

CORPORATE MAP OF MATERIAL RISKS

Detailed description	Impact assessment / probability	Comment	Risk management
Commercial risks			
Commercial risks are risks of losses arising from external (demand, competition, market changes, etc.) and internal (quality and price of services provided, etc.) volatility	High/medium	In 2022, the impact of risk materialisation was assessed as insignificant. The risk remains in 2023	FESCO mitigates commercial risks through a balanced pricing policy. The management of commercial risks is based on long-term partnerships with counterparties designed to increase the Company's financial stability in the hostile economic environment. Another tool is optimisation of internal business processes in order to respond efficiently to market changes
Geopolitical risks			
Geopolitical risks stem from the US, EU and other countries building up their sanctions pressure, including potential sanctions against the Company, its customers and the industries where they operate, as well as the Company's customers and suppliers exiting the market	Medium/low	In 2022, the impact of risk materialisation was assessed as insignificant. In 2023, the risk consequences and probability are estimated to increase	FESCO operates in strict compliance with the Russian and international laws and constantly keeps track of all regulatory changes affecting its operations. FESCO is capable of promptly adjusting its operations
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	Medium/medium	In 2022, the impact of risk materialisation was assessed as insignificant. The risk remains in 2023	As part of its risk mitigation initiatives, FESCO repairs and upgrades its assets, invests in new equipment, streamlines shipment structure and refines its control over the quality of asset management and protection

INFORMATION FOR SHAREHOLDERS

SHARE CAPITAL

As at 31 December 2022, the Company's charter capital amounted to RUB 2,951,250,000.

The Company's charter capital is divided into common registered uncertificated shares in the amount of 2,951,250,000 with a face value of RUB 1 per share.

All common shares have the same face value, are registered uncertificated securities and provide equal rights to their holder (shareholder).

In accordance with the Articles of Association, the Company is entitled to place 737,812,500 common shares with a face value of RUB 1 each in addition to the outstanding shares.

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. The recommendation is based on the Company's current financial position, taking into account its development plans. In 2022, no dividends were accrued or paid.

EXCHANGE-TRADED BONDS

FESCO fulfilled its obligations in full with respect to BO-01 and BO-02 bonds.

Cash to be paid to holders of 65,345 outstanding bonds was deposited with a notary due to the technical inability to fulfil obligations as stipulated by the issue documents.

CREDIT RATINGS

As at the end of 2022, the Company maintained a BBB+ rating with a stable outlook from the Russian agency National Credit Ratings.

SHARES

FESCO shares are traded on the Moscow Exchange and included in the Level 2 quotation list (ticker: FESH). In 2022, FESCO share price surged by 22.6% from RUB 27.4 as at 30 December 2021 to RUB 33.59 as at 30 December 2022.

FESCO's market capitalisation increased from RUB 80.86 billion as at the end of 2021 to RUB 99.1 billion as at the end of 2022.