

ANNUAL REPORT

2022

VISION SUSTAIN SFI


INDEX

We invest in successful companies that lead their respective market segments or can potentially lead them with our help. We help our partners to boost their business and fulfill their development potential.



About report

In this Annual Report, the terms PJSC "SFI", 'SFI', 'Company', 'holding company', 'holding' and 'we' in various forms refer to all companies whose results are consolidated in the 2022 IFRS financial statements of PJSC "SFI". This Annual Report should be read together with our 2022 audited financial statements (IFRS). This Report has been prepared taking into account the best practices in corporate reporting and disclosure, and in accordance with Bank of Russia Regulation No. 714-P dated 27 March 2020, on information disclosure by issuers of equity securities and recommendations of the Bank of Russia's Corporate Governance Code.

The list of terms and abbreviations used herein can be found on  page 85 of the Annual Report.

This Annual Report was approved by the Board of Directors on 28 April 2023. The Company's Revision Commission confirmed the accuracy of the data presented in this Annual Report.

SFI's informational resources

Web-site
www.sfiholding.ru

Telegram
t.me/sfiholding

We are always keen to hear what you think about the 2022 Annual Report of SFI. Please send your comments and feedback to ir@sfiholding.ru



Blog SFI
Smart-Lab



Social network
for private
investors Pulse



Disclaimer

This Report has been prepared by PJSC "SFI" (hereinafter referred to as the "Company") in accordance with the applicable laws, for information purposes, among others, and does not constitute an offer or a solicitation of an offer to make any transactions in relation to goods, work, services, as well as securities and other investment instruments.

This Report contains certain estimates and forward-looking statements as to financial performance of the Company's specific businesses and other matters concerning their operations. All statements that do not contain historical facts are forward-looking and involve risks and uncertainties. There is no guarantee that these results will prove accurate: actual future results can differ significantly from those anticipated in the forward-looking statements. These statements are based on an objective assessment by the Company's management. The Company assumes no obligation to update any forward-looking statements; nor does it account for the objectives, financial situation, or needs of any person. The recipients of the Report should not construe its contents as legal, tax, regulatory, financial, or accounting advice.

The Company shall not be held liable for any direct, indirect, consequential, special, punitive or other damages regardless of the type of claim, including, without limitation, claims in contract, negligence or tort which may arise in connection with this Report or its contents, or result therefrom otherwise. The Company's liability to users of the Report is limited to the maximum extent permitted by the applicable laws.

This Report is not addressed to or intended for distribution or use by any person or entity that is a citizen or a resident of, or located in any state, country, or other jurisdiction where such distribution/publication/use is prohibited by the applicable laws.

This Report has been prepared by PJSC "SFI". By reading it, you confirm that you agree with the above provisions and undertake to comply with them.

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About the holding

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PJSC "SFI" (SFI) is a public diversified investment holding company that owns and manages assets from various sectors of the Russian economy.

SFI combines assets in the leasing and insurance industries, invests in large minority stakes in industrial and retail companies, and develops IT startups.



SFI shares are traded on the Moscow Exchange (trade code SFIN). They are included in the Level I Quotation List.



Credit rating by ACRA **A(Ru)** stable outlook, confirmed on September 2, 2022.

SFI in Figures



RUB 229.9 BLN
Assets¹

Customers of the companies that are part of the holding include:

RUB 15.8 BLN
Total income¹

RUB 126.53
Earnings per share¹

>54.1 MLN
individuals

RUB 6.1 BLN
Net profit¹

RUB 56,466 MLN
Capitalization²

629 THOUS.
corporate entities



SFI shareholding structure²

57.33%
held by a Russian company, 100% indirectly controlled by SFI (SFI Trading LLC)

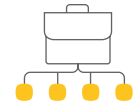
42.67%
is held by other shareholders (including 10.71% of the shares that are in free float)

46.6 THOUS.
people are employees of SFI assets

Offices and stores of companies operate almost throughout Russia

¹ Key financial indicators of PJSC "SFI" according to IFRS in 2022.
² As of December 31, 2022.

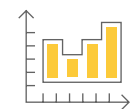
Business model



Formation of a pool of assets consisting of companies that have good growth potential and have/could become leaders in their industry.



Differentiation of assets (public and non-public assets, growing companies / startups).



Increasing the value of assets through participation in management and investment in development. Receiving income from dividends and from the sale of companies or parts of them.



Allocation of income to the acquisition of new assets, payment of dividends to SFI shareholders, maintenance of current debt, support of subsidiaries.

SFI assets

Private subsidiaries and affiliates

INDUSTRY

Leasing

Insurance

Information technology



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Europplan leasing company



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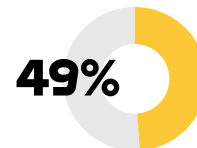
VSK Insurance House



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Gaming service GFN.RU

OWNERSHIP



LEADER

of the Russian car leasing market¹

No. 5

among Russian insurers³

EXCLUSIVE PARTNER

of NVIDIA GeForceNow⁴

RUB **164** BLN
leasing portfolio²

RUB **102.5** BLN
insurance fees²

RUB **243.6** MLN
normalized revenue²



Financial investments in public companies

INDUSTRY

Retail

Oil production and processing



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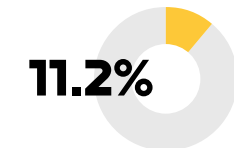
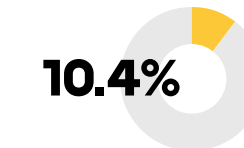
M.Video-Eldorado e-commerce and consumer electronics retailer



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RussNeft oil company

OWNERSHIP



LEADING COMPANY

in Russian tech and electronics retailing

In the top 10

Russian oil companies⁵

RUB **488.9** BLN
gross merchandise value²

RUB **8.4** BLN
net profit²



¹ Among private leasing companies.
² In 2022.
³ In terms of insurance collections in Russia excluding life insurance companies.
⁴ In Russia and CIS.
⁵ Data of the Central Dispatch Administration of the Fuel and Energy Complex.

Key Events for 2022

May

SFI sold **1.77% of its treasury shares** to its subsidiary, Weridge Investments Limited. Thus, SFI no longer owns its own shares, while the share of Weridge Investments Limited increased from 34.28% to 36.06%. SFI became the owner of its own (treasury) shares after making its minority shareholders a series of mandatory offers to buy back their securities.

June

Holding, together with one of the largest private investor communities in Russia, Smart-Lab, is conducting a perception study – **an analysis of the company's perception by the investment community.**

On strengthening the direction of communications with investors can be read at

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On June 29, 2022, the United Kingdom imposed sanctions against Said Gutseriyev, a shareholder of the SFI investment holding company. SFI is mentioned in the case for sanctions against Said Gutseriyev but is not included in any sanctions lists as a separate legal entity. **On that account, the SFI holding company continued its operations as normal.**

September

SFI had repaid a part of the principal amount to Sovcombank. Holding made another payment in favor of the creditor in the amount of 1.5 billion rubles as part of its **debt burden reduction program**. Debt to Sovcombank decreased to 12.2 billion rubles.

Russian rating agency ACRA affirms **credit rating A(RU) to SFI, outlook stable.**



December

SFI has updated its corporate website.

July

The SFI Board of Directors prematurely terminated the powers of the SFI CEO **Avet Mirakyan**, who had decided to leave the company together with part of the team to develop his own investment projects outside the holding. **Igor Sidorov**, who previously headed several companies in the field of investment and real estate management, and was engaged in business activities in Russia and abroad, will take the CEO position.

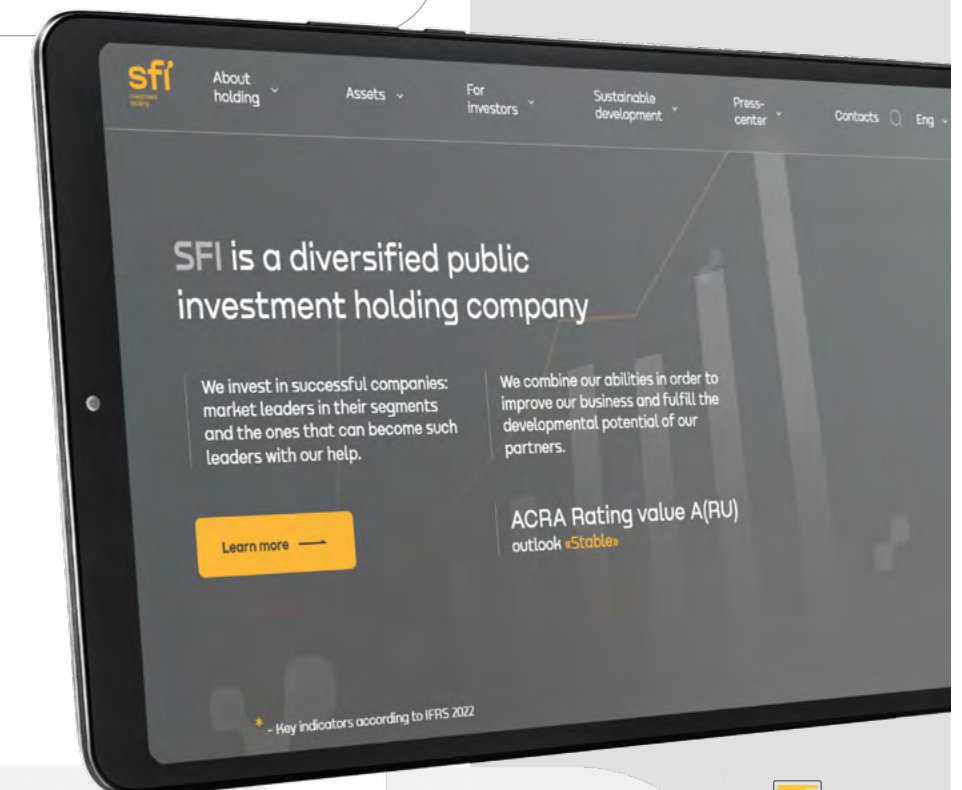
SFI **simplified the asset ownership structure** by transferring it to the Russian jurisdiction. Now SFI directly owns shares of M.Video-Eldorado and RussNeft PJSC. The holding previously directly owned 1.57% of PJSC RussNeft shares and 9.61% through its subsidiary company Weridge Investments Limited, registered in Cyprus. SFI now directly holds 11.18% of the oil and gas company. SFI used to indirectly own 10.37% of M.Video-Eldorado shares, also through Weridge Investments Limited. After the deal, the investment holding owns this block of shares directly.

Also, on July 21, 2022, **55.96% of the holding shares were transferred to SFI Trading LLC**, the Russian company of the SFI structure. Previously they were owned by Weridge Investments Limited and Barigton Holdings Limited.

October

SFI has been listed on the NHR rating agency's ESG index. Per the survey results, **the holding was categorized as belonging to the group with "above average" ESG observance level.**





 sfiholding.ru/en/



Exchange trading

As of 31 December 2022, the authorized capital of PJSC "SFI" amounted to RUB 74,797,319.97 and consisted of 111,637,791 ordinary registered shares with a par value of RUB 0.67 each. Starting from March 23, 2017, all issues of ordinary registered shares were combined into a single issue with state number 1-02-56453-P. SFI has no preferred shares. The State does not participate in the holding's authorized capital.

The number of persons registered as shareholders is 1,116 as of December 31, 2022, including 43 entities and 1073 individuals.

Characteristics	Value
Security code	SFIN
Type of security	Ordinary share
Listing level	1
Nominal value, rubles	0.67
State registration number	1-02-56453-P
Trading start date	December 4, 2015
Inclusion in indexes	Broad Market Index, Financial Index



SFI ordinary shares are included in the "Level I" section of the List of Securities admitted for trading on the Moscow Exchange

Main parameters of trading of SFI ordinary shares on the Moscow Exchange in 2022

Maximum closing price **RUB 739**

Minimum closing price **RUB 417.2**

Price at the end of the reporting period **RUB 505.8**

Source: Moscow Exchange

RUB 56,466 MLN

Capitalization at the end of the reporting period

Keeping the shareholder register

Since October 5, 2015, the register of holders of the Company's registered securities has been maintained by a specialized registrar, Joint-Stock Company Servis-Reestr (JSC Servis-Reestr), Primary State Registration Number (OGRN) 1028601354055 / Taxpayer Identification Number (INN) 8605006147, location: 12 Sretenka St., Moscow, 107045, Russia. JSC Servis-Reestr was issued License No. 045-13983-000001 for carrying out register keeping activities on March 2, 2004. The list of holders of the Issuer's registered securities was transferred in accordance with Resolution No. 11-2015 of the Company's sole shareholder, dated September 18, 2015.

Market Makers

During 2021, market making services were provided by investment and brokerage companies Freedom Finance Investment Company LLC and FINAM Investment Company JSC.

History of the holding's development

PJSC "SFI" is a major player in the financial market and combines public and non-public assets, as well as growing businesses.

Below are the main formation and development stages of the holding and its portfolio companies.

2013–2015

Pension assets acquired, including the NPF Raiffeisen (subsequently rebranded as NPF SAFMAR).

Europlan LC acquired, IPO in December 2015.

2016

49% of **VSK Insurance House** acquired.

The three funds acquired earlier merged with **NPF SAFMAR**.

JSC Europlan's SPO.

2017

The leasing business separated into a subsidiary of **Europlan LC**.

The holding rebranded as **PJSC SAFMAR Financial Investments**.

2018

New private pension assets (Doveriye and Mospromstroy-Fund) and Direct Credit credit broker acquired.

S&P international rating: **B+**.

Three-year share buyback program launched.

2019

NPF Doveriye merged with NPF SAFMAR.

S&P international rating upgraded to **BB-**.

Share buyback program expanded: buyback operator consolidated 8.44% of SFI.

2020

Buyback operator consolidated **more than 50% of SFI shares**.

A 10% stake in **M.Video-Eldorado Group**, a leading retailer of electronics and household appliances, acquired.

2021

Exit from the pension business: pension funds sold.

51% stake in **GFN.RU** cloud gaming service acquired.

Stake in **RussNeft Oil Company** acquired.

The holding renamed and rebranded as **PJSC "SFI"** (SFI Investment Holding).

Direct Credit sold to the M.Video-Eldorado Group.

2022

Change of the CEO.

Transfer of the asset ownership structure to Russian jurisdiction.

Dividend policy

SFI's Regulations on Dividend Policy (Revision No. 3) were approved by the Board of Directors in April 2019. The recommended amount of dividend payments is determined by the Board of Directors, depending on the financial results for the year.

The target level of dividend payments is not less than 75% of the minimum indicator:

- based on the amount of net profit specified in RAS (Russian Accounting Standards) compliant accounting/financial statements for the reporting year;
- the amount of free cash flow for the reporting year, subject to the availability of dividend payments from subsidiaries and affiliates.



In accordance with Russian law, dividends are paid out of the company's net profit for the reporting period or undistributed profit for the previous years, as determined under RAS.

PJSC "SFI" is a financial holding whose main source of income is dividends from subsidiaries and affiliates.

Under RAS, dividends are recognized as income when received, which forms the holding's profit and allows for the payment of dividends to its shareholders. Profits can also be generated if the reevaluation of the holding's investments is positive, but in this case, there is no corresponding cash flow, from which payments to shareholders can be made. To exclude this possible discrepancy, the Board of Directors decided to choose the lowest figure from the RAS net income and free cash flow when calculating the target level of dividend payments.

Dividends from subsidiaries and affiliates

Stable dividend flows to SFI from subsidiaries and affiliates are the main source of income for the holding and one of the indicators for calculating dividend payments to shareholders. PJSC "SFI" received dividends in the total amount of RUB 3,5 billion.²

In determining the amount of the dividend recommended to the General Meeting of Shareholders, the Board of Directors takes into account the current financial and competitive position of the holding and its development prospects, including projections of operating cash flow and capital expenditures, borrowing requirements, and other factors affecting the holding's financial stability and flexible capital structure.



SFI's Regulations on Dividend Policy and information about the General Meeting of Shareholders' decision regarding the payment of dividends are published

on the holding's website

on the e-disclosure website



In addition, information on dividends is communicated to shareholders by being published in accordance with the applicable laws of the Russian Federation.

Dividends paid by PJSC "SFI" for the last five years

Reporting year	Type of security	State registration number	Total amount of dividends per share, rubles
2017	Ordinary share	1-02-56453-P	30.25
2018	Ordinary share	1-02-56453-P	14.50
2019	Ordinary share	1-02-56453-P	0.00
2020	Ordinary share	1-02-56453-P	0.00
2021	Ordinary share	1-02-56453-P	0.00

¹ Until September 2021, known as PJSC SAFMAR Financial Investments; before 2017, known as PJSC Europlan.
² As of December 31 and throughout 2022.

Information policy

SFI discloses information under the principles of regularity, consistency, and promptness, as well as data accessibility, reliability, completeness and comparability.

The company discloses information on its securities and financial and economic activities in the form of:

- reports on material facts;
- Issuer reports (for the year and for six months);
- Annual Report;
- Charter and internal regulations;
- information that may seriously affect the value of securities;
- information on affiliates.



The Company's Regulations on Information Policy are available

on the official website



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Strategic report

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Chairman's Statement

Anton Goltsman

Chairman of the PJSC "SFI"
Board of Directors



Dear Shareholders!

In the first half of 2022, the Russian economy has embarked on a major transformation that will last for far more than a year. In this situation, it was especially important for businesses to respond quickly to the unprecedented changes taking place. As many international players were leaving the domestic market, Russian companies had to look for new partners and markets, reconstruct their supply chains, and rethink their development strategies. At times, this has had a direct impact on the financial results of enterprises.

Flexibility and quick adaptation to change are the qualities that have long been the hallmark of assets within the SFI Investment Holding perimeter.

Even in challenging market conditions, companies, particularly SFI's strategic investments — Europlan leasing company and VSH Insurance House — have managed to find opportunities for growth and deliver strong operational and financial results. As a result, the financial indicators of SFI Holding have also improved, with its net profit according to international financial reporting standards increasing in 2022 by 47% compared to the previous reporting period.

Net profit increased by

47%

compared to the previous reporting period

The holding company has also successfully adapted to changes in the external environment. In the summer, the SFI Board of Directors approved several transactions to restructure the shareholding and asset ownership structure of the holding. This involved transferring SFI shares from foreign to Russian jurisdiction and taking direct ownership of financial investments in public companies. Moreover, in July 2022, the holding's CEO was replaced by Igor Sidorov, an experienced entrepreneur with a track record of developing successful projects both in Russia and abroad.

In September, a special meeting of SFI's shareholders elected a new nine-member board of directors. In November 2022, as part of the optimization of the corporate governance structure, shareholders re-elected seven members and reduced the number of board members to seven. As of the date of approval of the Annual Report, the Board of Directors is composed of three independent directors who also form committees within the Board of Directors, as well as representatives of the holding company's management and major minority shareholders.

One of the key recommendations of the SFI Board of Directors to the company's management was to establish a constructive and open dialogue with the holding's shareholders. During the reporting period, SFI followed these recommendations by conducting an analysis of the perception of the company by private and institutional investors. More than 2,000 respondents participated in the analysis, which helped the management identify areas that required attention. SFI has become more active in communicating with both existing and potential investors through various channels, from establishing an official online presence on popular platforms to participating in large-scale events that bring together audiences interested in engaging with issuers. As a result of this work, the number of retail investors owning shares of the holding increased, and there was a rise in interest in PJSC "SFI" securities, primarily measured by the volume of trading on the Moscow Stock Exchange.

On behalf of the Board of Directors, I would like to thank all shareholders of the holding for their trust, and we hope that the positive trend of increasing demand for SFI shares as an investment instrument will continue. The Board of Directors and the management of the holding are making every effort towards achieving this goal, both in increasing the company's transparency for investors, and in enhancing the overall efficiency of strategic and operational management.

Best regards,
Chairman of the PJSC "SFI" Board of Directors

Anton Goltzman

CEO's Statement

Igor Sidorov

CEO of PJSC "SFI"



Dear Shareholders!

The unprecedented events of last year, which had an impact on all aspects of life, not only in the economy and geopolitics of Russia but also on the global stage, marked a year of significant changes.

The Moscow Stock Exchange, where SFI shares are listed, was closed for trading for an extended period. When it finally reopened, the value of almost all issuers dropped significantly. Our company was not immune to this trend. However, despite the volatility during the year, the value of SFI stock has almost returned to the level of early 2022, and the company's capitalization only slightly decreased. In a state of financial and economic uncertainty, this is a very positive indicator.

We are confident that this result was achieved through the investment strategy adopted by the holding, which allowed for a balanced and diversified investment portfolio for SFI.

Our success in 2022 is thanks to prudent investment strategy and the effective work of our assets, which were able to adapt their activities to the changes taking place in the market.

81%

in the total portfolio are leasing and insurance companies

Europlan results can be found on

page 24

VSH results can be found on

page 30

The leasing market as a whole experienced a decline in 2022, primarily due to a shortage of leasing items. However, its participants, especially in the car leasing market where our subsidiary company Europlan operates, managed to adapt to the new conditions and readjust their business. Europlan increased its leasing portfolio and, according to the year-end results, remains one of the market leaders in terms of new business.

The Russian insurance market also survived in 2022, primarily due to the record growth of collections of compulsory automobile liability insurance. In this segment, our subsidiary company VSH ranks among the four leaders, and is among the top 10 insurance companies in Russia. VSH performed very well in 2022.

The financial industry in Russia is gradually overcoming the negative consequences of last year's events and is moving towards development. In 2023, experts predict that both the insurance and leasing markets will grow in volumes. The approved development plans of our subsidiaries assume that they will grow along with their markets, if not outpace their growth rates.

In 2022, SFI received a loss on its financial investments in publicly traded companies, which was expected given the volatility and significant decrease in capitalization demonstrated by the majority of issuers on the stock market. However, the dynamics of the first quarter of 2023 have inspired cautious optimism as the situation has significantly changed, and the holding's income has grown due to the positive revaluation of financial investments. We continue to own shares in RussNeft and retailer M.Video-Eldorado and we believe in their further growth.

In 2022, SFI's net profit according to IFRS increased by 47% compared to 2021 and amounted to 6.1 billion rubles. The investment holding's total operating and financial income reached 15.8 billion rubles, which is 20% more than in 2021. Revenues from the leasing and insurance business helped offset losses from the negative revaluation of stockbroking companies in SFI's portfolio.

Our success in 2022 is thanks to prudent investment strategy and the effective work of our assets, which were able to adapt their activities to the changes taking place in the market. While it is difficult to predict what this year will bring, we remain confident in our chosen vector of development and will respond to changes in the country and business based primarily on the interests of our shareholders.

Igor Sidorov,
CEO of PJSC "SFI"

Key financial results for 2022 according to IFRS and RAS financial statements

Results according to IFRS financial statements

According to the (audited) financial statements prepared under the International Financial Reporting Standards (IFRS), the total operating and financial income of SFI reached RUB 15.8 billion, having increased by 20%.

Income from leasing activities amounted to RUB 22.8 billion, insurance income – RUB 2.6 billion, and income from gaming service – RUB 194.3 million.

The IFRS consolidated financial statements of SFI take into account the figures of its 100% subsidiary, Leasing Company Europlan PJSC, as well as the figures of VSH Insurance Joint Stock Company (SFI owns 49%) and Region Estate LLC, which develops the gaming service GFN.RU (SFI owns 51%). SFI also owns 11.18% in RussNeft PJSC and 10.37% in M.Video PJSC, which are recognized as financial instruments measured at fair value in the holding's financial statements.

RUB 229.9 BLN
holding's assets over the year,
growth by 6%

RUB 126.53
earnings per share, against
RUB 83.54 a year earlier

Results according to RAS financial statements

According to the financial statements prepared under the Russian Accounting Standards (RAS), the revenue of SFI for 2022 amounted to RUB 5.7 billion, as against RUB 56.4 billion in 2021, when the holding received significant proceeds from the sale of assets. In the reporting year, there were no asset sales transactions. In 2022, the revenue included dividends received and interest income.

Gross profit in 2022 was RUB 5 billion, almost at the level of 2021 (RUB 5.4 billion). In the RAS financial statements, net loss amounted to RUB 7.8 billion, as against RUB 4 billion a year earlier. The loss was due to the revaluation of shares of public companies in the SFI portfolio.

BLN 6.1 BLN

net profit in 2022,
47% growth compared to 2021

The RAS financial statements contain non-consolidated data of the SFI corporate center, which differ from the figures in the IFRS consolidated financial statements.

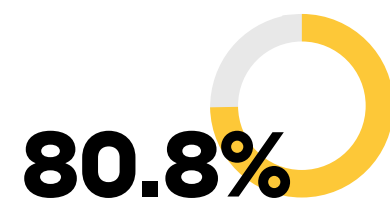
SFI in 2022

2022 has been a year of dramatic changes in the whole world and in all areas, from economics to geopolitics. The SFI Investment Holding in 2022 continued implementing the key items of the strategy adopted in 2021.

Many Russian companies were sanctioned by Western countries. Many entities have become more closed and have stopped publishing detailed data on their activities and performance, taking advantage of easing of requirements and permissions by regulatory authorities. Many companies also changed their business development approaches, suspending the implementation of strategic goals.

The holding continues publishing its key accounting indicators under Russian and international standards. In 2022, SFI's shares in the holding's assets did not change.

Private subsidiaries and affiliates



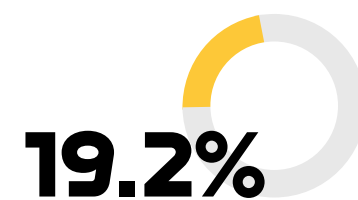
Share in the portfolio¹

Business model:

- Investing in companies with long-term growth potential;
- Increasing asset value: strategy update and involvement in corporate governance;
- Exiting from assets through the IPO and/or sale to a strategic partner.



Financial investments in public companies



Share in the portfolio¹

Business model:

- Acquisition of a large share of fundamentally undervalued companies for the portfolio;
- Dividend income;
- Sale of a stock / part of a stock upon reaching the target level of the company's valuation.



The key goal of the strategy adopted in 2021 was to make the holding company more appealing to investors.

Strategic Goals

SFI is a diversified investment holding company with a balanced asset portfolio which includes large shares in non-listed companies as well as investments in issuers in the Russian stock market. This approach makes it possible to achieve the target returns at the given risk level in the mid term and long term.

SFI took its first steps to follow through on the key message of its new strategy in 2021. The holding acquired a number of non-financial assets, made a complete exit out of some of its financial assets, and restructured its debt. The three-year-long share buyback program was completed as well.



In the next five years, according to SFI's strategy, the holding plans to:



Restructure and gradually repay the debt accumulated to support the share buyback program completed in 2021



Improve the holding company's information transparency, bolster investor relation competencies, increase the liquidity of PJSC "SFI" securities



Reduce the treasury and quasi-treasury block of shares, including by increasing free float



Maximize the synergy effect between portfolio assets



Continue the active search for new assets to purchase and strategic partners to complete the participation in several projects

¹ The shares are calculated by SFI's management as % of capital (book value) according to IFRS statements as of December 31, 2022.

Changes in the ownership structure

On March 24, 2022, SFI sold all treasury shares (1.77%) to its subsidiary Weridge Investments Limited, and thus it no longer owns its own shares. In 2023, SFI gradually began to increase its free float by selling a small amount of shares from the balance of its subsidiary SFI Trading.

In 2022, SFI straightened the ownership structure by the assets transfer to the jurisdiction of the Russian Federation. Thus, since July 20 the holding directly owns shares in M.Video PJSC and PJSC RussNeft. Previously it directly owned 1.57% of the shares in PJSC RussNeft, and 9.61% through its subsidiary Weridge Investments Limited, registered in Cyprus. SFI now holds 11.18% of the shares in the oil and gas company. SFI previously indirectly owned 10.37% of the shares in M.Video PJSC, also through Weridge Investments Limited; after the transaction, the holding owns these shares directly.

Since July 21, 2022, 55.96% of the holding's shares were transferred to the Russian company SFI Trading LLC, in SFI's structure. Previously they belonged to Weridge Investments Limited and Barigton Holdings Limited.

These transactions had no significant economic effect. SFI's shareholding structure as of December 31, 2022 is shown on  page 5 of this report.

Debt repayment

On September 2022, SFI made another payment in favor of the creditor in the amount of 1.5 billion rubles as part of its debt burden reduction program. Debt to Sovcombank decreased to 12.2 billion rubles. To service its loan obligations, the holding company uses funds that the holding company receives from its investment activities, including dividends, securities gain, and funds from asset sales.

Development of investor relations

In 2022, SFI began working more actively with private investors.

In June 2022, SFI performed a perception study among private investors. It was carried out among the subscribers of Smart Lab, Russia's largest independent community of private investors (1.5 mln unique users monthly). 2,758 private investors responded (a statistically significant sample). Smart Lab also interviewed several private investors and opinion leaders of the Russian investment community for SFI.

To increase the appeal of the holding's shares on the public market, SFI also decided to strengthen investor relations and expand communication channels with private and institutional investors.

In the second half of 2022, SFI, in addition to its Telegram channel, started developing its channel on Pulse, the social network of the broker Tinkoff Investments, through which it informs subscribers about the news of the holding and its subsidiaries. Currently there are more than 11,000 subscribers.

In the second half of 2022, the holding's management also held several meetings with private investors as part of Smart Lab's conferences, and answered questions about the holding.

In 2022, the investment company Freedom Finance (renamed to Cifra Broker in 2023) issued several regular analytical reports reviewing the holding's performance.

In the review of the performance for 2022, the company set the target price for PJSC "SFI"'s shares at RUB 876. In the review for 2021, this indicator amounted to RUB 707. The target valuation thus increased by 23.9% in one year.

In 2023, SFI plans to work with a wider pool of investment and brokerage companies for analytical coverage and expansion of the holding's IR activity.

RUB 876

target price for SFI's shares for 2022
by investment company Cifra Broker,
forecast for 2022 increased by 24%



SFI's Telegram channel



SFI's page on Pulse,
the social network
for private investors



SFI's blog on the Smart Lab
private investors' community



Non-public assets

Leasing Company Europlan

PJSC Leasing Company Europlan (hereinafter, the Company, or Europlan) is a long-term leader of the motor vehicle leasing market in Russia, and one of the top 15 motor vehicle leasing companies in Europe. The Company has been operating since 1999 and provides leasing of all types of motor cars and special equipment, and also offers a full range of operation services.

Europlan in figures¹

100%

SFI share

RUB 164 BLN

Leasing Portfolio

RUB 11.9 BLN

Net Profit

133,000

customers, including 4,000 individuals, 129,000 – legal entities

95,000

active leasing agreements

86%

of customers refer to Europlan

85

offices across Russia



The main activity of Europlan is the provision of financial leasing services for vehicles and machinery. The Company leases transport to Russian companies and entrepreneurs through 85 offices across Russia.

Market Overview

Motor vehicles leasing market

Compared with other segments of the leasing market, the motor vehicle leasing is more fragmented in terms of both lessees and lessors, and featured by lesser participation of large financial and industrial groups in transactions. However, past years saw continued trend for consolidation of more than 90% of the business in the portfolio of the 20 largest companies. Besides, motor vehicle leasing features a large number of concluded contracts, high level of financial services standardization, high liquidity of leased assets and a lower average value of the transaction.

In 2022, under the pressure of geopolitical crisis, the volume of new business decreased by 13% compared to 2021. The current backgrounds exacerbated the shortage of leased assets and affected the market even worse than the pandemic in 2020. In 2020, the volume of new business decreased by 5% only.

The driver of the new business decline in the retail segment was passenger car leasing (-27%) segment. Relatedly,

the supplies of trucks from China supported the segment of truck leasing, the volume of which grew by 11%. Since 2019, in general its share demonstrates stable growth and increased from 47% to 49% by the end of 2022, despite the decrease in the volume of motor vehicles leasing by 7%.

The consequences of geopolitical events have had a mixed impact on the motor vehicle leasing market. On the one hand, a departure of familiar brands from the Russian market, a strong drop in supply, and an increase in prices occurred. On the other hand, last year saw a trend to establish own production, build new logistics routes, and acquaint with the brands of friendly countries.

Government support continued to have a positive impact on the market. The state subsidy programs and leasing incentives for priority sectors of the economy made it easier for customers to receive leases and made it a more attractive solution for businesses.

Europlan ratings in 2022

A+(RU)

Outlook Positive

ACRA

The Company employs 2,430 people. In 2022, Europlan purchased and leased vehicles and equipment to Russian entrepreneurs for a total of RUB 161 bln, including VAT (-12% vs. 2021), under over than 37,000 contracts. At the same time, the number of contracts for freight transport increased by 3%, and for special equipment – by 19%, for passenger transport the decrease was 37%. The Company expanded its leasing portfolio. In 2022, the lease payments reached RUB 138.2 bln (+30% vs 2021).

RUB 134.1 BLN

volume of new business in 2022²

europlan®

¹ As of December 31, 2022.

² Value of leased items transferred to customers without VAT, source Expert RA.



Europlan's position in the motor vehicle leasing market

To Expert RA's data on the ranking of the largest non-state lessors in Russia in terms of new business in the segments of passenger and commercial vehicles – motor vehicle leasing – provide for the assessment of the performance of the largest sectoral companies in 2022. At the end of 2022, the total new business of the Company amounted to more than RUB 134 bln, enabling the Company to retain its dominant position in the motor vehicle leasing industry.

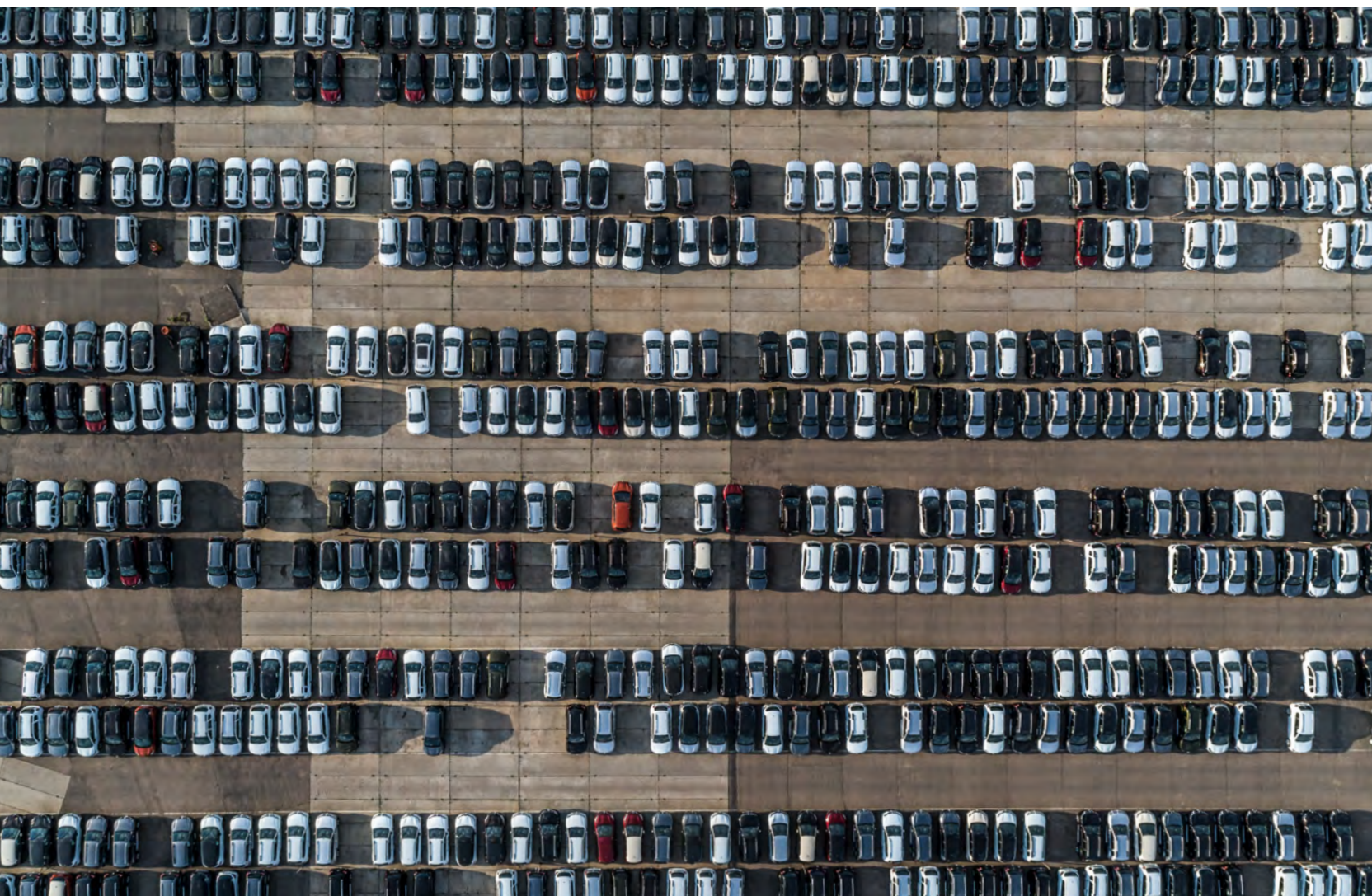
The data in the table below present the key performance indicators of Europlan and its main competitors for the most relevant reporting period.

The largest non-state lessors in the motor vehicle leasing segment, RUB mln

According to Expert RA

LC Europlan	107,762
Alfa-Leasing (GC)	100,946
Reso Leasing	61,076
LC Evolution	28,934
Sovcombank Leasing	21,694

Europlan
No. 1
in the motor vehicle leasing segment



Europlan strategy and development plan

Europlan is targeted at comprehensively developing the core business, maintaining leadership in the Russian motor vehicle leasing market, which combines high growth rates, operational efficiency and financial stability. The target segment of the Europlan remains the leasing of motor vehicles for large and SME business customers

Leasing business development is strategically aimed at the following areas



Development of financial leasing
of motor vehicle transport as the basis of the product line



Development of associated services
related to the customer's fleet



Development of operational leasing
of passenger vehicles



Development of channels for the supply and sale of motor vehicle leasing services



Development of business partnerships



Enhanced customer experience



Development of personnel
(qualitative recruitment, training, motivation, assessment) and increase of labor efficiency due to business process automation



Development of the risk management system



Improvement of the accounting and reporting system



Funding diversification

A high-quality customer base is fundamental for further growth. It includes

over
133,000
of active and about
2.6 MLN
of potential customers

A special added value-oriented approach to customers enables Europlan to **achieve high customer satisfaction, NPS and high customer retention rate.**

Repeated customers are the main channel for new business.

The portfolio comprises **all types of private business** and sectors sharing one feature – they pay on time, follow the lease payment schedule regardless of the situation stability, which has been proven over several economic cycles.

Financial performance in 2022¹

Financial Highlights of the Leasing Segment for 2022²

RUB 164 BLN

the leasing portfolio reached (+14% increase since the beginning of 2022)²

39.7%

return on assets employed (RoAE)²

RUB 23.9 BLN

net operating income reached (+35% compared to 2021)

6.6%

return on average assets (RoAA)²

RUB 34 BLN

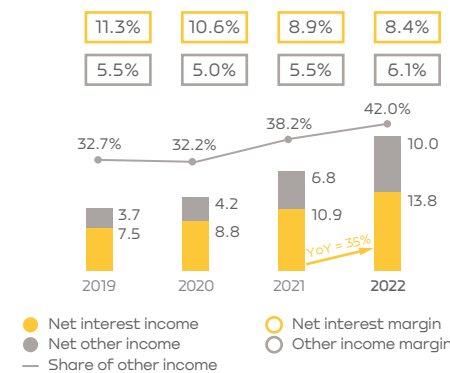
the capital²

22.4%

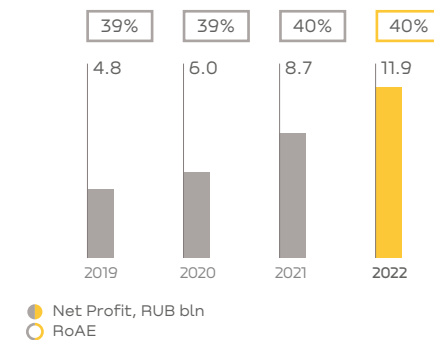
basel III capital adequacy Tier 1

In 2022, the high business performance of Europlan was supported by a high interest margin of 8.4%, an increase in the share of non-interest income in the operating income combined with the effective control of operating expenses and a low cost of risk of 0.67%. All this in aggregate makes it possible to provide a return on equity (ROE) of over 20%.

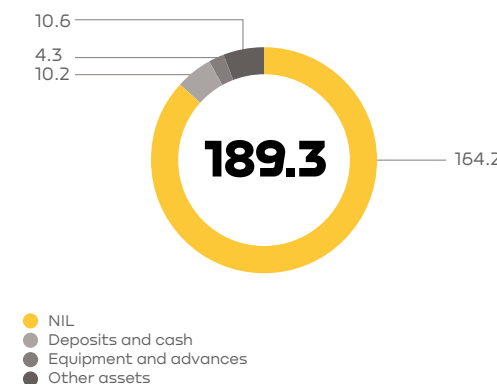
Operating Income Dynamics, RUB bln



Return on average capital³



Europlan assets structure², RUB bln



92%

of Europlan's assets² are represented by a high-quality leasing portfolio (net investment in leasing, or NIL) of about 87%, and deposits and cash in banks of more than 5%

- NIL
- Deposits and cash
- Equipment and advances
- Other assets

¹ According to the IFRS consolidated financial statements for 2022.

² As of December 31, 2022.

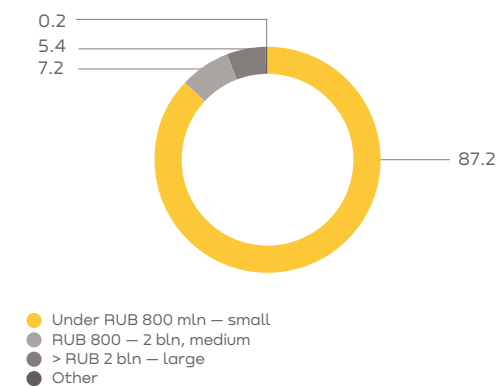
³ RoAE is calculated as the ratio of net profit for the period to the average value of capital for the same period.



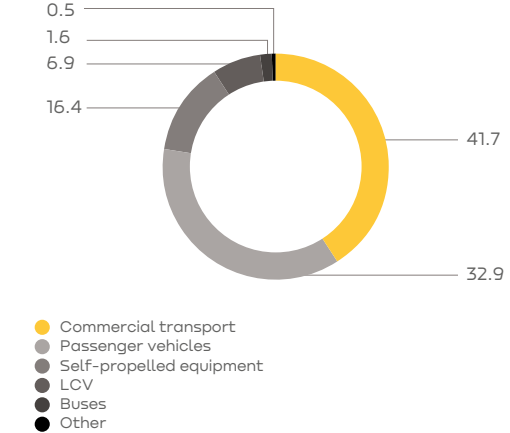
Europlan leasing portfolio structure²

Europlan's leasing portfolio is diversified by lessees, regions, industries, types of leasing items, suppliers, sales channels, brands, insurers. As of December 31, 2022, the aggregate largest 50 lessees accounted to 8% of net investment in leasing (NIL) before allowance for impairment.

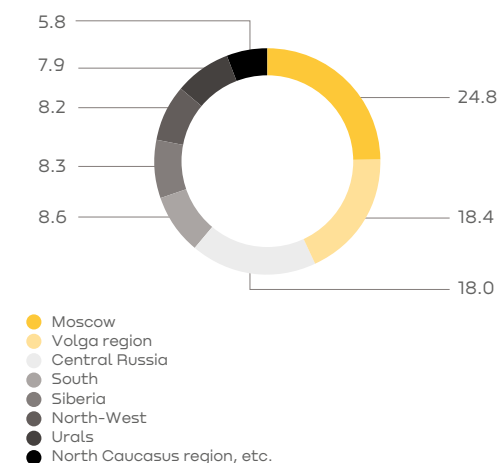
Leasing portfolio (NIL) by lessees by annual revenue², %



Leasing portfolio (NIL) by types of leased assets², %



Leasing portfolio (NIL) by federal districts², %



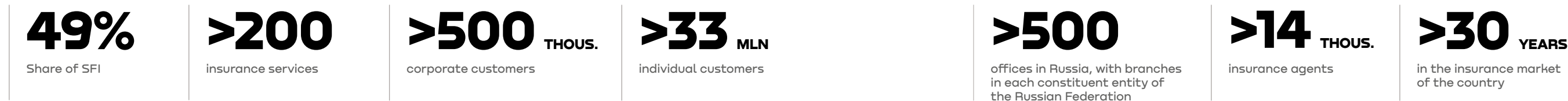
In 2022, in the structure of the leasing portfolio, commercial vehicles (trucks of the MCV, HCV and trailers) take the largest share of 41.7% and passenger cars – 32.9%.

Non-public assets

VSK Insurance House

Since 1992, VSK Insurance House has been operating in the market as a multi-purpose insurance company providing services to individuals and legal entities throughout Russia. The company has consistently ranked among the top 10 insurers in the country in terms of premiums in the major segments of the insurance market: car insurance, accident and illness insurance, as well as voluntary health insurance (VHI).

VSK in Figures



To date, more than 33 million people and 500 thousand organizations have taken advantage of VSK's products and services.

The company's regional network includes over 500 offices in all constituent entities of the Russian Federation, which makes it possible to efficiently fulfill its contractual obligations throughout the country.

Market Overview

In 2022, the Russian insurance market demonstrated modest growth under the pressure of sanctions. The quarterly dynamics were diverse. Thus, in Q2, there was a tangible drop in the market (-5%), after which the market gradually began to recover and showed a discrete growth rate of 10% already in Q4 2022. The volume of insurance fees increased in all major segments of the insurance market, except for accident and illness insurance, due to the decrease in the number of mortgage loans by 30% as compared to 2021.

In 2022, insurance companies continued to digitize their key processes and transfer most of their products into the online segment.



No. 7
place in the Russian insurance market in terms of the volume of insurance fees charged for all types of insurance¹

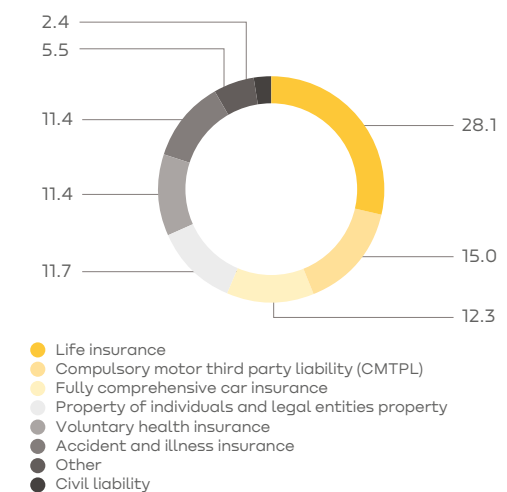
No. 5
in the Russian non-life market¹

VSK has a well-diversified investment portfolio of high credit quality. Its assets allow the company to form a comfortable source of liquidity to fulfill the insurer's obligations.

The key factors significantly impacting the dynamics of the insurance market as a whole included active sales of endowment life insurance, which compensated for the decline in premiums in investment-linked life insurance, the growth of car insurance in the context of rising prices for cars and spare parts. VHI positive dynamics was largely ensured by the increasing cost of medical services in medical institutions.

The volume of the insurance market reached RUB 1,816.7 billion, having increased by 0.5%. At the same time, the market excluding the life insurance segment (the non-life market) showed an increase of 1.7%.

Structure of the insurance market in 2022, %



¹ According to the reporting data of the Bank of Russia.

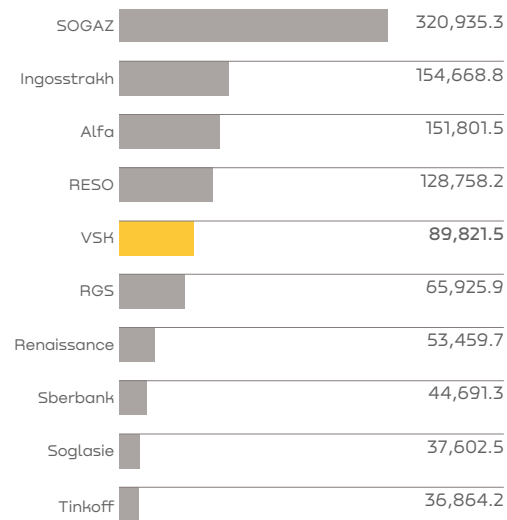


The company is included in **top 5** insurers auto insurance, as well as insurance property of individuals and legal entities, insurance from diseases and accidents, and ranked sixth place in the VHI market

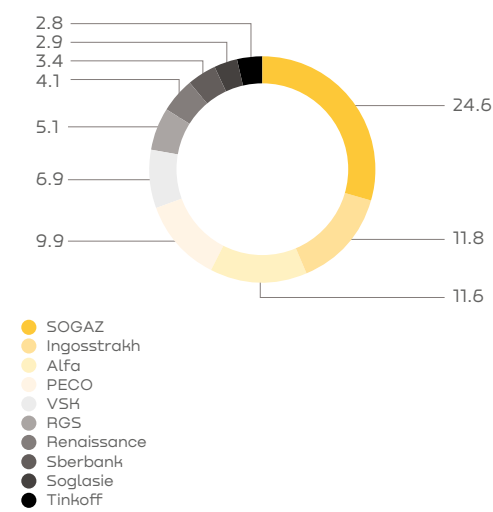
VSH's Positions in the Insurance Market

VSH Insurance House has consistently been among the ten largest insurers in the Russian Federation in all key types of insurance. In the non-life market, the company ranks 5th with a market share of 6.9%. VSH Insurance House is also among the top 5 car insurers, with a share of 9.6% in the segment of the compulsory motor third party liability (CMTPL) and 10.2% in the segment of fully comprehensive car insurance.

Leaders of the non-life insurance market in 2022,¹ RUB million

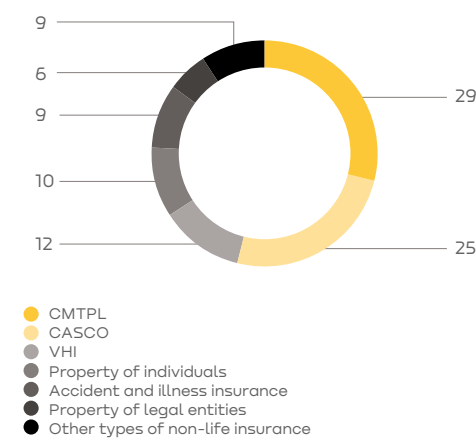


Market share of the key players in the non-life market in 2022,¹ %

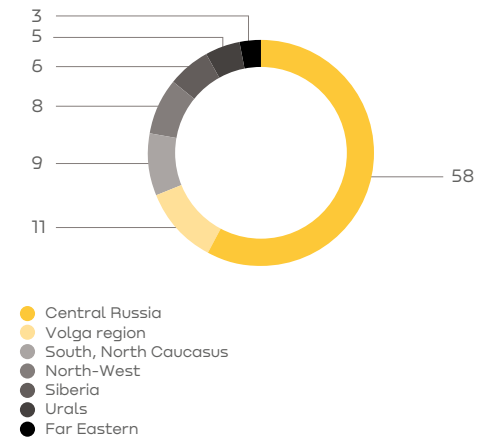


Structure of the insurance portfolio of VSH Insurance House

for all types of insurance, %



by federal districts, %



¹ According to the reporting data of the Bank of Russia.

VSH Insurance House Development Strategy and Plans

VSH's Strategic Development Goals



Conscious choice for the customers
The best offer and the best service for the customers wishing to protect themselves against risks or satisfy their everyday needs



The best insurance company for agents and partners
Assisting agents and partners in their business development forms a basis for the growth and stability of VSH's business



A company achieving growth and efficiency using technologies
Continuous search for innovations and introduction of new technologies; digitalization of customer and partner communications, as well as internal processes



Professional and motivated team
A team aimed at solving ambitious tasks related to the development of VSH's business in the era of the emergence of new business models



Profitable growth
Increase in VSH's share in the insurance market, while maintaining profitability, as an indicator of a responsible attitude to ensuring its customers' protection and investors' interests

In 2022, VSH Insurance House continued to implement the three-year development strategy, which provides for the following:

Composite loss ratio
NOT EXCEEDING
98%

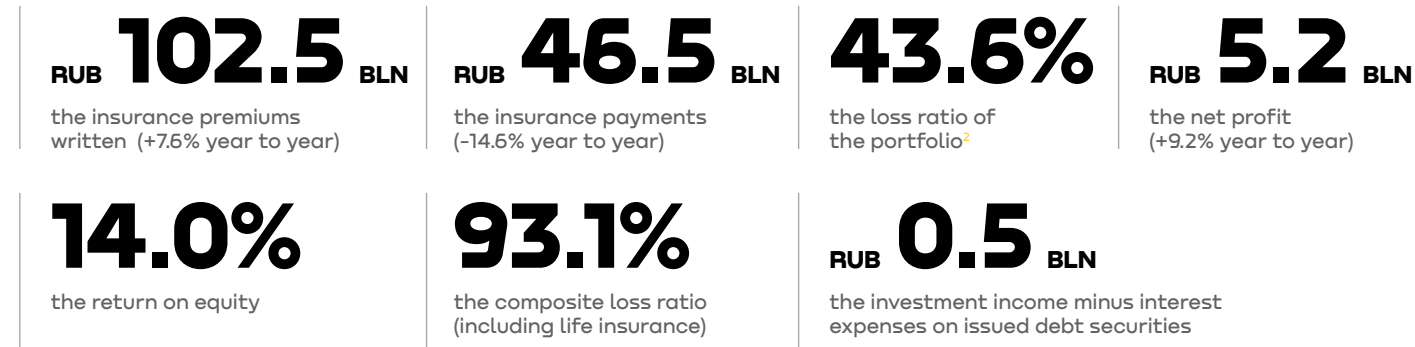
Increase in the NPS indicator by up
TO
50%

Level of staff involvement
EXCEEDING
82.4%

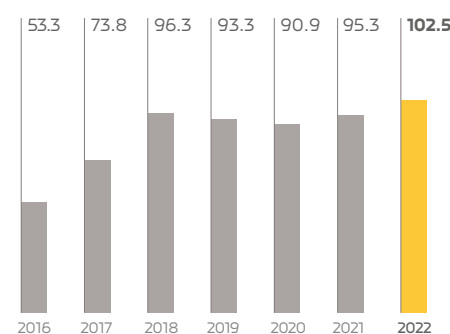
Financial Results for 2022¹

Key Financials Indicators under the IFRS¹

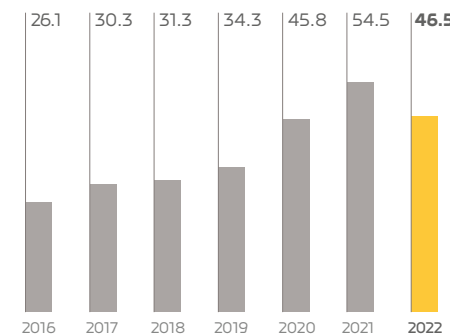
As of the end of 2022, VSH Group demonstrated sustainable development.



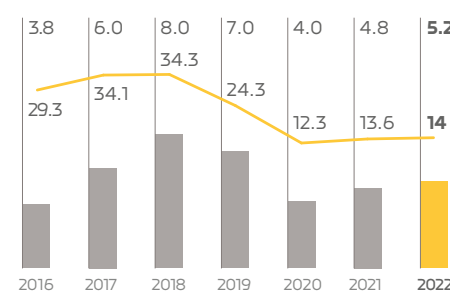
Insurance premiums written, RUB billion



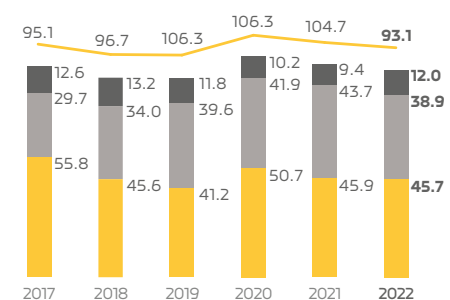
Insurance payments, RUB billion



Dynamics of the net profit and return on equity



Composite ratio, %



¹ The consolidated financial statements of VSH Group for 2022 reflect the business performance of its subsidiaries: SAO VSH, VSH-Linia Zhizni LLC, SH INTERI LLC, JSC BG SYNHHRO.
² The loss ratio of the portfolio – the main indicator characterizing the quality of the insurance portfolio and reinsurance coverage, as well as the reasonableness of the tariffs used.

Equity

According to the results of 2022, the equity of VSH Group exceeded

RUB 41.7 BLN

and amounted to 25.0% in the structure of liability

Structurally, according to the results of 2022, the equity is distributed as follows:

- revalued authorized capital under the IFRS – **RUB 12.4 billion** (29.7% of the equity);
- retained earnings and other reserves – **RUB 29.4 billion** (70.3% of the equity).

Insurance Reserves

The structure and volume of insurance reserves adequately reflect the insurance liabilities of VSH Group. The volume of insurance reserves makes up

RUB 107.5 BLN

with a share in the liabilities structure of 64.4%

Structurally, according to the results of 2022, the insurance reserves are as follows:

- unearned premium reserve – **RUB 56.5 billion** (53.8% of the insurance reserves);
- loss reserves – **RUB 26.3 billion** (25.0%);
- life insurance reserves – **RUB 24.7 billion** (23.5%).

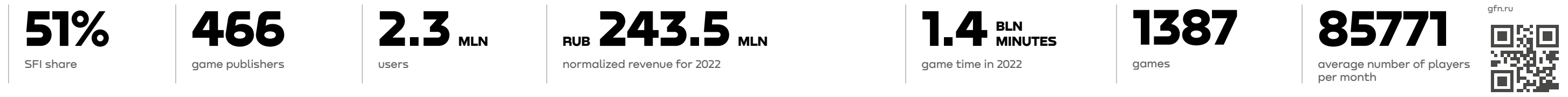


Non-public assets

GFN.RU gaming Service

GFN.RU cloud gaming service is an exclusive partner of NVIDIA in development of GeForce NOW service in Russia and CIS countries. It helps run resource-intensive games on almost any non-gaming computer, TV, or smartphone on Windows, macOS, Android, or iOS. GFN.RU is compatible with the largest game selling platforms and offers to run games directly from the library in Steam, EGS, Ubisoft Connect and other services.

GFN.RU in figures



The main strategic aim of the GFN.RU service is to make PC gaming accessible to everyone.



The service was created in 2019, SFI joined GFN.RU in the spring of 2021.

The GFN.RU catalogue already contains over 1.3 thousand games which run on powerful NVIDIA servers. An instant connection is ensured by four server clusters: two in Moscow, one in Yekaterinburg, and one in Novosibirsk.

GFN.RU supports strong partnerships with leading technological companies interested in the development of the gaming ecosystem services.

The number of users of the service GFN.RU in 2022 increased by 1.6 times to 2.3 million, the playing time increased from 1.3 billion minutes to 1.4 billion minutes.

Cloud gaming market overview

Cloud gaming technology has been around for about 20 years, but it only began to develop intensively in 2020-2021. The trigger for the rapid development of services was the pandemic, when people, forced to sit in self-isolation, were looking for ways to relax, entertain and communicate, and found them in such services.

In 2021, GFN.RU published a study of the gaming market, conducted with an auditing company. According to the study, the volume of the Russian cloud gaming market in 2020 amounted to \$4.6 million. In the baseline scenario, the market volume will be \$68 million in 2024, and the average annual growth rate will be 94% in the period under consideration. This forecast does not take into account the adjustments made by the geopolitical events of 2022.

In the fall of 2022, one of the representatives of the major players of the cloud gaming market predicted in an interview with TASS that the audience of cloud gaming services in Russia in five years could grow by 10 times to 5 million players every month, it is now 500 thousand people.

According to Kommersant, which surveyed cloud gamers, Russian platforms noted a marked increase in the number of users in 2022. At the same time, the withdrawal of foreign suppliers of equipment has had almost no effect on the industry, according to its participants.

Nevertheless, the industry fears the loss of audience interest due to the departure of foreign game developers and lack of content. However, their niche may be occupied by Russian game developers. ANO "Digital Economy" and the Russian Association of Electronic Communications believe that, despite the problems with access to foreign content, the volume of the online games market can recover within two to three years. In particular, this will be facilitated by state support for Russian developers and interest in Russian games from China. In addition, high-tech companies in Russia also intend to invest in the development of Russian games. For example, VK stated that it intends to invest more than 300 million rubles in Russian developers in 2023.



In Russia, in addition to GFN.RU, there are several players on the cloud gaming market: Loudplay, VK PlayCloud, Drova, Playkey, and SberPlay.



Financial investments in Public Companies

Retailer M.Video-Eldorado

M.Video-Eldorado Group (M.Video PJSC) is the leading Russian e-commerce and retailer of electronics and home appliances, combining M.Video and Eldorado brands. It is the only Russian company in the electronics retail sector whose shares are traded on the stock market (MOEX: MVID).

M.Video-Eldorado in figures

10.4%
SFI share

110,000
names of partner goods on the marketplace

1226
stores are present in 370 cities in Russia

>100 MLN PEOPLE
the total number of M.Video and Eldorado loyalty programs participants

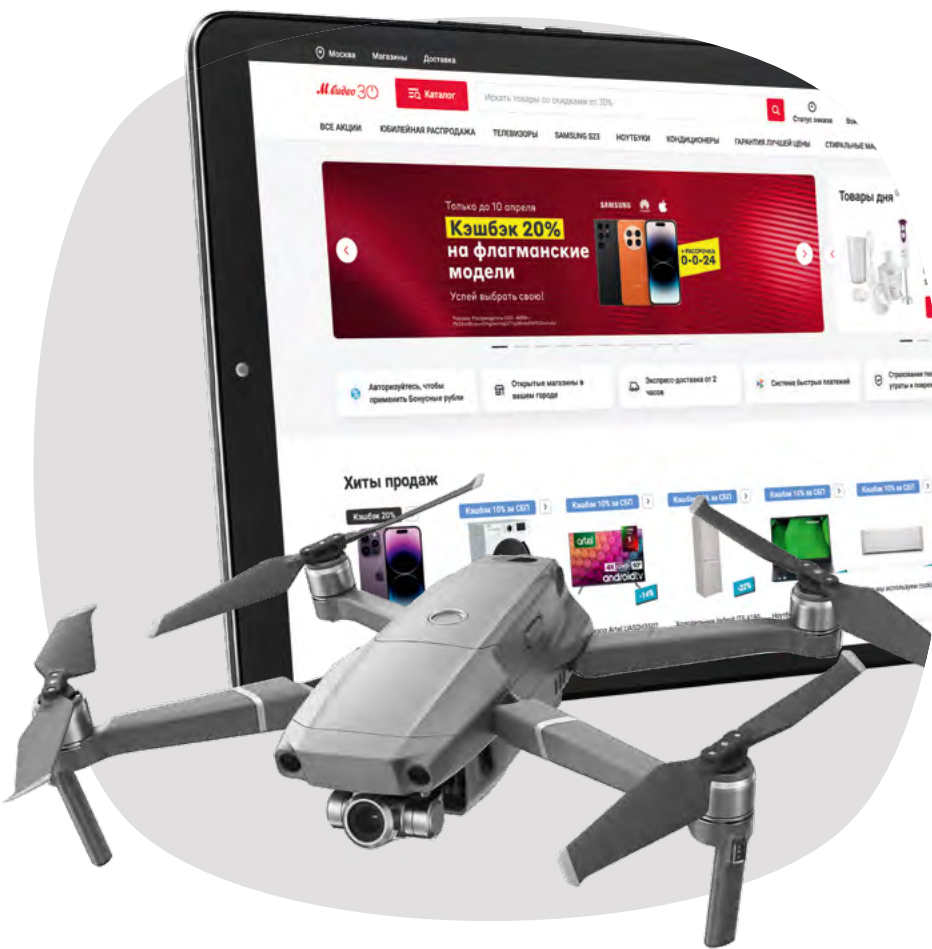
25%
of the partners of the M. Video- Eldorado marketplace are small businesses



The Group's business is based on its two leading retail brands, M.Video and Eldorado, each of which has a 100% recognition amongst the Russian audience.

The two-brand strategy provides access to the widest possible audience of customers, as well as flexibility to changes in market trends and the effectiveness of the development of the retail network.

In 2022 sales of major brands from Russia and the CIS in M.Video-Eldorado increased by approximately 1.5 times compared to 2021. Among the most popular brands are Atlant, Vityaz, Gefest, Darina, Artel, Flama, Elikor and Biryusa.



M.VideoEldorado

In 2022, the group launched its own import operations from scratch in just a few weeks, securing both familiar brands and products from new manufacturers for its customers. By improving key business processes and new approaches in marketing, the group was able to show growth in operating efficiency and a reduction in operating and investment costs of 19 billion rubles compared with 2021.

As a result, by the end of 2022 M.Video-Eldorado showed strong financial results – adjusted EBITDA margin was just under 4%, while the company's debt obligations, including net debt and trade working capital, decreased by more than 35% compared to 2021 and amounted to less than 65 billion rubles.

In 2022, the group retained the scale of its retail network almost in full. Stores in 370 cities remain a key place for Russians to choose, get advice and buy, as well as to get a personal introduction to technology or new brands.

In 2022, M.Video-Eldorado made additional commitments for brands that do not provide customer support in Russia. The company independently protects the interests of customers when buying such goods – for service

issues, the customer can contact any of the stores and get the necessary assistance. The number of customer complaints about warranty cases did not change significantly during the year.

Also in 2022, M.Video-Eldorado continued to scale its own electronics marketplace. At the end of the year, the group doubled the range of partner products to 110,000 items, and the turnover of the marketplace has more than tripled. Over the year the number of partners of the M.Video-Eldorado Marketplace has doubled, and about a quarter were small business suppliers.

Thanks to many years of experience and expertise, a high level of digitalization and readiness for rapid change, M.Video-Eldorado overcame the challenges of 2022 and successfully adapted to the new economic conditions.

M.Video-Eldorado credit rating

A+(RU)
outlook – stable

ACRA

ruA+
outlook – stable

Expert

Financial investments in Public Companies

RussNeft Oil Company

RussNeft Oil Company (PJSC) (MOEX: RNFT) is one of the top 10 companies in terms of oil production in the country. It is the only major oil company in Russia created not in the course of privatization, but as a result of the consolidation of market assets. The company was founded in 2002, and in November 2016 there was a public offering of its ordinary shares on the Moscow Stock Exchange.

RussNeft in figures

11,2%

SFI share

748

MLN
TONSoil reserves by Russian
classification

6,914

MLN
TONS

oil production at the end of 2022

20^{-TH}

anniversary
of RussNeft in 2022

RUB 54 BLN

the EBITDA indicator in 2022



russneft.ru



The business model of RussNeft is based on the upstream segment: the company is focused on exploration, production and sales of hydrocarbons.

RussNeft has a balanced portfolio of assets in the key oil and gas bearing regions: the Volga, Central and Western Siberia. The company participates in oil development and production projects in the Republic of Azerbaijan.

The volume of reserves under the international classification (SPE-PRMS) by category 2P is 224 million tons. Oil and condensate reserves under the Russian classification, categories AB1C1+B2C2, amount to 626 million tons. Total oil equivalent reserves under categories AB1C1+B2C2 amount to 748 million tons.

At the end of 2022, oil production was 6.914 million tons. The active oil stock amounted to 1,950 wells, the injection stock amounted to 722 wells. In 2022 RussNeft commissioned 101 new wells, including 98 oil wells and three water wells.



The company invests in projects with the highest return on invested capital and reduces costs by resorting to advanced technology and sound engineering and economic solutions.

In 2022 Russneft's investments amounted to 26 billion rubles, the EBITDA indicator was about 54 billion rubles.

RussNeft strategy

RussNeft strategy provides for investment activities aimed at organic growth of production drilling, commissioning new reserves in promising areas, creating new and upgrading the existing infrastructure, as well as achieving stable growth in the medium term.



34

Corporate governance report

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54	Remuneration statement
56	Risk management

Basic principles of corporate governance

In the course of its operations, SFI relies on the principles of corporate conduct set out in the Corporate Governance Code approved on March 21, 2014, by the Board of Directors of the Bank of Russia.

SFI regularly assesses compliance with the principles of corporate governance using methods recommended by the regulator and set forth in Letter of the Bank of Russia No. IN-06-28/102 dated December 27, 2021 "On Disclosing the Report on Compliance with the Principles and Recommendations of the Corporate Governance Code in the Annual Report of a Public Joint-Stock Company." As part of the assessment, the contents of the Charter and internal documents, as well as corporate governance practices, are analyzed for their compliance with the principles and recommendations set out in the Corporate Governance Code of the Bank of Russia.

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The assessment results are described in the Report on Compliance with the Principles and Recommendations of the Corporate Governance Code (See Appendix 1 to this report).

SFI has built an effective corporate governance framework,

which increases the holding's stability and investment attractiveness, allows for applying the best practices in the resolution of corporate problems, reduces risks, and helps arrange and monitor management operations. The main purpose of applying corporate governance standards is to protect the interests of all shareholders, regardless of the size of their shareholding.

IMPROVING CORPORATE GOVERNANCE

is one of the main objectives of SFI's sustainable development concept.



SFI's ordinary registered shares are included in the Level 1 Quotation List of the Moscow Exchange. SFI abides by the corporate governance principles and independence criteria for the members of the Board of Directors, which are required to be observed by the Listing Rules of the Moscow Exchange. SFI submits quarterly reports to the Moscow Exchange on compliance with all requirements set forth in the Listing Rules.

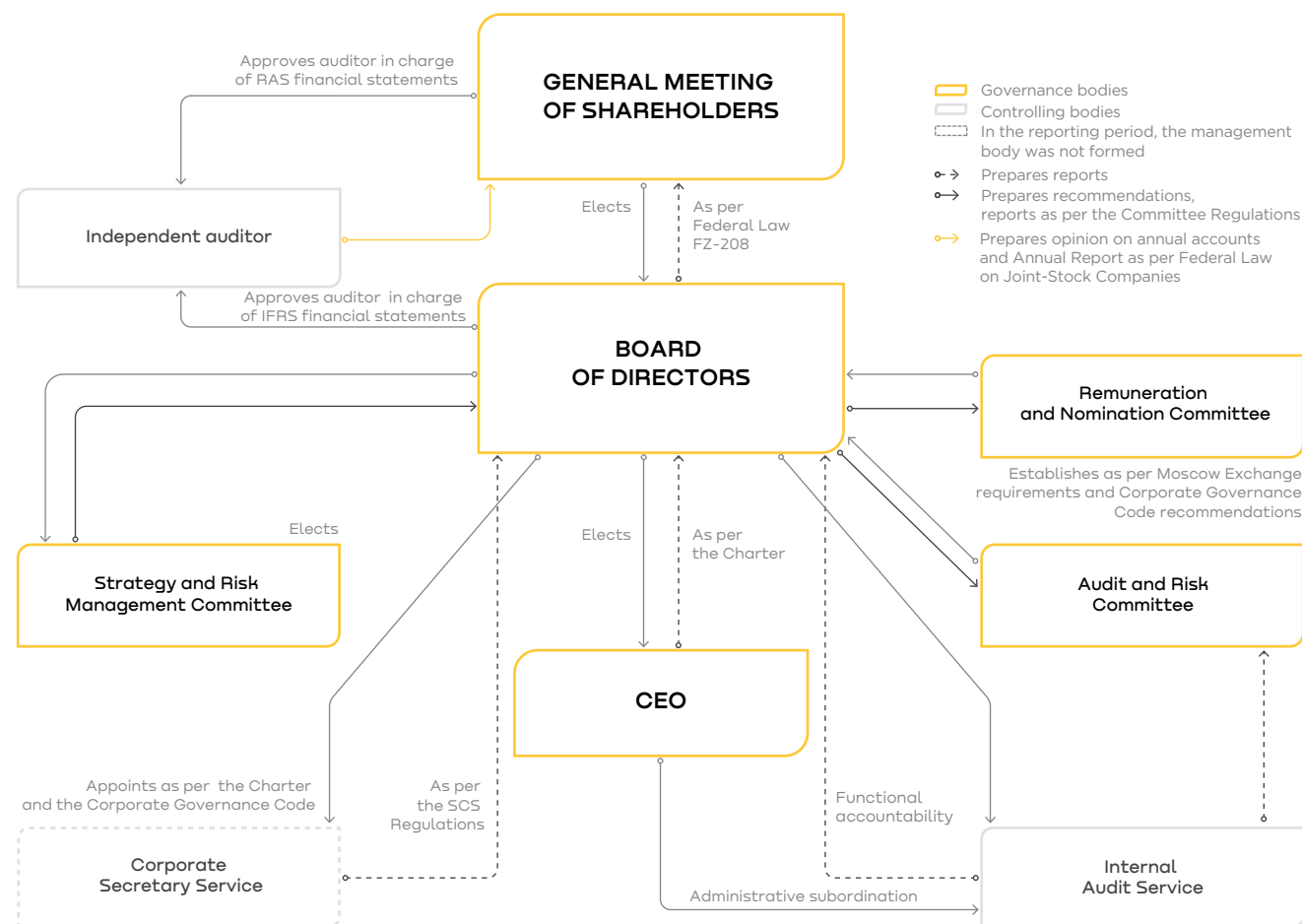
Corporate governance structure

In accordance with the PJSC "SFI" Charter, the governance bodies are:

- General Meeting of Shareholders;
- Board of Directors;
- Management Board (the collegial executive body)¹;
- General Director of the Company (the Sole Executive Body).

The powers of the governance bodies are specified in the Charter and Issuer reports.

The PJSC "SFI" corporate governance structure²



The latest version of the Charter and the Issuer's 2022 report are available on the disclosure websites



¹ In the reporting year, the Management Board was not formed.
² As of December 31, 2022.

General meeting of shareholders

Operation principles

Pursuant to Federal Law "On Joint-Stock Companies" and the SFI Charter, the General Meeting of Shareholders is the SFI's supreme governance body. The activities and competence of the General Meeting of Shareholders are governed by the joint-stock company laws of the Russian Federation, the provisions of the Charter, and the Regulations on the Procedure for Convening and Holding General Meetings of Shareholders of PJSC "SFI" (version 4). Materials for the General Meeting of Shareholders are sent to all shareholders in accordance with the procedure established by the laws.

Shareholder rights protection

SFI strives to ensure the highest level of protection of shareholders' rights to participate in managing the holding, including the rights to participate in the General Meeting of Shareholders and to vote on its agenda, as well as the rights to receive profits in the form of dividends.

Participation in the General Meeting of Shareholders and voting on agenda items

To ensure the shareholders' right to participate in the General Meeting of Shareholders in accordance with the Company's Charter, all materials relevant to the agenda of the Meeting are sent to the shareholders through the Company's Registrar and non-banking credit organization National Settlement Depository ("NSD"), within the time frame stipulated by the laws and the SFI Charter. Shareholders can fill out the voting ballots remotely and mail them to PJSC "SFI" at the address specified in the ballot prior to the meeting. The ballots of such shareholders are counted during the tally of the votes. Shareholders can also vote online if their depository provides such a service.

Each shareholder also has the right to, personally or by proxy, participate in the General Meetings of Shareholders and to vote on the agenda directly at the General Meeting of Shareholders if the Meeting is held in the form of joint attendance. The outcome of the vote on the agenda items at the General Meeting of Shareholders held in the form of joint attendance is announced at the Meeting before its closure.

Shareholders can also view the results of the vote on SFI's website and the disclosure website:



Making proposals for the agenda of the General Meeting of Shareholders and nominating candidates to the governance bodies

Shareholders with substantial shareholdings shares¹ have the right to propose items for the agenda of the General Meeting of Shareholders, as well as to nominate candidates to the management and control bodies. Shareholders holding 10% of the voting shares of SFI or more also have the right to request the convocation of an Extraordinary General Meeting of Shareholders.

Providing access to documents

An important guarantee of the shareholders' right to participate in managing PJSC "SFI" is the right to access the documents that SFI is obliged to provide under the Law "On Joint-Stock Companies." To exercise this right, shareholders need to request access to the relevant documents in writing. After the time of granting is agreed upon, the required documents will be provided to the shareholders.

Dividends

In order to observe the shareholders' right to receive profits in the form of dividends, SFI declares the amount of dividends recommended for payment by the Board of Directors in advance, as well as the date the list of shareholders is compiled for the purpose of such payment. Thus, shareholders have the opportunity to decide what to do with their shares, taking into account the expected dividend payments.

¹ At least 2% of the authorized capital.

General meetings of shareholders held in 2022

Type	Дата собрания	Date	Adopted decisions (link to material disclosures)
Extraordinary	February 2, 2022	Consent to the Company's execution of a major transaction (interrelated transactions) in accordance with Chapter X of the Federal Law "On Joint-Stock Companies" and the requirements of the Company's Charter or other documents regulating the Company's activities	
Annual	June 9, 2022	1. Distribution of profits, including payment (declaration) of dividends, and losses for 2021. Election of members of the Board of Directors. Election of the Company's Revision Commission. 4. Approval of the Company's Auditor responsible for the audit of the Company's 2022 accounting (financial) statements prepared in accordance with Russian Accounting Standards (RAS). 5. Approval of the new version of the Regulations on the Procedure for Convening and Holding General Meetings of Shareholders of the Company (version 4). 6. Approval of the new version of the Regulations on the Board of Directors of the Company (version 6). 7. Approval of the new version of the Regulations on the Revision Commission of the Company (version 3). 8. Approval of the new version of the Regulation on Remuneration to Members of the Board of Directors and Compensation for Their Expenses (version 5)	
Extraordinary	August 18, 2022	1. Approval of the Regulation on Remuneration to and Compensation for Expenses of Members of the Board of Directors of Public Joint-Stock Company "SFI" (version 6). 2. Adopting a decision on consent to, or subsequent approval of transactions in cases stipulated by Article 83 of the Federal Law "On Joint-Stock Companies"	
Extraordinary	September 8, 2022	1. Early termination of the powers of members of the Company's Board of Directors. 2. Election of members of the Company's Board of Directors. 3. Approval of the new version of the Company's Charter (version 25)	
Extraordinary	November 17, 2022	1. Approval of the Regulation on Remuneration to and Compensation for Expenses of Members of the Board of Directors of Public Joint-Stock Company "SFI" (version 7). 2. Early termination of the powers of members of the Company's Board of Directors. 3. Determining the number of members of the Company's Board of Directors. 4. Election of members of the Company's Board of Directors	

Board of Directors



A complete list of the Board of Directors' competencies can be found in the SFI Charter



The Board of Directors is the main body in the Company's corporate governance framework. The key goals of its activities are long-term growth in the Company's assets value, protection of shareholders' rights and interests, and providing complete, accurate, and timely public information about the holding.

The competence of the Board of Directors includes making decisions on priority issues that may affect the development of SFI: defining the key areas of its activities and development strategy, approving its overall organizational structure and budget, appointing the CEO, approving transactions, considering vital issues of the activities of controlled organizations, making recommendations on dividend amount and payouts, etc.

Members of the Board of Directors

The board of directors is a balanced and professional body ensuring consistently growing results over the long term. The current composition of the Board of Directors was formed pursuant to the resolution of the Extraordinary General Meeting of SFI shareholders dated November 17, 2022 and includes seven members, three of whom are independent directors.

Changes in the Board of Directors

During the reporting period, the Board of Directors was re-elected three times. Yevgenia Zavalishina and Maxim Lapin left pursuant to the resolution of the Annual General Meeting of Shareholders, and Artur Akopyan and Yaroslav Glazunov were elected to fill the vacant positions. What is more, Said Gutseriev, a shareholder of the Investment Holding, left the Board of Directors after the United Kingdom imposed sanctions against him on June 29, 2022. In addition, former SFI CEO Avet Mirakyan left the Board of Directors. The composition of the Board of Directors was completely renewed pursuant to the resolution of the Extraordinary General Meeting of Shareholders dated September 8, 2022, followed by the resolution of the Extraordinary General Meeting of Shareholders dated November 17, 2022, when the seven members were elected.

Board of Directors' report

The Board of Directors and its committees are fully compliant with the Moscow Exchange requirements for corporate governance of issuers (Level 1 Quotation List) and the recommendations of the Corporate Governance Code of the Bank of Russia. As members of the Audit and Risk Committee and the Remuneration and Nominations Committee, only independent members of the Board of Directors were designated. Both committees were chaired by independent members of the Board of Directors.

In 2022, the Board of Directors held 19 meetings (including nine meetings held in-person). The total number of meetings in 2022 was down from 2021, while the number of in-person meetings was up. Throughout 2022, there was a quorum for most items on the meeting agendas, including the decisions made by a qualified majority of the Board of Directors.

The most important decisions made by the Board of Directors in 2022 include:

- 1 approving major transactions¹;
- 2 approving the annual budget and reports on its implementation, as well as the incentive program;
- 3 considering the current SFI strategy;
- 4 formulating SFI's position on issues on the agendas of the General Meetings of Shareholders (Member), subsidiaries, affiliates, and other companies where SFI is a shareholder or participant;
- 5 recommendations on issues related to the Extraordinary General Meetings of Shareholders and the Annual General Meeting of Shareholders²;
- 6 approving the Company's internal regulations;
- 7 termination of the powers and appointment of the CEO, consideration of the terms of the contract with the CEO.

¹ Including asset purchases and sales, as well as recommendations to the General Meeting of Shareholders regarding the approval of major related-party transactions.
² Including the external auditor, the Charter with the new name and the number of members of the Board of Directors.

Committees of the Board of Directors

As of December 31, 2022, SFI has formed and operates two committees consisting of independent directors. The Strategy Committee, which is not obligatory under the Listing Rules of the Moscow Exchange, was not formed from the members of the current Board of Directors.

During the 12 months of 2022, five meetings of **the Audit and Risk Committee** and two meetings of the Committee's expanded working groups were held.

During the meetings, preliminary material reviews were carried out and recommendations made on a number of issues, important to SFI, in particular, the system of external and internal audit in the Company was assessed; the Company's risk map, the terms of the contract with the external auditor (recommendations were made to the Board of Directors in terms of IFRS statements audit and to the General Meeting of Shareholders in terms of RAS statements audit), the dynamics of the Company's accounts payable, and compliance with covenants were reviewed; reports and inspection plans of the Internal Audit Service were preliminarily approved; and the Regulations on the Committee and the Regulations on the Internal Audit Service adopted by the Board of Directors were recommended. After being reviewed by the Committee, decisions on a number of issues were adopted at the Annual General Meeting of Shareholders and at meetings of the Company's Board of Directors.

All scheduled committee work issues in the period under review were discussed at committee meetings within the target time frame and all necessary recommendations were made to the Board of Directors and the General Meeting of Shareholders.

The Remuneration and Nominations Committee held ten meetings in 2022 to discuss agenda items and make decisions. Most of the meetings were held in person, with the use of telecommunications. The meetings reviewed the issues within the purview of the committee, including candidate nominations to the Board of Directors and the Revision Commission of the Company in terms of compliance with the requirements of the Moscow Exchange and the provisions of the Corporate Governance Code of the Bank of Russia and the Company's goals and objectives; parameters of self-assessment of the Board of Directors, the terms of the employment contract with the Company's CEO; parameters of motivation of the employees of PJSC "SFI", the organizational structure of the Company, the indicators of staff turnover and employee engagement and loyalty.

Based on the results of the meetings, the Committee adopted recommendations, including those regarding candidates proposed for election to the Board of Directors and the Revision Commission of the Company, the incentive system and organizational structure, the building of corporate culture, and the organization of personnel interaction.

All scheduled committee work issues during the period under review were discussed at committee meetings within the targeted time frame and all necessary recommendations were made to the Board of Directors and the General Meeting.

Based on the number of meetings of committees and working groups attended by members of the Board of Directors who are not members of the committees, as well as the discussion of issues, it is possible to conclude that the committees are sufficiently active with a high level of organization on the part of committee chairmen throughout the entire period of work.

Corporate secretary service

The Corporate Secretary of SFI ensures compliance of the Company's governance bodies and officers with the procedures stipulated by laws of the Russian Federation and the SFI's Charter and internal documents to protect the rights and interests of the Company's shareholders.

The Corporate Secretary also organizes interaction between shareholders, the Board of Directors, and other stakeholders in corporate relations.



Mikhail GORBACHEV

Corporate Secretary SFI

Does not hold any SFI shares

Education. A university degree

Career. All positions held by the person in the Issuer and other organizations over the past five years up to now, including part-time positions, in chronological order: August 2017 – present: Corporate Secretary at SFI.

Audit and control system

ICS structure

1

Strategic level

Approving the principles and approaches to organizing the ICS:

- General Meeting of Shareholders;
- Board of Directors;
- Committees of the Board of Directors.

2

Operational level

Ensuring that the ICS functions properly:

- CEO

Execution of control procedures and activities:

- SFI management;
- SFI employees.

3

Control Level

Independent evaluation of ICS efficiency:

- Revision Commission¹;
- Internal Audit Service.

Internal control system

The internal control system (ICS) of SFI is a set of organizational measures, procedures, and actions taken by the holding company for business efficiency and compliance with the laws of the Russian Federation and SFI's own internal documents.

The ICS verifies the actions of the holding's management with respect to the measures taken to achieve SFI's strategic and operational goals, ensure the accuracy and timeliness of reporting, guarantee the safety of the holding, and ensure SFI's compliance with applicable laws and the requirements of local regulatory documents.

Number of meetings of committees and working groups attended by members of the Board of Directors who are not members of the committees, the course of discussion issues allow us to draw conclusions about the sufficient activity of the committees with a high level of organization on the part of the chairmen of the committees throughout the entire period of work.

The effectiveness of the corporate ICS is assessed annually by the Internal Audit Service and the Revision Commission to provide the Board of Directors and executive bodies with objective and unbiased information on the current state of the internal control system.

In accordance with and in addition to the Internal Audit System work plan, the following audits were carried out in 2022:

- audit of the accounting and tax statements for 2021;
- audit of the setting of key performance indicators (KPIs);
- audit of the KPI fulfillment process for 2021;
- audit of the income and expenditure statement progress for 2021;
- IT audit (operational);
- audit of the investment management business process;
- verification that obligations under the credit agreement are being fulfilled (quarterly);
- audit of the organization of the internal control system in the process of approval, accounting, and storage of internal and external documents.

In SFI's 2022 performance audit, the Internal Audit Service did not identify any high-risk deficiencies. Based on the results of the audit, recommendations were made to the responsible owners of processes, the implementation of which made it possible to improve the efficiency of the internal control system, risk management, and corporate governance.

Composition of the SFI Revision Commission in 2022¹

	Full name	Year of birth	Position at the main place of work
1	Andrey Gorokhov	1980	Corporate Investments and Technologies LLC (CI&T)
2	Mikhail Polozov	1990	Deputy Head of the Financial Department at PJSC "SFI"
3	Vyacheslav Sedykh	1986	Head of IFRS Reporting Department at PJSC "SFI"

Composition of the Internal Audit Service in 2022

	Full name	Year of birth	Position at the main place of work	Participation interest in the authorized capital and share of ordinary shares held, %
1	Elena Evdokimova	1970	Head of the Internal Audit Service	0

External audit

The Company's procedure for selecting auditors includes tendering and subsequently collecting and comparing proposals from auditors.

The following criteria are used when comparing auditors' proposals:

- association with the largest auditing companies;
- business reputation;
- experience in auditing leasing and insurance companies;
- presence of employees with diplomas issued by recognized accounting and auditing associations and organizations;
- professionalism of the working group, employee qualification and experience;
- cost of services;
- willingness to work to a set deadline.

Proposals are assessed by authorized SFI employees and includes an evaluation stage and negotiations if required. As part of the evaluation stage, the Company evaluates and compares proposals and ranks them in terms of preference based on the criteria listed above.

The fee for the services of TSATR – Audit Services LLC, the auditor, for 2022 was determined by the Board of Directors on June 21, 2022, and amounted to RUB 10.9 million (excluding VAT).

2022, the Revision Commission had been operating since its election at the Annual General Meeting of Shareholders on June 23, 2021, was entirely re-elected for a new term at the Annual General Meeting of Shareholders on June 9, 2022, and then abolished.

¹ Pursuant to the resolution of the Extraordinary General Meeting of Shareholders the new version of the Charter, which does not provide for the election of the Revision Commission of the Company, was approved. The date of registration of the Charter is September 16, 2022.

¹ Before September 16, 2022.

Remuneration statement

Remuneration and compensation for expenses of members of governance bodies

Board of Directors

The amount of remuneration and compensation to members of the Board of Directors of the holding in 2022 was determined in accordance with the Regulation on Remuneration to and Compensation for Expenses of Members of the Board of Directors approved by the General Meeting of Shareholders. It depends on the performance of duties related to participation in the work of the Board of Directors, as well as work on committees.

On November 17, 2022, the SFI Extraordinary General Meeting of Shareholders approved the current seventh version of Regulation on Remuneration to and Compensation of Expenses of Members of the Board of Directors of the Issuer. It applies to members of the Board of Directors elected on September 8, 2022.

The Regulation establishes the procedure for determining the amount of remuneration to members of the Board of Directors and the Chairman of the Board of Directors of SFAS for participation in the work of the Board of Directors and committees, as well as compensation of expenses of members of the Board of Directors in connection with participation in meetings of the Board of Directors.

The actual fixed remuneration amounts are accrued in proportion to the number of meetings attended by the member of the Board of Directors, provided that they participated in the number of meetings equalling at least half of the total number of meetings of the Board of Directors held during the calculation period.

Each member of the Board of Directors can be reimbursed for travel expenses incurred in connection with participation in the work of the Board of Directors in accordance with the travel expense regulations stipulated for employees of PJSC "SFI".

The main provisions of the policy on remuneration and compensation to members of the Board of Directors before September 7, 2022 were governed by the sixth version of the Regulation.



For more details on the current Regulation on Remuneration to and Compensation for Expenses of Members of the Board of Directors of PJSC "SFI"



Management Board

Due to the fact that the Management Board was not formed in 2022, no remuneration was paid.

Sole Executive Body

There is no information about the remuneration of the Sole Executive Body for their work in the governance bodies or in executive positions in the organizations included in the Group. Information on the availability of such remuneration can be obtained from the reports of the Issuer of the companies required to disclose information publicly.

Remuneration and compensation to members of SFI supervisory bodies

Revision Commission

SFI did not compensate the Revision Commission members for any expenses associated with serving at the Revision Commission in 2022.

Internal Audit Service

In 2022, the remuneration (salary) of the Internal Audit Service's employees amounted to RUB 3.68 million. SFI did not compensate the Internal Audit Service members for any expenses associated with serving at the Internal Audit Service in 2022.



Information on the organizations in which Igor Sidorov, CEO at PJSC "SFI," holds positions in the management bodies is given in

the Issuer's reports



Risk management

A prerequisite for achieving SFI's strategic goals in line with its development plans is effective risk management, which aims to adequately assess existing risks, prevent the occurrence of risk events, and implement a system to reduce the negative impact of risk events.

In this Annual Report, PJSC "SFI" defines the risks and uncertainties that it considers significant; due to the specific nature of the holding's activities, the list of these risks cannot be exhaustive. Other risks not listed in the Annual Report may also be significant and have an adverse effect on the holding's performance.

Risk management policy

SFI's risk management policy seeks to limit its risk appetite and make sure it manages capital efficiently. This involves minimizing unexpected risk-related losses, while taking into account the risk/return ratio acceptable for both the shareholders and the holding's management.

The Group manages risks through a continuous process of identification, assessment, and monitoring, as well as through the setting of risk limits and other internal control measures. The risk management process is critical to the Group's continued profitability, and each individual within the Group is responsible for the risks associated with their responsibilities.

The independent risk control process does not address business risks such as changes in the environment, technology, or industry. Such risks are controlled by the Group during the strategic planning process.

Overall responsibility for identifying and controlling risks lies with the Board of Directors, which is responsible for the overall risk management approach and for approving the risk management strategy and principles. **Moreover, there are separate independent bodies that are responsible for managing and controlling risks, including:**

- implementation and execution of procedures related to risk management in order to ensure an independent control process;
- consideration and establishment of new limits;
- preparation of internal documents on risk management measures, including risk identification and assessment, as well as risk control;
- independent analysis and evaluation of all types of risks to which the Group is exposed;
- assigning the appropriate category to credit risks.

PJSC "SFI" is continuously working to improve the efficiency of its risk management system to ensure steady business development in the interests of its shareholders and investors.



SFI's risk management procedures are detailed in the Risk Management Policy



RISK MANAGEMENT

is carried out at all levels of corporate governance.

Key elements of the risk management system:

- 1 risk identification and analysis;
- 2 risk assessment and prioritization;
- 3 risk management planning and coordination;
- 4 identifying the risk appetite (risk appetite management is reserved to the Investment Committee);
- 5 monitoring and controlling all types of risks inherent in the holding's business across all business units.

Key goals of the holding's risk management policy:

- 1 integrating risk accounting into all aspects of the holding's business to build a crisis-resistant model ensuring healthy growth across all business lines;
- 2 providing a stable return on capital for shareholders and investors;
- 3 ensuring the security and availability of shareholders' funds, including when stress scenarios materialize;
- 4 strengthening competitive advantages through more efficient capital management and higher SFI market value, based on an appropriate risk assessment and management.

Review of key risks

Industry risks

The core activity of PJSC "SFI" is the management of assets representing various segments of the financial industry. In this regard, industry risks actually reflect relevant risks of portfolio companies.



Risks of the leasing industry:

- risks associated with increased competition in the market among leasing companies with state participation;
- risks associated with the general deterioration of the economic situation in the country and, as a consequence, a decline in investment activity;
- risks associated with a possible decrease in the interest margin of the leasing market as a whole;
- risks associated with the functioning of the banking system/sector of the Russian Federation;
- risks associated with the entry of new competitors into the market;
- risks associated with the consolidation of competitors in the industry;
- risks of unfavorable events in the automotive industry, including multiple manufacturer withdrawals from the market of the Russian Federation, a decline in production, a shortage of cars, rising car prices, rising fuel prices.



Risks of the insurance industry:

- risks of adequacy of premiums and reserves (underwriting risk);
- risks of insurance portfolio concentration;
- risks of disaster;
- increasing competition in the industry, dumping in certain types of insurance, strengthening of business captivity;
- the emergence of instability in the insurance market, caused by the bankruptcy of small insurance companies or their withdrawal from the market due to stricter capital requirements;
- expansion of sanctions and intensification of negative attitude towards the Russian Federation – limitation of access to international reinsurers.



Risks of the retail industry:

- risks associated with changes in the volume of solvent consumer demand;
- risks of changes in the structure of consumer demand or customer preferences;
- risks of increased competition in the retail market;
- risks of changes in prices for products and (or) services;
- risks of loss of income as part of marketing promotions;
- risks of IT systems failure;
- risks of cyber fraud;
- risks of breach of license agreements;
- risks of supply chain disruptions.



Risks of the oil industry:

- the risk of restrictions on the volume of oil production set by the state;
- the risk of limiting exports and imports of oil, gas, and refined products;
- the risk of a possible increase in the tax burden on oil and gas companies;
- a sharp decline in oil prices, which will have a negative impact on the economy of Russia as a whole, the oil industry and the economy of RussNeft;
- dependence on monopoly providers of oil and gas transportation services and their tariffs;
- a possible increase in the tax burden on oil and gas companies;
- risks of the consequences of technogenic impact on the environment, in particular emissions into the atmosphere and water, and waste storage;
- the probability of a negative result when searching for a deposit in a licensed area;
- toughening of requirements for licensing subsoil use;
- intensifying development of alternative energy sources;



Risks of the gaming industry:

- risks of IT systems failure;
- risks of economic crime with game software;
- risks of theft of the game account, character, and in-game currency;
- reputational risks associated with game content;
- risks of not having sufficient Internet bandwidth;
- risks of legal uncertainty in the field of video games;
- risks of disconnecting foreign-made games in the Russian Federation;
- risks of international video game publishers exiting the market;
- risks of censorship of game content by state regulatory authorities.

Country and regional risks

As SFI's country of registration and main activity zone is Russia, the main country risks are the risks specific to the Russian Federation.

Since February 2022, escalating geopolitical tensions and the conflict with Ukraine has had a negative impact on Russia's economy. The European Union, the United States, and several other countries have imposed new sanctions on several Russian companies, as well as restrictions on certain types of transactions, including the blocking of funds in accounts in non-Russian banks. Some international companies have announced the suspension of their activities in Russia or the cessation of product shipment to Russia. This led to increased volatility in the stock and currency markets.

Temporary restrictive economic measures were introduced in the Russian Federation, including a ban on loans by residents to non-residents in foreign currency, the transfer of foreign currency by residents to their accounts in foreign banks, and restrictions on the payments of securities to foreign investors.

Management believes that takes everything necessary measures to ensure stable activity and development of SFI.

In response to increased volatility in financial markets and rising inflation risks, the Bank of Russia raised its key rate to 20% in February 2022. Later, the rate was gradually reduced to 7.5%.

Although the future business environment may differ from management's estimates, management believes it is taking all necessary measures to ensure SFI's stable operations and development.

Sanction risks

June 29, 2022. The UK has imposed sanctions against Said Gutseriev, a shareholder of the SFI Investment Holding. SFI Holding is mentioned in the justification of sanctions against Said Gutseriev, but is not included in any sanctions lists as a separate legal entity. SFI continues to operate at full capacity.

Financial risks

The activities of the holding are associated with financial risks, which depend on changes in the economic situation and financial market conditions. Risks that may affect SFI's operations include market, credit, and currency risks.

Credit risk. SFI's operations are exposed to credit risk, when one party to a financial transaction causes a financial loss to the other party by failing to fulfill its obligations. Exposure to credit risk results from the Group's credit activities and other counterparty transactions leading to appearance of financial assets.

In particular, for leasing activities SFI structures credit risk levels by setting limits on the amount of risk taken from transactions with a lessee or group of lessees. The Group monitors credit risk on an annual basis or more frequently.

Liquidity risk is the risk that the holding will be unable to meet its payment obligations when they fall due under normal or unforeseen conditions. A significant portion of SFI's financial assets are placed on terms that imply the possibility of their immediate sale, which is the main tool of protection against liquidity risk in the event of any unforeseen circumstances. To limit this risk, management has made various funding sources available in addition to the existing minimum amount in the accounts.

Management also manages assets with liquidity in mind and monitors future cash flows and liquidity on a daily basis.

Market risk is the risk that the fair value of future cash flows from financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates, and equity prices. The main goal of the Group's market risk management is to optimize the level of market risk within the Group, to comply with the established risk limits, and to minimize losses in adverse events.

The Group distinguishes the following categories of market risk:

- currency risk is the risk of losses or reduced profits associated with changes in foreign currency exchange rates;
- interest rate risk is the risk of losses or reduced profits associated with changes in the level of interest rates;
- equity risk is the risk of losses or reduced profits associated with changes in the fair value of equity securities.

Legal risks

Legal risks associated with the holding's operations are the risks of changes in the Russian currency regulation and tax laws.

The holding's exposure to the risk associated with changes in the currency regulation is minimal, but its relevance will be greater in case of a significant outflow of capital and depreciation of the national currency. When raising financing in foreign markets, SFI will be exposed to the risks of changes in the currency legislation of foreign countries.

Recent trends in the application and interpretation of certain provisions of Russian tax laws (including transfer pricing laws) suggest that the tax authorities may be taking a more assertive position when interpreting and applying certain provisions of these laws, carrying out tax audits, and imposing additional tax requirements. As a consequence, the tax authorities may make claims, including those on transactions and accounting methods that have not been challenged before. As a result, significant taxes, penalties, and fines can be imposed. It is not possible to determine the amounts of possible, but not lodged claims, as well as to estimate the probability of an unfavorable outcome. Field audits of the accuracy of tax calculation and payment by taxpayers conducted by the tax authorities may cover three operating calendar years immediately preceding the year in which the tax authorities made their decision to conduct the tax audit. Under certain conditions, earlier tax periods may also be audited.

In 2016, the Bank of Russia toughened regulation of non-credit financial institutions by putting in place an improved and more centralized control framework. As far as insurance and pension operations are concerned, these include the following regulatory measures:

- establishment of the procedure for the insurance companies to calculate the statutory liabilities to equity (capital) ratio;
- establishment of the procedure to transfer the insurance portfolio in cases where insurance companies become subject to bankruptcy prevention measures or license withdrawal;
- establishment of a specialized depository responsible for promptly identifying the insurance organizations' breaches of the applicable laws through daily monitoring of compliance with the requirements for the composition and structure of the assets accepted for coverage of insurance provisions and equity (capital) of an insurer, and with the rules applying to the investment of insurance provisions and equity (capital) of an insurer;
- transition to a unified chart of accounts (UCA) for non-credit financial institutions;
- transition to an electronic, XBRL-based data reporting format, in accordance with global reporting practices.

Risk of loss of business reputation (reputational risk)

The reputational risk for SFI means the risk of losses incurred due to a reduction in the number of customers, caused by a negative public perception of the financial stability of the holding or its portfolio companies, or a negative perception of the Company's activities as a whole.

During the reporting period, just as throughout the Company's entire history, there were no situations that threatened its business reputation. SFI and the companies included in the holding take all measures to form a fair view of their financial stability, carry out both timely disclosure of complete and reliable information in accordance with the applicable laws of the Russian Federation, and additional disclosure, such as press releases on key events, comments to the media and the investment community, as well as other materials, information, and explanations.

On an ongoing basis, we maintain a dialogue with the media, investors, analysts, clients and contractors, government and local authorities, industry associations, and other stakeholders.

Strategy risk

This risk implies that the holding may face losses due to mistakes or deficiencies in making decisions on its business and development strategy.

These include a failure to identify or substantiate its key business opportunities, provide (or adequately provide) financial, physical, technological, or human resources, and take appropriate organizational and management decisions that are required to deliver on SFI's strategic objectives and plans.

In order to ensure an efficient assessment and implementation of strategic decisions, SFI employs a short- and medium-term planning program. It is prepared by the relevant functions, which seek to analyze the current performance, set out priority areas, develop strategic plans, and monitor their implementation. In the process of implementing the objectives and plans defined by the holding's strategy, it may be possible to make adjustments to SFI's strategic plans and/or activities of SFI if external and/or internal market conditions change, or deviations of the calculated criteria from the estimates are identified in any segment.

Risks related to ongoing litigations

PJSC "SFI" is not currently involved in any litigations that may have a considerable adverse impact on the results of its operations. However, it is possible that in the ordinary course of business, the Company may become subject to various legal and tax proceedings and claims, some of which relate to market developments and changes in the tax and regulatory environment, in which the Company operates.

Therefore, the Company's obligations arising from any potential litigations, other legal proceedings, or in connection with other matters may affect its financial condition, performance, or liquidity.

Risks associated with the inability to extend a license to conduct a certain type of activity or to use items that are limited in circulation¹

SFI's core business² has been investment activity as a holding company by way of investing in securities of/stakes in business entities for the purpose of owning significant stakes or interests. Such activity is not subject to licensing. The Company is not exposed to risks associated with changes in the requirements for licensing the rights to use items¹ that are limited in circulation, because it does not possess any of such rights.

Risks related to SFI's possible liability for the debts of third parties, including subsidiaries

The holding is not liable for the debts of third³ as of the date of publication of the Annual Report. According to SFI, the possibility of liability for such debts is low, because the default of such companies is possible only in case of a significant deterioration of their financial situation and the situation in their industry.

Operational risks

Operational risk is the risk arising from system failure, human error, fraud, or external events.

When the control system stops functioning, operational risks may damage reputation, have legal implications, or cause financial losses. The holding cannot make the assumption that all operational risks have been eliminated, but through the control system and by monitoring and responding appropriately to potential risks, SFI can manage such risks. The control system includes effective segregation of duties, access rights, approval and reconciliation procedures, staff training, and evaluation procedures, including internal auditing.

¹ Including natural resources.

² From June 30, 2017 to the date of the Annual Report.

³ Including subsidiaries.

4

Sustainability report

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SFI sustainability principles

In its activities, the SFI investment holding adheres to the principles of responsible business conduct.

They are integrated into SFI's investment strategy, corporate governance and decisionmaking processes, day-to-day operations, and reporting and disclosure system.

In addition, the holding invests in companies (shares from 10 to 100%) which are aimed at development taking into account the principles based on the protection of the environment, the creation of favorable social conditions, good relations with employees and customers and good corporate governance.



In SFI, corporate **social responsibility and charity** are supervised by the Department of Communications and Investor Relations; **corporate governance issues** are managed by the Corporate Secretary Service; the Personnel Department is responsible for **personnel development issues**. **Compliance** is supervised by the Internal Audit Service.

In the reporting year of 2022, due to the geopolitical situation and the threat of potential sanctions, SFI and its assets decided to minimize information disclosure, indirectly impacting corporate governance indicators. In accordance with a series of government resolutions of the Russian Federation, the holding company does not fully disclose the independent auditor's report on the consolidated financial statements of PJSC "SFI" and its subsidiaries for the year ended December 31, 2022.



Corporate governance

SFI bases its activities on the principles of corporate behavior contained in the Corporate Governance Code, which was approved on March 21, 2014, by the Board of Directors of the Bank of Russia. The holding regularly assesses compliance with the corporate governance principles set forth in the Code. The assessment results are contained in the Report on Compliance with the Principles and Recommendations of the Corporate Governance Code and are published annually together with the holding's Annual Report.

The holding fully abides by the corporate governance principles and the independence criteria for the members of the Board of Directors in accordance with the Listing Rules of PJSC Moscow Exchange. It also submits quarterly compliance reports to the Moscow Exchange.

In 2022, the holding company established a Code of Business Ethics and Corporate Conduct. This code includes a set of principles and norms that help employees determine their behavior in daily activities, during which they can encounter potential conflicts between personal moral principles and business goals. The code defines the principles of corporate culture, shared values, and norms of business ethics that aim to increase professionalism while maintaining personal freedom of action.

Shareholder rights

- Each shareholder may participate in General Shareholder Meetings and vote on issues on the agenda, as well as access the documents that the holding is obliged to provide in accordance with the Law on Joint Stock Companies.
- Shareholders owning at least 2% of the authorized capital have the right to propose items for the agenda of the General Meeting of Shareholders and to nominate candidates to the management and control bodies.
- Shareholders owning 2% of the voting shares also have the right to request an Extraordinary General Meeting of Shareholders.

SFI has Regulations on Information Policy in place in order to protect the rights and legitimate interests of shareholders and investors, provide access to complete and reliable information about the holding's operations, improve corporate governance, make informed investment decisions, and increase the value of its financial assets. The Regulations define the goals and principles of information disclosure, the list of information (in addition to the information required by the laws), regarding which SFI undertakes the disclosure obligation, the procedure and timing of information disclosure, as well as measures to ensure control over compliance with the information policy.

Regulations on
Information Policy



Personal data protection

Personal data security is the most important attribute of interaction with employees, counterparties, investors, and shareholders.

To ensure the protection of human and civil rights and freedoms in the processing of personal data, as well as for the purposes of compliance with Russian laws in the field of personal data, SFI has developed, and adheres to, a Personal Data Protection Policy. The holding has also developed Personal Data Regulations.

These documents specify the composition of personal information that SFI collects about employees, partners, and shareholders, as well as the purpose of its collection, the scope of its application, and the terms of transferring such information to third parties. All new employees sign the consent to the processing, storage, and dissemination of their personal data. Employees must also familiarize themselves with SFI's Personal Data Protection Policy and other local regulations upon getting hired.

Personnel support and development

SFI employees are the most important asset of the holding. SFI takes all necessary measures to protect their occupational safety and health, and operates a program of financial incentives for employees, including bonuses, financial aid, and allocated funds for employee training.

Interaction between the holding as an employer and employees is regulated by Russian law and local regulations, which include the Internal Labor Rules, Regulations on the Labor Protection Management System, and Regulations on Remuneration and Incentives. To improve the quality of life of its employees, the holding has launched the Prime Zone corporate benefits program. It became part of SFI's employee benefits package.

The SFI holding company had 34 employees as for 31 December 2022. Out of these employees, 32% were women. There currently are no employees on maternity leave.

Personal Data
Protection Policy



34 EMPLOYEES

is the number
SFI employees
December 31, 2022



Environmental impact

SFI uses a limited amount of energy resources in its work, taking a responsible approach to their consumption. The holding and its subsidiaries and affiliates continuously implement measures aimed at reducing fuel, power, and heat consumption.

The SFI investment holding itself does not employ more than 40 people. The holding has minimal impact on the environment. At the same time, the employees are aware of the importance of responsible consumption.

Отчет об использовании энергетических ресурсов SFI Report on the use of energy resources

Consumption volume in 2022	in physical terms	in monetary terms
Electrical power	91,035.91 kWh	RUB 1,197,081.17
Thermal energy	NO DATA AVAILABLE	RUB 561,810.19
Motor gasoline	18,719.39 LITERS	RUB 1,022,332.65



Electronic document management has been implemented to reduce paper consumption.



Separate garbage collection is practiced.



Used batteries and rechargeable batteries are sent for recycling.



Plastic bottle caps are sent to a collection point as part of SFI's participation in the "Dobrie Krishechki" ("Caps for Good") campaign, a Russian environmental charity volunteer project.

In 2022 SFI has been listed on the NKR rating agency's ESG index. Per the survey results, the holding was categorized as belonging to the group with "above average" ESG observance level.

In its conclusion, the NKR rating agency's ESG index of Russian company had demonstrated a high interest of domestic companies in sustainability principles of development and the adoption of ESG practices.

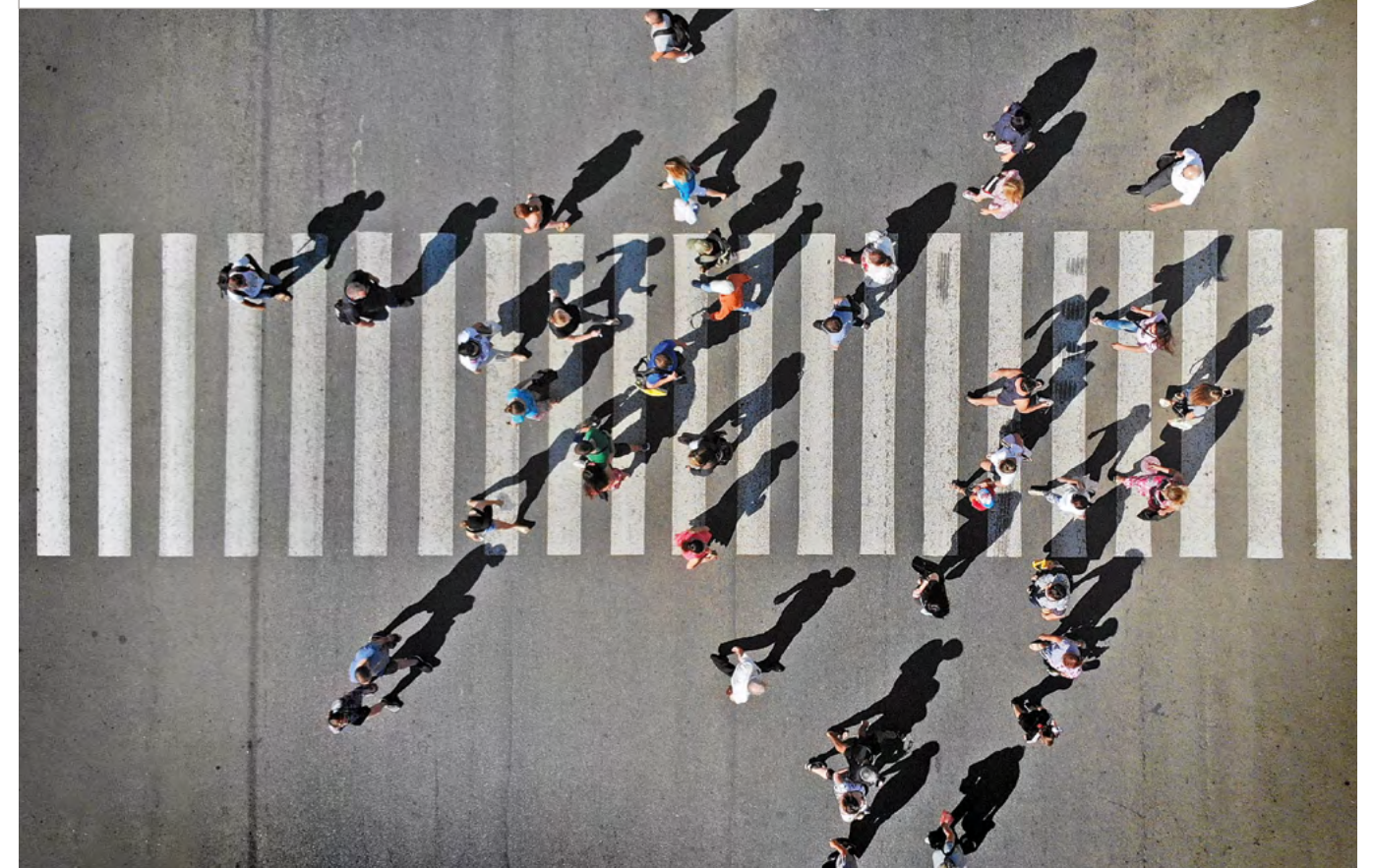
The NKR ESG index included real economy businesses, as well as financial institutions and insurers. For the final list, a total of 115 questionnaires were chosen. According to the points earned, the index participants were grouped into three categories: average compliance with environmental, social, and governance requirements; above average compliance; and high compliance.

Investment processes

When selecting investment targets, the holding prioritizes companies that adhere to the principles of sustainable development and conscientiously monitor their impact on the environment and society, minimizing the risks of negative effects and creating and expanding opportunities for positive change.

The investment process at SFI is governed by internal documents and procedures. Investment ideas and funding issues submitted to the Board of Directors, which decides whether to enter or exit a particular asset.

In 2022, SFI and its consolidated companies (Europlan, VSK, GFN.RU) paid a total of 8.6 billion rubles to the budget, including 4.1 billion rubles in insurance premiums and 4.5 billion rubles in tax payments



Sustainable development of SFI assets in 2022

SFI and the companies that make up the holding's portfolio make a significant contribution to the environmental agenda and environmental protection, the development of infrastructure and industry, job creation, the formation of a competitive labor and procurement market, and ensuring social and environmental well-being in the regions where we operate.

The investment process in SFI is regulated by internal documents and procedures. Investment ideas and fundraising issues submitted to the Board of Directors, which decides on the entry into or out of an asset.



Europlan leasing company

Europlan pays great attention to the sustainability agenda. The company is responsible for providing quality leasing services, ensuring careful use of resources, adherence to the principles of social justice, and best corporate governance practices.

The company actively participates in the institutional development of the leasing market in Russia through various industry associations and events, shares its expertise, and promotes the growth of financial literacy among the population.

Contributions to the green vehicle industry

- Europlan is actively financing the purchase of electric vehicles through leasing, which has tripled compared to 2020.
- The company ensures compliance with the recycling fee payment by exporters and manufacturers on leased items within the legal framework.

Reduced fuel consumption

The company has implemented mobility programs such as cabs, carsharing, subway, and trolleybuses, which have resulted in a reduced corporate fleet and a corresponding decrease in fuel consumption.

Reforestation

Europlan employees have planted 34,000 trees in five regions of the Russian Federation.

Green document management

Europlan has implemented an electronic document management system, which has allowed for a transition to a completely paperless workflow in many cases.



Europlan contributes to the improvement of the country's environmental situation by playing a key role in the process of renewing the vehicle fleet of Russian businesses. The company oversees the payment of recycling fees by exporters and manufacturers for leased items in accordance with the applicable legislation.

Europlan has a successful **Ecoplan project**, that was initiated by employees and is actively supported by the company's management.

Conscious consumption

Since 2019, the company has reduced its use of plastic in its offices by 50%.

Charity work

Europlan pays close attention to charitable activities and has actively supported children's charities since 2011.

The company has helped 15 orphanages, organized more than 85 charity trips and children's events, and had over 2,000 employees from 15 offices in 15 cities participate in 12 charity fairs.

Separate collection and recycling

33 TONS
of recycled and saved paper

149 KG
of recycled batteries

132 KG
of recycled caps

Report on Europlan's energy resource usage

Consumption volume in 2022	in physical terms	in monetary terms
Electrical power	603,469 kWh	RUB 3,181,871
Thermal energy	NO DATA AVAILABLE	RUB 942,934
Motor gasoline	881,413 LITERS	RUB 35,988,735
Diesel fuel	148,765 LITERS	RUB 5,877,589



VSK Insurance House

VSK is actively incorporating sustainability standards into its operations, with a focus on developing corporate social responsibility and improving management systems and client/partner interactions.

Reduced energy consumption

In addition to its social and corporate responsibilities, VSK also prioritizes the health and safety of its employees and the environment. In recent years, the company has implemented measures to reduce electricity consumption, including improving power supply schemes, reconstructing and modernizing power installations, and introducing new technologies and equipment.

Employee development

VSK Insurance House is dedicated to promoting a healthy lifestyle among its employees, with team-building events held for the entire branch network in 78 regions. The company also encourages employees to participate in sports competitions and offers a range of developmental activities for employees' families, including charitable events.

VSK Insurance House pays special attention to professional development of its employees, implementation of social support programs for personnel and charitable activities. Training programs are available to employees of all levels, the training topics are varied and are intended to develop not only professional but also personal qualities.

Charitable activities

VSK Insurance House is committed to giving back to society and regularly participates in charitable activities. In 2022, the company allocated funds for producing books for blind children, organized New Year's celebrations for the mentees of the Arithmetic of Kindness Foundation, and took part in other charitable events.



The members of the company's Board of Directors and Management Board are selected based on applicants' experience and professional qualities, with no discrimination based on gender, age, or other forms of identity. The gender composition of both boards is generally balanced, with women making up 23% of the membership. Additionally, VSK Insurance House offers a pension program for its employees.

Report on VSK's energy resource usage

Consumption volume in 2022	in physical terms	in monetary terms
Electrical power	3,535,868 kWh	RUB 25,825,158.59
Thermal energy	NO DATA AVAILABLE	RUB 2,523,394.4
Motor gasoline	64,892 LITERS	RUB 3,430,041

GFN.RU gaming service

One of the main environmental challenges that GFN.RU services address is reducing the carbon impact and electricity consumption.

By utilizing cloud gaming from a game service that is NVIDIA's exclusive partner for the development of GeForce NOW in Russia and the CIS, the company is making a long-term impact on the environment. GFN.RU carefully selects data centers with minimal carbon impact, which are the most efficient solutions available on the market. Additionally, GFN.RU users can reduce their carbon impact by spending less energy while playing games – on average, five times less per person. By selecting the right servers, GFN.RU gains a significant reduction in energy consumption per person and per server, which is important for both business and social responsibility.

The GFN.RU team values diversity and strives to maintain a balanced workforce by selecting employees based solely on their professionalism, without any preference for age, gender, or race. As a result, the team is composed of both men and women with diverse hobbies and perspectives on life. Such diversity is considered the norm and is key to the team's mental health.



M.Video-Eldorado retailer

One of M.Video-Eldorado's core values is its responsibility before the industry and society, which guides the group's ESG standards and initiatives.

The group has identified key priorities and development areas for sustainable development, including:

- **Environment.** Improving the environmental performance of our operations and supply chain, particularly by reducing greenhouse gas emissions and supporting the principles of the circular economy.
- **Social sphere.** Creating safe and comfortable working conditions for our employees and actively participating in the development of local communities and territories in the regions where we operate.
- **Corporate governance.** Adhering to the principles of the Corporate Governance Code approved by the Bank of Russia.

Promoting circular economy principles

Since the launch of its own circular economy program in 2019, M.Video-Eldorado has transferred over 8,000 tons of old appliances, batteries, and packaging from goods to licensed recycling companies. Customers can drop off small appliances, batteries, and batteries for free in 30 cities at over 700 M.Video and Eldorado stores.



By the end of 2022, M.Video and Eldorado customers had brought twice as many small appliances to the chain's stores for environmentally-friendly recycling compared to the previous year (1.5 thousand tons of unwanted household appliances), and ordered the removal of obsolete or unwanted large appliances 1.5 times more often, both together with delivery of new goods and without purchases, using the launched eco-taxi service. In 2022, customers also donated 60 tons of used batteries for recycling, an 18% increase over 2021.

The group has identified key priorities and development areas for sustainable development, including



Environment. Improving the environmental performance of our operations and supply chain, particularly by reducing greenhouse gas emissions and supporting the principles of the circular economy



Social sphere. Creating safe and comfortable working conditions for our employees and actively participating in the development of local communities and territories in the regions where we operate



Corporate governance. Adhering to the principles of the Corporate Governance Code approved by the Bank of Russia

Eco-Projects

At the start of 2022, leading Russian retail chains Eldorado, Pyaterochka, and Magnit, with the support of the Association of Retail Companies (ARC), launched their first joint project to encourage customers to use reusable bags called "Care in Nature of Things." The bags are made from spunbond, a lightweight and durable material that is not only convenient, but also easy to recycle after the end of its service life.

Responsible pricing

In March 2022, M.Video-Eldorado fixed prices for nearly 140 models in the low and medium price segments at the February 2022 level. This decision was made to meet the basic principles of social responsibility in business and to protect the interests of the population. By maintaining these prices, people were able to purchase necessary goods in case of need.

Charity projects

In 2022, M.Video-Eldorado held its fifth annual pre-New Year's campaign to support the children of the "Beautiful Children in a Beautiful World" foundation. During the days leading up to Christmas, customers at the retailer's stores could add a Christmas tree to their purchases, and all funds raised were used to support high-tech operations and other stages of treatment for children with maxillofacial pathology

RussNeft oil company

At RussNeft, a special emphasis is placed on the development and prosperity of the regions where they operate, the well-being of our country's citizens, and the preservation of natural resources

The safety and health of employees, as well as the protection of the environment in the areas where they operate, are top priorities and essential conditions for the successful development of business. The company makes significant tax payments to local budgets, creates job opportunities, and executes large-scale social programs in collaboration with the administrations of the Russian Federation's constituent entities.

Ecology and environmental protection

RussNeft is committed to reducing its environmental impact, increasing resource efficiency, and contributing to solving climate issues.

For instance, the company engages in annual restocking efforts in oil production regions to systematically restore aquatic bioresources affected by the development of Western Siberian fields. In 2022, RussNeft invested 5.37 million rubles in restocking the Ob-Irtysh fishery basin, adding 397,500 peled and 44,500 nelma juvenile fishes to the Ob River basin.

Support for indigenous peoples of the Far North

The Nizhnevartovsk branch of RussNeft produces hydrocarbons in the Nizhnevartovsk and Surgut districts of KhMAO-Yugra on lands belonging to ten territories of traditional nature use for 59 families of small indigenous minorities of the North. In 2022, the oil company allocated over 23.3 million rubles for compensation payments to these families. The funds were used to purchase building materials, fuel and lubricants, as well as other equipment necessary for the forest camps. RussNeft also provided financial support to the Inter-settlement Center of National Trades and Crafts in the rural settlement of Agan in the Nizhnevartovsk district. Additionally, RussNeft was a partner and founder of special prizes for a professional skill contest among reindeer breeders of the district for the Ugra Governor's Prize.

Educational programs

The company implements higher education projects in collaboration with the best universities in Russia: Lomonosov Moscow State University and Gubkin Russian State University of Oil and Gas.

Sports

In 2003, with the support of RussNeft, a soccer club named "Neftyanik" was established in the workers' settlement of Novospasskoye in the Ulyanovsk Region. Since its inception, the company has been the club's benefactor.



Consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2022

(in thousands of Russian rubles, unless otherwise stated)

	Note	2022	2021
Continuing operations			
Interest income calculated using the effective interest rate	23	1,783,985	295,277
Other interest income	23	26,467,541	18,836,019
Interest expense	23	(15,394,665)	(9,394,796)
Net interest income		12,856,861	9,736,500
Expected credit loss expense	24	(2,457,281)	(1,285,978)
Net interest income after expected credit loss expense		10,399,580	8,450,522
Share in net profit of associates	16	2,569,433	2,401,211
Net gains from financial instruments at fair value through profit or loss	10	(7,427,738)	(4,549,429)
Commission income		248,303	175,425
Net other income	25	10,760,416	7,126,927
Net other expenses		(731,034)	(378,116)
Net foreign exchange gains/(losses)		10,715	4,470
Total income from operations and finance income		15,829,675	13,231,010
Staff expenses	26	(6,914,640)	(5,667,758)
Other operating expenses	27	(2,389,942)	(2,391,064)
Other losses from impairment and provisions	24	(290,136)	(72,443)
Impairment of Goodwill		(304,625)	-
Other income		299,137	193,980
Other expenses		(180,787)	(127,725)
Profit before income tax from continuing operations		6,048,682	5,166,000
Income tax expense	28	12,364	(1,771,509)

	Note	2022	2021
Net profit from continuing operations		6,061,046	3,394,491
Discontinued operations			
(Loss)/profit before tax from discontinued operations		-	1,470,202
Income tax expense		-	(746,392)
Net (loss)/profit from discontinued operations		-	723,810
Net (loss)/profit for the period		6,061,046	4,118,301
Net (loss)/profit attributable to:			
Shareholders		6,176,666	4,172,916
Non-controlling interests		(115,620)	(54,615)
Other comprehensive income to be subsequently recognized in profit or loss			
Share of other comprehensive income of associates	16	155,398	(993,641)
Result from financial instruments in cash flow hedges		(228,624)	773,887
Reclassified to profit or loss		(650,082)	(121,053)
Effect of deferred income tax	28	175,742	(130,567)
Other comprehensive income for the period		(547,566)	(471,374)
Total comprehensive (loss)/income for the period		5,513,480	3,646,927
Total comprehensive (loss)/income attributable to:			
Shareholders		5,629,100	3,701,542
Non-controlling interests		(115,620)	(54,615)
(Loss)/earnings per share (expressed in Russian rubles per share)	22	126.53	83.54
Earnings per share from continuing operations (expressed in Russian rubles per share)	22	126.53	69.05

Consolidated statement of changes in equity for the year ended 31 December 2022

(in thousands of Russian rubles, unless otherwise stated)

	Note	Share capital	Treasury shares	Additional paid-in capital	Compulsory pension insurance reserve and insurance reserve	Cashflow hedge reserve	Retained earnings	Total equity attributable to shareholders	Non-controlling interests	Total equity
BALANCE AT 1 JANUARY 2021		74,797	(34,664,371)	67,297,565	8,147,036	(35,736)	20,373,070	61,192,361	40,357	61,232,718
Net (loss)/profit from continuing operations		-	-	-	-	-	3,449,106	3,449,106	(54,615)	3,394,491
Net (loss)/profit from discontinued operations		-	-	-	-	-	723,810	723,810	-	723,810
Other comprehensive income		-	-	-	-	522,267	(993,641)	(471,374)	-	(471,374)
Total comprehensive income for the period		-	-	-	-	522,267	3,179,275	3,701,542	(54,615)	3,646,927
Sale of shares in capital		-	5,952,638	(1,243,055)	(8,389,764)	-	806,912	(2,873,269)	-	(2,873,269)
Acquisition of non-controlling interests		-	-	-	-	-	(177,380)	(177,380)	(40,357)	(217,737)
Acquisition and sale of treasury shares	22	-	(4,521,262)	-	-	-	-	(4,521,262)	-	(4,521,262)
Acquisition of a subsidiary	8	-	-	-	-	-	-	-	(289,907)	(289,907)
Reallocation of additional paid-in capital to retained earnings	22	-	-	(7,000,000)	-	-	7,000,000	-	-	-
Changes in reserves for pension liabilities		-	-	-	242,728	-	(242,728)	-	-	-
BALANCE AT 31 DECEMBER 2021		74,797	(33,232,995)	59,054,510	-	486,531	30,939,149	57,321,992	(344,522)	56,977,470
Net (loss)/profit from continuing operations		-	-	-	-	-	6,176,666	6,176,666	(115,620)	6,061,046
Other comprehensive income		-	-	-	-	(702,965)	155,399	(547,566)	-	(547,566)
Total comprehensive income for the period		-	-	-	-	(702,965)	6,332,065	5,629,100	(115,620)	5,513,480
Sale of shares in capital		-	-	-	-	-	-	-	-	-
Acquisition and sale of treasury shares	22	-	(693,205)	-	-	-	-	(693,205)	-	(693,205)
Acquisition of a subsidiary	8	-	-	-	-	-	-	-	-	-
BALANCE AT 31 DECEMBER 2022		74,797	(33,926,200)	59,054,510	-	(216,434)	37,271,214	62,257,887	(460,142)	61,797,745

Consolidated statement of cash flows for the year ended 31 December 2022

(in thousands of Russian rubles, unless otherwise stated)

	2022	2021 ¹
Cash flows from operating activities		
Interest received	28,485,775	18,522,390
Gains of pension fund from placement of own funds, pension savings and pension reserves	–	2,687,912
Comissions received	2,670,674	2,509,603
Proceeds from financial intermediation services	–	1,848,295
Proceeds from sale of property on terminated lease agreements	1,280,956	904,473
Interest paid	(15,201,696)	(9,532,131)
Cash paid to employees and payroll related taxes paid	(6,638,777)	(5,976,834)
Other receipts	6,566,811	3,202,138
Other payments	(1,828,290)	(3,006,457)
Cash flows from operating activities before changes in working capital	15,335,453	11,159,389
Changes in operating assets/liabilities		
Financial instruments at fair value through profit or loss	772,803	5,691,718
Deposits with banks	–	75,000
Net investment in leases	(300,000)	(3,955,695)
Reverse repurchase agreements and accounts receivable	(34,528)	(8,264,245)
Lease payments received to repay net investment in leases and financial assets at amortised cost, and advances received from lessees	102,493,789	95,756,997
Purchase of assets for finance lease	(127,439,901)	(150,926,172)
Purchase of assets for operating lease	(646,689)	(1,122,919)
Other assets	6,804,067	(3,968,417)
Pension liabilities	–	(2,979,704)
Other liabilities	(187,044)	376,655
Net cash used in operating activities before income tax	(3,202,050)	(58,157,393)
Income tax paid	(1,510,127)	(2,876,990)
Net cash used in operating activities	(4,712,177)	(61,034,383)

	2022	2021 ¹
Cash flows from investing activities		
Proceeds from sale of property and equipment	176,317	187,738
Purchase of property and equipment	(168,512)	(450,819)
Acquisition of a subsidiary	–	201,938
Proceeds on disposal of subsidiaries, net of cash disposed of	203,646	24,007,439
Dividends received	–	1,135,464
Net cash from / (used in) investing activities	211,451	25,081,760
Cash flows from financing activities		
Borrowings received	51,400,000	67,517,602
Borrowings repaid	(37,245,613)	(48,996,325)
Bonds issued	5,500,000	37,135,085
Bonds repaid	(12,710,021)	(8,622,629)
Lease liabilities	(241,244)	(284,514)
Purchase of treasury shares	(692,294)	(5,281,674)
Dividends paid	–	–
Acquisition of non-controlling interests	–	(805,079)
Net cash from financing activities	6,010,828	40,662,466
Effect of exchange rate changes on cash and cash equivalents	(9,078)	(189)
Effect of expected credit losses on cash and cash equivalents	3,729	(6,088)
Net (decrease)/increase in cash and cash equivalents	1,504,753	4,703,566
Cash and cash equivalents at the beginning of the period	8,791,782	4,088,215
Cash and cash equivalents at the end of the period	10,296,535	8,791,781

¹ Comparative figures for 2021 are presented inclusive of reclassifications.

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Appendices

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Glossary

ACRA	ACRA Analytical Credit Rating Agency
CF	charitable foundation
VHI	voluntary health insurance
UBS	Unified Biometric System
ILI	investment-linked life insurance
KPI	key performance indicator
LC	leasing company
Mln	million
RUB mln	million roubles
Bln	billion
RUB bln	billion roubles
IFRS	International Financial Reporting Standards
NPF	non-governmental pension fund
CMTPL	compulsory motor third-party liability insurance
'000	thousand
RAS	Russian Accounting Standards
IA	internal audit
CS	Corporate Secretary
NIL	net investments in lease
IPO	initial public offering
SPO	secondary public offering

Appendices

In accordance with the Regulation On Information Disclosure by the Issuers of Issue-Grade Securities No. 714-P dated 27 march 2020, the appendices listed below shall be integral parts of SFI 2022 Annual Report and are available on the following disclosure websites: www.e-disclosure.ru and www.sfiholding.ru.

- **Appendix 1.**
Corporate Governance Code compliance report;
- **Appendix 2.**
The main forms of financial statements for 2022 according to IFRS;
- **Appendix 3.**
The main forms of financial statements for 2022 according to RAS;
- **Appendix 4.**
Major transactions in 2022;
- **Appendix 5.**
Interested-party transactions report for 2022.



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