# CIAN Group

Consolidated Financial Statements as of December 31, 2023 and December 31, 2022 and for the years ended December 31, 2023, December 31, 2022 and December 31, 2021

**CIAN GROUP**

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ДРТ
ДЕЛОВЫЕ РЕШЕНИЯ И ТЕХНОЛОГИИ
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**INDEPENDENT AUDITOR'S REPORT**

To the Shareholders and the Board of Directors of Cian PLC:

**Qualified Opinion**

We have audited the consolidated financial statements of Cian PLC and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

**Basis for Qualified Opinion**

The Group's accompanying consolidated financial statements do not disclose the name of the ultimate controlling party. The absence of such information is a departure from the requirements of International Accounting Standard 24, *Related Party Disclosures*.

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Auditor's Independence Rules and the Auditor's Professional Ethics Code, that are relevant to our audit of the financial statements in the Russian Federation together with the ethical requirements of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (the "IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Basis for Qualified Opinion* section, we have determined a matter described below to be the key audit matter to be communicated in our report.

| Why the matter was determined to be a key audit matter | How the matter was addressed in the audit |
|---|---|
| **Preliminary purchase price allocation in a business combination and measurement of deferred consideration**<br><br>As disclosed in Note 6 to the consolidated financial statements, on September 19, 2023, the Group acquired 100% of Praktika Uspekha LLC. The Group accounted for the acquisition in accordance with IFRS 3, *Business Combinations*. The purchase consideration was allocated to various assets and liabilities of the acquired company.<br><br>We have identified this matter as a key audit matter because it represented significant auditor judgement due to the high degree of estimation uncertainty in determining the fair values of acquired net assets and measurement of deferred consideration. In addition, specialized skills and knowledge were required in evaluating the results of our audit procedures. | As part of our audit procedures, we considered the purchase and sale agreement between the Group and the seller of Praktika Uspekha LLC.<br><br>We reviewed the valuation methodology and assumptions, including the discount rate, revenue growth rate and operating profitability projections, that underlie the significant judgments used in determining the fair value of identifiable net assets and deferred consideration. We engaged our internal valuation specialists to review the methods and assumptions used by management to estimate the fair value of certain categories of assets and liabilities of the acquired subsidiary and tested mathematical accuracy of the calculations on a sample basis.<br><br>We also assessed the related disclosures to determine if they were accurate and complete in accordance with IFRSs. |

## Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these the consolidated financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

**Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period, and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Vladimir Kozyrev
(ORNZ № 21906101406)
Engagement partner
Acting based on the power of attorney issued by the General Director on 15 August 2022 authorizing to sign off the audit report on behalf of AO "Business Solutions and Technologies" (ORNZ № 12006020384)

25 April 2024

**CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023, DECEMBER 31, 2022 AND DECEMBER 31, 2021**
***(in millions of Russian Rubles, unless otherwise stated)***

| | Note | 2023 | 2022 | 2021 |
|---|---|---|---|---|
| **Revenue** | 4 | **11,571** | **8,266** | **6,033** |
| Operating expenses: | | | | |
| Marketing expenses | 7 | (3,858) | (2,360) | (2,253) |
| Employee-related expenses | 8 | (4,352) | (3,759) | (5,062) |
| IT expenses | | (586) | (549) | (527) |
| Depreciation and amortization | | (276) | (269) | (279) |
| Other operating expenses | | (681) | (584) | (726) |
| **Total operating expenses** | | **(9,753)** | **(7,521)** | **(8,847)** |
| **Operating profit / (loss)** | | **1,818** | **745** | **(2,814)** |
| Finance costs | | (35) | (23) | (61) |
| Finance income | | 368 | 108 | 19 |
| Foreign currency exchange gain / (loss), net | | 355 | (108) | 53 |
| Other non-operating (expenses) / income | 9 | (171) | 45 | 6 |
| **Profit / (loss) before income tax** | | **2,335** | **767** | **(2,797)** |
| Income tax expense | 10 | (643) | (287) | (60) |
| **Profit / (loss) for the year** | | **1,692** | **480** | **(2,857)** |
| **Total comprehensive income / (loss) for the year** | | **1,692** | **480** | **(2,857)** |
| **Profit / (loss) per share, in RUB** | | | | |
| Basic profit / (loss) per share attributable to ordinary equity holders of the parent | | **24.19** | **6.86** | **(43.89)** |
| Diluted profit / (loss) per share attributable to ordinary equity holders of the parent | | **23.27** | **6.72** | **(43.89)** |
| Basic weighted average number of ordinary shares | | 69,959,548 | 69,920,715 | 65,092,557 |
| Diluted weighted average number of ordinary shares | | 72,702,400 | 71,448,605 | 65,092,557 |

The accompanying notes are an integral part of these consolidated financial statements

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS OF DECEMBER 31, 2023 AND DECEMBER 31, 2022

***(in millions of Russian Rubles)***

| | Note | December 31, 2023 | December 31, 2022 |
|---|---|---|---|
| **Assets** | | | |
| **Non-current assets** | | | |
| Property and equipment | | 73 | 68 |
| Right-of-use assets | | 33 | 74 |
| Goodwill | 6,11 | 933 | 785 |
| Intangible assets | 6,11 | 1,541 | 1,077 |
| Deferred tax assets | 10 | 207 | 137 |
| Other non-current assets | | 7 | 8 |
| **Total non-current assets** | | **2,794** | **2,149** |
| **Current assets** | | | |
| Inventories | | 29 | 30 |
| Advances paid and prepaid expenses | | 141 | 99 |
| Trade and other receivables | 12 | 573 | 414 |
| Prepaid income tax | | 66 | 3 |
| Cash and cash equivalents | 13 | 6,434 | 4,110 |
| Other current assets | | 257 | 169 |
| **Total current assets** | | **7,500** | **4,825** |
| **Total assets** | | **10,294** | **6,974** |
| **Equity and liabilities** | | | |
| **Equity** | | | |
| Share capital | 14 | 2 | 2 |
| Share premium | 14 | 7,702 | 7,702 |
| Equity-settled employee benefits reserves | 15 | 1,117 | 648 |
| Accumulated losses | | (1,645) | (3,343) |
| **Total equity** | | **7,176** | **5,009** |
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| Lease liabilities | | 10 | 28 |
| Deferred tax liabilities | 10 | 113 | 127 |
| Deferred income | 9 | — | 108 |
| Trade and other payables | 16 | 104 | — |
| **Total non-current liabilities** | | **227** | **263** |
| **Current liabilities** | | | |
| Contract liabilities | 4 | 869 | 554 |
| Trade and other payables | 16 | 1,540 | 642 |
| Income tax payable | | 1 | 66 |
| Other taxes payable | | 463 | 366 |
| Lease liabilities | 10 | 18 | 41 |
| Deferred income | 9 | — | 33 |
| **Total current liabilities** | | **2,891** | **1,702** |
| **Total liabilities** | | **3,118** | **1,965** |
| **Total liabilities and equity** | | **10,294** | **6,974** |

These consolidated financial statements were authorized for issuance by the Company's Board of Directors on April 25, 2024 and signed by management:

Dmitriy Grigoryev
Chief Executive Officer
DocuSigned by:
10B19BC41DEB47D...

Mikhail Lukyanov
Chief Financial and Strategy Officer
DocuSigned by:
63E7DBA63A304E2...

The accompanying notes are an integral part of these consolidated financial statements

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**
**FOR THE YEARS ENDED DECEMBER 31, 2023, DECEMBER 31, 2022 AND DECEMBER 31, 2021**
***(in millions of Russian Rubles)***

| | Note | Share capital | Share premium | Equity-settled employee benefits reserves | Accumulated losses | Total equity |
|---|---|---|---|---|---|---|
| **Balance at January 1, 2021** | | — | **125** | **—** | **(997)** | **(872)** |
| Loss and total comprehensive loss for the year | | — | — | — | (2,857) | (2,857) |
| Effect arising from the share split | | 2 | — | — | — | 2 |
| Issue of ordinary shares, net of transaction costs | | — | 7,489 | — | — | 7,489 |
| Share-based payments | 15 | — | — | 110 | — | 110 |
| **Balance at December 31, 2021** | | **2** | **7,614** | **110** | **(3,854)** | **3,872** |
| | | | | | | |
| **Balance at January 1, 2022** | | **2** | **7,614** | **110** | **(3,854)** | **3,872** |
| Profit and total comprehensive income for the year | | — | — | — | 480 | 480 |
| Issue of ordinary shares | 14 | — | 88 | (88) | — | — |
| Share-based payments | 15 | — | — | 657 | — | 657 |
| Cancellation of share-based payments by employees | 15 | — | — | (31) | 31 | — |
| **Balance at December 31, 2022** | | **2** | **7,702** | **648** | **(3,343)** | **5,009** |
| | | | | | | |
| **Balance at January 1, 2023** | | **2** | **7,702** | **648** | **(3,343)** | **5,009** |
| Profit and total comprehensive income for the year | | — | — | — | 1,692 | 1,692 |
| Share-based payments | 15 | — | — | 548 | — | 548 |
| Reclassification between equity-settled and cash-settled awards | 15 | — | — | (72) | (1) | (73) |
| Cancellation of share-based payments by employees | 15 | — | — | (7) | 7 | — |
| **Balance at December 31, 2023** | | **2** | **7,702** | **1,117** | **(1,645)** | **7,176** |

**CONSOLIDATED STATEMENTS OF CASH FLOWS**
**FOR THE YEARS ENDED DECEMBER 31, 2023, DECEMBER 31, 2022 AND DECEMBER 31, 2021**
***(in millions of Russian Rubles)***

| | Note | 2023 | 2022 | 2021 |
|---|---|---|---|---|
| **Cash flows from operating activities** | | | | |
| Profit / (loss) before income tax | | 2,335 | 767 | (2,797) |
| **Adjusted for:** | | | | |
| Depreciation and amortization | | 276 | 269 | 279 |
| Employee share-based payment expense | 15 | 684 | 657 | 2,549 |
| Finance income | | (368) | (108) | (19) |
| Finance costs | | 35 | 23 | 61 |
| Foreign currency exchange (gain) / loss, net | | (355) | 108 | (53) |
| (Reversal) / allowance for expected credit losses | | (1) | (14) | 16 |
| **Working capital changes:** | | | | |
| Increase in trade and other receivables | | (99) | (1) | (238) |
| (Increase) / decrease in advances paid and prepaid expenses | | (25) | 2 | (9) |
| (Increase) / decrease in other assets | | (86) | 122 | (232) |
| Increase / (decrease) in trade and other payables | | 305 | (18) | 235 |
| Increase in contract liabilities and deferred income | | 115 | 87 | 230 |
| Increase / (decrease) in other liabilities | | 96 | 127 | (2,017) |
| **Cash generated from / (used in) operating activities** | | **2,912** | **2,021** | **(1,995)** |
| Income tax paid | | (855) | (199) | (26) |
| Interest received | | 367 | 106 | 16 |
| Interest paid | | (5) | (6) | (59) |
| **Net cash generated from / (used in) operating activities** | | **2,419** | **1,922** | **(2,064)** |
| | | | | |
| **Cash flows from investing activities** | | | | |
| Acquisition of a subsidiary, net of cash acquired | 6 | (305) | — | (1,651) |
| Purchase of property and equipment | | (36) | (51) | (52) |
| Purchase of intangible assets | | (98) | (69) | (89) |
| Loan issued to a related party | 17 | — | — | (25) |
| Loans issued to employees | | — | (16) | — |
| Loans collected from employees | | 2 | — | — |
| **Net cash used in investing activities** | | **(437)** | **(136)** | **(1,817)** |
| | | | | |
| **Cash flows from financing activities** | | | | |
| Proceeds from the issue of ordinary shares | | — | — | 6,520 |
| Repayment of borrowings | | — | — | (728) |
| Payment of principal portion of lease liabilities | | (41) | (42) | (38) |
| **Net cash (used in) / generated from financing activities** | | **(41)** | **(42)** | **5,754** |
| | | | | |
| **Net increase in cash and cash equivalents** | | **1,941** | **1,744** | **1,873** |
| **Cash and cash equivalents at the beginning of the year** | | **4,110** | **2,419** | **449** |
| Effect of exchange rate changes on cash and cash equivalents | | 383 | (65) | 111 |
| Effect of a reversal / (allowance) for expected credit losses | | — | 12 | (14) |
| **Cash and cash equivalents at the end of the year** | | **6,434** | **4,110** | **2,419** |

***(in millions of Russian Rubles, unless otherwise stated)***

## 1. GENERAL INFORMATION

The consolidated financial statements of Cian PLC and its subsidiaries (collectively, the "Cian Group" or the "Group") as of and for the year ended December 31, 2023 were authorized for issue in accordance with a resolution of the Board of Directors on April 25, 2024.

Cian PLC (formerly Solaredge Holdings Limited) (the "Company" or the "Parent") is a public liability company incorporated and domiciled in Cyprus and whose shares are publicly traded on the Moscow Exchange (MOEX). The registered office is located at Agiou Georgiou Makri, 64, Anna Maria Lena Court, flat/office 201, 6037, Larnaca, Cyprus. The Group's principal place of business is Elektrozavodskaya street 27/8, premise I, floor 5, Moscow, 107023, Russian Federation.

The Group is principally engaged in online real estate classifieds business within the Russian Federation through the Group's websites and mobile application. The Group's business operations are not significantly influenced by seasonality factors.

Subsidiaries of the Company, which have been included in these consolidated financial statements, are as follows:

| Subsidiary | Principal activity / Country of incorporation | % equity interest December 31, 2023 | % equity interest December 31, 2022 |
|---|---|---|---|
| iRealtor LLC | Online real estate classifieds (Russia) | 100% | 100% |
| N1.ru LLC | Online real estate classifieds (Russia) | 100% | 100% |
| MLSN LLC | Online real estate classifieds (Russia) | 100% | 100% |
| N1 Technologies LLC | IT services and development (Russia) | 100% | 100% |
| Financial Platform JSC | Financial platform operator (Russia) | 9%* | 9%* |
| Praktika Uspekha LLC | E-registration of property deals (Russia) | 100% | — |
| Profi Support LLC | IT services and development (Uzbekistan) | 100% | — |
| Fastrunner Investment Limited | Holding (Cyprus) | 100% | 100% |
| Mimons Investments Limited | Holding (Cyprus) | 100% | 100% |

* See Note 17 for more details.

The major immediate shareholders of the Group are Ronder HK Limited, Speedtime HK Limited and Dias Holding Limited (together "Speedtime Group"), which own an aggregate of 45.1% of the Group's ordinary shares as of December 31, 2023.

## 2. ACCOUNTING POLICIES

### 2.1 Basis of preparation

The Group's consolidated financial statements and the accompanying notes have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The consolidated financial statements have been prepared on a historical cost basis, except for share-based payment reserves (Note 15) which are measured at the grant date fair value for the equity-settled employee benefits reserves and at fair value on each reporting date for the cash-settled share-based payment liability.

The Group has prepared the consolidated financial statements on the basis that it will continue to operate as a going concern.

### 2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as of December 31, 2023 and 2022, respectively. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- power over the investee;
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if any facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year, are included in the consolidated financial statements from the date the Group gains control over the subsidiary until the date the Group ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to the transactions between members of the Group are eliminated in full on consolidation.

If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value.

## 2.3 New standards, interpretations and amendments

The Group applied for the first-time all standards, interpretations and amendments, relevant for its operations, which are effective for annual periods beginning on or after January 1, 2023. These standards, interpretations and amendments do not have a material impact on the Group's consolidated financial statements.

- IFRS 17 Insurance Contracts.
- Definition of Accounting Estimates – Amendments to IAS 8.
- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2.
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12.
- International Tax Reform—Pillar Two Model Rules – Amendments to IAS 12.

The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective. The following amended standards and interpretations are not expected to have a material impact on the Group's consolidated financial statements:

- Amendments to IFRS 16: Lease Liability in a Sale and Leaseback (effective date – January 1, 2024).
- Amendments to IAS 1: Classification of Liabilities as Current or Non-current (effective date – January 1, 2024).
- Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7 (effective date – January 1, 2024).

## 2.4 Summary of accounting policies

### a) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organized workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognized immediately in profit or loss as a bargain purchase gain.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortized, but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units (or groups of cash-generating units) that are expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognized for goodwill is not reversed in a subsequent period.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (which cannot exceed one year from the acquisition date), or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognized as of that date.

**b) Foreign currencies**

The Group's consolidated financial statements are presented in Russian Rubles ("RUB"), which is also the Company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The functional currency of all of the Company's subsidiaries is the RUB.

Transactions in foreign currencies are initially recorded by the Group's subsidiaries in their functional currency at exchange rates prevailing at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into functional currency at exchange rates prevailing at the reporting date. Differences arising on settlement or translation of monetary items are recognized within "Foreign currency exchange gain / (loss), net", in the consolidated statement of profit and loss and other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

The RUB is not a fully convertible currency outside Russia. Within the Russian Federation, official exchange rates are determined by the Central Bank of the Russian Federation.

**c) Revenue from contracts with customers**

Revenue from contracts with customers is recognized when control of products or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those products or services.

**i. Listing revenue**

Listing revenue is derived from offering online listings and related value-added services, such as different listing promotion options, to the Group's customers on its websites and mobile applications based on a cost-per-time basis. Customers can purchase either individual listings and value-added services, listing packages or subscriptions, which combine a number of listings and value-added services. The cash collected from the sale of online listings and related value-added services (both under the pay-per-listing, listing package model or the subscription model) is initially recorded as contract liability (deferred revenue) in the consolidated statement of financial position and subsequently recognized as revenue over time as customers receive and consume the benefits of the access to online listings and related value-added services over the contractual period. The average time period between receipt of payment from the customer and delivery of online listings is 30 days.

### ii. Lead generation revenue

Lead generation revenue represents fees charged to real estate developers for establishing and referring contacts (or leads) based on the number of qualified calls (validated user connections) received from primary real-estate listing posted primarily through Group's platform (as part of the "Core Business" segment) or through our partner banks' sites (as part of the "Mortgage Marketplace" segment). Performance obligation is satisfied at a point in time of occurrence of each qualified call. Payment is received after the delivery of validated connections. Payment is generally due within 20 to 30 days from providing these services.

### iii. Display advertising revenue

The Group's advertising services allow third parties to place advertisements in particular areas of the Group's websites and mobile application. Advertising revenue is recognized over time based on upfront monthly fees agreed in media plans, which also include targeted number of views or clicks during the period of advertisement. Payment is generally due within 20 to 30 days from providing advertising services.

### iv. Loyalty program

The Group has a loyalty points program which allows listing revenue customers to accumulate points that can be redeemed against future purchases. The loyalty points give rise to a separate performance obligation as they provide a material right to acquire additional services at a discount to the customer, that it would not receive without entering into that contract. A portion of transaction price is allocated to the loyalty points awarded to customers based on a stand-alone selling price of points and recognized as deferred revenue (contract liability) in the consolidated statement of financial position. Deferred revenue is recognized as revenue when loyalty points are redeemed, expire or the likelihood of the customer redeeming the points becomes remote. When estimating the stand-alone selling price of the loyalty points, the Group considers the likelihood that the customer will redeem the points.

### v. Other revenue

The Group explores new ways of monetization of its website and mobile application traffic and content database and develops new business initiatives, primarily Mortgage Marketplace, Data Analytics Services and Home Swap Services.

Mortgage Marketplace revenue comprises commission fees charged to banks for selling their mortgage products to the Group's websites and mobile application users. Upon sale, the Group charges the banks a fixed rate commission fee based on the mortgage amount ("Marketplace commission"). The Group's performance obligation with respect to these transactions is to arrange the transaction through its websites or mobile application. Marketplace commission is recognized on a net basis at the point of signing the mortgage agreement between the bank and the individual user. Payment is generally due within 20 to 30 days from providing these services.

Data Analytics Services revenue represents fees derived from the Group's customers for providing access to the Group's database of real estate content. The access can be provided either in the form of an individual report or on a subscription basis. The cash collected from the sales of subscription is initially recorded as deferred revenue in the consolidated statement of financial position and subsequently recognized as revenue over the subscription period. Revenue from sales of individual reports is recognized at the point of delivery of the report to the customer. Payment is generally due within 20 to 30 days from providing an individual report or a prepayment basis in a case of subscription.

Home Swap services revenue is derived from resale of properties. Revenue is recognized at the time of the closing of the property sale when title to and possession of the property are transferred to the buyer. The amount of revenue recognized for each property sale is equal to the full sales price of the property and does not reflect real estate agent commissions, closing or other costs associated with the transaction.

## d) Income taxes

### Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Income taxes are computed in accordance with the laws of the Company's and its subsidiaries' jurisdictions. Taxable income of the Group's companies incorporated in Russia and Cyprus is subject to local income tax at rates of 20.0% (except for N1 Technologies LLC – 0.0% from January 1, 2022 to December 31, 2024 and Praktika Uspekha LLC – 0.0% as a resident of Skolkovo Innovation Center) and 12.5%, respectively.

**Deferred tax**

Deferred income taxes are accounted for under the balance sheet method and reflect the tax effect of temporary differences between the tax basis of assets and liabilities and their carrying amounts in the accompanying consolidated financial statements.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Deferred tax assets are derecognized when it is no longer probable that sufficient taxable profit will be available against which the deductible temporary differences can be recognized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

**e) Intangible assets**

Intangible assets acquired separately are measured upon initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Research costs are expensed as incurred. Development expenditures on an individual project are recognized as an intangible asset when the Group can demonstrate:

- the technical feasibility of completing the intangible asset so that the asset will be available for use or sale;
- its intention to complete and its ability and intention to use or sell the asset;
- how the asset will generate future economic benefits;
- the availability of resources to complete the asset; and
- the ability to measure reliably the expenditure during development.

Intangible assets are amortized over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period for an intangible asset is reviewed at least at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

The amortization of intangible assets is recorded in depreciation and amortization within the consolidated statements of profit or loss and other comprehensive income.

Amortization is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

| | **Useful lives in years** |
|---|---|
| Trademarks | 7-9 |
| Customer base | 15-18 |
| Software | 1-7 |
| Video and audio rights | 1 |
| Development costs | 5 |

An intangible asset is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

**f) Impairment of non-financial assets excluding goodwill**

At each reporting date, the Group reviews the carrying amounts of its non-current assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss, if any. Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. In determining fair value less costs of disposal, valuation multiples and the Company's share price are taken into account.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

**g) Cash and cash equivalents**

Cash and cash equivalents in the consolidated statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts.

**h) Share-based payments**

**Equity-settled transactions**

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognized in employee-related expenses, together with a corresponding increase in equity (equity-settled employee benefits reserves), over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit or loss and other comprehensive income for a period represents the movement in cumulative expense recognized as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognized for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognized is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

**Cash-settled transactions**

Certain senior level employees of the Group have received remuneration in the form of share-based payments, which are settled in cash (cash-settled transactions). For cash-settled share-based payments, a liability is recognized initially at the fair value. At each reporting date until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognized in employee-related expenses.

**i) Provisions**

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

**j) Value added tax**

Expenses and assets are recognized net of the amount of value added tax (“VAT”), except when the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the VAT is recognized as part of the cost of acquisition of the asset or as part of the expense item.

The net amount of the VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated statement of financial position.

**k) Segment reporting**

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available. The Group’s operating results (Note 5) are reviewed regularly by the Group’s Board of Directors (BOD) and Chief Executive Officer (CEO) to make decisions about resources to be allocated to the segment and assess its performance. Segment results are reported to the BOD and CEO and include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

**l) Financial instruments**

**Initial recognition and measurement**

In accordance with IFRS 9, financial assets are classified, at initial recognition, as amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

In accordance with IFRS 9, financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and financial liabilities at amortized cost, as appropriate.

The Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are ‘solely payments of principal and interest (SPPI)’ on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The Group’s business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

The Group’s financial assets include cash and cash equivalents, rent security deposits, trade and other receivables. The Group's financial liabilities include trade and other payables, lease liabilities and borrowings.

**Fair value of financial instruments**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

Fair value of traded financial instruments is determined on each reporting date on the basis of market quotations or dealers’ quotations without transaction costs deduction. For the financial instruments which are not traded on the market, fair value is determined with the use of appropriate valuation methods. These methods include use of market transactions data, use of data on the current fair value of other similar financial instruments, analysis of discounted cash flows or other valuation methods.

The Group uses the following structure for determination and disclosure of valuation methods of fair value of financial instruments:

*Level 1* inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

*Level 2* inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

*Level 3* inputs are unobservable inputs for the asset or liability.

**Subsequent measurement**

**Financial assets and financial liabilities at amortized cost**

This category is the most relevant to the Group. The Group measures financial assets at amortized cost if both of the following conditions are met:

- the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in interest expense in the consolidated statement of profit or loss and other comprehensive income.

**Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and
- either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability is derecognized when the obligation under the liability is discharged or is cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the consolidated statement of profit or loss and other comprehensive income.

**Impairment of financial assets**

The Group recognizes an allowance for expected credit losses (ECLs) for all financial assets measured at amortized cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. ECLs are discounted at the effective interest rate of the financial asset in case of long-term assets.

Under IFRS 9, ECLs are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

The Group applies a simplified approach in calculating lifetime ECLs for accounts receivable. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For all other financial assets, the Group recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

When determining whether the credit risk of a financial instrument has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- the financial instrument has a low risk of default – when the counterparty has an external credit rating of 'investment grade' in accordance with the globally understood definition (rating BBB- or higher, based on Standard & Poor's and Fitch ratings or a corresponding rating of a Russian rating agency when international rating is not available);
- the debtor has a strong capacity to meet its contractual cash flow obligations in the near term.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

At each reporting date, the Group assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Allowances for expected credit losses for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

**Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

## 3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's consolidated financial statements requires management to make judgments; estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities; and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

**Judgments**

In the process of applying the Group's accounting policies, no judgments were made by management, which had a material effect on the amounts recognized in the consolidated financial statements.

**Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on the parameters available at the time of consolidated financial statements preparation. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

*(in millions of Russian Rubles, unless otherwise stated)*

***Useful lives of intangible assets***

The estimation of the useful lives of intangible assets acquired through business combinations or generated internally is a matter of judgment based on the experience with similar assets. The future economic benefits embodied in the assets are consumed principally through their use. However, other factors related to the economic environment and market situation often result in the diminution of the economic benefits embodied in the assets. Management assesses the remaining useful lives in accordance with the current market conditions of the assets and the estimated period during which the assets are expected to earn benefits for the Group.

***Compliance with tax legislation***

The taxation system in the Russian Federation continues to evolve and is characterized by frequent changes in legislation, official pronouncements and court decisions, which are sometimes contradictory and subject to varying interpretation by different tax authorities. Taxes are subject to review and investigation by a number of authorities, which have the authority to impose severe fines, penalties and interest charges. A tax year generally remains open for review by the tax authorities during the three subsequent calendar years. However, under certain circumstances a tax year may remain open longer.

This may potentially impact the Group's tax position and create additional tax risks. This legislation and practice of its application is still evolving and the impact of legislative changes should be considered based on the actual circumstances. Management believes that it has adequately provided for tax liabilities based on its interpretations of applicable Russian tax legislation, official pronouncements and court decisions. However, the interpretations of the tax authorities and courts, especially due to the reform of the supreme courts that are resolving tax disputes, could differ and the effect on these consolidated financial statements, if the authorities were successful in enforcing their interpretations, could be significant.

## 4. REVENUE FROM CONTRACTS WITH CUSTOMERS

### 4.1 Disaggregated revenue information

Set out below is the disaggregation of the Group’s revenue from contracts with customers by type and timing of revenue recognition:

**For the year ended December 31, 2023**

| | At a point in time | Over time | Total revenue |
|---|---|---|---|
| Listing revenue | — | 5,617 | 5,617 |
| Lead generation revenue | 4,226 | — | 4,226 |
| Display advertising revenue | — | 895 | 895 |
| Other revenue | 811 | 22 | 833 |
| **Total revenue** | **5,037** | **6,534** | **11,571** |

**For the year ended December 31, 2022**

| | At a point in time | Over time | Total revenue |
|---|---|---|---|
| Listing revenue | — | 4,812 | 4,812 |
| Lead generation revenue | 2,368 | — | 2,368 |
| Display advertising revenue | — | 650 | 650 |
| Other revenue | 397 | 39 | 436 |
| **Total revenue** | **2,765** | **5,501** | **8,266** |

***(in millions of Russian Rubles, unless otherwise stated)***

**For the year ended December 31, 2021**

| | At a point in time | Over time | Total revenue |
|---|---|---|---|
| Listing revenue | — | 3,699 | 3,699 |
| Lead generation revenue | 1,332 | — | 1,332 |
| Display advertising revenue | — | 601 | 601 |
| Other revenue | 353 | 48 | 401 |
| **Total revenue** | **1,685** | **4,348** | **6,033** |

Listing, lead generation and display advertising revenues relate to the "Core Business" operating segment, while the major part of other revenue represents "Transactional Business" operating segment (Note 5).

### 4.2 Contract balances

The following table provides information about the Group's trade receivables and contract liabilities from contracts with customers:

| | December 31, 2023 | December 31, 2022 |
|---|---|---|
| Trade receivables (Note 12) | 570 | 384 |
| Contract liabilities (including 101 of loyalty points (2022: 39)) | (869) | (554) |

Contract liabilities represent the transaction price allocated to unsatisfied performance obligations, advances received from customers before the Group transfers the related products or services and loyalty points not redeemed. Contract liabilities are recognized as revenue when the Group transfers control over the related products or services to the customer. The outstanding balances of contract liabilities increased in 2023 due to the continuous increase in the Group's revenue. The total amount of contract liabilities as of each year end has been or to be recognized as revenue in the subsequent year.

## 5. SEGMENT INFORMATION

Since the IPO, the chief operating decision-maker (CODM) of the Group are the Board of Directors and the Chief Executive Officer. The CODM reviews the Group's internal reporting based on the management accounts in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

In evaluating the performance of the Group's operating segments and allocating resources, the CODM reviews selected items of each segment's statement of profit or loss and other comprehensive income including revenue and Adjusted EBITDA (an operating profit / (loss) for the period before depreciation and amortization and other adjustments described in the table "Reconciliation of Adjusted EBITDA to Profit / (loss) before income tax"). All other financial information is presented on a consolidated basis. Assets and liabilities are not allocated to different operating segments for internal reporting purposes.

The Group identifies its operating segments based on how the CODM manages the business, allocates resources, makes operating decisions and evaluates operating performance. The Group has identified the following operating segments on this basis, as these segments are analyzed separately by the CODM:

- Core Business;
- Transactional Business.

The "Core Business" segment represents the mature main service line of real estate online classifieds and related advertising services provided on the Group's platform (websites cian.ru, n1.ru, mlsn.ru and mobile application). This segment relates to the online real estate classified platform, where clients like real estate agencies and agents, developers and individual property owners place their property listings and related advertising materials.

The "Transactional Business" represents the Group's new offerings focused on developing different transactional business models. It includes a mortgage marketplace, where the Group earns commissions from its partner banks for distributing their mortgage products; home swap service, where the Group acquires and resells properties; and other online transaction services, which enable online execution of real estate transactions (including document checking, verification, signing and storage, notary services, registration and tax refunds) and facilitate simultaneous sales and purchases for our customers and users.

***(in millions of Russian Rubles, unless otherwise stated)***

Until the second quarter of 2023, the Group had four reportable segments: “Core Business”, “Mortgage Marketplace”, “Valuation and Analytics” and “End-to-End Offerings”. Starting from the third quarter, following the acquisition of SmartDeal (Note 6) and subsequent appointment of its CEO as a head of the Group’s newly created department “Transactional Business” (Cian.Transaction), the Group amended its internal reporting lines, the structure of CODM’s reporting packages and the way its CODM assesses performance and allocates resources. Having considered these changes, the Group amended the composition of its reportable and operating segments as follows. The “Core Business” operating segment now includes business lines previously reported as the “Core Business” and “Valuation and Analytics” operating segments. The “Transactional Business” operating segment – business lines previously reported as the “End-to-End Offerings” (including SmartDeal) and “Mortgage Marketplace” operating segments. The corresponding information for the years ended December 31, 2022 and 2021 is restated accordingly.

Revenue in all periods presented in the financial statements is derived from third parties and there is no inter-segment revenue. The Group operates only in Russia.

Revenue and costs are directly attributed to the Group’s segments when possible. However, due to the integrated structure of the Group’s business, certain costs incurred by one segment may benefit the other segments. These costs primarily include headcount-related expenses, marketing and advertising costs, product development, IT expenses (including hosting and technical support expenses and telecommunication services), office maintenance expenses and other general corporate expenses such as finance, accounting, legal, human resources, recruiting and facilities costs. These costs are allocated to each segment based on the estimated benefit each segment receives from such expenses, using specific allocation drivers representing this benefit. Substantially all assets and liabilities relate to the “Core Business” operating segment, except for assets and liabilities of the recently acquired SmartDeal (Note 6), which were allocated to the “Transactional Business” operating segment.

Management reporting is different from IFRS, the differences are IFRS adjustments listed below, which are not analyzed by the CODM in assessing the operating performance of the business:

- *Share-based payments* – for the purposes of CODM’s assessment of operating performance the fair value adjustments related to measurement of equity-settled employee benefits reserves are not analyzed; and
- *Other non-operating income / (expenses)* – for the purposes of CODM’s assessment of operating performance other non-operating income / (expenses) are not analyzed as this is not an operating stream;

as well as non-recurring items, such as IPO costs, that occur from time to time and are evaluated for adjustment as and when they occur.

Information on each of the reportable segments and reconciliation to Profit / (loss) before income tax is as follows:

| | **For the year ended December 31, 2023** | | |
|---|---|---|---|
| | **Core Business** | **Transactional Business** | **Total** |
| **Revenue, including:** | **10,892** | **679** | **11,571** |
| Listing revenue | 5,610 | 7 | 5,617 |
| Lead generation revenue | 4,204 | 22 | 4,226 |
| Display advertising revenue | 883 | 12 | 895 |
| Other revenue | 195 | 638 | 833 |
| **Adjusted EBITDA** | **3,023** | **(245)** | **2,778** |
| **Reconciliation of Adjusted EBITDA to Profit before income tax** | | | |
| **Adjusted EBITDA** | | | **2,778** |
| Depreciation and amortization | | | (276) |
| Finance income, net | | | 333 |
| Foreign currency exchange gain, net | | | 355 |
| Other non-operating expenses, net | | | (171) |

***(in millions of Russian Rubles, unless otherwise stated)***

| | |
|---|---|
| Share-based payments | (684) |
| **Profit before income tax** | **2,335** |

| | For the year ended December 31, 2022 | | |
|---|---|---|---|
| | Core Business | Transactional Business | Total |
| **Revenue, including:** | **7,925** | **341** | **8,266** |
| Listing revenue | 4,805 | 7 | 4,812 |
| Lead generation revenue | 2,356 | 12 | 2,368 |
| Display advertising revenue | 646 | 4 | 650 |
| Other revenue | 118 | 318 | 436 |
| **Adjusted EBITDA** | **2,239** | **(568)** | **1,671** |
| **Reconciliation of Adjusted EBITDA to Profit before income tax** | | | |
| **Adjusted EBITDA** | | | **1,671** |
| Depreciation and amortization | | | (269) |
| Finance income, net | | | 85 |
| Foreign currency exchange loss, net | | | (108) |
| Other non-operating income | | | 45 |
| Share-based payments | | | (657) |
| **Profit before income tax** | | | **767** |

| | For the year ended December 31, 2021 | | |
|---|---|---|---|
| | Core Business | Transactional Business | Total |
| **Revenue, including:** | **5,698** | **335** | **6,033** |
| Listing revenue | 3,699 | — | 3,699 |
| Lead generation revenue | 1,329 | 3 | 1,332 |
| Display advertising revenue | 596 | 5 | 601 |
| Other revenue | 74 | 327 | 401 |
| **Adjusted EBITDA** | **1,107** | **(789)** | **318** |
| **Reconciliation of Adjusted EBITDA to Loss before income tax** | | | |
| **Adjusted EBITDA** | | | **318** |
| Depreciation and amortization | | | (279) |
| Finance expenses, net | | | (42) |
| Foreign currency exchange gain, net | | | 53 |
| IPO-related costs | | | (304) |
| Other non-operating income | | | 6 |
| Share-based payments | | | (2,549) |
| **Loss before income tax** | | | **(2,797)** |

## 6. BUSINESS COMBINATION

**Acquisitions in 2023**

On September 19, 2023, the Group completed its acquisition of 100% of Praktika Uspekha LLC (SmartDeal), a company which provides e-registration and adjacent services for various types of property deals in Russia. The primary reason for the business combination was to develop a comprehensive platform for online transactions and expand the range of the Group's products in this area. The acquisition has been accounted for using the acquisition method. The Group's consolidated financial statements include the results of Praktika Uspekha LLC (SmartDeal) from September 19, 2023 until December 31, 2023.

***(in millions of Russian Rubles, unless otherwise stated)***

The table below summarizes preliminary allocations of the consideration to assets acquired and liabilities assumed based on their fair values (provisional accounting) as of the acquisition date. Management is still in the process of finalizing its analysis of key assumptions used in the determination of the fair values of intangible assets and the resulting impact on goodwill. All information presented with respect to such assets and liabilities assumed as it relates to these acquisitions is preliminary and subject to revision pending the final fair value analysis.

| | **September 19, 2023** |
|---|---|
| **Assets** | |
| Software with integrated customer base | 567 |
| Other intangible assets | 10 |
| Property and equipment | 1 |
| Trade and other receivables | 59 |
| Cash and cash equivalents | 64 |
| Other assets | 17 |
| **Total assets** | **718** |
| **Liabilities** | |
| Contract liabilities | (47) |
| Trade and other payables | (64) |
| Other liabilities | (1) |
| **Total liabilities** | **(112)** |
| **Total identifiable net assets at fair value** | **606** |
| Goodwill arising from the acquisition | 148 |
| **Purchase consideration transferred** | **754** |

As of the acquisition date, the fair value of trade receivables was 59. Trade receivables comprised gross contractual amounts of 60, of which 1 was expected to be uncollectable as of the acquisition date.

The acquired software with integrated customer base, amortized over a period of 7 years, represents the unique platform for online registration of property deals developed by SmartDeal which is integrated with its customers' internal systems. The Group used a Multi-Period Excess Earnings Method (MEEM) to determine the fair value of this asset. The most significant inputs used for the valuation were future revenue growth rates and projected profitability margins. These inputs are not observable in the market and thus represent a Level 3 measurement as defined by IFRS 13.

Deferred taxes on identifiable assets and liabilities recognized at their fair values do not arise because the acquired company is a resident of Skolkovo Innovation Center and applies a tax exemption under Russian tax legislation, which is expected to be in force during the useful lives of all net assets identified.

The goodwill recognized is primarily attributed to the expected synergies from combining the activities of the SmartDeal with those of the Cian Group and thus enhancing the Transactional Business offerings of the Group. The goodwill is not deductible for income tax purposes.

| | |
|---|---|
| *Consideration transferred* | |
| Deferred consideration payable | 640 |
| Contingent consideration payable | 114 |
| **Total consideration transferred** | **754** |

| | |
|---|---|
| *Analysis of cash flows from the acquisition:* | |
| Net cash acquired with the subsidiary (included in cash flows from investing activities) | 64 |
| Cash paid | (369) |
| **Net cash flow from the acquisition** | **(305)** |

The remaining part of deferred consideration will be paid in 2024 and 2025. The contingent consideration consists of up to 478 (undiscounted) payable, conditional on the achievement of defined operational and financial business performance targets. As at the acquisition date, the fair value of the contingent consideration was estimated to be 114. The Group estimated the fair value of the contingent consideration based on the same inputs as for the valuation of the acquired software with integrated customer base. As at the reporting date, the fair value of the contingent consideration was estimated to be 194 (including unwinding of discount in the amount of 6 recognized as finance costs). The change after the acquisition date occurred as a result of achieving certain performance targets in 2023 and is recognized in the consolidated statement of profit or loss and other comprehensive income as other non-operating expenses.

***(in millions of Russian Rubles, unless otherwise stated)***

If the acquisition of Praktika Uspekha LLC (SmartDeal) had taken place on January 1, 2023, consolidated revenue for the year ended December 31, 2023 would have been 11,848 and consolidated profit for the same period would have been 1,803.

The Group incurred acquisition-related costs of 12 relating to external legal fees and due diligence costs. These costs were included in other operating expenses during the years ended December 31, 2023, 2022 and 2021.

**Acquisitions in 2021**

On February 5, 2021, the Group completed its acquisition of 100% of N1.ru LLC (together with its subsidiaries, the "N1 Group"), a real estate-focused classifieds business that primarily operates in regional cities in Russia, such as Novosibirsk, Ekaterinburg and Omsk, for a total cash consideration of 1,785. The primary reason for the business combination was to enhance the Group's position in Russia's regions outside Moscow and Saint-Petersburg. The acquisition has been accounted for using the acquisition method. The Group's consolidated financial statements include the results of the N1 Group from February 5, 2021.

The purchase price has been allocated based on the fair values assigned to the assets acquired and liabilities assumed as of February 5, 2021, as follows:

| | **February 5, 2021** |
|---|---|
| **Assets** | |
| Customer base | 753 |
| Trademarks | 254 |
| Other intangible assets | 39 |
| Right-of-use assets | 18 |
| Property and equipment | 7 |
| Cash and cash equivalents | 134 |
| Other assets | 49 |
| **Total assets** | **1,254** |
| | |
| **Liabilities** | |
| Contract liabilities | (21) |
| Trade and other payables | (51) |
| Lease liabilities | (18) |
| Deferred tax liabilities | (130) |
| Other liabilities | (34) |
| **Total liabilities** | **(254)** |
| **Total identifiable net assets at fair value** | **1,000** |
| | |
| Goodwill arising from the acquisition | 785 |
| **Purchase consideration transferred** | **1,785** |
| | |
| *Analysis of cash flows from the acquisition:* | |
| Net cash acquired with the subsidiary (included in cash flows from investing activities) | 134 |
| Cash paid | (1,785) |
| **Net cash flow from the acquisition** | **(1,651)** |

Deferred tax liabilities represent the tax effect of temporary differences arising on identifiable assets recognized at their fair values.

The goodwill recognized is primarily attributed to the expected synergies from combining the activities of the N1 Group with those of the Cian Group. The goodwill is not deductible for income tax purposes.

***(in millions of Russian Rubles, unless otherwise stated)***

## 7. MARKETING EXPENSES

| | 2023 | 2022 | 2021 |
|---|---|---|---|
| Online marketing | (2,423) | (1,079) | (1,631) |
| Offline marketing | (1,364) | (1,221) | (556) |
| Other marketing expenses | (71) | (60) | (66) |
| **Total marketing expenses** | **(3,858)** | **(2,360)** | **(2,253)** |

Marketing expenses are only purchased advertising exclusive of any employee-related expenses.

## 8. EMPLOYEE-RELATED EXPENSES

| | 2023 | 2022 | 2021 |
|---|---|---|---|
| Wages, salaries and related taxes | (3,503) | (2,986) | (2,394) |
| Share-based payment expense (Note 15) | (684) | (657) | (2,549) |
| Other employee-related expenses | (165) | (116) | (119) |
| **Total employee-related expenses** | **(4,352)** | **(3,759)** | **(5,062)** |

## 9. OTHER NON-OPERATING (EXPENSES) / INCOME

| | 2023 | 2022 | 2021 |
|---|---|---|---|
| (Loss) / income from the depositary | (83) | 45 | 6 |
| Remeasurement of contingent consideration (Note 6) | (73) | — | — |
| Fees related to payment of deferred consideration (Note 6) | (15) | — | — |
| **Total other non-operating (expenses) / income** | **(171)** | **45** | **6** |

In connection with the IPO, the Group received consideration from the depositary based on the number of issued ADSs. The Group recorded this consideration as deferred income in the consolidated statement of financial position. Income was recognized on a straight-line basis over a five-year contract term and presented as other income in the consolidated statement of income or loss and other comprehensive income.

The delisting of the Group's ADSs from the NYSE, which became effective on July 31, 2023, triggered certain clauses of the depositary agreement which require the Group to reimburse an unearned portion of the consideration before the five-year contract term expiration. As a result, the Group ceased recognizing deferred income from the delisting date and reclassified an unearned portion of the consideration from deferred income to trade and other payables

## 10. INCOME TAX

The major components of income tax (expense) / benefit for the years ended December 31, 2023, 2022 and 2021 are:

| | 2023 | 2022 | 2021 |
|---|---|---|---|
| Current income tax expense | (727) | (206) | (71) |
| Deferred tax (expense) / benefit | 84 | (81) | 11 |
| **Income tax expense** | **(643)** | **(287)** | **(60)** |

The major part of the Group's pre-tax losses and income tax expenses / benefits is generated in Russia. Pre-tax gains or losses of the Group's companies in Cyprus mainly relate to foreign exchange gains and losses and other items which are generally non-taxable (non-deductible) in that jurisdiction. These items affect pre-tax loss but do not have any impact on income tax expense / benefit.

Below is a reconciliation of theoretical income tax based on the Russian statutory income tax rate of 20% to the actual tax recorded in the consolidated statement of profit or loss and other comprehensive income:

***(in millions of Russian Rubles, unless otherwise stated)***

| | 2023 | 2022 | 2021 |
|---|---|---|---|
| **Profit / (loss) before income tax** | **2,335** | **767** | **(2,797)** |
| Income tax (expense) / benefit calculated at Russia's statutory income tax rate | (467) | (153) | 559 |
| Effect of a lower tax rate in subsidiaries | 9 | 7 | (4) |
| Share-based payments | (106) | (131) | (510) |
| Other non-deductible expenses | (79) | (10) | (105) |
| **Income tax expense for the year** | **(643)** | **(287)** | **(60)** |

Set out below is the summary of deferred tax assets and liabilities as of December 31, 2023 and 2022:

| | Consolidated statement of financial position as of December 31, | | Consolidated statement of profit or loss | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| **Deferred tax assets arising from:** | | | | |
| Tax losses carried forward | 8 | — | 8 | (113) |
| Revenue recognition | 127 | 85 | 42 | 14 |
| Lease liabilities | 5 | 14 | (9) | (3) |
| Employee benefits | 58 | 40 | 18 | 16 |
| Intangible assets | 13 | 12 | 1 | (11) |
| Trade receivables | 3 | 3 | — | 1 |
| Trade payables | 4 | 2 | 2 | 2 |
| **Total deferred tax assets before set-off** | **218** | **156** | **62** | **(94)** |
| Set-off of tax | **(11)** | **(19)** | — | — |
| **Net deferred tax assets** | **207** | **137** | — | — |
| **Deferred tax liabilities arising from:** | | | | |
| Intangible assets | (114) | (127) | 13 | 11 |
| Right-of-use assets | (6) | (15) | 9 | 3 |
| Property and equipment | (2) | (2) | — | — |
| Other items | (2) | (2) | — | (1) |
| **Total deferred tax liabilities before set-off** | **(124)** | **(146)** | **22** | **13** |
| Set-off of tax | **11** | **19** | — | — |
| **Net deferred tax liabilities** | **(113)** | **(127)** | — | — |
| **Net deferred tax asset** | **94** | **10** | — | — |
| **Deferred tax (expense) / benefit** | — | — | **84** | **(81)** |

## 11. INTANGIBLE ASSETS AND GOODWILL

| | Trademarks | Customer base | Software | Video/ audio rights | Development costs | Goodwill | Total |
|---|---|---|---|---|---|---|---|
| **Cost** | | | | | | | |
| **At January 1, 2022** | **330** | **939** | **201** | **47** | **69** | **785** | **2,371** |
| Additions | — | — | 67 | 5 | — | — | 72 |
| Disposals | — | — | — | (26) | — | — | (26) |
| **At December 31, 2022** | **330** | **939** | **268** | **26** | **69** | **785** | **2,417** |
| Additions | — | — | 75 | 3 | 8 | — | 86 |
| Acquisition of a subsidiary (Note 6) | — | — | 567 | — | 10 | 148 | 725 |
| Disposals | — | — | — | (18) | — | — | (18) |
| **At December 31, 2023** | **330** | **939** | **910** | **11** | **87** | **933** | **3,210** |
| **Amortization and impairment** | | | | | | | |
| **At January 1, 2022** | **(101)** | **(119)** | **(133)** | **(21)** | **(15)** | — | **(389)** |

*(in millions of Russian Rubles, unless otherwise stated)*

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Amortization charge | (28) | (61) | (67) | (25) | (11) | — | (192) |
| Disposals | — | — | — | 26 | — | — | 26 |
| **At December 31, 2022** | **(129)** | **(180)** | **(200)** | **(20)** | **(26)** | — | **(555)** |
| Amortization charge | (28) | (61) | (95) | (5) | (10) | — | (199) |
| Disposals | — | — | — | 18 | — | — | 18 |
| **At December 31, 2023** | **(157)** | **(241)** | **(295)** | **(7)** | **(36)** | — | **(736)** |
| | | | | | | | |
| **Carrying amounts** | | | | | | | |
| **At December 31, 2022** | **201** | **759** | **68** | **6** | **43** | **785** | **1,862** |
| **At December 31, 2023** | **173** | **698** | **615** | **4** | **51** | **933** | **2,474** |

**Impairment test**

The Group's carrying amounts of intangible assets (including goodwill) are attributable to the cash-generating units (CGUs) as follows:

| | December 31, 2023 | December 31, 2022 |
|---|---|---|
| Core Business | 1,768 | 1,862 |
| SmartDeal | 706 | — |

Goodwill recognized as a result of the N1 Group's acquisition has been fully allocated to the "Core Business" CGU while goodwill recognized as a result of the SmartDeal's acquisition has been fully allocated to the SmartDeal's CGU.

At December 31, 2023 management estimated the recoverable amount of the "Core Business" CGU based on its fair value less costs of disposal on the basis of quoted prices of Company's ordinary shares (Level 1) on the estimated portion attributable to the "Core Business" CGU. At December 31, 2023 the estimated recoverable amount of the "Core Business" CGU exceeded its carrying amount. No reasonably possible change in the fair value less costs of disposal of the "Core Business" CGU would result in the impairment.

The recoverable amount of the SmartDeal's CGU as of December 31, 2023 has been determined based on a value in use calculation using cash flow projections covering a seven-year period. At December 31, 2023 the estimated recoverable amount of the SmartDeal's CGU exceeded its carrying amount. No reasonably possible change in a value in use calculation of the SmartDeal's CGU would result in the impairment.

## 12. TRADE AND OTHER RECEIVABLES

| | December 31, 2023 | December 31, 2022 |
|---|---|---|
| Trade receivables from third parties | 583 | 396 |
| Other receivables from third parties | 3 | 30 |
| Allowance for expected credit losses | (13) | (12) |
| **Total trade and other receivables** | **573** | **414** |

Trade and other receivables are non-interest bearing and are generally on terms of 20 to 30 days.

Set out below is the movement in the allowance for expected credit losses of accounts receivable:

| | 2023 | 2022 |
|---|---|---|
| **Balance at the beginning of the year** | **(12)** | **(8)** |
| Allowance for expected credit losses | (1) | (4) |
| **Balance at the end of the year** | **(13)** | **(12)** |

Information about the Group's exposure to credit and market risks is presented in Note 18.

*(in millions of Russian Rubles, unless otherwise stated)*

## 13. CASH AND CASH EQUIVALENTS

| | December 31, 2023 | December 31, 2022 |
|---|---|---|
| Cash at banks | 1,353 | 1,402 |
| Short-term deposits | 5,083 | 2,710 |
| Allowance for expected credit losses | (2) | (2) |
| **Total cash and cash equivalents** | **6,434** | **4,110** |

Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective market short-term deposit rates. Information about the credit risk over cash and cash equivalents is presented in Note 18.

The finance income for the period fully relates to the short-term deposits.

## 14. SHARE CAPITAL

| | Authorized | | Issued and fully paid | |
|---|---|---|---|---|
| **Number of shares** | **December 31, 2023** | **December 31, 2022** | **December 31, 2023** | **December 31, 2022** |
| Ordinary shares of EUR 0.0004 each | 130,000,000 | 130,000,000 | 69,959,548 | 69,959,548 |
| | **130,000,000** | **130,000,000** | **69,959,548** | **69,959,548** |

| | Number of ordinary shares | Share capital | Share premium |
|---|---|---|---|
| **At January 1, 2022** | **69,871,511** | **2** | **7,614** |
| Issue of shares upon the exercise of share-based awards (Note 15) | 88,037 | — | 88 |
| **At December 31, 2022** | **69,959,548** | **2** | **7,702** |
| **At December 31, 2023** | **69,959,548** | **2** | **7,702** |

In June 2022, the Company issued 57,199 ordinary shares to the former Chief Executive Officer upon his resignation and 30,838 to external advisors upon the exercise of share-based awards (Note 15).

## 15. SHARE-BASED COMPENSATION

### Phantom Share Program

In 2018, the Group's Board of Directors approved a long-term incentive program for certain senior level employees. Under this program, in 2018, 2019 and 2021 the Group granted an aggregate of 4,923,042 shares ("phantom shares") to employees that entitled them to a cash payment after one to five years of service depending on the participant. The amount of the cash payment was determined based on the increase in the share price of the Company between the grant date and the time of exercise. The plan stipulated the following payments:

1. **Liquidity event payments**. Participants of the program were entitled to a cash payment upon occurrence of some liquidity events such as an initial public offering ("IPO") or an acquisition of control over the Group by a third party.

2. **Non-liquidity event payments**. Participants of the program were entitled to a cash payment after the termination of the service period if the net debt (calculated as borrowings less cash and cash equivalents) does not exceed three times the lowest between EBITDA (calculated as operating profit plus amortization and depreciation) and Adjusted EBITDA (calculated as described in Note 5) as of the date of the notice sent by the participants to the Company.

In connection with the IPO, the Group amended the terms of this long-term incentive program, such that the employees could choose to receive payment for vested phantom shares in cash or in ordinary shares upon the completion of the

***(in millions of Russian Rubles, unless otherwise stated)***

IPO. As a result of this amendment, the Group issued an aggregate of 829,111 ordinary shares to its employees to satisfy its outstanding obligations under this long-term incentive program.

Set out below are the movements in the Group's share-based payment liabilities during 2021:

| | **2021** |
|---|---|
| **Share-based payment liabilities at the beginning of the year** | **636** |
| New awards granted | 512 |
| Remeasurement during the year | 1,927 |
| Cash payments to employees | (2,169) |
| Conversion from cash-settled to equity-settled share-based payments | (948) |
| Foreign currency exchange loss | 42 |
| **Share-based payment liabilities at the end of the year** | — |

The fair value of the awards was estimated, at the grant date and at the end of each reporting period until completion of the IPO, using the Option pricing model, taking into account the terms and conditions on which the award was granted. The fair value of the awards at the date of the IPO was estimated based on the initial public offering price of USD 16 per ordinary share.

The phantom share program was terminated upon completion of the IPO.

**2021 Restricted Stock Units Plan (equity-settled)**

The Group adopted a new long-term incentive plan (the "2021 Plan"), effective from December 1, 2021. In accordance with the 2021 Plan, the Group may grant the restricted stock units (the "RSU") to its employees, officers, directors and contractors. The 2021 Plan expires on December 31, 2031, previously granted awards not exercised by the expiration date will be forfeited in accordance with their terms.

Awards under the 2021 Plan will vest over a four-year period, subject to the participant's continued employment with (and/or servicing to) the Group, with 1/4 vesting on the first anniversary of the grant and an additional 1/4 vesting each calendar year thereafter for employees and quarterly for the directors. RSUs that have not become vested as of the date of termination of the participant's employment or service shall be forfeited upon such termination.

The Group may grant the RSUs under the 2021 Plan for up to a maximum number of ordinary shares equal to 6.5% of the aggregate number of Group's ordinary shares issued and outstanding (by number) as of the date of adoption of the 2021 Plan. Each RSU represents the right to receive one ordinary share upon satisfaction of the applicable vesting conditions.

The following table illustrates movements in the number of RSUs during the years ended December 31, 2023 and 2022:

| | **Number of RSUs** | **Weighted average grant date fair value per award, RUB** |
|---|---|---|
| **Outstanding at December 31, 2021** | 1,427,226 | 932 |
| **Exercisable at December 31, 2021** | 105,215 | 1,043 |
| Granted during the period | 1,688,051 | 381 |
| Forfeited during the period | (132,656) | 933 |
| Exercised during the period | (88,037) | 998 |
| Cancelled by employees | (34,515) | 920 |
| **Outstanding at December 31, 2022** | 2,860,069 | 605 |
| **Exercisable at December 31, 2022** | 792,652 | 816 |
| Granted during the period | 433,188 | 548 |
| Forfeited during the period | (144,034) | 678 |
| Exercised during the period | — | — |
| Cancelled by employees | (7,879) | 920 |

***(in millions of Russian Rubles, unless otherwise stated)***

| | | |
|---|---|---|
| Reclassified to cash-settled share-based payment awards | (283,942) | 549 |
| Reclassified from cash-settled share-based payment awards | 8,562 | 572 |
| **Outstanding at December 31, 2023** | 2,865,964 | 597 |
| **Exercisable at December 31, 2023** | 1,730,838 | 645 |

The fair value of the RSUs is estimated at the grant date on the basis of quoted prices of Company's ordinary shares at the grant date, taking into account the terms and conditions on which the RSUs were granted. As the RSUs granted to directors have a three-year lock up period, the fair value is adjusted for the discount for lack of marketability using the Stillian Ghaidarov Average-Strike Asian Put Option Model.

The following table lists the inputs to the model used for the 2021 Plan for the RSU's granted to directors during the years ended December 31, 2023 and 2022:

| | **December 31, 2023** | **December 31, 2022** |
|---|---|---|
| Fair value of the RSUs at the grant date, USD | 5.43 | 5.46 |
| Share price at the grant date, USD | 7.49 | 6.97 |
| Exercise price, USD | Nil | Nil |
| Expected annual volatility, % | 61.1% | 59.6% |
| Expected term, years | 2.38 | 2.38 |
| Dividend yield, % | Nil | Nil |

*Expected volatility.* Because the Company's shares are publicly traded only since November 5, 2021, expected volatility has been estimated based on an analysis of the implied share price volatility of comparable public companies for an expected term.

*Expected term* has been assessed based on the vesting period and management's best estimate for the effects of non-transferability, exercise restrictions and behavioral considerations.

*Dividend yield.* The Company did not declare any dividends with respect to 2023 and 2022.

The total expense recognized for the year ended December 31, 2023 arising from equity-settled share-based payment transactions amounted to 548 (2022: 657 and 2021: 110).

**Cash-settled equity awards**

On May 26, 2023, the Group adopted a modification to the 2021 Plan, which gives the Group a right to offer to the participants to settle RSUs, vesting between 2023 and 2026, by paying a certain redemption percentage in cash based on quoted prices of the Company's ordinary shares. The Group considered that in relation of RSUs granted to employees and vesting in 2023, it has a present obligation to settle in cash as it has the stated intent to settle in cash. Thus, such RSUs were reclassified from equity-settled to cash-settled. The effect of this modification in amount of 1 was recognized directly in equity.

The following table illustrates movements in the cash-settled share-based payment liabilities during the year ended December 31, 2023:

| | **2023** |
|---|---|
| **Share-based payment liabilities at the beginning of the year** | — |
| Reclassification from equity-settled awards | 77 |
| Additional vesting during the period | 70 |
| Remeasurement during the period | 72 |
| Forfeited during the period | (6) |
| Reclassified to equity-settled share-based payment awards | (5) |
| Exercised during the period | (208) |
| **Share-based payment liabilities at the end of the year** | — |

***(in millions of Russian Rubles, unless otherwise stated)***

The fair value of the cash-settled share-based payment liability is estimated at each reporting date with reference to quoted prices of the Company's ordinary shares at the reporting date, taking into account the terms and conditions on which the RSUs were granted.

The total expense recognized for the year ended December 31, 2023 arising from these cash-settled share-based payment transactions amounted to 136.

## 16. TRADE AND OTHER PAYABLES

| | December 31, 2023 | December 31, 2022 |
|---|---|---|
| Trade payables | 393 | 263 |
| Annual bonus provision | 109 | 193 |
| Unused vacation provision | 102 | 83 |
| Exercised cash-settled awards (Note 15) | 195 | — |
| Other employee benefits | 9 | 2 |
| Deferred consideration arising on a business combination (Note 6) | 284 | — |
| Contingent consideration arising on a business combination (Note 6) | 194 | — |
| Reimbursement to the depositary (Note 9) | 235 | — |
| Other payables | 123 | 101 |
| **Trade and other payables** | **1,644** | **642** |
| **Current** | **1,540** | **642** |
| **Non-current** | **104** | **—** |

Trade payables are non-interest bearing and are normally settled on 60-day terms. Information about the Group’s exposure to liquidity risk in relation to its trade and other payables is included in Note 18.

## 17. RELATED PARTIES

Related parties include shareholders, ultimate owners and members of key management personnel as well as companies which are under legal ownership, significant influence or control of shareholders or ultimate owners of the Group.

### Transactions with key management personnel

Key management comprises the Group’s directors, including the chief executive officer, and the Group’s chief financial officer. The remuneration of key management personnel for the year ended December 31, 2023, 2022 and 2021 amounted to:

| | 2023 | 2022 | 2021 |
|---|---|---|---|
| Short-term employee benefits | (99) | (74) | (46) |
| Share-based payment expense | (313) | (317) | (1,573) |
| **Total key management remuneration** | **(412)** | **(391)** | **(1,619)** |

In August 2021, the Group’s subsidiary, MLSN LLC, entered into a loan agreement with Financial Platform JSC, a company incorporated and then fully owned by the CEO at that time of the Group’s main operating subsidiary, iRealtor LLC. The credit line under the loan agreement was for a total amount of 20 and an interest rate of 6.5%. In October 2021, the Group’s subsidiary, Mimons Investments Limited, issued a loan of 25 to Financial Platform JSC for the purposes of refinancing the loan from MLSN LLC. The outstanding principal amount under the loan from MLSN LLC at the repayment date was 16. In October 2021, Financial Platform JSC fully repaid the outstanding amount of 16 to MLSN LLC. The loan from Mimons Investments Limited to Financial Platform JSC was forgiven pursuant to the agreement between the parties.

On December 16, 2021, the Group acquired 9% of the voting rights of Financial Platform JSC. Since then, the Group has concluded that it controls Financial Platform JSC even though it owns less than majority of the voting rights.

***(in millions of Russian Rubles, unless otherwise stated)***

**Consolidation of an entity in which the Group holds less than a majority of voting rights**

In order to develop and enhance Mortgage marketplace product, the Group has obtained the status of a financial platform operator as stipulated under the recently adopted Federal Law No. 211-FZ "On Performing Financial Transactions Using a Financial Platform" dated July 20, 2020. It is expected that such status will afford access to certain standardized customer information on government-run electronic systems and databases.

Obtaining such status, however, is subject to certain requirements, including a restriction on certain foreign ownership. In order to assist the Group in obtaining access rights to the financial platform operator status, the Group's former Chief Executive Officer and current Executive Chairperson of its Board of Directors has established a company, Financial Platform JSC, which has obtained such financial platform operator status.

On December 16, 2021, the Group acquired 9% of the voting rights of Financial Platform JSC for a nominal value of 0.009 from the Group's Executive Chairperson. The Group considers that it controls Financial Platform JSC even though it owns less than majority of the voting rights. This is because the Group is significantly involved in determining the scope of decision-making authority of Financial Platform JSC and is able to:

- appoint, reassign or remove members of an investee's key management personnel who have the ability to direct the relevant activities;
- direct the investee to enter into, or veto any changes to, significant transactions for own benefit;
- exercise other rights specified in the shareholder agreement that give the ability to direct the relevant activities (for example, obtaining funding).

Taking into account the terms of the shareholder agreement and the potential voting rights, the existing ownership interest of the Group currently gives the Group access to the returns associated with a 100% ownership interest, thus none of the returns are allocated to the Non-controlling interest.

As of December 31, 2023, 2022 and 2021 and for the years then ended, the effect of consolidation of Financial Platform JSC and its operations was not material to the Group.

From January 1, 2021 to December 16, 2021, the Group provided technical support services in the amount of 8 to Financial Platform JSC. There were no other transactions or outstanding balances in 2021 with key management personnel, except for disclosed in the table above.

During 2023 and 2022, there were no transactions with key management personnel, except for disclosed in the table above. No guarantees have been given or received.

**Transactions with the shareholders**

During 2021, the Group received a loan of 1,491 from the shareholders which was further converted into 3,665,041 ordinary shares.

**Other related party transactions**

The following table provides the total amount of transactions that have been entered into with other related parties for the relevant financial year.

| | | Sales to related parties | Purchases from related parties | Amounts owed by related parties | Amounts owed to related parties |
|---|---|---|---|---|---|
| Entities with joint control or significant influence | 2023 | — | 4 | 1 | — |
| | 2022 | — | 2 | 1 | — |
| | 2021 | — | 4 | — | — |

Outstanding balances with related parties at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees given or received.

***(in millions of Russian Rubles, unless otherwise stated)***

## 18. FINANCIAL RISK MANAGEMENT

### 18.1 Financial assets and financial liabilities

The following table shows the carrying amounts of financial assets and financial liabilities. The Group does not hold any financial assets and financial liabilities other than those measured at amortized cost. Management assessed that the carrying values of the Group's financial assets and financial liabilities measured at amortized cost are a reasonable approximation of their fair values on the basis of short-term nature or calculation of amortized cost using market rates.

| | December 31, 2023 | December 31, 2022 |
|---|---|---|
| **Financial assets measured at amortized cost** | | |
| Cash and cash equivalents (Note 13) | 6,434 | 4,110 |
| Trade and other receivables (Note 12) | 573 | 414 |
| Rent security deposits | 7 | 7 |
| **Total financial assets** | **7,014** | **4,531** |
| | | |
| **Financial liabilities measured at amortized cost** | | |
| Trade and other payables (Note 16) | 1,229 | 364 |
| Lease liabilities | 28 | 69 |
| **Total financial liabilities** | **1,257** | **433** |

### 18.2 Financial risk management

The Group is exposed to risks that arise from its use of financial instruments. The Group has exposure to the following risks arising from financial instruments: market risk, credit risk and liquidity risk.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods.

#### 18.2.1 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk, which mostly impacts the Group, comprises currency risk. Financial instruments affected by market risk include cash and cash equivalents and trade and other payables.

The Group does not enter into any derivative financial instruments to manage its exposure to foreign currency risk.

#### Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates is currently limited because the Group's operating activities are mainly carried out in Russian Rubles.

As of December 31, 2023, 23% of the Group's cash and cash equivalents were denominated in US dollars and less than 1% was denominated in EURO. Following the commencement of military operations in Ukraine by the Russian Federation in February 2022 and the resulting sanctions imposed by the United States of America, the European Union and the United Kingdom, among others, the Ruble depreciated significantly against most other currencies. As of December 31, 2023 the US dollar and EURO exchange rates were 89.6883 Rubles and 99.1919 Rubles, respectively, taking into account the limited convertibility of the Ruble subsequent to February 24, 2022.

With all other variables held constant, the Group's profit before tax is affected through the impact of fluctuation in US dollar and EURO exchange rates, as follows:

***(in millions of Russian Rubles, unless otherwise stated)***

| | **Change in US dollar, EURO exchange rates** | **Effect on profit before tax** |
|---|---|---|
| **Year ended December 31, 2023** | | |
| Cash and cash equivalents | +100%/-100% | 1,507 / (1,507) |
| Trade and other payables | +100%/-100% | (80) / 80 |
| **Year ended December 31, 2022** | | |
| Cash and cash equivalents | +100%/-100% | 1,389 / (1,389) |
| Trade and other payables | +100%/-100% | (90) / 90 |

**18.2.2 Credit risk**

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its cash and cash equivalents held with banks.

**Trade receivables**

The Group performs an impairment analysis at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due. The calculation reflects the probability-weighted outcome. Generally, accounts receivables are written-off if past due for more than three years.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

| | **< 30 days** | **31-60 days** | **61-90 days** | **> 90 days** | **Total** |
|---|---|---|---|---|---|
| **2023** | | | | | |
| Expected credit loss rate | 0.4% | 3.9% | 12.5% | 72.6% | |
| Total gross carrying amount | 512 | 57 | 2 | 12 | 583 |
| Expected credit loss | 2 | 2 | — | 9 | 13 |

| | **< 30 days** | **31-60 days** | **61-90 days** | **> 90 days** | **Total** |
|---|---|---|---|---|---|
| **2022** | | | | | |
| Expected credit loss rate | 0.6% | 5.2% | 5.5% | 75.9% | |
| Total gross carrying amount | 371 | 12 | 1 | 12 | 396 |
| Expected credit loss | 2 | 1 | — | 9 | 12 |

**Cash and cash equivalents**

As of December 31, 2023, the Group held 90% of its cash and cash equivalents with the Russian banks (December 31, 2022: 83%), which are rated not less than A, based on Expert RA and AKRA ratings, the remaining cash and cash equivalents were held with a foreign bank having external credit rating of BB-, based on Standard & Poor's rating.

Following the commencement of military operations in Ukraine by the Russian Federation in February 2022 and the resulting sanctions imposed by the United States of America, the European Union and the United Kingdom, among others, the external credit ratings of the Russian banks were initially reduced significantly and ultimately withdrawn entirely by international rating agencies, namely Standard & Poor's, Fitch and Moody's. In absence of international ratings, the Group used ratings of the local rating agencies, namely Expert RA and AKRA, to assess expected credit losses related to cash and cash equivalents held in the Russian banks as of December 31, 2023.

Impairment on cash and cash equivalents has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Group recognized an impairment loss of nil for the year ended December 31, 2023 (year ended December 31, 2022: impairment reversal of 12).

*(in millions of Russian Rubles, unless otherwise stated)*

**18.2.3 Liquidity risk**

Liquidity risk is the risk that the Group will not be able to settle all liabilities as they fall due. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecasts and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The table below summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

| | Within 1 year | 1 to 3 years | 3 to 5 years | > 5 years | Total |
|---|---|---|---|---|---|
| **2023** | | | | | |
| Trade and other payables | 1,143 | 130 | — | — | 1,273 |
| Lease liabilities | 20 | 10 | — | — | 30 |
| **Total financial liabilities** | **1,163** | **140** | — | — | **1,303** |

| | Within 1 year | 1 to 3 years | 3 to 5 years | > 5 years | Total |
|---|---|---|---|---|---|
| **2022** | | | | | |
| Trade and other payables | 364 | — | — | — | 364 |
| Lease liabilities | 46 | 30 | — | — | 76 |
| **Total financial liabilities** | **410** | **30** | — | — | **440** |

**18.3 Changes in liabilities arising from financing activities**

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statements of cash flows as cash flows from financing activities.

| | January 1, 2023 | Financing cash flows | Leases (non-cash) | Other | December 31, 2023 |
|---|---|---|---|---|---|
| Lease liabilities | 69 | (41) | — | — | 28 |
| | **69** | **(41)** | — | — | **28** |

| | January 1, 2022 | Financing cash flows | Leases (non-cash) | Other | December 31, 2022 |
|---|---|---|---|---|---|
| Lease liabilities | 91 | (42) | 20 | — | 69 |
| | **91** | **(42)** | **20** | — | **69** |

The Group classifies interest paid as cash flows from operating activities.

**18.4 Capital management**

The Group manages its capital to ensure that companies in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of net debt (borrowings offset by cash and cash equivalents) and equity (as detailed in the consolidated statements of financial position).

No changes were made in the objectives, policies or processes for managing capital during the years ended December 31, 2023, 2022 and 2021.

## 19. CONTINGENCIES

**Legal proceedings**

During the periods covered by the Group's consolidated financial statements and in the subsequent period until their approval, the Group has been, and continues to be, subject to legal proceedings and adjudications from time to time, none of which has had, individually or in the aggregate, a material adverse impact on the Group. Management believes that the ultimate liability, if any, arising from such proceedings and adjudications, will not have a material adverse impact on the Group's financial position or operating results.

**Russian Federation tax and regulatory environment**

The taxation system in the Russian Federation continues to evolve and is characterized by frequent changes in legislation, official pronouncements and court decisions, which are sometimes contradictory and subject to varying interpretation by different tax authorities. Management's interpretation of such legislation as applied to the transactions and activity of the Group may be challenged by a number of authorities, which may impose severe fines, penalties and interest charges.

Recent events within the Russian Federation suggest that the tax authorities are taking a more assertive and substance-based position in their interpretation and enforcement of tax legislation and as a result, it is possible that transactions and activities that have not been challenged in the past may be challenged. As such, significant additional taxes, penalties and interest may be assessed. A tax year generally remains open for review by the tax authorities during the three subsequent calendar years, while under certain circumstances reviews may cover longer periods.

The Group estimates that possible exposure in relation to the above mentioned tax risks, that are more than remote, but less than probable and, accordingly, for which no liability is required to be recognized, could be up to an aggregate of approximately 33 as of December 31, 2023.

**Operating environment**

The Group's operations are concentrated in the Russian Federation. Consequently, the Group is exposed to the economic and financial environment in the Russian Federation, which display the characteristics of an emerging market. The legal, tax and regulatory frameworks continue to develop and are subject to varying interpretations and frequent changes which combined with other legal and fiscal impediments, aggravate the challenges faced by entities operating in the Russian Federation.

Over the past several years, Russia has been involved in conflicts, both economic and military, involving neighboring and distant states. On March 2014, following a public referendum, the Crimean Peninsula and the city of Sevastopol were proclaimed as new separate constituents of Russia by the governing authorities of Russia, Crimea and Sevastopol. The events relating to Ukraine and Crimea prompted condemnation by members of the international community and were strongly opposed by the United States and the European Union, with a resulting material negative impact on Russia's relationship with them. Tensions between Russia and the United States and between Russia and the European Union further increased in subsequent years as a result of the conflict in Syria and a host of other issues. Tensions between Russia and the United States, NATO, the European Union and the United Kingdom with respect to Ukraine further escalated in late 2021.

On February 24, 2022, Russian military forces commenced a special military operation in Ukraine and the length, prolonged impact and outcome of this ongoing military conflict remains highly unpredictable. The current geopolitical crisis and international actions in response to it have materially and adversely impacted the macroeconomic climate and operating conditions in Russia, resulting in significant ruble exchange rate and market volatility, materially increased interest rates and inflation, withdrawal of a number of Western businesses from the Russian market or a reduction in their operations or services in the country, a decrease in imports and consumer spending. While the military conflict in Ukraine continued to unravel, the Russian authorities announced partial mobilization of military reservists in September 2022, which further exacerbated economic uncertainty and led to social tensions, the full implication of which are not yet clear. It is also possible that further mobilization efforts may be initiated during 2023. We cannot predict how the conflict will unfold or the impact it will have on Russian economy and geopolitical environment in short and long terms.

In response to the military conflict in Ukraine, the United States, the United Kingdom, the European Union governments and other countries, have imposed unprecedented sanctions and export-control measures. The imposed sanctions have targeted large parts of the Russian's economy and include, among others, blocking sanctions on some of the largest state-owned and private Russian financial institutions (and their subsequent removal from SWIFT), Russian businessmen and their businesses, the blocking of Russia's foreign currency reserves, expansion of sectoral sanctions and export and trade restrictions, limitations on investments and access to capital markets and bans on various Russian imports.

Given the vast scope of the sanctions and other measures in response to the conflict in Ukraine, it is hard to predict their full impact on Russian economy or certain sectors thereof, but it is expected to be significant. Furthermore, the Russian economy was and expected to be further significantly affected as result of many U.S. and other multi-national businesses indefinitely suspending their operations and pausing all commercial activities in Russia. These corporate boycotts have resulted in supply chain disruptions and unavailability or scarcity of certain raw materials, technological and medical goods, have significantly affected commodity markets, leading to rapid price increases, and amplified the sharp rise in inflation growth.

In response to accelerating inflation and a staggering depreciation of the ruble, on February 28, 2022, the Central Bank of the Russian Federation (CBR) increased its key interest rate from to 9.5% to 20.0%, subsequently reduced to 7.5% on September 16, 2022. On July 21, 2023, following a continued sharp depreciation of the ruble, the key interest rate was increased to 8.5% and further increased to 12% on August 15, 2023, 13% on September 15, 2023, 15% on October 27, 2023 and 16% on December 15, 2023. The key interest rate hike, as well as tightening of subsidized mortgage programs by both the Russian government and developers coupled with overall high level of instability and lack of visibility led to the overall decrease in demand for primary and secondary real estate. While the gradual decrease of the key interest rate during the second and the third quarters of 2022, as well as recovery in subsidized mortgage programs, led to a gradual demand recovery from the second half of May 2022, the announcement of the partial military mobilization in Russia in late September 2022 significantly increased uncertainty in the market and put an additional pressure on real estate demand. Annual inflation in Russia reached 11.94% in 2022, according to the Federal Service for State Statistics of the Russian Federation. Market instability, high levels of inflation, lower household income led to reductions in consumer purchasing power and had a negative impact on consumer confidence. This has adversely affected and may continue to affect the Russian real estate market, as reduced disposable income and purchasing power is likely to have an adverse effect on consumers' ability or willingness to invest in new housing or real estate.

On February 28, 2022, trading on the Moscow Exchange in all equity securities was suspended, with the suspension later extended through March 24, 2022.

Also, on February 28, 2022, the New York Stock Exchange ("NYSE") halted trading in the Company's American Depository Shares ("ADSs").

On March 15, 2023, the Company received a written notice from the staff of the NYSE Regulation notifying the Company that it has determined to delist the Company's ADSs from the NYSE. The Company utilized its right to a review of the determination and, accordingly, filed an appeal to this decision. Notwithstanding the fact that the Company has been and remains in full compliance with all applicable laws, reporting obligations and qualitative and quantitative listing criteria of the NYSE, and that none of the Company, its officers, directors or significant shareholders has engaged in any misconduct, the Company was notified of the Final Delisting Decision on July 21, 2023. The removal of the ADSs from listing on the NYSE became effective on July 31, 2023. The Company does not expect the delisting to have any immediate effect on the terms of the ADSs under its ADS program, which will continue to exist in their current form. The trading of the Company's ADSs on the Moscow Exchange is unaffected and continues as usual. The Company believes that delisting does not impact the Company's business operations, financial position or its ability to continue as a going concern.

On September 20, 2023, the Company filed Form 15F with the U.S. Securities and Exchange Commission (the "SEC") with the intention of terminating the registration of its ordinary shares and the ADSs, each representing one ordinary share, and its reporting obligations under Sections 13(a) and Section 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"). Deregistration with the SEC and termination of the Company's reporting obligations under the Exchange Act became effective on December 19, 2023. Notwithstanding the deregistration, the Company currently intends to continue disclosing financial information on a regular basis subject to applicable laws and regulations.

On September 29, 2023, the Company submitted the set of documents for the registration of the Prospectus of Foreign Securities to the Central Bank of Russia in relation of its ADSs to maintain trading of the Company's ADSs on the Moscow Exchange in the ordinary course of business. On December 11, 2023, this Prospectus was registered by the Central Bank of Russia.

Although, neither the Company nor any of its subsidiaries is subject to any sanctions announced to-date by the United States, the United Kingdom, the European Union or other countries, the impact of these and further developments on future operations and financial position of the Group may be significant, but at this stage is difficult to determine. Current and future risks to the Group include, among others, the deterioration of the Russian economy, the risk of reduced or blocked access to capital markets and ability to obtain financing and the risk of restrictions on the usage of certain software. The impact on the Group of risk that the Russian Ruble will further depreciate against other currencies is currently assessed as limited, as the majority of the Group's expenses is denominated in Russian Rubles.

In 2022 a new legislation set out economic measures aimed to responding to the sanctions pressure on the Russian Ruble and included restrictions of certain cross-border currency operations being subject to prior approval by the government commission. As of December 31, 2023 and 2022, the Company was restricted from transferring funds from its consolidated Russian subsidiaries in the form of loans, advances or cash dividends due to an uncertainty around an impact of restrictions on transferring cash funds outside of Russia under the recently enacted Russian capital control and protection measures.

The Group had approximately 7,300 of cash and cash equivalents as of April 25, 2024. Management is confident, based on their current operating plan, that existing cash and cash equivalents together with the ability to cut a major part of the expenses related to marketing, if necessary, the Group will be able to meet anticipated cash needs for working capital, capital expenditures and general and administrative expenses for at least the next twelve months.

The Group's consolidated financial statements reflect management's assessment of the impact of the Russian business environment on the operations and the financial position of the Group. The future business environment may differ from management's assessment.

## 20. EVENTS AFTER THE REPORTING PERIOD

On April 8, 2024 the Group paid the second tranche of the consideration for the acquisition of SmartDeal in amount of RUB 391 (Note 6).

During the first four months of 2024 the Group paid in full the liability related to the exercised portion of cash-settled share-based payments to its employees (Note 15).

Following the first phase of restructuring, Cian Technology Ltd, a company incorporated in the Republic of Seychelles, has become a new parent company of the Cian Group. As part of this process the shareholders of Cian PLC made a contribution of 69.94% of ordinary shares of Cian PLC to the share capital of Cian Technology Ltd in April 2024. As of the date of this transaction Cian Technology Ltd was not conducting any business activities and thus did not constitute a business in accordance with IFRS 3 "Business Combinations", therefore for the purposes of accounting Cian PLC was determined as an acquirer. Accordingly, the balances as of December 31, 2023, 2022 and 2021 and the results for the years then ended given in these financial statements are applicable to Cian Technology Ltd as well.