of all sources of hazardous energy of machinery and equipment before starting work.
8. I do not use communication devices or take my eyes off the road while driving, nor do I break the speed limit.
9. I take precautions to protect myself from falling from heights.
10. My safety depends on my choices and actions.

FESCO Group's key principles and commitments in occupational health and safety:

- ✦ full compliance with Russian laws and international treaties entered into by Russia in the areas of occupational health, environmental, industrial and fire safety;
- ✦ priority of the health and lives of employees over operational performance;
- ✦ continuous improvement of the occupational health and safety management system;
- ✦ set of preventive measures to avoid occupational injuries and diseases;
- ✦ safe working conditions that meet today's requirements and expectations;
- ✦ strong corporate safety culture;
- ✦ mitigation of accident risks at hazardous production facilities.

To align its Occupational Health, Environmental, Industrial and Fire Safety Management System with the standards established by Rosatom, FESCO Group adopted internal regulations to adhere to the following guiding documents:

- ✦ Uniform Industry-Wide Policy on Occupational Safety and Health of Rosatom State Corporation and its Organisations;
- ✦ Regulations on the Internal Safety and Quality Control System in Rosatom Organisations;
- ✦ Uniform Industry-Wide Guidelines for Industrial Safety Management Systems in Rosatom Organisations;
- ✦ Uniform Industry Guidelines for Developing and Improving Occupational Health and Safety Management Systems in Rosatom Organisations;
- ✦ Uniform Industry-Wide Procedure for Investigating Incidents in Rosatom Organisations;
- ✦ Uniform Industry Procedure for Organising and Conducting Safety and Quality Inspections in Rosatom Organisations;
- ✦ Uniform Industry-Wide Guidelines for Drafting and Submitting Corporate Safety Reports;
- ✦ Uniform Industry-Wide Guidelines for Occupational Risk Management in Rosatom Organisations.

Measures implemented in 2024 to achieve occupational health and safety goals (prevention of workplace injuries and occupational diseases):

- special assessment of working conditions was conducted at 702 workplaces (including newly created and relocated workplaces and those associated with renamed job roles);
- professional risk assessments were performed at 787 workplaces;
- mandatory training on occupational health, industrial, and fire safety was completed by 2,781 employees;
- on-site control over compliance with sanitary rules and regulations, hygienic requirements, and sanitary and anti-epidemiological (preventive) measures was carried out at 616 workplaces;
- mandatory medical check-ups (pre-employment and regular) were carried out for 1,265 employees;
- personal protective equipment, detergents and decontaminants were provided to 2,461 employees;
- benefits and compensations were granted to 1,620 employees working in hazardous or dangerous conditions.

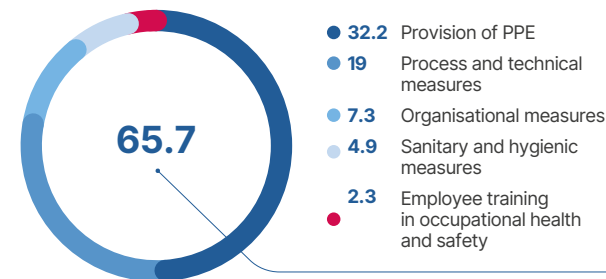
In 2024, under the Rules for Financing Preventive Measures to Reduce Occupational Injuries and Diseases (approved by Russian Ministry of Labour Order No. 467n dated 14 July 2021), FESCO and its controlled entities were allocated RUB 9.1 million in funding through insurance contributions by Russia's Pension and Social Insurance Fund (an increase of RUB 3.8 million compared to 2023). Thanks to implemented health and safety and injury reduction initiatives, the Company also secured RUB 9.7 million in savings on mandatory social insurance contributions for workplace accidents (occupational diseases) and a discount of RUB 13.0 million on future social security contributions payable for 2025.

51.6

RUB million

FESCO's 2024 spending to provide guarantees and compensations to eligible employees as required by the Russian Labour Code

Occupational health and safety expenses, RUB million



Source: Company data

In 2024, the following occupational health and safety measures were implemented:

- Organisational measures:** planning of activities, updating internal by-laws and regulations, and automating the occupational health, environmental, industrial and overall safety management system.
- Process and technical measures:** implementing equipment and energy monitoring systems, improving outdoor lighting, providing personal and collective protective equipment, and using anchor lines.
- Sanitary and hygienic measures:** ensuring proper lighting at workplaces, providing heated facilities, rest areas, and drinking water, conducting disinfection, performing medical check-ups and examinations, and implementing on-site control.
- Employee training in health and safety:** providing training, raising awareness, setting up health and safety classrooms, and upgrading training tools, including through the use of VR technologies.
- Provision of protective equipment:** supplying individual and collective protective gear, as well as detergents and decontaminants.

Certification

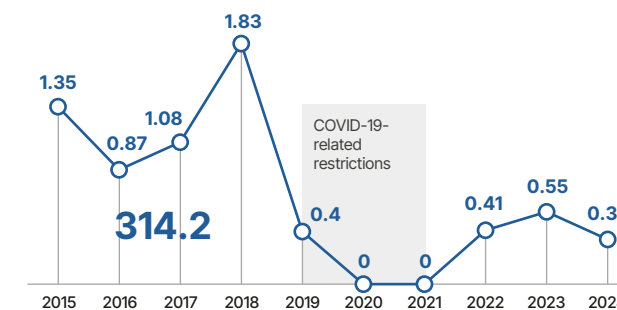
In 2024, FESCO Group underwent certification and obtained compliance certificates for GOST R ISO 45001-2020 (ISO 45001:2018) Occupational Health and Safety Management Systems.



Workplace injuries

Thanks to the measures outlined above, FESCO reduced its lost time injury frequency rate (LTIFR) from 0.55 in 2023 to 0.34 in 2024.

Changes in LTIFR

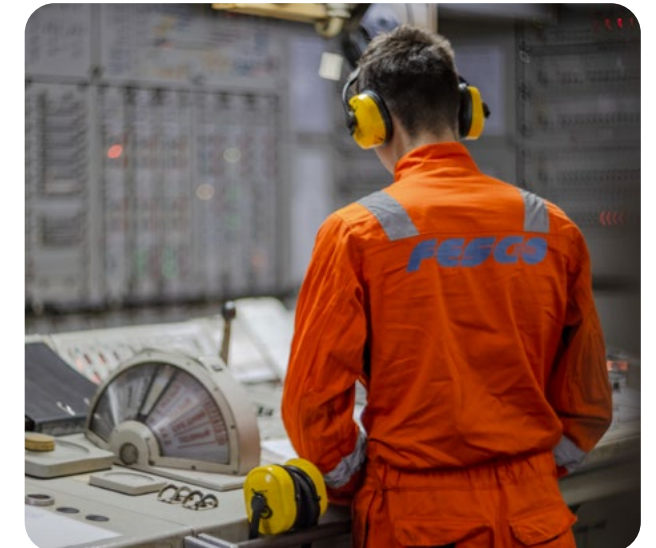


Source: Company data

3-Year LTIFR

Division	LTIFR		
	2022	2023	2024
Liner and Logistics Division	0	0.49	0
Port Division	0.22	0.44	0.22
Shipping Division	2.94	2.22	2.09
Fuel Division	0	0	0
Rail Division	0	0	0
Corporate Division	0	0	0
FESCO Group	0.41	0.55	0.34

Source: Company data



Digitalisation of Occupational Health, Environmental, Industrial and Fire Safety Management System

To align with industry best practices and latest technology and R&D advancements, and as part of its digital transformation efforts, FESCO Group completed the second stage of integrating its Occupational Health and Industrial Safety Management System software with its internal systems and processes. This included migrating historical data to achieve process and document standardisation, improve planning accuracy, reduce routine workflow, mitigate the risk of administrative penalties, and improve employee accountability. Integrating the Occupational Health and Industrial Safety Management System with the AI-powered Smart Port system data will help track and prevent risks of workplace incidents and accidents in hazardous zones and minimise human error in high-risk operations.

Integrating the Occupational Health and Industrial Safety Management System with the AI-powered Smart Port system data will help track and prevent risks of workplace incidents and accidents in hazardous zones and minimise human error in high-risk operations.

The system will cover automation of processes in organisation and management of occupational health, environmental, industrial and fire safety.



Social projects

The key mission of FESCO's charity programme is social development and economic support of the regions of operation, and also contribution to the achievement of Russia's national goals.

FESCO's social responsibility efforts are focused on initiatives offering systemic solution to the most acute social problems, improving the quality of life, developing human capital and creating new opportunities for self-fulfilment of local people.

For a number of years, FESCO has been implementing important social projects seeking to:

- ✦ support educational, cultural, and awareness initiatives;
- ✦ support family and childhood;
- ✦ support sports initiatives and promote healthy lifestyles;
- ✦ develop social infrastructure;
- ✦ support local communities, socially vulnerable and unprotected people;
- ✦ support environmental projects.

The total social investments exceeded RUB 1 billion. More than 100 thousand people benefitted from a variety of the Company's social and cultural initiatives.

>1
RUB billion

total investments

>500
thousand people

social projects outreach

>300

events held

Key outcomes

>1.5 thousand

schoolchildren in the Primorye Territory taking part in career guidance events

23 thousand

people benefitting from the projects implemented as part of the Sea of Opportunities grant contest

>90

sites with awareness and career guidance events held

>8.5 thousand

schoolchildren covered by a project to support children's and family reading

51

projects implemented as part of the Sea of Opportunities grant contest

>50

teachers having their skills upgraded as part of the On the Teacher's Side programme

>1 thousand

young athletes supported

67

events held with corporate volunteers taking part

FESCO for the Kids programme

The programme, which includes several initiatives, is aimed at comprehensive support and systemic improvement of the quality of life of children and teenagers in the regions of FESCO Group's operation.

Launch of a teenager centre in Vladivostok

In 2024, on the sidelines of the Eastern Economic Forum, the Company signed a cooperation agreement with the Vladivostok administration to open a teenager centre.

Among the centre's goals are providing psychological and social support to teenagers, offering them leisure options, engaging them in meaningful activities, and helping with career guidance. For that, a variety of classes will be organised at the centre:

- ✦ robotics;
- ✦ interactive classes of physics;
- ✦ training sessions;
- ✦ workshops;
- ✦ social project planning with a further opportunity to be awarded a grant for implementing ideas.



Project to support children's and family reading

The project includes reprinting children's books by popular Soviet authors, and also publishing new books about the sea and sea-related jobs aimed at early career guidance and promotion of maritime and transport and logistics industries.

The books are donated to pre-school facilities and educational institutions, libraries, healthcare and social organisations, supplementary education and cultural establishments of Vladivostok and the Primorye Territory, with support from the Vladivostok administration's Department of Work with Municipal Education Institutions.

In 2024, FESCO helped implement a local book project, S. Ignatov's The Happiest Day, or Fair Seas and a Following Wind, and reprint G. F. Mirimanov's book A Girl at the Lighthouse (first published in 1927).

The books were granted to more than 250 library collections of the Primorye Territory (72 schools, 123 kindergartens, and 57 children's city libraries). In addition to free circulation of books, the Company holds annual educational events for a wide audience of children.

- ✦ In 2024, as part of the Reading the City autumn programme, several educational sessions were held in 30 pre-school facilities and general education institutions, and three guided literary tours around Vladivostok led by a guide from Vladimir Arseniev Museum were organised.
- ✦ FESCO also organised the New Year Travel through FESCO for the Kids books, a New Year stage production based on books published as part of the project. The production was attended by children from social rehabilitation centres, adoption support centres, and distressed families.
- ✦ The Reading with FESCO for the Kids contest of video reels was held, with about 60 family performance groups and over 240 participants – children and teenagers from large families and families of FESCO employees.

75
thousand

total book copies
published in 2024

>2
thousand

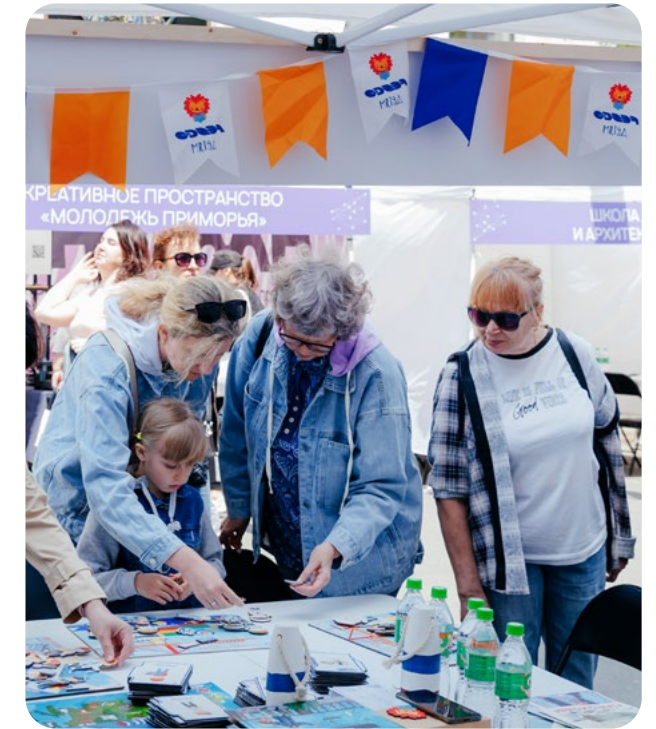
total children
outreach

FESCO Sea of Professions project

The Company runs the FESCO Sea of Professions, a range of awareness programmes dedicated to career guidance and development of pre-school and junior school children in the regions of operation.

2024 initiatives

- ✦ Participation in the Russia exhibition at VDNH
- ✦ Participation in the Night of Museums 2024 programme in Vladivostok
- ✦ Participation in the 7th Minsk International Children's Theatre Forum Steps
- ✦ Organisation of the FESCO Sea of Professions spring and summer awareness programmes
- ✦ The Happiest Day stage production – three performances (for schoolchildren and teachers of the Primorye Territory). The production is included in Vladivostok's career guidance city programme
- ✦ The Island of Professions children's festival in St Petersburg's Museum of Russian Naval Glory



In 2024, over 6.5 thousand children took part in the events held in 60 education institutions and third-party venues.

Teacher for Everyone programme

The programme is implemented jointly with the New Teacher Charity Foundation. The initiative is developed specifically for regional schools to promote educational best practices, foster an educational environment, and create new opportunities for disadvantaged children of the Primorye Territory. The programme also includes selection and support of teachers for the above purpose. As a result 14 experts were assigned to eight partnering schools in Vladivostok in 2022–2024. More than 550 children from Vladivostok's schools were offered new educational opportunities in the academic year 2023/2024.

More than ten public city events were held for teachers and residents of Vladivostok (conferences, forums, workshops, public lectures, etc.) with a total outreach of more than 500 people.

In 2024, the following large regional projects were implemented in Primorye as part of the programme:

- ✦ On the Teacher's Side (covering 50+ teachers from municipal schools);
- ✦ Culture Contour (covering 300+ teenagers of 13 to 17 years old);
- ✦ Equally Different (covering 10 schools in Vladivostok, 50+ teachers, and 350+ children – non-native speakers).

Projects for development and career guidance of schoolchildren in the regions of the Company's operation

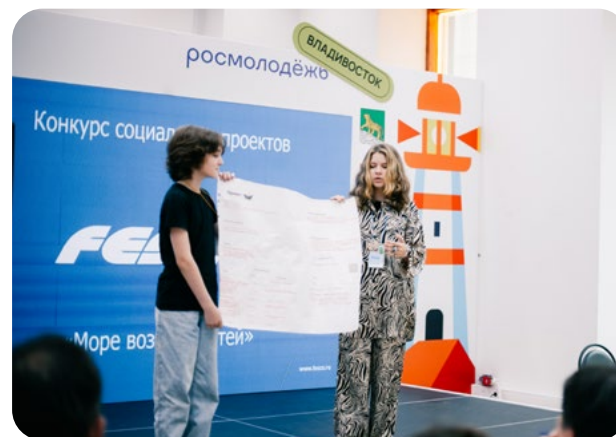
>1.5 thousand

total children outreach

- ✦ **Ticket to the Future all-Russian career guidance project.** Guided tours to VMTP and professional tests for consolidation are run for schoolchildren of Vladivostok and the Primorye Territory who would like to get a profession in the maritime, port, or logistics industry.
- ✦ **IT class in the Kvantorium children's technology park.** The programme is designed for pupils in grades 7–11, including those left without parental care, from large or distressed families. The training curriculum covers programming, 3D modelling, VR app development, and industrial design.
- ✦ Schoolchildren traineeship and summer internship programmes in the Group's companies.
- ✦ Organisation of **FESCO Career Days**, career guidance events in general and supplementary education institutions of the Primorye Territory.
- ✦ **All-Russian schoolchildren case contest** in economics and entrepreneurship in Vladivostok.
- ✦ **Pacific Project School by the Far Eastern Federal University's Department of Pre-University Education** – a range of educational and project intensive courses based on competitive admission of senior schoolchildren.
- ✦ **Schoolchildren's Forum in Moscow** – run as part of a series of educatory and patriotic events of the project Days of the Far Eastern Regions in Moscow 2024. The Company employees told senior schoolchildren about the advantages of living and working in the Primorye Territory and about FESCO and the transport and logistics industry on the whole.
- ✦ **Organisation of career guidance events** at schools of the Primorye Territory.
- ✦ Creation of a career guidance module in Ocean, an all-Russian children's centre.

Culture Contour creative summer camp

During summer vacations, Vladivostok, with the support of FESCO, offers a project and leisure site for children, and a festival of modern art, urban science and city studies. As part of the project, teenagers (aged from 13 to 18) look at the habitual urban space through a focus on art (performance theatre, sound design, movement, video design, painting, and street art) and applied social sciences (urban science, anthropology and sociology). A workshop in each area develops a research and art project dedicated to the city or a neighbourhood and its residents. The projects are presented at a public festival for the local community. Some projects received support in the form of schoolchildren grants of the Sea of Opportunities contest.



21

project and research workshops dedicated to various modern arts and social sciences were launched in June–July 2024

300

teenagers aged 13 to 17 from Vladivostok and the Nadezhdinsky District took part in the camp in 2024

Sea of Opportunities contest of social projects

The Sea of Opportunities, an annual grant contest, creates additional opportunities for those engaged in resolving acute social problems in the Primorye Territory. Every year, the contest offers grants to non-profit organisations, government institutions, volunteers, and since 2024 school

groups, too, to implement initiatives supporting the vulnerable, helping preserve the cultural and historical heritage, protect environment, promote sports and healthy lifestyle, and improve inhabited areas.

In 2024, the contest saw over 100 applications from residents of the Primorye Territory. 51 projects were short-listed and financed (36 projects by organisations, 9 projects by school groups, and 6 projects by the Group's volunteers).

Project outcomes over five years:

- ✦ FESCO's total social investments – RUB 53 million;
- ✦ funds raised by winning projects – RUB 40 million;
- ✦ projects implemented since the onset of the contest – 169;
- ✦ total volunteers – 3,680.



Promotion of bone marrow donation

The initiative seeks to draw attention to bone marrow donation in the country, compiling a domestic base of potential bone marrow donors, development of responsible donation in Russia, helping people suffering from haematologic malignancies, haematopoietic and immune system disorders for whom bone marrow transplantation is the only chance for survival.

Systemic efforts to promote bone marrow donation in Russia include:

- ✦ organisation of awareness events;
- ✦ support of ongoing public encouragement;
- ✦ projects to support donor registration in the regional base of the Russian Federation;
- ✦ building stable partnerships with local communities.

Projects

Come and Join physical exercises for donors

40 thousand people

total project footfall

A meeting of a bone marrow donor and a recipient at a Dynamo M – Akhmat football match

~5 million people

project's information outreach

Arrangement of a tissue typing point at home games of the Admiral hockey club

~3 million people

project's information outreach

A donor event at a gala hockey game of Russian sports stars

Support for sports

In the regions of its operation, the Company actively supports sports development and initiatives promoting healthy lifestyle. FESCO's support helps organise competitions, build and refurbish sports grounds.

FESCO is a general sponsor of the Admiral hockey club, and it also supports Lev Yashin Academy of Dynamo.

In 2023, on the sidelines of the Eastern Economic Forum, FESCO and Academy of Dynamo signed a cooperation agreement. The document provides for joint efforts to develop children's football in the Russian Far East, hold competitions, and make steps towards establishment of a Russian-Chinese youth league. As part of this initiative, FESCO and Lev Yashin Academy of Dynamo run youth tournaments with athletes from Russia, China, and the CIS.

In 2024, there were two large-scale football tournaments. The international FESCO League saw teams from the Primorye and Khabarovsk Territories, Sakhalin, and China. In turn, the Moscow-based FESCO Cup invited representatives of leading football academies from the European Russia and CIS countries.

The basketball FESCO Cup is held in the Primorye Territory. The competitions attract young athletes from the most remote areas of the territory.



Life Work video project

The project, part of FESCO Group's cultural and awareness projects, helps to foster corporate culture and the Company's identity. The project is aimed at conserving the tradition of hard work and transferring the experience of FESCO veterans who made a considerable contribution to the Group's development. Digitising personal histories helps to keep in remembrance

the labour feats, mastery and dedication of the Company's employees, and also to inspire the new generation for new professional accomplishments.

During the project, six interviews have been done, with nine memoirs of the Company veterans digitised.

Cooperation with zoos

The programme is aimed at raising awareness of protection of rare animal species. As part of the initiative, FESCO has taken into its care Moscow Zoo's Amur leopard, Senegal galago, greater mouse-deer, cattle egret, eastern black-and-white

colobus, and horn owl. In the Primorye wild animal park, the Company supports the African lion, Himalayan black bear, common otter, common racoon, horn owl, and white-naped crane.

Corporate volunteering

FESCO promotes volunteering, which is a pillar of the corporate culture and an effective instrument for developing talent. The free initiative contributes to achieving the national development goals through engaging the most active people in community service. The Company's volunteer movement covers more than 500 people.

In 2024, the development of corporate volunteering at FESCO Group focused on the following:

- ✦ support of projects by partnering charity foundations, and initiatives on social adjustment of orphans from the affiliated child care homes in Vladivostok, Moscow, and Ryazan;
- ✦ measures to keep in remembrance the Great Patriotic War, patriotic upbringing through reinforcing the generational bridge, a series of volunteer events engaging FESCO's Council of Veterans;
- ✦ support to animal shelters;
- ✦ charity events DobroSport and Dobry Tracker to raise funds for partnering charity foundations;
- ✦ series of events to promote a responsible attitude to the environment, including the Primorye environmental marathon, a sea festival on the Popov Island, and the Roots – The Near Far East festival.

In the reporting period, the Company held 67 volunteer events in seven cities of operation: Moscow, Vladivostok, Khabarovsk, Novosibirsk, Novorossiysk, and Petropavlovsk-Kamchatsky. Over 500 FESCO volunteers took part in the events.

Since 2023, FESCO has been heading the National Corporate Volunteering Council in the Primorye Territory.

In 2024, the Company initiated a number of key events to develop corporate volunteering in the Primorye Territory:

- ✦ Corporate Volunteer School – the first platform in Primorye to train corporate volunteers;

- ✦ 1st territorial forum titled Corporate Volunteering: Government, Business, and Community, gathering representatives of non-profits, businesses, and authorities to discuss relevant volunteering workstreams in the Primorye Territory;
- ✦ series of joint events with other members of the National Corporate Volunteering Council.

~1.5 thousand

people joined the events run by the National Corporate Volunteering Council



Awareness projects and projects to preserve cultural heritage

Preservation of cultural heritage is among fundamentals of the state development and strengthening. FESCO is certain that raising awareness plays a major role in this mission, and so it makes a special focus on supporting cultural and educational initiatives.



In 2024, FESCO continued implementing a large-scale social programme to contribute to achievement of Russia's National Development Goals (1, 2, 3) and the UN SDGs (3, 4, 8)

**RUB
>100 million**

total investments

>100 thousand people

beneficiaries outreach

>400

events held

**Geography: six cities
(Moscow, St Petersburg, Vladivostok,
Kaliningrad, Tomsk, and Kazan)**

Key outcomes

Cultural heritage support:

- four large exhibition projects organised;
- total visitors: over 84.5 thousand people;
- total investments in exhibition projects: over RUB 57.6 million;
- support of over 200 cultural events with an outreach to over 7.5 thousand people.

Awareness and educational programmes:

- over 40 awareness events held in three cities;
- educational programmes outreach: over 2.2 thousand people;
- investments in awareness programmes: RUB 11 million;
- master's programmes run jointly with leading universities;
- grant support for researchers;
- edutainment video content created to attract young professionals;
- corporate culture development: over 2 thousand employees getting access to cultural programmes.

Children's and family programmes:

- children's weiqi (board game) tournaments with 220 players from over 10 cities taking part;
- over 370 events held for children and families;
- total outreach: over 500 participants.

Events to expand access of regional residents to cultural values

In 2024, FESCO contributed to organisation of four large-scale exhibition projects in leading museums of Russia. The events were attended by more than 84.5 thousand people. The total investments in the exhibition projects exceeded RUB 57.6 million.

Projects organised with FESCO's support in 2024:

- The Epoch of Fabergé. The Golden Age of Russian Jewellery Art exhibition at Vladimir Arseniev Museum of Far East History (Vladivostok);
- For Work and Life. The Architecture of Constructivism 1917–1937 exhibition at Zotov Centre (Moscow);
- Home Port the Far East interactive exhibition in the Public Space of the Tretyakov Gallery in Vladivostok (Vladivostok);
- At Sea Level exhibition of the branch of the State Tretyakov Gallery in Vladivostok in ARKA Contemporary Art Gallery (Vladivostok).

Development of cultural education and promotion of programmes for various social groups in the regions of operation

A special public space keeps working in Vladivostok as part of strategic partnership between FESCO and the State Tretyakov Gallery. The cultural and educational site is home to exhibitions, workshops, lectures, film shows, and other events for the local community. In 2024, the cultural public space was visited by over 7.5 thousand people.

Children's and family awareness programmes, including FESCO for Kids

In 2024, we continued to offer social projects to support children's and family programmes in key cultural institutions of Vladivostok;

- support of family and children's programmes in the Public Space of the State Tretyakov Gallery in Vladivostok. Over 80 events were held;
- support of children's programmes at Vladimir Arseniev Museum of Far East History. Nine children's programmes were offered: Tales with Milk as part of The Epoch of Fabergé. The Golden Age of Russian Jewellery Art exhibition.

Development of culture

Following a workshop for the Far Eastern authors organised by the Peredelkino writers' colony and FESCO Transportation Group, The Far East. Through Times and Distances collected volume was published.

Initiatives to engage the senior generation in awareness, cultural, and educatory and patriotic projects



The programme of educational and cultural events in the Public Space of the State Tretyakov Gallery in Vladivostok and Vladimir Arseniev Museum of Far East History for FESCO and VMTP veterans.

As part of the programme in Vladivostok, FESCO and VMTP veterans attended a number of events:

- Vladimir Arseniev Museum of Far East History hosted a private viewing of The Epoch of Fabergé. The Golden Age of Russian Jewellery Art exhibition for employees of FESCO Transportation Group;
- in the Public Space of the State Tretyakov Gallery in Vladivostok, veterans attended a series of various events: film shows, lectures, and interactive exhibitions.

Support in ensuring access to educational and awareness museum events and cultural life for Russian citizens

In 2024, a large-scale awareness campaign was run in the country's leading museums to enhance accessibility of quality leisure activities and cultural education in the regions of Russia, which helped to expand access to educational and cultural programmes for people of different ages. Over 40 events were held as part of all the awareness campaign cycles. The events were attended by more than 2.2 thousand people.

>11.1

RUB million

total investments in awareness programmes in 2024

Projects organised with FESCO's support in 2024:

- ✦ Bread. Sugar. Coal lecture course in the cultural space of Zotov Centre, by the Polytechnical Museum (Moscow);
- ✦ educational programme for the Mummies and Artefacts of the Ancient Egypt. The Art of Immortality exhibition from the collection of the Pushkin State Museum of Fine Arts (Vladivostok);
- ✦ educational programme by the Pushkin State Museum of Fine Arts as part of the Pushkin Museum Parlour project at the Academic Library of Tomsk State University (Tomsk);
- ✦ Constructivism 360° lecture course in architecture at Zotov Centre (Moscow).



Projects to develop professional competencies in art and culture

In 2024, FESCO run a series of educational initiatives to develop professional competencies in art and culture. A focus was made on master's programmes in partnership with the Tretyakov Gallery, based in leading regional universities, and also grant support of research in constructivism.

>12.4

RUB million

total investments in art and culture programmes in 2024

Programmes offered by FESCO in 2024:

- ✦ Curatorship and Producing of Museum Projects master's programme run jointly by the State Tretyakov Gallery and Immanuel Kant Baltic Federal University (Kaliningrad). The initiative seeks to prepare employees for the museum and educational sphere of the Kaliningrad Region;
- ✦ Art Management and Museology master's programme run jointly by the State Tretyakov Gallery and Far Eastern Federal University (Vladivostok). The initiative seeks to prepare employees for the museum and educational sphere of the Primorye Territory;
- ✦ Constructivism. Studies grant programme. One of the programme outcomes was PRO_Constructive. From Avant-Garde to the Contemporary first annual research conference offering an opportunity to discuss a wide range of historical, theoretical, and interdisciplinary matters associated with the heritage of constructivism and other avant-garde movements in the social and cultural context of its time, and its preservation and promotion in the 21st century. As part of the project, the special focus area Constructivism. FESCO. Far East is offered at Zotov Centre.

Integration of partnership projects and programmes into FESCO's corporate culture

In 2024, FESCO provided its employees with ample opportunities for cultural development through partnership with Russia's leading museums.

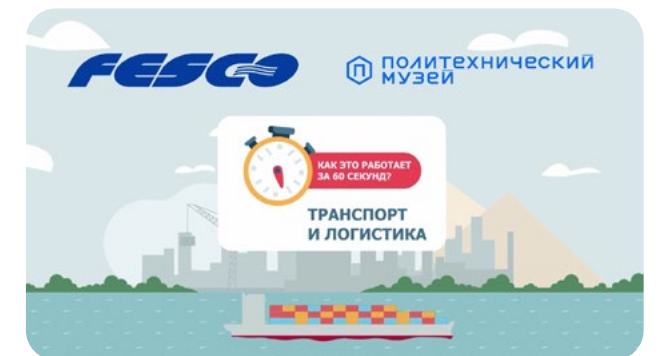
During the year, the Company employees attended over 90 cultural events as part of partnership programmes in the regions of FESCO's operation. Additionally, the employees were offered:

- ✦ museum cards entitling them to free individual visits to permanent and temporary exhibitions by the Pushkin State Museum of Fine Arts, State Tretyakov Gallery, and Zotov Centre;
- ✦ quotas for free visits to events in the Public Space of the State Tretyakov Gallery in Vladivostok;
- ✦ guided tours around temporary and permanent exhibitions;
- ✦ free visits to events by museums partnering with FESCO.

Career guidance events for the young generation

In 2024, FESCO joined efforts with the Polytechnical Museum to make and release a series of edutainment videos. A series of 15 edutainment videos "How does it work? Logistics" was developed in line with modern approaches to engagement of children and youth for promotion of the logistics industry. The video content gives the young audience a better idea of how the transportation industry works.

vk.com/wall-31990499_18407



Procurement

FESCO maintains a responsible approach to supplier selection, with a focus on establishing long-term partnerships with contractors who perform their contractual obligations in good faith. The Company selects suppliers based on an open tender process, ensuring equal conditions for all bidders. The primary goal of procurement is to ensure uninterrupted and timely supply of materials and services of the required quality and at competitive market prices.

To enhance procurement efficiency, minimise operational and financial risks and costs, and improve supply reliability and consistency, the Company has adopted a number of internal regulations.

FESCO Group's documents related to procurement:

- ✦ Unified Industry Procurement Standard of Rosatom State Corporation for FESCO and its Subsidiaries;
- ✦ Regulations on Procurement of Goods, Works, and Services for the Needs of VMTP and its Subsidiaries;
- ✦ Unified FESCO Service Centre Procurement Standard for other Group companies.

FESCO Group conducts its procurement activities in accordance with Rosatom's Unified Industry Procurement Standard, as well as Federal Law No. 223-FZ On Procurement of Goods, Works, and Services by Certain Types of Legal Entities dated 18 July 2011 (applies to FESCO, VMTP, and their subsidiaries).

Suppliers are selected according to Rosatom's Unified Industry Procurement Standard requirements based on competitive, impartial, and efficient selection criteria.

The preferred method for supplier selection is open tenders, the announcements of which are published on platforms such as B2B and RTS-Tender.

However, due to the restrictions imposed by Russian Government Resolution No. 301 On the Grounds for Non-Disclosure of Information on Procurement of Goods, Works, Services, and on Contracted Suppliers (Contractors, Vendors), on the official website of the Unified Information System of Procurement for State and Municipal Needs dated 6 March 2022, companies sanctioned by unfriendly countries cannot hold open tenders.

These companies may only engage in non-public competitive procedures hosted in the restricted section of RTS-Tender.

In 2024, FESCO conducted 10.4 thousand procurement procedures totalling RUB 202.6 billion (net of VAT). In 2023, the Company carried out 12.8 thousand procurement procedures worth RUB 114.4 billion (net of VAT).

Procurement in 2023 and 2024

Activity	Procurement procedures in 2023	Procurement procedures in 2024	Amount of procurement record in 2023, RUB, net of VAT	Amount of procurement record in 2024, RUB, net of VAT
Investing activities	640	575	30,233,187,667	10,417,845,641
Day-to-day operations	12,120	9,814	82,981,685,388	192,141,306,203
Financial operations	1	–	1,191,740,911	–
Total	12,761	10,389	114,406,613,966	202,559,151,844

Support for small and medium-sized enterprises

FESCO pays special attention to supporting small and medium-sized enterprises (SMEs). In 2024, VMTP concluded over 1.5 thousand contracts worth more than RUB 3.6 billion with SMEs (2023: over 1.2 thousand contracts totalling more than RUB 7 billion). VMTP's annual procurement volume from SMEs reached 70.6% in 2024 (2023: 49.7%).

The parties collaborate on supporting entrepreneurs participating in VMTP procurements. Beyond the benefits of the development programme, SMEs also receive methodological, informational, organisational, and other necessary support from VMTP for potential future participation in procurement.

In 2025, VMTP and SME Corporation will continue implementing their potential supplier development programme for SMEs.

Basic principles in organising and conducting procurement

- ✦ **Openness:** information transparency in procurement.
- ✦ **Competitiveness:** equality, fairness, non-discrimination, and no unreasonable restrictions on procurement participants, prevention of corrupt practices and abuse in the procurement process.
- ✦ **Justification:** compliance with all legal requirements, collective decision-making with proper documentation, and prohibition of unquantifiable participant requirements that would restrict access to procurement.
- ✦ **Timeliness:** implementation of procurement processes to provide FESCO Group companies with goods, works, and services in a timely manner and to inform suppliers in advance of planned procurements.
- ✦ **Efficiency:** ensuring targeted, economically justified, and efficient spending on the procurement of goods, works, and services (taking into account life cycle costs) and implementation of measures aimed at reducing the costs of FESCO Group companies.

2025 goals

Transforming transport and logistics service procurement in compliance with Rosatom's Unified Industry Procurement Standard

Implementing the BRIEF¹ digital software solution across FESCO Group's commercial operations

Developing procurement category management

¹ BRIEF is a proprietary digital solution of Rosatom State Corporation designed as a marketplace for corporate clients and suppliers.

PROMOTING EFFECTIVE MANAGEMENT

170
RUB billion

FESCO's market
capitalisation
as at the end of 2024

27
meetings

held by the Board
of Directors

75%

compliance with
the Corporate
Governance Code

FESCO adheres to rigorous corporate governance standards and practices, ensuring transparency for shareholders and investors to build trust and foster mutually beneficial relationships.

Expert

ruAA
stable outlook

HKP

AA.ru
stable outlook

Corporate governance in 2024

A leading player in the transport and logistics industry, FESCO is guided by best standards and practices while retaining its own well-established competences.

In 2024, FESCO's corporate governance framework fully complied with the Moscow Exchange's requirements for Level 2 listed securities, as well as all relevant legislative requirements.

In March 2024, there was a change in the Company's controlling shareholder as State Corporation Rosatom increased its ownership stake to 92.5025% of FESCO. This transition prompted changes throughout the Company's governance structure, including the Board of Directors and its committees, partial Executive Board replacement, and re-election of the sole executive body.

To facilitate seamless integration of the FESCO Group into Rosatom's governance system, the Company adopted new internal documents governing key interaction protocols between the entities, covering the initiation, preparation, and execution of corporate events.

On 21 May 2024, the Company's Extraordinary General Shareholders Meeting approved revised Articles of Association of FESCO¹. These amendments redefined the competencies of the General Shareholders Meeting, Board of Directors, and Executive Board, while aligning the Articles of Association with current laws:

- ✦ Under Rosatom's shareholder control, the Board of Directors' responsibilities were sharpened to focus on key strategic matters, major transactions and projects, while the Executive Board received expanded authority to oversee the Group's day-to-day business operations.

- ✦ The Board of Directors received authority to approve the Company's annual report and annual accounting (financial) statements.

Following these Articles of Association revisions, the Annual General Shareholders Meeting on 27 June 2024 approved updated versions of the following corporate documents:

- ✦ Regulations on the General Shareholders Meeting;
- ✦ Regulations on the Board of Directors;
- ✦ Regulations on the Sole Executive Bodies².

To enhance efficiency of corporate document approval and corporate action management, the Company and Rosatom now operate in accordance with the Procedure for Preparing Corporate Documents³ and the Regulations on Corporate Action Interaction between Rosatom State Corporation and Far-Eastern Shipping Company⁴.

FESCO's integration into Rosatom Group has strengthened the Company's credit profile:

- ✦ On 26 July 2024, the National Credit Ratings (NCR) agency upgraded the Company's credit rating from A.ru to AA.ru, with a stable outlook. NCR attributed this improvement to reduced shareholder risks following the ownership restructuring, alongside FESCO's maintained low leverage, strong operational performance, and healthy cash flow sufficient for both operational needs and capital investments. The agency noted FESCO's transparent beneficiary structure and praised its high-quality corporate governance, risk management, and strategic planning. The enhanced risk assessment reflects the transfer of the Company's share package to a controlling shareholder with the highest creditworthiness rating on Russia's national scale. NCR also valued FESCO's extensive experience as a public company, robust governance framework, public disclosure of audited consolidated financial statements, and Level 2 listing status on the Moscow Exchange⁵.

- ✦ On 24 December 2024, Expert RA rating agency assigned FESCO an ruAA credit rating with a stable outlook. The agency linked FESCO's strong creditworthiness partly to its low corporate risk profile, enhanced by robust strategic support and relatively strong corporate governance. The rating also recognised the moderate benefit of backing from Rosatom, whose conditional rating is the highest on the national scale in Russia (ruAAA). This marked Expert RA's first-ever creditworthiness assessment of FESCO⁶.

¹ Approved by the Annual General Shareholders Meeting on 21 May 2024 (Minutes No. 61 dated 22 May 2024).

² Approved by the Annual General Shareholders Meeting on 27 June 2024 (Minutes No. 62 dated 28 June 2024).

³ Approved by Order No. 1/672-P of Rosatom State Corporation dated 24 July 2012, implemented based on Order No. 01-90 of FESCO dated 16 August 2024.

⁴ Approved by Order No. 1/2322-P of Rosatom State Corporation dated 29 November 2024, implemented based on Order No. 01-159 of FESCO dated 18 December 2024.

⁵ <https://ratings.ru/ratings/press-releases/FESCO-RA-310724/>.

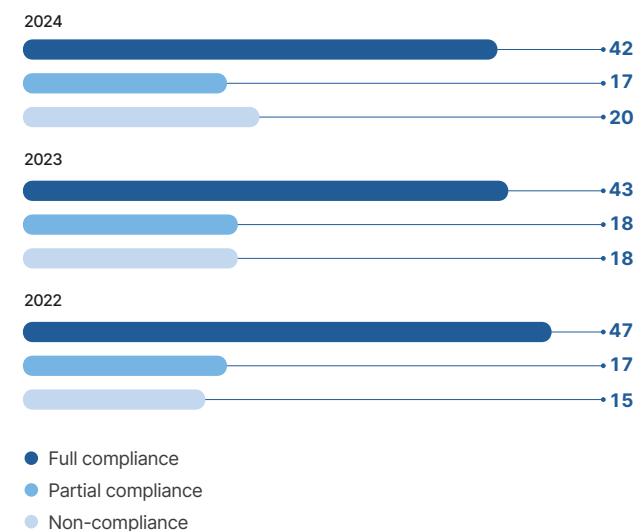
⁶ <https://raexpert.ru/releases/2024/dec27a>.

Compliance with the Bank of Russia's Corporate Governance Code

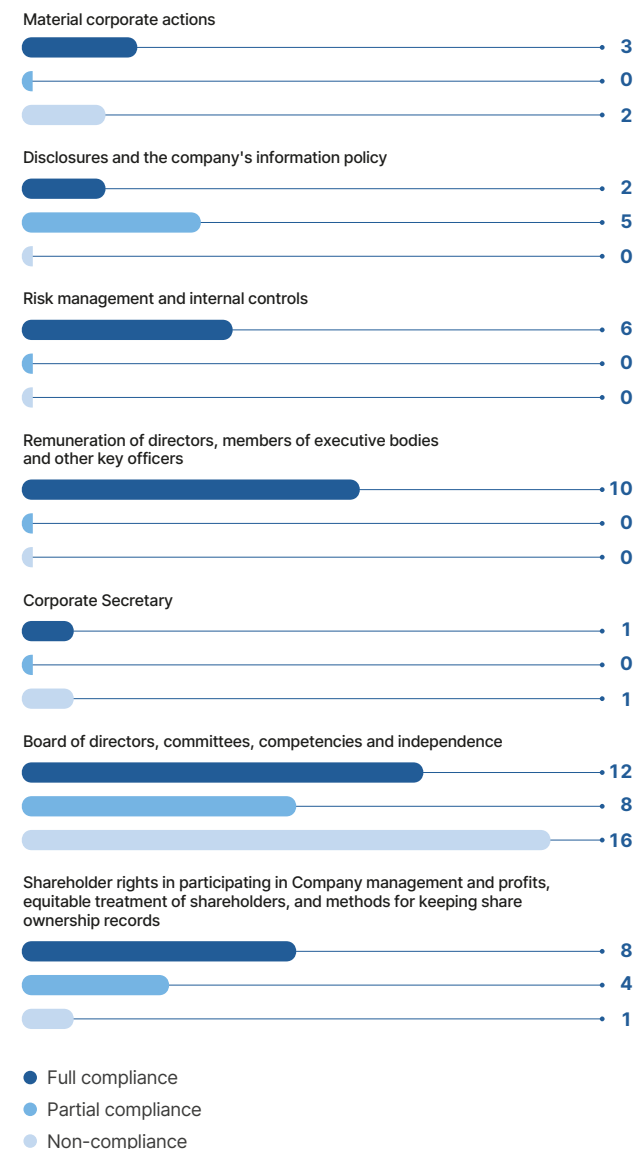
In assessing the quality of corporate governance, FESCO relies on the Bank of Russia's Corporate Governance Code¹, which defines relevant principles. The Company conducts annual assessments measuring its practices against Bank of Russia criteria, documenting results in the Report on Compliance with the Principles and Recommendations of the Corporate Governance Code², which receives Board approval as part of the Annual Report.

During the reporting year, two significant factors influenced the Company's compliance with the Corporate Governance Code: necessary restrictions on information transparency (implemented to mitigate sanctions risks from unfriendly countries and protect stakeholder interests) and the absence of independent Board directors during the second half of 2024.

Compliance with the Bank of Russia's Corporate Governance Code in 2022–2024



Compliance with the Bank of Russia's Corporate Governance Code in 2024³



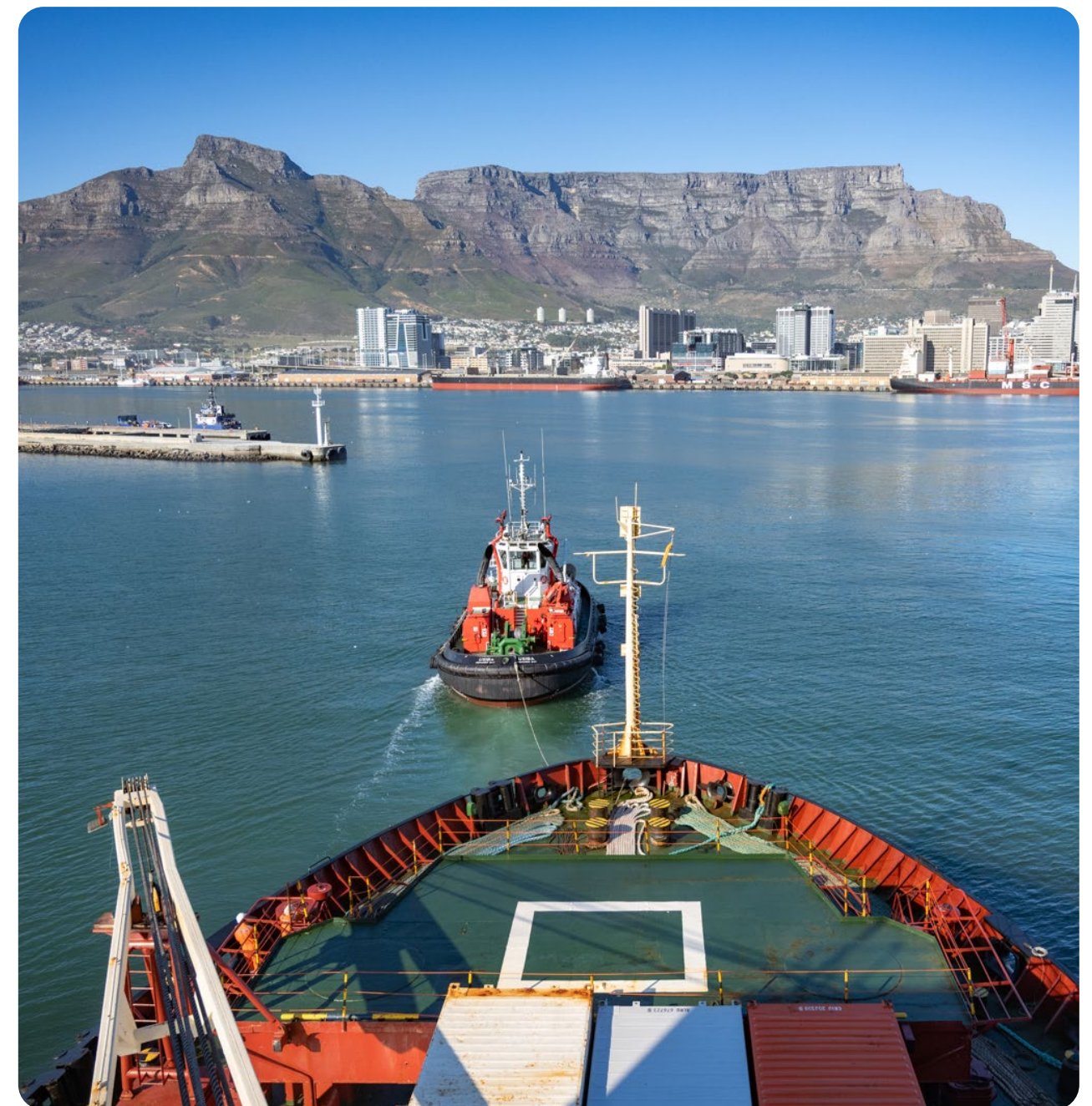
¹ Letter of the Bank of Russia No. 06-52/2463 dated 10 April 2014 On the Corporate Governance Code.

² Letter of the Bank of Russia No. IN-06-28/102 dated 27 December 2011 On Disclosure of Compliance with the Principles and Recommendations of the Corporate Governance Code in the Annual Report of a Public Joint Stock Company.

³ Statistics is provided based on the 2024 Report on Compliance with the Principles and Recommendations of the Corporate Governance Code recommended by the Bank of Russia as per Letter of the Bank of Russia No. IN-06-28/102 dated 27 December 2011 On Disclosure of Compliance with the Principles and Recommendations of the Corporate Governance Code in the Annual Report of a Public Joint Stock Company.

Company's governing bodies

According to FESCO's Articles of Association, the Company operates through the following governing bodies: General Shareholders Meeting, Board of Directors, Executive Board, President, CEO, and General Manager.



Mooring of the Vasily Golovnin diesel-electric vessel in Cape Town

General Shareholders Meeting

The General Shareholders Meeting is the supreme governing body through which shareholders exercise their right to participate in the Company's governance. The procedure for shareholders to participate in corporate governance, and the scope of authority, timing and procedure of the General Shareholders Meeting are defined in FESCO's Articles of Association and Regulations on the General Shareholders Meeting as required by the applicable laws.

In 2024, three General Shareholders Meetings were held: one Annual General Meeting and two Extraordinary General Meetings convened at the initiative of Rosatom.

On 21 May 2024, an Extraordinary General Shareholders Meeting was held, at which the following resolutions were passed:

- ✎ early termination of powers of the current Board of Directors;
- ✎ election of a new Board of Directors;
- ✎ approval of the revised Articles of Association;
- ✎ approval of joining the Russian Union of Transport Companies and the Chamber of Commerce and Industry of the Russian Federation.

On 27 June 2024, an Annual General Shareholders Meeting was held, at which the following resolutions were passed:

- ✎ election of the new Board of Directors;

- ✎ appointment of the auditor for 2024;
- ✎ approval of the revised Regulations on the General Shareholders Meeting;
- ✎ approval of the revised Regulations on the Sole Executive Bodies;
- ✎ approval of the revised Regulations on the Executive Board;

On 19 December 2024, an Extraordinary General Shareholders Meeting was held, at which the following resolutions were passed:

- ✎ early termination of powers of the current Board of Directors members;
- ✎ election of new Board of Directors members.

To foster the most comfortable and favourable conditions for all shareholders to exercise their rights, the Company adheres to the following recommendations of the Corporate Governance Code:

- ✎ shareholders can propose items for the Annual General Shareholders Meeting agenda and nominate candidates to the Board of Directors within 60 days after the end of the financial year;
- ✎ a notice of the General Shareholders Meeting is published on the Company's website at www.fesco.com/en/ at least 30 days prior to the date of the meeting;
- ✎ FESCO employees advise minority shareholders on exercising their rights (participation in General Shareholders Meetings and matters of inheritance, sale and purchase of shares, information requests, etc.);
- ✎ additionally, shareholders can communicate with the Company via IR@fesco.com or the Company's [contact centre](#).

Shareholder register

FESCO's shareholder register is kept and maintained by Novy Registrator JSC (perpetual licence of a professional securities market participant to maintain registers of securities holders No. 045-13951-000001 issued by the Federal Financial Markets Service on 30 March 2006).

The registrar is located at: 30 Buzheninova St., Bld. 1, floor/office/room 2/VI/32, Moscow, 107996.

The Far-Eastern Branch of Novy Registrator is responsible for servicing FESCO shareholders in Vladivostok. It is located at: 28 Aleutskaya St., office 404, Vladivostok, 690000.

Information on shareholder support in other Russian cities is available at www.newreg.ru.

Board of Directors

The Board of Directors carries out the general management of the Company's activities, except for matters reserved for the General Shareholders Meeting.

The Board operates according to Russian laws, FESCO's Articles of Association, and the Regulations on the Board of Directors¹.

The Board focuses on strategic matters, determining priority development areas, planning and controlling financial and economic activities, and overseeing performance of the Company's executive bodies.

According to the Articles of Association, FESCO's Board of Directors comprises nine members. This composition complies with legislative requirements and the Articles of Association. The current size allows for a broad range of professional competencies and management experience, with the Board's long-standing successful practice demonstrating its alignment with Company needs and shareholder interests. The members of the Board of Directors are elected by the General Shareholders Meeting on an annual basis for the period until the next Annual General Shareholders Meeting. The Board of Directors is accountable to the General Shareholders Meeting.

Throughout 2024, the Board composition changed several times, resulting in three different composition configurations during the reporting period.

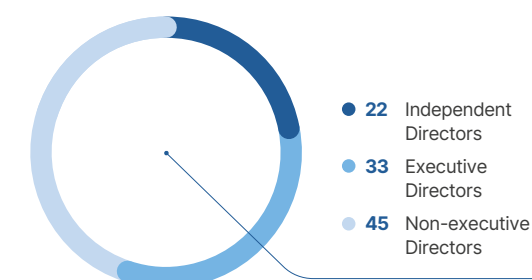
The first composition, elected at the adjourned Annual General Shareholders Meeting on 4 August 2023², served until 21 May 2024.

The second composition was elected at the Extraordinary General Shareholders Meeting on 21 May 2024³. Following the Annual General Shareholders Meeting on 27 June 2024, this composition remained unchanged and served until 19 December 2024.

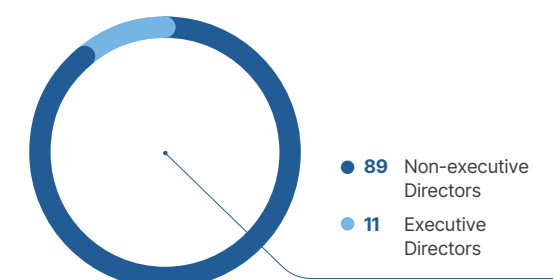
The third composition was elected at the Extraordinary General Shareholders Meeting on 19 December 2024⁴.

The Board that served until 21 May 2024 included two independent directors, three executive directors, and four non-executive directors. From the second composition onwards, the Board has consisted of one executive director and eight non-executive directors.

Categories of directors on the Board, %, prior to 21 May 2024



Categories of directors on the Board, %, after 21 May 2024



¹ Approved by the Annual General Shareholders Meeting on 12 May 2022 (Minutes No. 57 dated 12 May 2022).

² Minutes No. 60 of the adjourned Annual General Shareholders Meeting dated 7 August 2023.

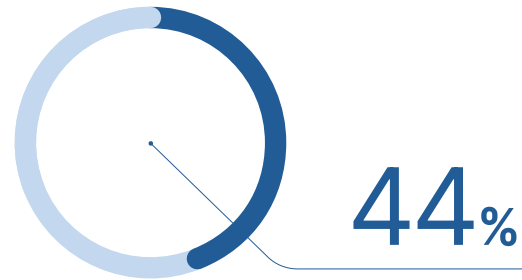
³ Minutes No. 61 of the Extraordinary General Shareholders Meeting dated 22 May 2024.

⁴ Minutes No. 63 of the Extraordinary General Shareholders Meeting dated 20 December 2024.

Board members were selected based on their professional qualifications, experience, business skills, reputation and personal qualities, with the aim of achieving a balanced composition across the Board and its committees.

Key competencies of Board members, %

Industry knowledge



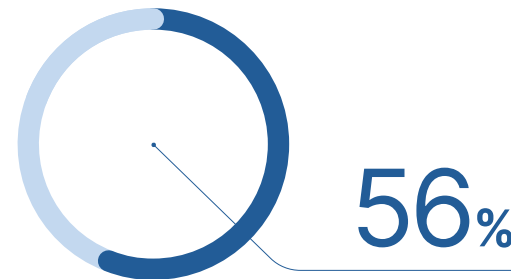
Strategy



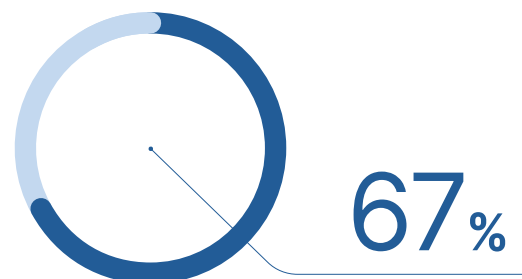
Finance and investments



Risk management



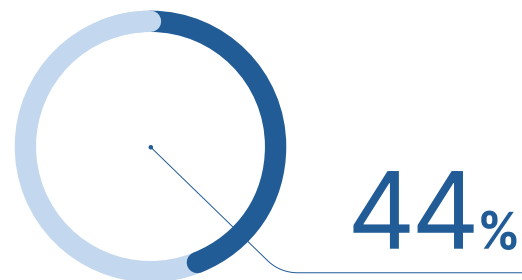
Law and corporate governance



Personnel management



Accounting and audit

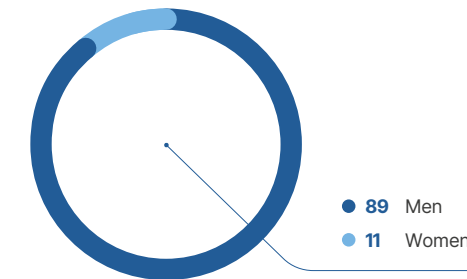


Information technologies

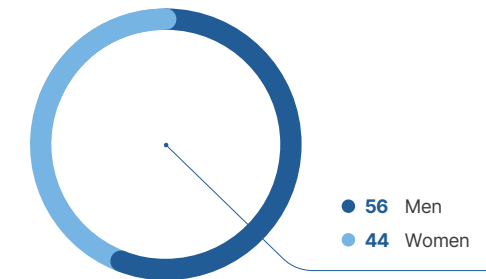


Gender profile of the Board of Directors in 2024

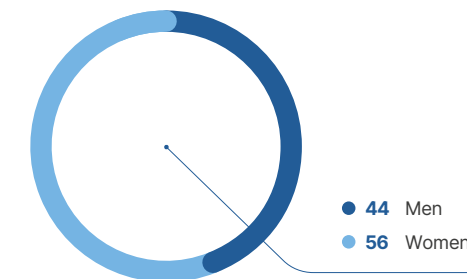
Gender profile of the Board of Directors, %, prior to 21 May 2024



Gender profile of the Board of Directors, %, since 19 December 2024



Gender profile of the Board of Directors, %, after 21 May 2024



During the reporting year, the Board's gender profile shifted. In the second composition from 21 May 2024, the number of female Board members increased.

Induction Programme for new members of the Board of Directors

To ensure effective functioning of each new Board and committee composition, the Company's Corporate Secretary conducts an induction procedure in accordance with the Regulations on the Board of Directors. New Board members receive the Company's internal documents on governing bodies along with information on key management and operational matters, financial and economic performance, and the Company's strategy.

During the reporting period, meetings were arranged between the Chairman of the Board of Directors and Board members with the Company's top management to familiarise them with core activities and financial indicators, enhancing the Board's effectiveness.

Board of Director's Report

The Board plans its activities semi-annually, approving work plans twice yearly for the first and second halves of the calendar year. In addition to scheduled meetings, the Board Chairman may convene unscheduled meetings as required.

In the reporting year, Board activities focused on adapting the corporate governance system to new conditions following the change in controlling shareholder.

During 2024, the Board held 27 scheduled and unscheduled meetings (one in person, 26 in absentia), addressing 151 agenda items.

Attendance of meetings by Board members in 2024

Director	Status	Number of meetings attended
Board composition prior to 21 May 2024		12 meetings
Director 1	Non-executive Director	12 out of 12
Director 2	Non-executive Director	12 out of 12
Director 3	Executive Director	12 out of 12
Director 4	Non-executive Director	12 out of 12
Director 5	Non-executive Director	12 out of 12
Director 6	Executive Director	12 out of 12
Director 7	Non-executive Director, Chairman of the Board of Directors	12 out of 12
Director 8	Independent Director	12 out of 12
Director 9	Independent Director	12 out of 12
Board composition between 21 May 2024 and 19 December 2024		12 meetings
Director 1	Non-executive Director	11 out of 12
Director 2	Non-executive Director	11 out of 12
Director 3	Non-executive Director	10 out of 12
Director 4 ¹	Executive Director	10 out of 12
Director 5	Non-executive Director, Chairman of the Board of Directors	12 out of 12
Director 6	Non-executive Director	10 out of 12
Director 7	Non-executive Director	11 out of 12
Director 8	Non-executive Director	11 out of 12
Director 9	Non-executive Director	12 out of 12
Board composition since 19 December 2024		3 meetings
Director 1	Non-executive Director	3 out of 3
Director 2	Executive Director	3 out of 3
Director 3	Non-executive Director	2 out of 3
Director 4	Non-executive Director	2 out of 3
Director 5	Non-executive Director	3 out of 3
Director 6	Non-executive Director	3 out of 3
Director 7	Non-executive Director	3 out of 3
Director 8	Non-executive Director	2 out of 3
Director 9	Non-executive Director	3 out of 3

¹ Resigned starting 8 October 2024.

Key matters reviewed by the Board of Directors in 2024:

- approval of investment and development programmes for FESCO Group;
- approval of the 2023 Annual Report and annual accounting (financial) statements for 2023;
- approval of work programmes for the Group's digital transformation and integration with Rosatom's IT processes;
- consideration of the 2024 budget and budget execution reports of FESCO and its subsidiaries and affiliates;
- transactions of FESCO and FESCO Group's controlled entities;
- convening Annual and Extraordinary General Shareholders Meetings;
- election of a new Executive Board;
- early termination of powers of FESCO's President and election of a new sole executive body;
- reorganisation of controlled entities to improve Group management efficiency;
- provision of charitable assistance to sports non-profit organisations and to museums for cultural heritage development and preservation, and exhibition organisation, including such activities in the Primorye Territory where the Group operates;
- internal audit functioning and approval of the Internal Audit Department's work plan;
- risk management system functioning and consideration of the 2024 risk map.

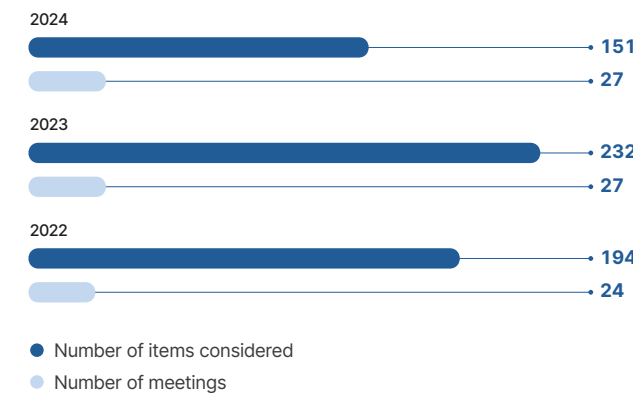
As part of integration into Rosatom's governance system, the Board also approved the following internal Company documents:

- on FESCO's accession to Rosatom's Unified Industry Procurement Standard (Procurement Regulations)²;
- Risk Management Policy of FESCO and its controlled entities³;
- updated Regulations on Bonus Payment to FESCO's Top Management (version 008)⁴.

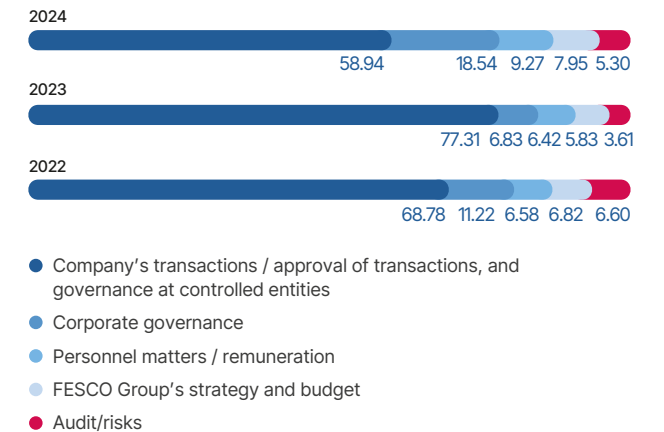
Matters submitted for Board consideration are often preliminarily reviewed by relevant Board committees, ensuring balanced and well-substantiated governance decisions.

Information on the meetings of the Board of Directors and the key resolutions made is disclosed by the Company on the website of an authorised agency at subject to disclosure exemptions granted by the Russian Government's Resolution No. 1102 dated 4 July 2023⁵.

Board of Directors meetings and agenda items in 2022–2024



Agenda items considered by the Board of Directors in 2022–2024, %



² Resolution of the Board of Directors dated 30 July 2024 (Minutes No. 15/24 dated 30 July 2024).

³ Resolution of the Board of Directors dated 19 April 2024 (Minutes No. 9/24 dated 22 April 2024).

⁴ Resolution of the Board of Directors dated 30 July 2024 (Minutes No. 15/24 dated 30 July 2024).

⁵ Russian Government's Resolution No. 1102 dated 4 July 2023 On Details of Disclosure and/or Provision of Information that Must be Disclosed and/or Provided under Federal Law On Joint-Stock Companies, and by the Federal Law On the Securities Market.

Committees of the Board of Directors

The Board's committees serve as instruments for preliminary elaboration of matters before Board meetings and for developing recommendations.

Established by Board resolution, these committees function as advisory bodies that enhance the Board's effectiveness. They provide the Board with expert opinions and conclusions on matters within their remit, in accordance with committee regulations approved by the Board of Directors and published on the Company website.

The committee members are elected by the Board of Directors at its first meeting after the General Shareholders Meeting has elected the Board of Directors, and continue in office until the new Board of Directors is elected.

The committees may engage external consultants and experts to fulfil their responsibilities. Committee deliberations are incorporated into materials for Board meetings.

Each committee's powers, compositional requirements, working procedures, goals, and objectives are defined in their respective regulations.

The Company has three committees of its Board of Directors:

- ✦ Strategy, Investment and General Affairs Committee;
- ✦ Human Resources and Remuneration Committee;
- ✦ Audit Committee.

At year-end 2024, the Strategy, Investment and General Affairs Committee comprised six members, the Human Resources and Remuneration Committee five members, and the Audit Committee three members.

Strategy, Investment and General Affairs Committee

This Committee enhances Board efficiency and quality through preliminary consideration of critical matters related to business planning, investments, and development strategy for the Company and its controlled entities and affiliates. Its key tasks include developing recommendations to the Board

in areas within its remit: strategic development and priority activities, business process organisation, participation in other organisations, financial modelling of the Company and/or its business segments, budgeting, and efficiency evaluation of the Company and its controlled entities and affiliates.

Human Resources and Remuneration Committee

This Committee ensures Board performance efficiency and quality in addressing personnel and social policy matters, including remuneration policy and other personnel management matters across the Company and its controlled entities and

affiliates. It supports personnel planning, strengthening governing bodies' professional composition, establishing effective and transparent remuneration policies, and addressing other Group personnel policy matters.

Audit Committee

This Committee assists the Board in effectively controlling the Company's financial and economic activities.

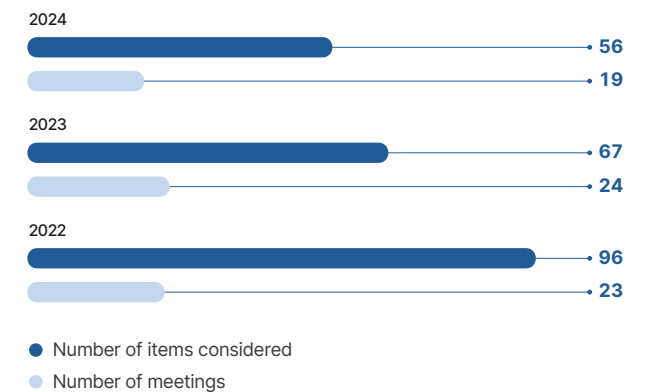
Committees report

To organise the work of its relevant committees in a way that ensures their efficiency, the Company relies on the following principles:

- ✦ committees review the most important matters related to FESCO Group's business;
- ✦ committees engage in an in-depth consideration of matters and provide recommendations to the Board of Directors to inform its decisions;
- ✦ committees are involved in monitoring and overseeing the implementation of resolutions and instructions of committees and the Board of Directors;
- ✦ committees maintain effective cross-committee communication;
- ✦ committees may engage FESCO Group's officers and employees, as well as third-party advisors and experts.

Participation of the members of the Board of Directors in the Board committees in 2024 was reported at 100%.

Board committee meetings and agenda items



¹ Regulations on the Strategy, Investment, and General Affairs Committee of the Board of Directors, Regulations on the Audit Committee of the Board of Directors, and Regulations on the Human Resources and Remuneration Committee of the Board of Directors were approved by resolution of the Board of Directors dated 28 November 2022 (Minutes No. 22/22 dated 29 November 2022).

Strategy, Investment and General Affairs Committee

Number of meetings and items considered	Key items considered in 2024
In 2024, the Committee held four in-person meetings to consider 15 items crucial for the Company	<ul style="list-style-type: none">Review of implementation reports for the development concept of a controlled entityConsideration of a transportation development concept in FSU nationsApproval of amendments to previously approved development programmes for new cargo transportation directionsContainer equipment fleet expansion and new terminal constructionConsideration of FESCO's 2024 budget implementation forecast and approval of key metrics of FESCO Group's budget for 2025President's reports on the fulfilment of the instructions given by the Audit Committee

Human Resources and Remuneration Committee

Number of meetings and items considered	Key items considered in 2024
In 2024, the Committee held three meetings in absentia to consider four items	<ul style="list-style-type: none">Status of implementation of orders issued by the Human Resources and Remuneration CommitteeRegulations on Bonus Payment to FESCO's Top ManagementConsideration of KPIs for FESCO's top management and senior management for 2024Consideration of KPI achievement by the top management of FESCO and controlled entities

Audit Committee

Number of meetings and items considered	Key items considered in 2024
In 2024, the Committee held 12 meetings, including five meetings in absentia, to consider 37 items	<ul style="list-style-type: none">Consideration of FESCO Group's Risk Management Framework (target model) and FESCO's Risk Management PolicyQuarterly consideration of FESCO Group's 2024 material risk mapsIntegration of internal regulations of Rosatom and FESCO and its subsidiariesResults of control actions conducted by FESCO's Internal Audit DepartmentSemi-annual consideration of work plans and work plan execution reports of FESCO's Internal Audit Department and results of control actionsConsideration of potential auditors of FESCO and its controlled entities for the audit of the 2024 financial statements under RAS and IFRS and determining the auditors' remuneration;Reports on the fulfilment of the instructions given by the Audit Committee

Remuneration policy for members of the Board of Directors

Remuneration of members of the Board of Directors is established in accordance with the Regulations on Remuneration and Compensation for Members of FESCO's Board of Directors¹.

This policy was developed based on Corporate Governance Code principles and recommendations, incorporating the Company's established remuneration and compensation calculation practices. The Regulations provide for a clear remuneration structure (base and additional remuneration). Board member remuneration excludes short and long-term bonus payments, additional benefits (including all types of insurance except director liability insurance), pension schemes and plans, and other social payments. There are no additional payments or compensation in case of early termination of powers of the members of the Board of Directors. The Regulations specify annual remuneration amounts for Board members.

According to the Regulations, base remuneration is paid to Board members for participating in in-person Board meetings through personal attendance, submitting written opinions for in-person meetings in accordance with the Regulations on the Board of Directors, and participating in absentee voting.

Base remuneration is paid quarterly in equal instalments within 30 calendar days of the end of the respective reporting quarter based on the actual number of days the individual served as a Board member during that quarter.

The Regulations also provide for reimbursement of expenses associated with Board members' duties.

In 2024, total remuneration paid to the Board of Directors serving until 21 May 2024 amounted to RUB 81,375 million. Total compensation paid amounted to RUB 76,623.20. No loans were granted by the Company to the members of the Board of Directors in the reporting year.

Types of remuneration for the corporate year²

Indicator	Remuneration
Base remuneration, RUB '000	15,000
Additional remuneration ³ , %	
<ul style="list-style-type: none">Chairman of the Board of Directors	50
<ul style="list-style-type: none">Committee Chairman	50
<ul style="list-style-type: none">Committee member	25

¹ Approved by the Extraordinary General Shareholders Meeting on 18 January 2023 (Minutes No. 58 dated 19 January 2023).

² The calculation period for payment of remuneration and compensation is established from the election date of the Company's Board of Directors at an annual General Shareholders Meeting of the Company to the date of the next annual General Shareholders Meeting of the Company at which new members of the Company's Board of Directors will be elected.

³ Additional remuneration is calculated as a percentage of the base remuneration for the corporate year.

Corporate secretary

The Corporate Secretary ensures effective interaction among shareholders, the Board and Company management, helps prevent corporate conflicts, coordinates shareholder rights and interests protection, prepares and conducts General Shareholders Meetings, supports Board and committee operations, handles Company information disclosure per legislation, and addresses other matters.

The Corporate Secretary operates in accordance with applicable Russian laws, FESCO's Articles of Association, Regulations on the Corporate Secretary¹, other FESCO internal documents, and resolutions of the General Shareholders Meeting and Board of Directors.

Functionally reporting to the Board while administratively reporting to the President, the Corporate Secretary serves as secretary at General Shareholders Meetings, Board meetings, and committee sessions.

The Office of the Corporate Secretary performs its functions under the Corporate Secretary's supervision and comprises the Corporate Actions Unit and the Monitoring and Instructions Control Unit.

Corporate Secretary's tasks:

- ✦ maintaining and enhancing effective corporate governance practices across the Company and FESCO Group;
- ✦ providing organisational and informational support for the General Shareholders Meeting, Board of Directors, and Board committees;
- ✦ coordinating interaction among Board members, shareholders and the executive body to ensure Board effectiveness;
- ✦ ensuring governing bodies and employees comply with Russian laws and FESCO's Articles of Association and internal documents, thereby securing shareholder rights and legitimate interests;
- ✦ disclosing information about FESCO as required by the laws on the securities market and managing insider information.

In the reporting year, the Corporate Secretary focused on achieving FESCO Group's business goals, securing consistent and efficient work of the governing bodies against the background of restrictive measures, maintaining sustainable corporate governance procedures, and improving control over the progress against the governing bodies' decisions.

¹ Approved by resolution of the Board of Directors on 6 February 2019 (Minutes No. 1/19 dated 7 February 2019).

Executive bodies

In accordance with FESCO's revised Articles of Association, the Company's executive management structure consists of:

- ✦ President, CEO, and General Manager acting as the sole executive bodies;
- ✦ Executive Board acting as the collegial executive body.

President, CEO and General Manager

The President, CEO, and General Manager are permanent sole executive bodies that manage the Company's day-to-day operations and resolve issues that do not fall within the remit of the General Shareholders Meeting, the Board of Directors, and the Executive Board, acting to achieve strategic goals set by the Board of Directors, ensure business profitability, and protect rights and legitimate interests of shareholders.

The President, CEO, and General Manager act independently of each other within their respective scopes of authority as provided for by FESCO's Articles of Association and Regulations on the Sole Executive Bodies².

- ✦ The President is responsible for addressing issues related to the Company's day-to-day operations. The President's activities aim to ensure profitability and competitiveness of the Company, its economic and financial sustainability, respect for shareholder rights and social protection of the Company's employees.

On 23 September 2024, Peter Ivanov was elected as the Company's new President.

- ✦ The CEO's responsibilities encompass developing beneficial partnerships with commercial and non-commercial organisations throughout Russia and internationally, particularly regarding strategic business objectives, corporate social responsibility programmes, and cultural initiatives.
Currently, no CEO has been appointed.
- ✦ The General Manager's scope of authority includes the Company's operations related to the use and protection of information constituting a state secret, activities related to the use of such information, as well as decision-making on personal data processing when using information constituting a state secret.
Yury Plotnikov continues to serve as the General Manager.

² Approved by the Annual General Shareholders Meeting on 27 June 2024 (Minutes No. 62 dated 28 June 2024).

Executive Board

The Executive Board as the collegial executive body manages the Company's day-to-day operations within the respective scope of authority established by FESCO's Articles of Association. Activities of the Executive Board are governed by the Articles of Association and the Regulations on the Executive Board¹.

Executive Board members are appointed and removed by Board of Directors' resolution. The Executive Board is formed from candidates proposed by the President and/or CEO, though the Board of Directors may independently appoint other individuals as stipulated in the Regulations on the Executive Board.

The number of the Executive Board members is set by the Company's Board of Directors and shall be optimal for practical discussion of matters and making timely and effective decisions. As at 31 December 2024, the Executive Board was composed of seven persons.

Until 23 September 2024, the Executive Board operated with the composition elected by the Board of Directors on 9 March 2022². From 23 September 2024³, the Board of Directors appointed a new Executive Board.

The President serves as Chairman of the Executive Board, having been elected to this position by Executive Board resolution on 7 October 2024.

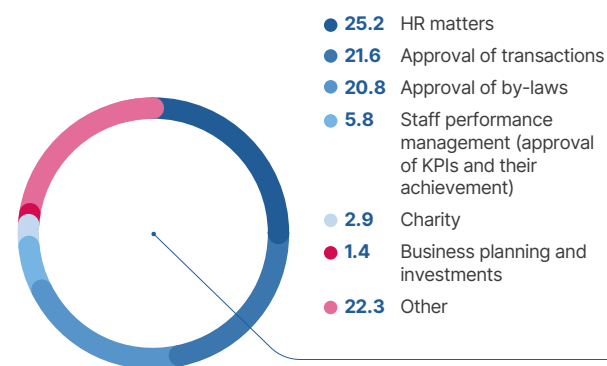
The current Executive Board possesses the necessary experience and competencies to perform at the highest level.

In 2024, the Executive Board held 38 meetings (in absentia) and considered 312 items concerned with performance of FESCO Group's companies, including items on:

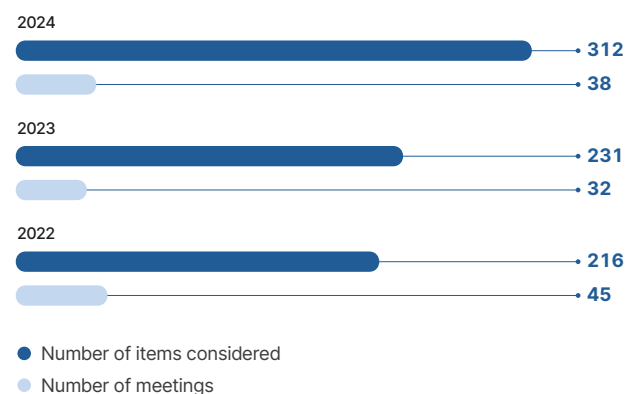
- ✎ implementation of strategies and development concepts of FESCO Group;
- ✎ approval of 2024 budgets of controlled entities;
- ✎ participation and cessation of participation in controlled entities;
- ✎ optimisation of FESCO Group's organisational structure to meet business needs;
- ✎ HR matters related to the appointment of sole executive bodies of controlled entities, approval and achievement of KPIs;
- ✎ harmonisation of FESCO Group companies' by-laws, including alignment of controlled entities' personnel incentive systems with the Group-wide approach;

- ✎ FESCO's accession to Rosatom's Unified Industry Procurement Standard (Procurement Regulations);
- ✎ controlled entities' accession to Company internal documents to establish unified legal regulation across FESCO Group and integration into Rosatom's industry management model;
- ✎ charitable assistance, including that in the Primorye Territory where the Group operates.

Items related to performance of controlled and dependent entities considered by the Executive Board, %



Statistics of meetings and items considered by the Executive Board



Remuneration of executive bodies

The Company's executive body remuneration policy (President, Managing Director, and Executive Board) is established in the Regulations on Bonus Payment to FESCO's Top Management⁴.

The remuneration of the sole executive bodies and the Executive Board members as the Company's top executives consists of an official salary paid on a monthly basis and a bonus paid after summing up the results of achieving the KPIs for the reporting year.

The Company's remuneration policy for members of executive bodies is established by the Board of Directors based on recommendations of the Human Resources and Remuneration Committee.

The Human Resources and Remuneration Committee assesses the effectiveness of the remuneration policy, provides recommendations on how to improve it, and draws final conclusions on whether the Company's management has achieved the KPIs. The KPIs are set individually for each top executive, include operational, financial, and strategic criteria, and are approved by a meeting of the Board of Directors for each one-year period.

The remuneration paid to the members of the Executive Board and the sole executive bodies in 2024 totalled RUB 770,980.23 million. Neither reimbursement for expenses was paid, nor loans were granted to the members of the Executive Board in the reporting period.

Control and audit

Internal controls

An integral part of corporate governance, our internal control system embraces all operations, key business processes, and governance levels. Internal controls are continuous integrated processes performed by governing bodies and employees as part of their duties.

In 2024, FESCO's risk management and internal control system was assessed for compliance with the Bank of Russia's Recommendations for Public Joint Stock Companies to Organise Risk Management, Internal Controls, Internal Auditing, and the Work of Auditing Committees under Boards of Directors (Supervisory Boards) (information letter No. IN-06-28/143 dated 1 October 2020). The Bank of Russia's recommendations have been largely implemented, with the internal control system integrated across all Company business processes.

Internal audit has assessed FESCO's internal control system maturity level as stable – processes are documented and standardised, with significant process risks addressed by control procedures.

In accordance with Federal Law On Joint Stock Companies and provisions of the Corporate Governance Code, the Company maintains an Internal Audit Department. This Department is functionally accountable to FESCO's Board of Directors and administratively to the sole executive body or acting executive.

As a FESCO structural unit established by sole executive order following Board of Directors' resolution, the Department conducts internal audits of FESCO and its controlled entities.

Head of the Department, appointed by sole executive order based on Board of Directors' resolution following preliminary Audit Committee review, leads a ten-person department. In 2024, the Department underwent restructuring based on Board Audit Committee resolution (Minutes No. 8/24 dated 23 September 2024), resulting in the establishment of two units:

- ✎ internal audit unit for processes and projects (Moscow, five employees);
- ✎ internal audit unit for Group assets in Siberia and Far East (four employees).

¹ Approved by the Annual General Shareholders Meeting on 27 June 2024 (Minutes No. 62 dated 28 June 2024).

² Minutes No. 5/22 of the Board of Directors dated 10 March 2022.

³ Minutes No. 18/24 of the Board of Directors dated 21 September 2024.

⁴ Approved by resolution of the Board of Directors dated 30 July 2024 (Minutes No. 15/23 dated 30 July 2024).

The Department conducts independent, objective, risk-based internal audits to help Company and controlled entity governing bodies maintain and enhance FESCO Group value. The Department follows international best practices, regularly assesses risk management and internal control system reliability and effectiveness, and collaborates with the Board of Directors, and management of FESCO and controlled entities to improve risk management, internal control, and corporate governance.

The Department operates according to FESCO's Internal Audit Policy approved by Board of Directors resolution on 28 November 2022 (Minutes No. 22/22 dated 29 November 2022).

It conducts independent assessments and internal consultations based on Board-approved work plans, completing 16 internal audits in 2024.

The Department operates without independence limitations or restrictions that would hinder its ability to fulfil statutory and Articles of Association-mandated responsibilities.

External audit

On 28 June 2024, the General Shareholders Meeting appointed Kept as the Company's external auditor for 2024 (Minutes dated 28 June 2024). The external auditor was responsible for auditing the Company's financial and operating performance as prescribed by the applicable laws of the Russian Federation and pursuant to the contract signed between the Company and the auditor. According to clause 4, article 5 of Federal Law No. 307-FZ On Audit Activities dated 30 December 2008, no open tender was required to select the Company's external auditor.

The Company selected the external auditor through a tender procedure (Russian laws on procurement did not apply to said tender procedures). The Company selected its external auditor by collecting and comparing bids submitted by the auditors. The external auditor was appointed by the General Shareholders Meeting.



FESCO vessel in China

Risk management

Risk management system

The risk management system (RMS) forms an integral part of FESCO Group corporate governance, encompassing all activities, management levels, and activity types.

The RMS is a set of risk management components (culture, competencies, methodology, practices, resources), methods, and processes integrated into the Group companies' strategic planning and operational management. It aims to identify and analyse risks that might affect the Group's long-term goals and operational activities in a timely manner. The RMS relies on international and national risk management standards.

FESCO continuously identifies, describes, and assesses risks and develops measures to manage them. Risk monitoring is a vital RMS element which includes the analysis and evaluation of realised risks and effectiveness of risk management

measures. Regular Group aggregate risk assessments are conducted, with significant risk information included in Board-reviewed reports.

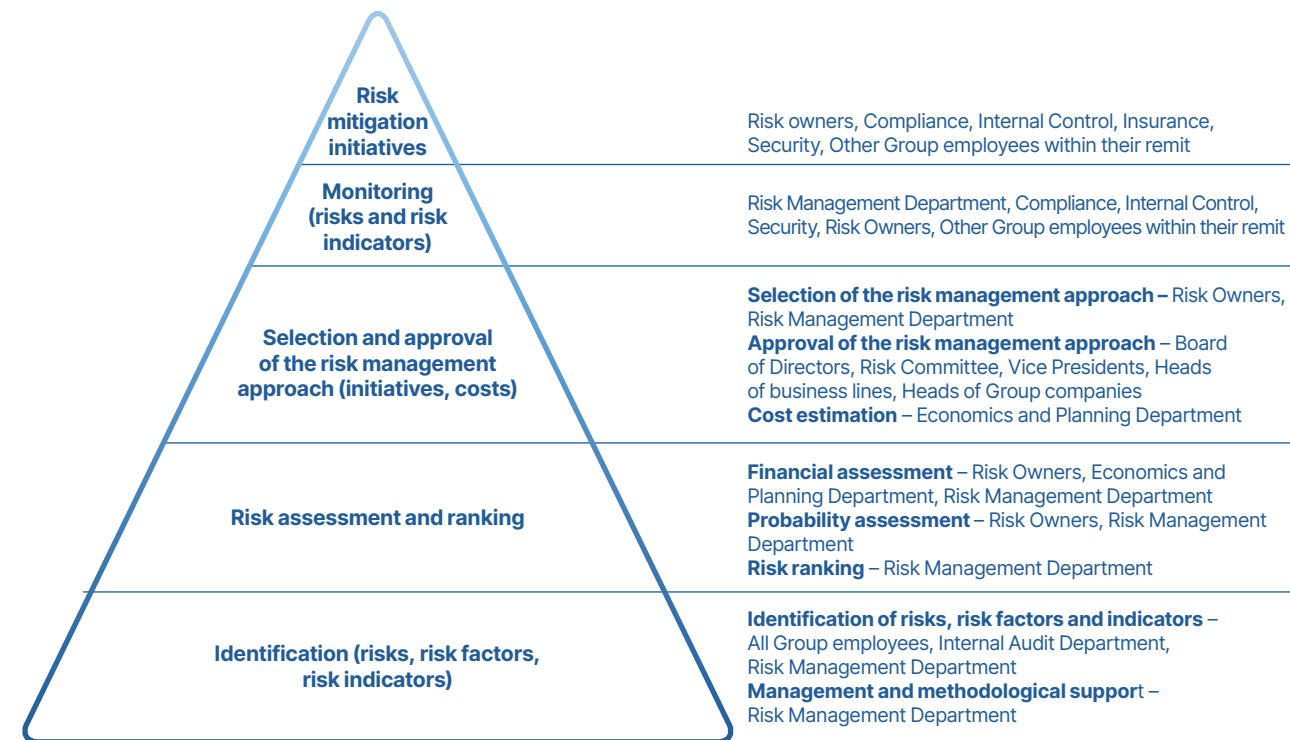
We keep improving our risk management system to timely respond to changes (both external and internal), maintain strong performance, and increase efficiency amid risks and uncertainty.

The following RMS improvement measures were implemented in 2024.

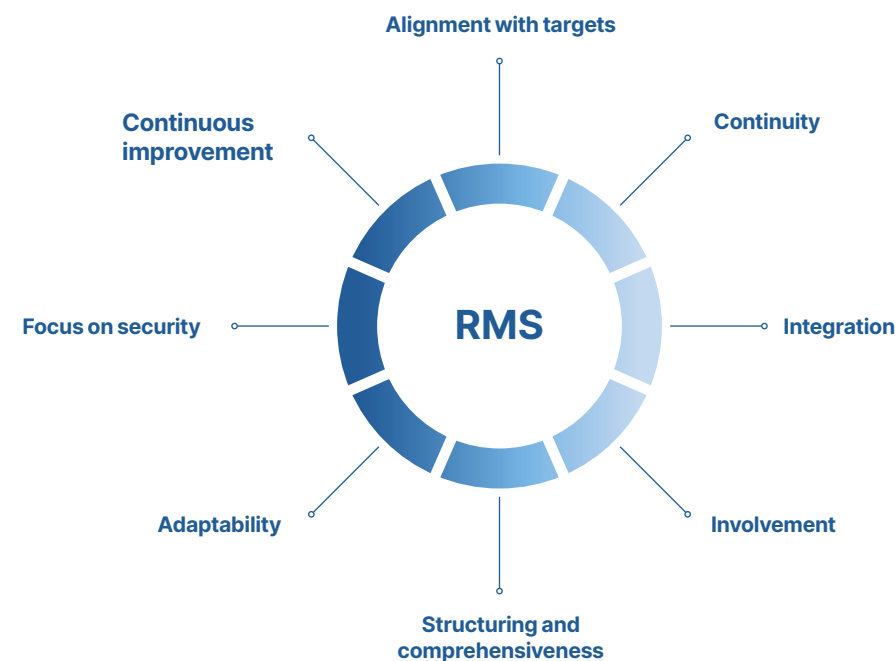
Measures to improve the RMS

Area	Measure
Development and improvement of the RMS methodology	Developed and approved: <ul style="list-style-type: none">Risk Management Policy of FESCO and its controlled entities;Regulations on Risk Management at FESCO Group
Risk culture development	<ul style="list-style-type: none">Developed face-to-face training on risk management fundamentals for Group employees.Conducted training for managers and key employees across Group companies.Incorporated risk management course into Group training programmes
Integration into planning and decision-making processes	Risk management elements implemented in: <ul style="list-style-type: none">key decision-making processes;budget planning process;investment project development process
Improvement of RMS processes	<ul style="list-style-type: none">Implemented new approaches to risk identification, analysis, and assessment. Designated risk sessions as the primary Group risk identification tool.Conducted maturity assessment of FESCO's RMS

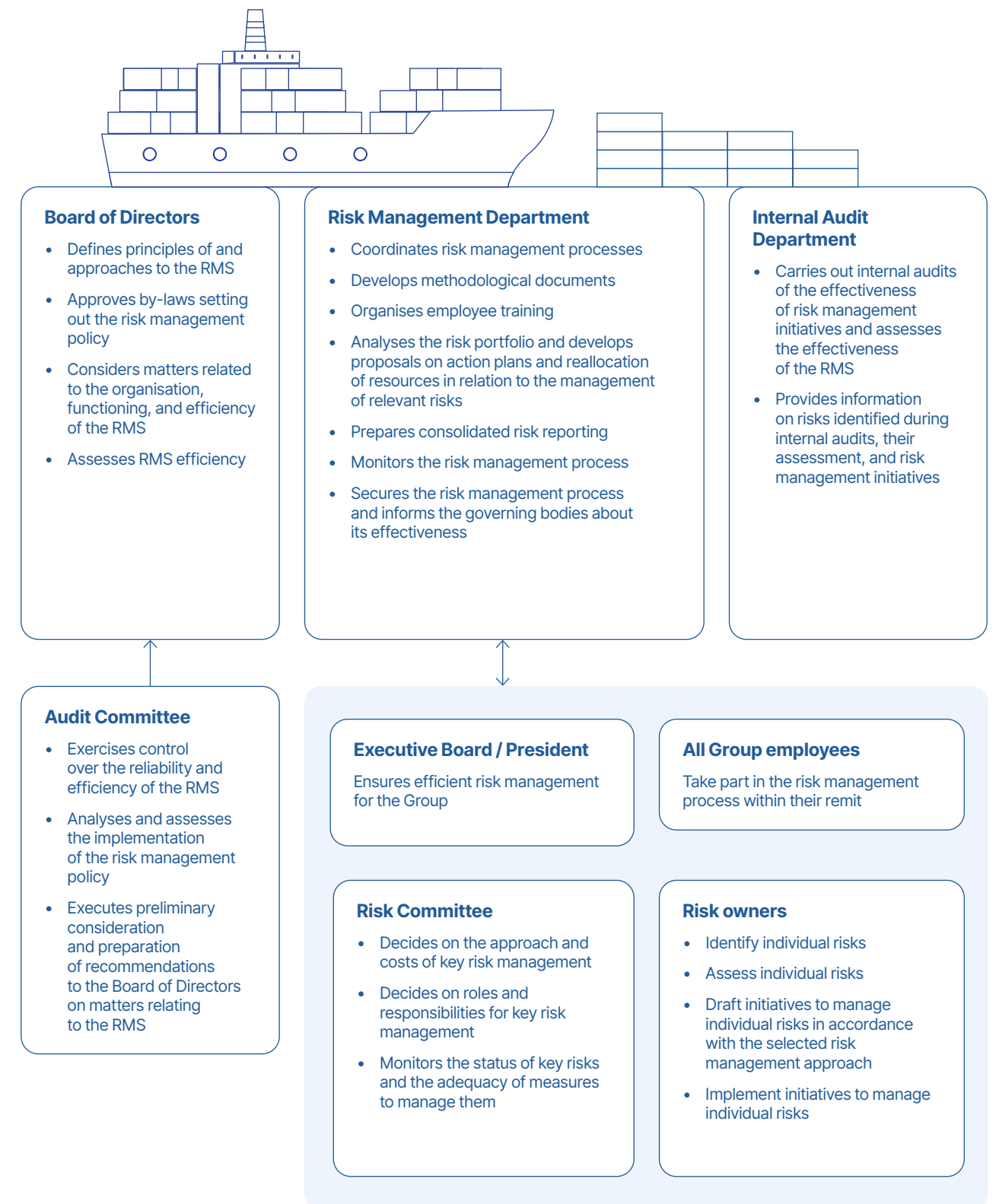
Risk management at FESCO



RMS functioning principles



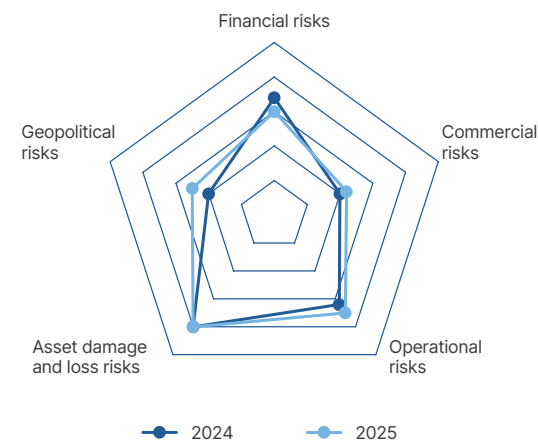
Organisational structure for risk management



Corporate map of material risks

As part of the RMS, a list of key risks and risk owners were identified, risks were assessed, and risk management initiatives were developed and implemented.

In 2024, the impact of risk materialisation was assessed as insignificant. Comprehensive risk management efforts made it possible to largely offset negative factors affecting the Group's goals.



Description of risks and approaches to risk management

Risk	Description	Management approaches
Financial risks	The most material financial risks for FESCO are currency risk (unfavourable exchange rate changes) and credit risk (counterparties failing to fulfil obligations fully and on time)	<p>The key approaches to minimising financial risks are:</p> <ul style="list-style-type: none"> for credit risk: <ul style="list-style-type: none"> preliminary counterparty verification; using sureties, guarantees, and restrictions on advance payments to external counterparties; regular monitoring of accounts receivable and counterparty financial condition; for currency risk: <ul style="list-style-type: none"> maintaining balanced currency-denominated receivables and payables (natural hedging); constant exchange rate monitoring to enable timely currency risk mitigation decisions; transitioning to settlements with counterparties in friendly jurisdiction currencies; exploring settlement possibilities with counterparties through friendly jurisdiction banks
Commercial risks	Risks of losses arising from external (demand, competition, market changes, etc.) and internal (quality and price of services provided, etc.) volatility	<p>To minimise commercial risks, the Group:</p> <ul style="list-style-type: none"> implements a balanced pricing policy; builds long-term partnerships with counterparties; develops existing and opens new transportation routes and services; optimises internal business processes and shipment structure in order to respond more effectively to market changes
Operational risks	Given FESCO's significant transport assets (railcars, containers, vessels, terminals), the management of operational risks is one of the key priorities due to their sheer number	<p>To minimise operational risks, the Group:</p> <ul style="list-style-type: none"> repairs and upgrades existing assets; invests in new asset acquisition; improves asset quality management and protection

Risk	Description	Management approaches
Asset damage and loss risks	Asset loss and/or damage may result from external factors (emergencies, adverse weather, third-party illegal actions, etc.) and internal (equipment failure, operational errors, management deficiencies, personnel actions/omissions, etc.) factors	<p>To minimise asset damage and loss risks, the Group:</p> <ul style="list-style-type: none"> conducts regular monitoring of assets' technical condition; provides personnel training and development; develops emergency response plans; insures property risks
Geopolitical risks	Geopolitical risks stem from the US, EU and other countries building up their sanctions pressure, including potential sanctions against Group companies, its customers, and the industries where they operate, as well as customers and suppliers exiting the market	<p>The Company operates in strict compliance with the Russian and international laws and constantly keeps track of all regulatory changes affecting its operations. The Company regularly monitors the sanctions pressure, analyses the possibility of new sanctions, and promptly adjusts its activities, where necessary</p>

ESG risks

FESCO recognises the critical importance and impact of sustainable development risks, including climate change, social sphere, and corporate governance risks.

FESCO's ESG risk management system is integrated into corporate risk management and follows national and international legislative requirements.

In 2025, FESCO initiated development of a unified ESG risk management approach for key Group companies, conducting comprehensive assessment and analysing ESG risk management efficiency and effectiveness. Risk sessions and ESG risk management training seminars for managers and key employees of Group companies are planned.

Objectives for 2025 and the medium term

FESCO has identified the following key areas to focus on improving its risk management system:

- implementation of risk culture development measures;
- integration of risk management tools into Group business processes;
- updating of the quantitative risk assessment approach;
- introduction of new risk identification sources;
- automation of risk management processes.

Information for shareholders

Charter capital

As at 31 December 2024, the Company's charter capital amounted to RUB 2,951,250,000.

The Company's charter capital is divided into 2,951,250,000 common registered uncertificated shares with a face value of RUB 1 each.

All common shares have the same face value, are registered and uncertificated, and grant their holders equal rights.

In accordance with the Articles of Association, the Company is entitled to issue 737,812,500 common shares with a face value of RUB 1 each in addition to the outstanding shares.

As at 31 December 2024, FESCO Group is controlled by Rosatom.

Shares

FESCO shares are traded on the Moscow Exchange and included in the Level 2 quotation list (ticker: FESH). FESCO share price was RUB 57.6 as at 30 December 2024. FESCO's market capitalisation reached RUB 170 billion as at the end of 2024.

Credit ratings

As at the end of 2024, FESCO maintained an issuer credit rating of AA from Russian rating agencies National Credit Ratings (NCR) and Expert RA, with a stable outlook.

Dividend policy

Pursuant to the Company's Articles of Association, resolutions on the payout of dividends are made by the General Shareholders Meeting following a recommendation of the Board of Directors, which is based on the Company's current financial position and development plans. In 2024, no dividends were accrued or paid.



The diesel-electric ship Vasily Golovnin in the Antarctic



Appendices

Appendix 1. Consolidated financial statements of Far-Eastern Shipping Company PLC and its subsidiaries for the year ended 31 December 2024, and the Independent Auditors' Report.

Appendix 2. Report on Compliance with the Principles and Recommendations of the Corporate Governance Code.

Appendix 3. Report on Major and Interested-Party Transactions in 2024.