

Letter from the Chairman of the Board of Directors



Dear shareholders,

2023 marked a year of pivotal choices and advancements for FESCO Transportation Group. With Rosatom State Corporation joining our shareholders, we have unlocked fresh avenues for collaborative growth and development. Our partnership is set to become even more intertwined and fruitful.

We steadfastly uphold our development strategy adopted in 2020, with a spotlight on upgrading our fleet and port infrastructure. We acquired modern vessels and equipment while also introducing cutting-edge technologies. Last year saw our fleet burgeon with the addition of eight vessels.

As a result of ongoing expansion, the average age of our containers shrank to just seven years. It aligns with international standards and facilitates world-class service quality.

This effort was to capitalise on the unfolding opportunities and cater to the robust demand for bilateral trade between domestic and global players. In doing so, we tailored our offering for specific sectors. Take, for example, the 2023 debut of our Fish Shuttle – its resounding success with Russian suppliers boosted Russian seafood exports to Asia, thanks to our cooperation with the Russian Export Centre.

I am proud to say that this year, we have greatly expanded our network of partners, each contributing to the evolving logistics arena, driven by surging business needs and exacting standards. In collaboration with universities, we have inaugurated research projects to optimise logistics routes and cultivate industry professionals. Joining forces with developers of cutting-edge technologies and state-owned entities, we are testing and integrating innovative solutions, including elements of artificial intelligence.

We are growing in scope and sophistication, and this extends to the breadth of our service routes, too. To bolster Russian-Chinese commerce, we successfully established a direct deep sea line between China's ports and St Petersburg in 2023, enabling direct connections without European ports of call.

In line with the country's international trade trends, as directed by President Vladimir Putin at the Russia-Africa forum and other international platforms, we are keenly developing logistics avenues with Africa. In late 2023, we put into operation a direct container route between Novorossiysk and Alexandria, Egypt – a fundamental stride rich with future potential.

We are optimistic about the future, as we have a clear vision of our objectives and the means to their attainment. Continuing to build up our fleet with expansion in mind, we are exploring new acquisitions, particularly for tapping into African and Asian markets.

Our ambitions are grand, and the confidence of our shareholders is vital to their fruition. On behalf of the Board of Directors, I extend heartfelt thanks for your unwavering support. United, we will navigate the turbulent geopolitical landscape and reach our goals, elevating our customer base and diversifying our route network. Our approach is both bold and pragmatic, ensuring each venture paves the way to new accomplishments.

Andrey Severilov,
Chairman of the Board of Directors