

CYBERSECURITY

According to reputable IT experts, cyber security risks for large businesses increased manifold in 2022. This is also confirmed by FESCO's Security Operations Centre (SOC) aimed at information security monitoring. In the reporting year, the SOC identified 136 security incidents, which is almost twice as many as in 2021. With the threats of the global digital space increasing, FESCO is systematically improving the security of its information infrastructure.

In 2022, FESCO added a number of effective cutting-edge solutions to its cyber security suite. The Company introduced a system for recording the actions of privileged users of the Company's corporate network (system administrators, developers, etc.), as well as the system for controlling the actions of employees when working with corporate data. The mechanism of remote user access to information resources got a two-factor authentication function. The internal segment of the corporate network is now equipped with hardware and software for detecting hacker tools. These measures significantly enhance the protection of information infrastructure from malicious attacks, reducing the risks of destructive effect on FESCO's digital services.

New 2022 challenges drove the need for import substitution as regards certain cyber security systems operated by the Group. In the reporting year, the Company successfully substituted imports of both hardware and software responsible for the firewall function.

CUSTOMER EXPERIENCE MANAGEMENT

The Company's communication with customers is underpinned by 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.

OUR CUSTOMERS

FESCO's customer base:

>17,000

customers in 2022

>2,000

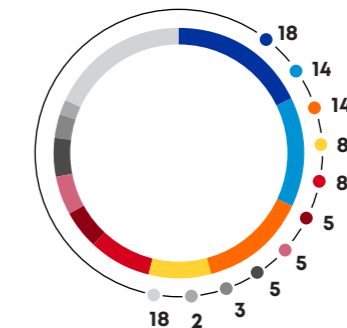
new customers acquired in 2022

>45

client offices, including in Southeast Asia, Central Asia, and Europe

FESCO provides its services in the most essential industries.

FESCO TRANSPORTATION IN 2022 BY CARGO TYPE, %



- Chemicals
- Timber
- Machinery and equipment
- Food
- Paper, including wood pulp
- Motor vehicles
- Metal products
- Construction materials
- Non-ferrous metals
- Fabrics
- Other

Source: Company data

MECHANISMS OF CUSTOMER COMMUNICATION

SINGLE CUSTOMER SUPPORT SERVICE

In 2022, FESCO launched unified customer support service. With this initiative, customers of all branches and units across FESCO Group can raise their concerns and get advice on all of the Company's services using a unified call centre and chat at fesco.com.

In February 2022, to rapidly respond to customer questions amid disruptions in supply chains, we put in place a 24/7 support hotline for FESCO customers. While in service, the hotline handled over 1 thousand calls.



UNIFIED CALL CENTRE

>110,000


calls received

>95%

average service level (SL) value (percentage of calls answered within 20 seconds) at more than 95% for the year

2 MIN 30 SEC

average call duration



CHAT AND CHATBOT

Launched in Q4 2022

5,000

queries handled

Most popular queries:

container tracking

using the personal account

help with rate calculations

24/7 SUPPORT SERVICE

FESCO prioritises customer services and support it offers in this regard.

To deliver superior customer experience, in November 2022, we put in place 24/7 support service for our customers:

- MY.FESCO customer's personal account;
- Personal accounts for agents, forwarders and carriers;
- AutoPass information system.

Support function employees are available 24/7 to advise customers on using the companies' information systems and address any concerns they may have.

The key goal here is to quickly provide quality professional help our customers need.

Customers can use the 8-800 single phone number and also the ServiceDesk (SD) solution. In 2H 2022, the number of queries from external customers handled via SD grew by some 100%.

FESCO.COM WEBSITE

Following customer focus groups held in 2022, we implemented a comprehensive upgrade of website navigation, simplified working with rates using our calculator, and launched a new digital service: now customers can create an interactive route across all of the Company's areas of operations.

+39%

Number of visits to fesco.ru was up by 39% vs 2021 (from 1.35 million to 1.88 million visits)

+77%

In 2022, the bulk of the traffic originated from search engines, with transitions going up by 77% YoY (from 672 thousand to 1.19 million)



fesco.com

CUSTOMER FEEDBACK

To identify weaknesses in our offering, FESCO regularly holds customer surveys based on completed shipments, along with focus groups and in-depth interviews.

Once a shipment is completed, customers are asked to describe how satisfied they are using the CSAT¹ metric, either in their personal account or by email. In 2022, CSAT stood at 80% based on 2,247 questionnaires.

NPS² is one of the key customer loyalty metrics, showing how likely it is that the customer will recommend the Company's services. In 2022, NPS was 52%, improving by 11 pp vs the 2021 average. The number of respondents grew by 30% to 2,033 customers.

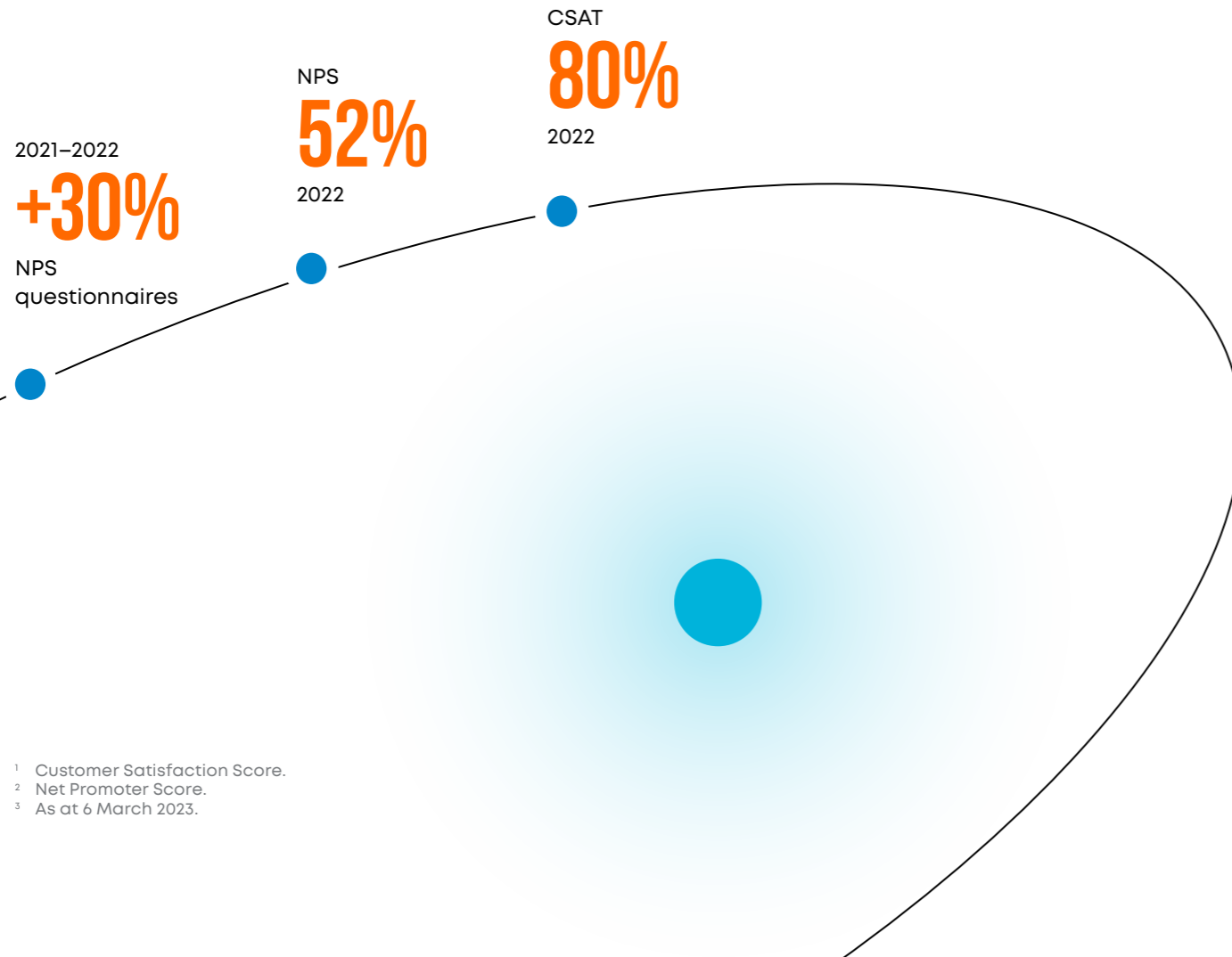
In their questionnaires, customers noted the following trends in service improvement:

- employees' speed of action;
- better document flow;
- convenient personal account and some of its new functions.

INFORMATION ON NEW SERVICES

In 2022, FESCO regularly updated customers about new services on offer, sending out a total of 40 newsletters on new project launches, tweaks to existing services, and novel functionality added to the MY.FESCO account.

In early March 2022, our Telegram channel @tg_fesco ("FESCO Transportation Group") went live. Today, it has more than 170 posts on the Group's services, participation in transport and logistics exhibitions, customer events, and corporate news. Over the past year, the number of subscribers has grown to 3,652³. FESCO's Telegram channel is a platform to connect with potential customers, partners and employees, with our team always there to answer questions about FESCO's routes, services, and internship and employment opportunities



¹ Customer Satisfaction Score.
² Net Promoter Score.
³ As at 6 March 2023.

FINANCIAL REVIEW

FINANCIAL OVERVIEW

FINANCIAL RESULTS

Indicator	2021	2022	YoY change, %
Revenue, RUB mln	113,709	162,639	43
EBITDA, RUB mln	47,474	71,483	51
EBITDA margin, %	42	44	2
CAPEX	23,928	36,733	54

REVENUE, RUB MLN

Indicator	2021	2022	YoY change, %
Port Division	22,746	32,977	45
Rail Division	5,115	6,932	36
Liner and Logistics Division	94,591	138,926	47
Shipping Division	4,115	7,807	90
Fuel Division	1,809	2,788	54
Eliminations	(14,667)	(26,791)	83
FESCO Group	113,709	162,639	43

In 2022, the Group's consolidated revenue increased by 43% to RUB 162,639 million vs RUB 113,709 million in 2021. All business segments showed YoY growth of revenue.

The Port Division's revenue in 2022 went up by 45%, or RUB 10,231 million, to RUB 32,977 million. The main growth drivers included higher cargo transportation profits coming from rising handling volumes, and augmentation of storage profits coming on the back

of increased average time for container terminal transit and additional container cargo management services. A 36% hike in the vehicle handling volumes and changes in the cargo structure by general cargo also had a positive impact on the Port Division's revenue.

The Rail Division's revenue in 2022 rose by 36%, or RUB 1,817 million. Fitting platforms, our core asset, accounted for most of this revenue growth.