

Strategy

Key factors underpinning our strategy
from 2025 to 2031



MACRO ENVIRONMENT

Global economy

- Global economic growth is expected to remain stable at 3.3% in 2026, before easing to 3.2% in 2027 and further moderating to 3.1% by 2031.
- Global inflation is projected to decline to 3.0% by 2027.
- High prices remain a major global challenge and continue to put pressure on household real incomes.
- Amid easing inflation, central banks are expected to keep lowering interest rates.
- Moderate global growth and excess oil supply will constrain prices in global commodity markets.
- US economic growth is forecast at 2.0% in 2026, compared with 1.9% in 2025, supported by looser monetary and fiscal policy. A weakening labour market will slow down growth momentum.
- China's annual GDP growth will slow down to 3.3% by 2029 due to the real estate crisis, population ageing and declining demographic growth.
- India's economy will expand (projected 7% average annual growth) driven by increasing consumption amid population growth and significant government investments.
- Asian and African economies will materially outpace Europe and America in growth rates.
- High market uncertainty persists due to geopolitical tensions in Ukraine and the Middle East.
- Growth in global merchandise trade is expected to slow to 2.2% in 2026 following the rebound seen in 2025.

Market snapshot

- In 2025, global economic growth reached 3.2–3.3%.
- Emerging markets account for ca. 45% of global GDP.
- The trend towards new global trade restrictions continued in 2025, including tariff barriers and technology export controls.
- India's population (1.46 billion) surpassed China's (1.4 billion) in 2025.



MACRO ENVIRONMENT (continued)

Russian economy

- Russia's GDP is expected to grow by 1–1.1% in 2026 and 1.7% in 2027.
- Long-term potential GDP growth is forecast in the range of 1–2%.
- The defence sector continues to be the key driver of economic growth.
- Western sanctions pressure is expected to persist.
- Investment activity in 2026 is projected at 0.5–1.5% (against a high 2025 base) before accelerating to 4% thereafter.
- Inflation will gradually decline throughout 2026 and 2027. Due to the tight monetary policy and higher than expected year-end inflation in 2025, the inflation rate is anticipated to reach 5.6% in 2026. Inflation is expected to decline to 4% by 2028.
- Falling oil prices increase the risks associated with weaker export market conditions and heighten pressure on Russia's budget revenues.
- An increase in Russian export volumes in 2025 with sustained growth and strengthening of export positions in subsequent periods is expected to be driven by expansion of exports into Global South markets and deeper cooperation with BRICS countries amid Western restrictions.
- The baseline scenario of the Bank of Russia assumes an average key interest rate of 13.5–14.5% per annum in 2026, which will contribute to continuously tight monetary conditions.
- In 2026, foreign economic activity will focus on the International Cooperation and Export national project, support for non-commodity exports, and the development of independent payment systems.

Market snapshot

- Russia's economy grew by 0.9% in 2025.
- To support the federal budget, VAT was increased by 2 pp to 22%.
- Inflation reached 8.7% in 2025.
- Investment growth slowed down to 1.3% in 2025.
- The key interest rate peaked at 21% in 1H 2025, after which the Bank of Russia switched to the strategy of holding and cautiously lowering rates towards year-end.
- Russia maintains its position as the world's fourth-largest economy by GDP in PPP terms.
- Russia's economic slowdown in 2025 was driven by high interest rates, lower imports (primarily cars), inventory overhangs and weaker industrial demand.
- Trade turnover between Russia and China declined by 7%. Exports fell by 4% in 2025. Imports declined by 10.4% against the high base of 2024.

Long-term trends in container logistics

- Continued expansion of intermodal chain assets by Russian companies in pursuit of full door-to-door route control.
- New logistics hubs emerging in Russia–China border areas.
- Growing multimodal transport share.
- Continued heavy utilisation of eastbound logistics infrastructure.
- Rising e-commerce shipment volumes.
- Development and use of artificial intelligence (AI) to improve operating efficiency and competitiveness.
- Deployment of proprietary IT solutions for deeper customer integration.
- Implementation of digital solutions and automation in transport and warehouse logistics. Growing influence of digital platforms and logistics marketplaces.
- Containerisation of cargoes, including bulk and liquid freight such as grain, fertilisers, flexitanks, etc.
- Development of dry port networks to shift cargo handling away from overloaded seaports.
- Expansion of transport and logistics hubs to support double-stack container trains and additional services.
- Transition to settlements in national currencies for logistics and international freight services.
- Growth in the temperature-controlled transport segment to support food and pharmaceutical exports.
- The Red Sea crisis temporarily absorbed excess global shipping capacity in 2024–2025; however, in 2026–2027, shipping lines are expected to reduce vessel speeds to artificially absorb up to 10% of fleet oversupply. Against this backdrop, demand for feeder vessels will remain consistently high, as rerouting around bottlenecks and the development of last-mile delivery have already driven a 140% increase in rates for small-capacity vessels (one thousand TEU).
- The transition to dual-fuel vessels continues to accelerate driven by IMO regulations and EU carbon taxes. Such vessels account for 73% of all new capacity orders (9.09 million TEU).
- Up to 70% of US economic growth in 2025 was driven by investment in AI. The container transportation, electronics and semiconductor sectors became directly dependent on this trend. Any slowdown in the AI industry could trigger a sharp decline in demand for hi-tech cargo shipping, affecting the most profitable Asia–US routes.
- Major shipping alliances continue to control more than 60% of the global container market, while the top 10 container operators account for 84% of global container fleet capacity.



CONTAINER MARKET

Global container market

- Global container transportation volumes are projected to grow by ca. 2.5–3.5% in 2026.
- Global implementation of ESG strategies will place additional pressure on regional carriers lacking sufficient resources to transition to greener container vessels and pay carbon taxes.
- The timeline for a full resumption of transit through the Suez Canal remains uncertain, although experts do not rule out continued tensions until the end of 2026. Should vessels return to the Suez Canal route, shorter transit times would release approximately 10% of global vessel demand, exacerbating excess effective throughput capacity.
- Global fleet capacity is projected to increase by 3.6–5% in 2026, significantly outpacing demand growth of only 1.5–3%.
- The global order book for new vessels totals 12.43 million TEU through to 2030. The main pressure point is expected in 2028, when deliveries will reach a historical peak of almost 5 million TEU and fleet growth may again exceed 7%.
- Freight rates are expected to decline sharply in 2026, with average spot rates falling by 25% (close to pre-pandemic levels), while long-term contract rates may decrease by 10–12% compared to 2025.
- High rates for time-chartered vessels will begin correcting downwards in 2026, as shipping lines will seek to reduce reliance on chartered tonnage in favour of their own newly delivered large-capacity vessels.

Market snapshot

- The global container market grew by 4.7% in 2025 compared to 2024.
- 2025 disruptions in the Red Sea positively impacted shipping companies' financial performance.
- In 2024–2025, an unusual divergence emerged: freight rates declined due to oversupply of new vessels, while time-charter rates remained exceptionally high (200% higher than in 2019).
- Global freight and time-charter rates remained high for most of 2025 due to the use of longer shipping routes around the Cape of Good Hope.
- Demand for container transportation increased by ca. 4% in 2025, while capacity grew by 9% due to longer shipping routes. The widening gap between supply and demand will continue putting pressure on transportation rates.

Russian container market

- Further moderate growth of container transportation at around 2–3% annually is projected through 2030.
- Export growth will remain the primary driver, supported by rising trade with the Global South nations (China, India, Southeast Asia, Africa), particularly in fertilisers, agricultural and timber products.
- The import-export imbalance will drive domestic shipping growth.
- Transit volumes will largely depend on Belarusian cargo flows, while ongoing Red Sea tensions will sustain interest in overland transit via the Trans-Siberian Railway.
- Increasing pressure on infrastructure in eastern Russia remains the primary constraint to export growth, as modernisation of the eastern railway (Baikal–Amur Mainline and Trans-Siberian Railway) continues to lag behind sharply rising cargo volumes and insufficient border crossing capacity.
- 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.
- Transit from Belarus to CIS countries via Russia will keep growing (key cargoes: mineral fertilisers, timber, and wood products).
- New tariff regulations include hikes of empty container movement rates: +5% from 1 January 2026 and another +5% from 1 January 2027 (with hikes included in the indexed base).
- From 1 September 2026, mandatory electronic transport bills of lading will come into force in Russia, potentially increasing the operating costs of companies by 15–17% during the adaptation phase.

Market snapshot

- Russia's container market shrank by 5.7% in 2025 vs 2024 in terms of loaded container traffic across key market segments.
- Loaded export volumes grew by 8.7% in 2025 compared to 2024. Import declined by 10.2% primarily due to a reduction in the Far Eastern import volumes to 22.4%. The transit share decreased by 14.6%.
- The Azov–Black Sea and Baltic basins recorded growth in container handling in 2025.

Strategy



The key factors affecting FESCO Group's strategy implementation are the ongoing normalisation (cooling) of freight rates, geopolitical and sanctions pressures on Russia's economy, and expanding trade with Global South countries.

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
- 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 Global South countries

Vision

Focus on customers and their needs



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:

- implementation of Rosatom State Corporation's best practices;
- 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.

Solutions

Progressive **expansion of our geographic footprint and service offering** remains a 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;
- LCL¹ deliveries.

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 provide comprehensive logistics solutions for the forestry, chemical, mining and agricultural industries, and offer logistics support solutions for projects implemented by Rosatom State Corporation.

Assets and reliable supplier network

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

FESCO works consistently to:

- expand port infrastructure;
- upgrade its fleet and optimise the route networks;
- enhance the efficiency of managing the rolling stock fleet to reduce exposure to volatility in the rail container transportation market while maintaining a strong market position;
- develop its own handling capacity;
- expand and optimise its terminal network across all regions of Russia and beyond.

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, developing and retaining talent remains our core focus.

The Company offers a wide range of educational tools to maximise employees' professional potential.

FESCO consistently engages with Russia's leading dedicated universities to nurture its future talents.

¹ Less-than-Container Loaded.

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 and Russia's government objectives. This encompasses FESCO's participation in the development of new transportation corridors as well as leveraging synergies between FESCO and Rosatom's other transportation assets.

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 logistics products.

Key focus areas for the development of the domestic terminal network include the Moscow region, Russia's Far East, Siberia, the Urals, northwestern and southern regions, but also border crossing points, Kazakhstan and Belarus.

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

Development of stevedoring assets

China and Asian countries continue to be key trading partners of Russia. Ports in the Russian Far East and land border crossings with Russia will remain the main entry points for Asian goods.



FESCO is actively expanding its port capacity in the Russian market

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

Maritime segment development

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

- expanding the Company's foothold in international markets and increasing market share in existing services;
- maintaining leadership in domestic and international services in the Russian Far East;
- raising the share of new geographies and businesses to 32% of FESCO's total shipping services;
- implementing energy efficiency projects;
- running environmental initiatives;
- improving fleet utilisation efficiency and driving the average vessel age down to under 15 years.

It is expected that by 2030, the main driver of container transportation will be exports, supported by the launch of large new production facilities across Russia with a focus on Asian markets.

The Group acquired port assets in the Baltic Basin, including City Group holding long-term lease rights to the assets of Kaliningrad Sea Fishing Port (Kaliningrad).

The total capacity increase for the Company amounted to 395 thousand TEU / 4 million tonnes of containerised and general cargo. The synergy effect and FESCO's best practices in port asset management will help maximise the efficiency of the newly acquired assets.



To strengthen FESCO's position in international markets, we are exploring projects in Southeast Asia, Africa, and the Middle East, with implementation decisions to be based on their economic feasibility

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 2025 decreased by 4.6% YoY to USD 32.9 billion.

By 2028, the container market is expected to reach

400–600
thousand TEU

Southeast Asia

Trade volume between Russia and Vietnam in 2025 amounted to

4.8
USD billion
up 4% YoY

By 2026, the target trade turnover between the countries is set to reach USD 10 billion. Realignment 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.

Africa

African countries are among Russia's fastest-growing trade partners. In 2025, trade turnover between Russia and African nations increased

by **13%**
compared to 2024

Egypt remained the leader among African countries by the volume of trade with Russia, followed by Algeria, Morocco, Tunisia, South Africa, and Senegal.



<p>India</p>	<p>In 2025, trade turnover between Russia and India grew by 12% to ~68.7 USD billion</p> <p>The goal is to increase bilateral trade to USD 100 billion by 2031. As a result, 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.</p>
<p>CIS (Uzbekistan and Kazakhstan)</p>	<p>In 2025, trade between Russia and Uzbekistan increased by 8.5%, reaching a record USD 12.9 billion.</p> <p>Trade with Kazakhstan in 2025 came in at 25.2 USD billion</p> <p>CIS countries continue to be significant trade partners for Russia.</p>
<p>South America</p>	<p>In 2025, trade between Russia and South American nations remained stable at around 14–15 USD billion</p> <p>Despite a decline in trade volumes with key partners in value terms (including a 12% decrease in trade with Brazil to USD 10.9 billion), physical volumes of critical merchandise such as mineral fertilisers and oil products (accounting for 90% of exports) remained high.</p> <p>Brazil remains Russia's strategic and largest trading partner in the region, accounting for 60% of total Russia–South America trade. At the same time, engagement with Argentina is increasing, with trade showing signs of recovery during certain periods of the year.</p> <p>By 2030, bilateral trade with the region is projected to reach 20–25 USD billion in line with the International Cooperation and Export national project.</p> <p>The development of direct transport routes and the expansion of settlements in national currencies are expected to further support growth of trade between Russia and South American nations.</p>

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).

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.

<p>Macroeconomy</p>	<ul style="list-style-type: none"> • Risk of major international maritime container shipping players re-entering the Russian market; • protectionist government policies; • declining freight rates; • sustained high key rates
<p>Compliance</p>	<ul style="list-style-type: none"> • Regulations related to taxation, customs, VAT¹, and data privacy; • anti-monopoly laws; • sanctions policy
<p>Commercial tools</p>	<ul style="list-style-type: none"> • Tightening competition; • systemic limitations; • improved service quality from smaller market players
<p>M&A and integration failures</p>	<ul style="list-style-type: none"> • Integration failures; • incomplete realisation of synergies; • high costs; • failure to achieve cost savings; • implementation delays; • sanctions risks
<p>Talent acquisition and retention</p>	<ul style="list-style-type: none"> • 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
<p>Infrastructural constraints</p>	<ul style="list-style-type: none"> • Limitations of the railway network; • reduced investment programme for railway transportation

¹ Value added tax.

Market overview and industry position

Global economy and container logistics

In 2025, global economy was affected by changes in customs tariffs, which led to higher production costs and shifts in supply chains, while also creating new growth drivers such as government support, trade agreements and reliable logistics routes. Global real GDP rose by an average of 3.2% in 2025.

India was the fastest-growing economy in South Asia, with real GDP increasing by 6.6% in 2025. The country benefitted from changes in global supply chains for technology products, as manufacturers shifted production from China after costs rose due to restrictions imposed by the US. In Southeast Asia, Vietnam played a similar role, recording real GDP growth of 6.5% in 2025.

The world has entered a period of deglobalisation, and countries seeking to maintain economic growth are increasingly turning to regionalisation through joint infrastructure projects, trade agreements, and establishment of various sorts of trade clubs.

India launched an industrial subsidy programme to support the relocation of manufacturing capacities from China. It also signed a trade agreement with the European Union and sector-specific mini-agreements on industrial cooperation with Malaysia.

With new tariff barriers in place, China successfully redirected exports to Southeast Asian countries. Vietnam and Indonesia became the main beneficiaries, as they were less affected by US tariffs and thus were able to secure favourable trade conditions with China. China also intensified economic ties with African nations by eliminating import tariffs for them under a comprehensive trade agreement.

Central Asian countries strengthened cooperation as part of the Belt and Road Initiative and signed an economic agreement with Japan to support comprehensive territorial development and economic growth.

European countries recorded the slowest growth rates amid global restructuring of trade flows. In the context of US trade restrictions and economic disputes with China, trade flows are shifting towards India and Brazil. The European Union signed two comprehensive trade agreements: EU–MERCOSUR and EU–India. According to preliminary estimates, these agreements could increase agricultural exports to South American countries by at least 50% over the next three years and enable Europeans to take part in setting up hi-tech manufacturing facilities in India.

Container flows are following economic shifts. In 2025, the global container market saw record high container transportation volumes, with sea lines transporting 192.9 thousand TEU, up 5% YoY. The key driver was rapid fleet capacity expansion amid moderate demand. In 2025, the global container fleet expanded by 7–8%. As supply outpaced demand, competition intensified across major trade lanes, leading to lower freight rates on key routes.

Global freight index in 2024–2025, USD



2025 once again demonstrated strong exposure of the container transportation market to geopolitical risks, including:

- attacks on commercial vessels in the Red Sea and rerouting around Africa;
- tariff wars;

→ regional conflicts affecting supply chain stability and insurance costs.

→ decarbonisation and the transition to alternative fuels.

Key trends in the global container market in 2025:

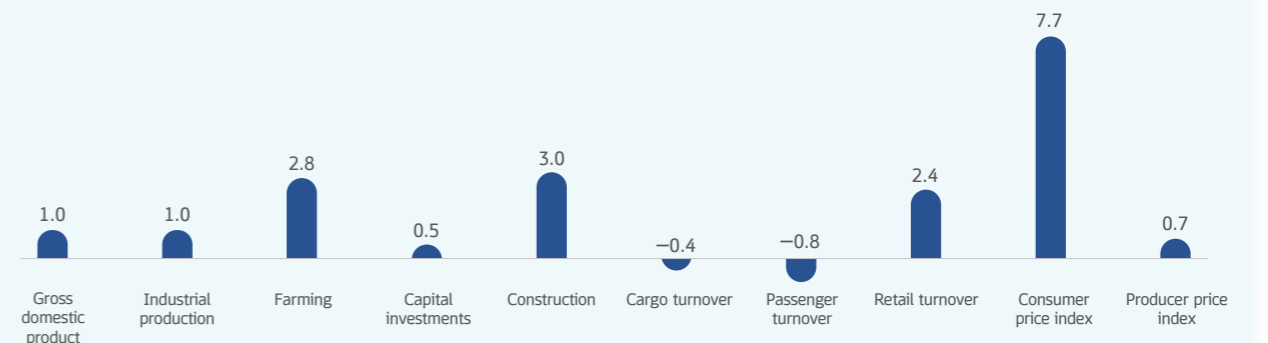
- supply-demand imbalance;
- regionalisation (a shift from global to regional supply chains);

Russian economy

In 2025, Russian economy grew by 0.6%, with final consumption of households as

the key contributor and the consumer price index rising by 7.7% YoY.

Russia's key macroeconomic indicators in 2025, %



Change in real GDP, %

