ACRA

CORPORATE SECTOR

MACHINERY & EQUIPMENT

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ACRA AFFIRMS A(RU) TO SINARA TRANSPORTATION, CHANGES OUTLOOK TO NEGATIVE, AND AFFIRMS A(RU) TO ITS BONDS

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PRESS RELEASE

The credit rating of SINARA TRANSPORTATION (hereinafter, ST or the Company) is based on the high assessments of the market position, business, cash flow, and liquidity of the Company, as well as medium scores for size of business, profitability, and geographic diversification. The rating is constrained by the assessments of leverage and coverage. ST is actively participating in the High Speed Rail Project, which supports its financial metrics. The high probability of extraordinary support from the parent company — Sinara Group JSC (ACRA rating: AA-(RU), outlook Negative; hereinafter, Sinara Group or the Supporting Entity) — positively impacts the Company's credit rating.

The credit rating outlook has been changed from Stable to Negative due to the outlook for the Supporting Entity's credit rating.

ST is a leading Russian manufacturer of railway equipment. The holding specializes in the manufacture and maintenance of a wide range of equipment for electric trains, freight electric locomotives, diesel locomotives of various modifications, industrial diesel engines and diesel generators, track equipment, urban public transport, as well as units and components of railway equipment. The Company is part of Sinara Group, which holds machinery manufacturing assets, as well as companies specializing in comprehensive supplies of products for major enterprises, construction, financial and banking services, and the chemicals industry.

KEY ASSESSMENT FACTORS

High probability of extraordinary support from the Supporting Entity. ST is an important part of Sinara Group. The Company was the initial step in the formation of Sinara Group in 2001. ST consolidates the assets of Sinara Group in the railway engineering segment and boasts unique production capacities and competencies. The development of ST is integrated into the overall development strategy of Sinara Group. Sinara Group acts as the sole executive body of ST. Sinara Group exercises strategic and operational control over the Company's activities. These facts indicate a high probability that Sinara Group will provide financial assistance to the Company, if necessary.

The strong business assessment reflects ST's strong positions in the sub-factors Characteristics of Sales Markets and Dependence on Subcontracting and Components, as well as the very strong score for the sub-factor Stability and Size of Contract Base (more than three years of revenues). The Market Position sub-factor is also assessed as high because ST is a key, and for some types of products — the only, supplier of railway equipment to the Russian market. At the same time, the Sales Market Diversification sub-factor received a medium score, given that the Company's revenues are dominated by domestic sales (more than 90% of revenues). Corporate governance corresponds to industry standards. Financial transparency is assessed as medium. In 2025, the

Company developed a new strategy that runs until 2030 and then adopted it in January 2026. Among other things, the strategy is aimed at broadening ST's product portfolio and diversifying the consumer base.

The financial profile is based on, among other things, the medium size of the Company's business in the context of the corporate sector (according to the Agency's calculations, weighted FFO before net interest payments and taxes amounts to 0.539 bps of GDP), as well as the low assessment of leverage. According to ACRA's calculations, the weighted leverage indicator exceeds 5.0x. The absolute value of total debt, including lease, increased from RUB 55.8 bln at the end of 2023 to RUB 95.2 bln at the end of 2024, and is expected to increase to RUB 104 bln by the end of 2025. The weighted coverage score is low (according to the Agency's calculations, the ratio of FFO before net interest payments to interest payments is 0.8x). The Company's profitability is assessed as medium (according to ACRA's calculations, the weighted FFO margin before net interest payments and taxes is less than 10%). At the same time, ST's liquidity is high due to cash held in the Company's accounts and committed but undrawn credit lines. The high assessment of cash flow reflects the high scores for FCF margin (more than 5%) and the ratio of capital expenditures to revenues (less than 5%).

KEY ASSUMPTIONS

- Achieving the revenue and operating cash flow targets for 2026–2028;
- Total volume of capital investments in line with forecasts in 2026–2028;
- No dividend payments until 2028.

POTENTIAL OUTLOOK OR RATING CHANGE FACTORS

The **Negative outlook** assumes that the rating will highly likely be downgraded within the 12 to 18-month horizon.

A positive rating action may be prompted by:

- Upgrade of the Supporting Entity's credit rating;
- The weighted ratio of FFO before net interest payments to interest payments exceeding 2.5x.

A negative rating action may be prompted by:

- Downgrade of the Supporting Entity's credit rating;
- The Company maintaining a weighted ratio of total debt to FFO before net interest payments that exceeds 5.0x;
- The Company maintaining a weighted ratio of FFO before net interest payments to interest payments below 1.0x.

RATING COMPONENTS

Standalone creditworthiness assessment (SCA): **a-**.

Support: group.

ISSUE RATINGS

Bonds of SINARA TRANSPORTATION, series 001P-02 (RU000A103G00), maturity date: July 22, 2026, issue volume: RUB 10 bln — **A(RU)**.

Bond of SINARA TRANSPORTATION, series 001P-03 (RU000A105M91), maturity date: December 10, 2027, issue volume: RUB 10 bln — **A(RU)**.

Bond of SINARA TRANSPORTATION, series 001P-04 (RU000A1082Y8), maturity date: March 10, 2029, issue volume: RUB 10 bln — **A(RU)**.

Bond of SINARA TRANSPORTATION, series 001P-05 (RU000A10B2X0), maturity date: March 11, 2027, issue volume: RUB 5 bln — **A(RU)**.

Rationale. The issues represent senior unsecured debt instruments of SINARA TRANSPORTATION. Due to the absence of either structural or contractual subordination of the issues, ACRA regards them as equal to other existing and future unsecured and unsubordinated debt obligations of the Company in terms of priority. In accordance with ACRA's methodology, the detailed approach was used to determine credit ratings, according to which the recovery rate for issues belongs to category II, and therefore the credit ratings of issues are equal to the credit rating of the Company and are set at A(RU).

REGULATORY DISCLOSURE

The credit ratings have been assigned to SINARA TRANSPORTATION and the issues of SINARA TRANSPORTATION based on the following methodologies: the Methodology for Assigning Credit Ratings to Non-Financial Corporations under the National Scale for the Russian Federation to calculate the SCA and determine the credit rating and the credit rating outlook of SINARA TRANSPORTATION under the national scale for the Russian Federation, Methodology for Assigning Credit Ratings with External Support to determine factors of external influence, Methodology for Assigning Credit Ratings to Financial Instruments under the National Scale for the Russian Federation to determine the credit ratings of the bond issues under the national scale for the Russian Federation, and the Key Concepts Used by the Analytical Credit Rating Agency within the Scope of Its Rating Activities to ensure consistent and uniform application of ACRA's methodologies, rating scales, models, and key rating assumptions.

The credit rating of SINARA TRANSPORTATION assigned under the national scale for the Russian Federation was published by ACRA for the first time on March 17, 2021. The credit ratings of the issues assigned under the national scale for the Russian Federation were published by ACRA for the first time on March 15, 2023 (ISIN RU000A105M91, ISIN RU000A103G00), April 5, 2024 (ISIN RU000A1082Y8), and March 21, 2025 (ISIN RU000A10B2X0).

The credit rating of SINARA TRANSPORTATION and its outlook, as well as the credit ratings of the bond issues of SINARA TRANSPORTATION, are expected to be revised within one year.

The credit ratings were assigned based on data provided by SINARA TRANSPORTATION, information from publicly available sources, and ACRA's own databases. The rating analysis was performed using the IFRS accounting (financial) statements of SINARA TRANSPORTATION as of December 31, 2024.

The credit ratings are solicited and SINARA TRANSPORTATION participated in their assignment.

In assigning the credit ratings, ACRA used only information, the quality and reliability of which were, in ACRA's opinion, appropriate and sufficient to apply the methodologies.

ACRA provided the following additional services to SINARA TRANSPORTATION: assessment of the obligations of companies/regions, municipalities and countries for compliance with sustainable development principles from May 18, 2021 to the present.

No conflicts of interest were discovered in the course of credit rating assignment.

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Analytical Credit Rating Agency (Joint-Stock Company), ACRA (JSC)
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The provided information, including, without limitation, credit and non-credit ratings, rating assessment factors, detailed credit analysis results, methodologies, models, forecasts, analytical reviews and materials, as well as other information placed on the ACRA website (further referred to as Information), coupled with the ACRA website software and other applications, are intended for information purposes only. Information must not be modified, reproduced or distributed by any means, in any way or form, either in whole, or in part, in marketing materials, as part of public relations events, in news bulletins, in commercial materials or reports without prior written consent from, and reference to, ACRA. Any use of Information in violation of these requirements or the law is prohibited.

ACRA credit ratings reflect ACRA's opinion about the ability of a rated entity to meet its financial obligations or about the credit risk of individual financial obligations and instruments of a rated entity at the time of publication of the relevant Information.

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The assigned credit and non-credit ratings reflect all material information pertaining to a rated entity and known by ACRA (including the information received from third parties), the quality and reliability of which ACRA considers appropriate. ACRA shall not be responsible for the accuracy of information provided by clients or relevant third parties. ACRA does not audit or otherwise verify the provided data and shall not be held responsible for their accuracy and completeness. ACRA conducts rating analysis of information provided by customers using its own methodologies, with the texts thereof available on ACRA's website — www.acra-ratings.com/criteria.

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