CIAN Group

Consolidated Financial Statements as of December 31, 2022 and December 31, 2021 and for the years ended December 31, 2022, December 31, 2021 and December 31, 2020

CIAN GROUP

CONTENTS

ДРТ
ДЕЛОВЫЕ РЕШЕНИЯ И ТЕХНОЛОГИИ
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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of Cian PLC

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated statements of financial position of Cian PLC and subsidiaries (the "Group") as of December 31, 2022 and 2021, the related consolidated statements of profit or loss and other comprehensive income, changes in equity, and cash flows for each of the three years in the period ended December 31, 2022, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as of December 31, 2022 and 2021, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2022, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

These consolidated financial statements are the responsibility of the Group's management. Our responsibility is to express an opinion on the Group's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Group in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Group is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

AO Business Solutions & Technologies

Moscow, Russia
March 29, 2023

We have served as the Group's auditor since 2018.

CIAN GROUP

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022, DECEMBER 31, 2021 AND DECEMBER 31, 2020
(in millions of Russian Rubles, unless otherwise stated)

	Note	2022	2021	2020
Revenue	4	**8,266**	**6,033**	**3,972**
Operating expenses:				
Marketing expenses	7	(2,360)	(2,253)	(1,697)
Employee-related expenses	8	(3,759)	(5,062)	(2,208)
IT expenses		(549)	(527)	(264)
Depreciation and amortization		(269)	(279)	(200)
Other operating expenses		(584)	(726)	(180)
Total operating expenses		**(7,521)**	**(8,847)**	**(4,549)**
Operating profit / (loss)		**745**	**(2,814)**	**(577)**
Finance costs		(23)	(61)	(72)
Finance income		108	19	11
Foreign currency exchange gain / (loss), net		(108)	53	(1)
Other income	18	45	6	—
Profit / (loss) before income tax		**767**	**(2,797)**	**(639)**
Income tax (expense) / benefit	9	(287)	(60)	12
Profit / (loss) for the year		**480**	**(2,857)**	**(627)**
Total comprehensive income / (loss) for the year		**480**	**(2,857)**	**(627)**
Profit / (loss) per share, in RUB				
Basic profit / (loss) per share attributable to ordinary equity holders of the parent		**6.86**	**(43.89)**	**(10.55)**
Diluted profit / (loss) per share attributable to ordinary equity holders of the parent		**6.72**	**(43.89)**	**(10.55)**
Basic weighted average number of ordinary shares		69,920,715	65,092,557	59,433,100
Diluted weighted average number of ordinary shares		71,448,605	65,092,557	59,433,100

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

CIAN GROUP

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS OF DECEMBER 31, 2022 AND DECEMBER 31, 2021
(in millions of Russian Rubles)

	Note	December 31, 2022	December 31, 2021
Assets			
Non-current assets			
Property and equipment		68	49
Right-of-use assets	10	74	98
Goodwill	6,11	785	785
Intangible assets	6,11	1,077	1,197
Deferred tax assets	9	137	226
Other non-current assets		8	15
Total non-current assets		**2,149**	**2,370**
Current assets			
Inventories	12	30	108
Advances paid and prepaid expenses		99	93
Trade and other receivables	13	414	408
Prepaid income tax		3	4
Cash and cash equivalents	14	4,110	2,419
Other current assets		169	198
Total current assets		**4,825**	**3,230**
Total assets		**6,974**	**5,600**
Equity and liabilities			
Equity			
Share capital	15	2	2
Share premium	15	7,702	7,614
Equity-settled employee benefits reserves	16	648	110
Accumulated losses		(3,343)	(3,854)
Total equity		**5,009**	**3,872**
Liabilities			
Non-current liabilities			
Lease liabilities	10	28	48
Deferred tax liabilities	9	127	135
Deferred income	18	108	125
Total non-current liabilities		**263**	**308**
Current liabilities			
Contract liabilities	4	554	425
Trade and other payables	17	642	619
Income tax payable		66	59
Other taxes payable		366	241
Lease liabilities	10	41	43
Deferred income	18	33	33
Total current liabilities		**1,702**	**1,420**
Total liabilities		**1,965**	**1,728**
Total liabilities and equity		**6,974**	**5,600**

These consolidated financial statements were authorized for issuance by the Company's Board of Directors on March 29, 2023 and signed by management:

Dmitriy Grigoryev
Chief Executive Officer

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Mikhail Lukyanov
Chief Financial and Strategy Officer

DocuSigned by:
Mikhail Lukianov
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The accompanying notes are an integral part of these consolidated financial statements

CIAN GROUP

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2022, DECEMBER 31, 2021 AND DECEMBER 31, 2020
(in millions of Russian Rubles)

	Note	Share capital	Share premium	Equity-settled employee benefits reserves	Accumulated losses	Total equity
Balance at January 1, 2020		—	**125**	**—**	**(370)**	**(245)**
Loss and total comprehensive loss for the year		—	—	—	(627)	(627)
Balance at December 31, 2020		—	**125**	**—**	**(997)**	**(872)**
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	15	2	—	—	—	2
Issue of ordinary shares, net of transaction costs	15	—	7,489	—	—	7,489
Share-based payments	16	—	—	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	15	—	88	(88)	—	—
Share-based payments	16	—	—	657	—	657
Cancellation of the share-based payments by the employees	16	—	—	(31)	31	—
Balance at December 31, 2022		**2**	**7,702**	**648**	**(3,343)**	**5,009**

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

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022, DECEMBER 31, 2021 AND DECEMBER 31, 2020
(in millions of Russian Rubles)

	Note	2022	2021	2020
Cash flows from operating activities				
Profit / (loss) before income tax		767	(2,797)	(639)
Adjusted for:				
Depreciation and amortization		269	279	200
Employee share-based payment expense	16	657	2,549	558
Finance income		(108)	(19)	(11)
Finance costs		23	61	72
Foreign currency exchange (gain) / loss, net		108	(53)	1
(Reversal) / allowance for expected credit losses		(14)	16	—
Working capital changes:				
Increase in trade and other receivables		(1)	(238)	(61)
(Increase) / decrease in advances paid and prepaid expenses		2	(9)	(32)
(Increase) / decrease in other assets		122	(232)	(13)
Increase / (decrease) in trade and other payables		(18)	235	(4)
Increase in contract liabilities and deferred income		87	230	148
Increase / (decrease) in other liabilities		127	(2,017)	98
Cash generated from / (used in) operating activities		**2,021**	**(1,995)**	**317**
Income tax paid		(199)	(26)	(28)
Interest received		106	16	11
Interest paid		(6)	(59)	(70)
Net cash generated from / (used in) operating activities		**1,922**	**(2,064)**	**230**
Cash flows from investing activities				
Acquisition of a subsidiary, net of cash acquired	6	—	(1,651)	—
Purchase of property and equipment		(51)	(52)	(21)
Purchase of intangible assets		(69)	(89)	(90)
Loan issued to a related party	19	—	(25)	—
Loans issued to employees		(16)	—	—
Loans collected from employees		—	—	2
Net cash used in investing activities		**(136)**	**(1,817)**	**(109)**
Cash flows from financing activities				
Proceeds from the issue of ordinary shares	15	—	6,520	—
Proceeds from borrowings		—	—	320
Repayment of borrowings		—	(728)	(71)
Payment of principal portion of lease liabilities		(42)	(38)	(67)
Net cash (used in) / generated from financing activities		**(42)**	**5,754**	**182**
Net increase in cash and cash equivalents		**1,744**	**1,873**	**303**
Cash and cash equivalents at the beginning of the year		**2,419**	**449**	**148**
Effect of exchange rate changes on cash and cash equivalents		(65)	111	(2)
Effect of a reversal / (allowance) for expected credit losses		12	(14)	—
Cash and cash equivalents at the end of the year		**4,110**	**2,419**	**449**

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

(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, 2022 were authorized for issue in accordance with a resolution of the Board of Directors on March 29, 2023.

Cian PLC (formerly Solaredge Holdings Limited) (the "Company" or the "Parent") is a public liability company incorporated and domiciled in Cyprus. 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.

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

		% equity interest	
Subsidiary	**Principal activity / Country of incorporation**	**December 31, 2022**	**December 31, 2021**
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%*
Fastrunner Investment Limited	Holding (Cyprus)	100%	100%
Mimons Investments Limited	Holding (Cyprus)	100%	100%

* See Note 19 for more details.

On November 9, 2021, the Company completed an initial public offering ("IPO") of 4,042,400 newly issued American Depositary Shares ("ADSs"), each representing one ordinary share of the Company, on the New York Stock Exchange ("NYSE").

The ultimate controlling party of the Group are Elbrus Capital Fund II L.P., Elbrus Capital Fund II B L.P. and Elbrus Capital Fund III A S.C.Sp. (together "Elbrus Capital"), which own an aggregate of 45.1% of the Group's ordinary shares as of December 31, 2022.

2. SIGNIFICANT 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 16) 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 consolidated financial statements have been prepared on the assumption that the Group is a going concern and will continue in operation for the foreseeable future (Note 21).

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as of December 31, 2022 and 2021, 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, 2022. These standards, interpretations and amendments do not have a material impact on the Group's consolidated financial statements.

- Reference to the Conceptual Framework – Amendments to IFRS 3.
- Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16.
- Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37.
- IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter.
- IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities.
- IAS 41 Agriculture – Taxation in fair value measurements.

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:

- IFRS 17 Insurance Contracts (effective date – January 1, 2023).
- Amendments to IAS 1: Classification of Liabilities as Current or Non-current (effective date – January 1, 2023).
- Definition of Accounting Estimates – Amendments to IAS 8 (effective date – January 1, 2023).
- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2 (effective date – January 1, 2023).

2.4 Summary of significant 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) Operating expenses

Operating expenses consist primarily of advertising and marketing costs, employee-related expenses including payroll, IT expenses including hosting, technical support and telecommunication services, depreciation and amortization expenses and other expenses such as office maintenance, consulting and other general corporate expenses. Operating expenses are expensed as incurred.

e) 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% (N1 Technologies LLC – 0.0% from January 1, 2022 to December 31, 2024) 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.

f) Property and equipment

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. The cost of an item of property and equipment is recognized as an asset if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Costs of minor repairs and day-to-day maintenance are expensed when incurred. Cost of replacing major parts or components of property and equipment items that extend the useful lives of assets or increase their revenue-generating capacities are capitalized and the replaced part is retired.

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

	Useful lives in years
Office equipment	1-5

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

Property and equipment are also subject to impairment. Refer to the accounting policies in section (i) Impairment of non-financial assets excluding goodwill.

g) Leases

Right-of-use assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term as follows:

	Lease term in years
Offices	3 - 4

Right-of use assets are also subject to impairment. Refer to the accounting policies in section (i) Impairment of non-financial assets excluding goodwill.

Lease liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Presentation in the consolidated statement of cash flows

The Group classifies cash payments for the principal portion of lease liabilities within financing activities and cash payments for the interest portion of the lease liabilities within operating activities.

h) 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
Computer software	1-3
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.

i) Impairment of non-financial assets excluding goodwill

At each reporting date, the Group reviews the carrying amounts of its property and equipment, right-of-use assets and intangible 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.

i) Inventories

Inventories are comprised of properties acquired through the Home Swap service and are stated at the lower of cost or net realizable value. Properties are removed from inventories based on a specific identification of individual costs when they are resold. These costs comprise the purchase price and state duties.

The Group reviews the value of properties held in inventories for indicators that net realizable value is lower than cost at the end of each reporting period. When evidence exists that the net realizable value of inventories is lower than its cost, the difference is recognized in other operating expenses.

j) 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.

k) 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 ("phantom shares"), 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.

l) 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.

m) 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.

n) Profit / (loss) per share

Basic and diluted net profit / (loss) per ordinary share for all periods presented has been determined in accordance with IAS 33 "Earnings per Share", by dividing income available to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period. The Group did not have any dilutive instruments as of December 31, 2021 and 2020. As of December 31, 2021 the Group had equity-settled share-based awards (Note 16) that were antidilutive as of reporting date. As of December 31, 2022 the Group considered these equity-settled share-based awards (Note 16) in the calculation of the diluted earnings per share, as the Group earned profit for the year ended December 31, 2022.

o) 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.

p) 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.

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.

(in millions of Russian Rubles, unless otherwise stated)

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, 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**

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**

For the year ended December 31, 2020

	At a point in time	Over time	Total revenue
Listing revenue	—	2,383	2,383
Lead generation revenue	994	—	994
Display advertising revenue	—	456	456
Other revenue	101	38	139
Total revenue	**1,095**	**2,877**	**3,972**

Listing, lead generation and display advertising revenues relate to the "Core Business" operating segment, while other revenue represents operating segments "Mortgage Marketplace", "Valuation and Analytics", "C2C Rental" and "End-to-End Offerings" (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, 2022	December 31, 2021
Trade receivables (Note 13)	384	225
Contract liabilities (including 39 of loyalty points (2021: 37))	(554)	(425)

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 2022 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;
- Mortgage Marketplace;
- Valuation and Analytics;
- C2C Rental; and
- End-to-End Offerings.

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.

Each of the other operating segments represents the Group's new offerings focused on developing different transactional business models:

- Mortgage Marketplace represents a platform for mortgage price comparison, mortgage pre-approval and origination, where the Group earns commissions from its partner banks for distributing their mortgage products;
- Valuation and Analytics – services where the Group earns fees derived from the customers for providing access to the Group's proprietary real estate market research, data analytics and market intelligence services;
- C2C Rental – a service intended to facilitate seamless rental transactions, where the Group earned revenue for providing an end-to-end solution in property rentals. The Group decided to cease development of this service in the fourth quarter of 2021 due to a combination of factors, such as insufficient market perspectives and lower than planned performance;
- End-to-End Offerings – a new operating segment which emerged in 2021. The CODM does not review the service offerings of this segment individually and thus End-to-End Offerings represents a single operating segment comprising the following:
  - Home Swap service – a service, where the Group acquires and resells properties. This service was launched in the fourth quarter of 2021 as part of the pilot project, and
  - Online Transaction Services – a service, that enables online execution of real estate transactions (including document checking, verification, signing and storage, notary services, registration and tax refunds) and facilitates simultaneous sales and purchases for our customers and users.

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.

(in millions of Russian Rubles, unless otherwise stated)

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
- *Income from the depositary* – for the purposes of CODM's assessment of operating performance income from the depositary is not analyzed, as this is not an operating income stream and it relates purely to the Group's public status and its ADSs program;

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.

Starting from 2022 the Group changed its management reporting to be more convergent with IFRS. The following differences were eliminated:

- *Reclassification of lease related amortization and interest* – for the purposes of CODM's assessment of operating performance rental expenses were previously considered operating expenses included in Adjusted EBITDA, rather than depreciation and interest expense, thus, IFRS 16 'Leases' was not applied in internal reporting;
- *Reclassification of operating expense related to software licenses to amortization* – for the purposes of CODM's assessment of operating performance, expenses related to software licenses were considered operating expenses included in Adjusted EBITDA, rather than amortization of intangible assets.
- *Capitalized development costs* - for the purposes of CODM's assessment of operating performance expenses none of the expenses were capitalized;

The corresponding information for the years ended December 31, 2021 and 2020 is restated accordingly.

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

	For the year ended December 31, 2022					
	Core Business	**Mortgage Marketplace**	**Valuation and Analytics**	**C2C Rental**	**End-to-End Offerings**	**Total**
Revenue, including:	**7,850**	**229**	**54**	—	**133**	**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	43	206	54	—	133	436
Adjusted EBITDA	**2,369**	**(155)**	**(59)**	**(5)**	**(479)**	**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)
Income from the depositary						45
Share-based payments						(657)
Profit before income tax						**767**

	For the year ended December 31, 2021					
	Core Business	**Mortgage Marketplace**	**Valuation and Analytics**	**C2C Rental**	**End-to-End Offerings**	**Total**
Revenue, including:	**5,641**	**295**	**45**	**3**	**49**	**6,033**
Listing revenue	3,699	—	—	—	—	3,699

(in millions of Russian Rubles, unless otherwise stated)

Lead generation revenue	1,329	3	—	—	—	1,332
Display advertising revenue	596	5	—	—	—	601
Other revenue	17	287	45	3	49	401
Adjusted EBITDA	**1,223**	**(475)**	**(69)**	**(143)**	**(218)**	**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)
Income from the depositary	6
Share-based payments	(2,549)
Loss before income tax	**(2,797)**

	For the year ended December 31, 2020				
	Core Business	**Mortgage Marketplace**	**Valuation and Analytics**	**C2C Rental**	**Total**
Revenue, including:	**3,822**	**110**	**39**	**1**	**3,972**
Listing revenue	2,383	—	—	—	2,383
Lead generation revenue	991	3	—	—	994
Display advertising revenue	439	17	—	—	456
Other revenue	9	90	39	1	139
Adjusted EBITDA	**659**	**(246)**	**(112)**	**(120)**	**181**

Reconciliation of Adjusted EBITDA to Loss before income tax	
Adjusted EBITDA	**181**
Depreciation and amortization	(200)
Finance expenses, net	(61)
Foreign currency exchange loss, net	(1)
Share-based payments	(558)
Loss before income tax	**(639)**

6. BUSINESS COMBINATION

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

(in millions of Russian Rubles, unless otherwise stated)

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.

Planned acquisition of SmartDeal

On December 27, 2021, the Group entered into a binding preliminary agreement for acquisition of 100% in SmartDeal (Praktika Uspekha LLC), a company which provides e-registration and adjacent services for various types of property deals. Completion of the acquisition is subject to customary closing conditions and among other things, regulatory clearance by the Government Commission on Monitoring Foreign Investment. The acquisition was not completed by the date of these financial statements.

7. MARKETING EXPENSES

	2022	2021	2020
Online marketing	(1,079)	(1,631)	(1,498)
Offline marketing	(1,221)	(556)	(139)
Other marketing expenses	(60)	(66)	(60)
Total marketing expenses	**(2,360)**	**(2,253)**	**(1,697)**

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

8. EMPLOYEE-RELATED EXPENSES

	2022	2021	2020
Wages, salaries and related taxes	(2,986)	(2,394)	(1,610)
Share-based payment expense (Note 16)	(657)	(2,549)	(558)
Other employee-related expenses	(116)	(119)	(40)
Total employee-related expenses	**(3,759)**	**(5,062)**	**(2,208)**

9. INCOME TAX

The major components of income tax (expense) / benefit for the years ended December 31, 2022, 2021 and 2020 are:

(in millions of Russian Rubles, unless otherwise stated)

	2022	2021	2020
Current income tax expense	(206)	(71)	(18)
Adjustments in respect of current income tax of previous years	—	—	(1)
Deferred tax (expense) / benefit	(81)	11	31
Income tax (expense) / benefit	**(287)**	**(60)**	**12**

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:

	2022	2021	2020
Profit / (loss) before income tax	**767**	**(2,797)**	**(639)**
Income tax (expense) / benefit calculated at Russia's statutory income tax rate	(153)	559	128
Effect of a lower tax rate in a subsidiary	7	(4)	—
Adjustments in respect of current income tax of previous years	—	—	(1)
Share-based payments	(131)	(510)	(112)
Other non-deductible expenses	(10)	(105)	(3)
Income tax (expense) / benefit for the year	**(287)**	**(60)**	**12**

Set out below is the summary of deferred tax assets and liabilities as of December 31, 2022 and 2021:

	Consolidated statement of financial position as of December 31,		**Consolidated statement of profit or loss**	
	2022	**2021**	**2022**	**2021**
Deferred tax assets arising from:				
Tax losses carried forward	—	113	(113)	(36)
Revenue recognition	85	71	14	12
Lease liabilities	14	17	(3)	(6)
Employee benefits	40	24	16	—
Intangible assets	12	23	(11)	8
Trade receivables	3	2	1	1
Trade payables	2	—	2	—
Total deferred tax assets before set-off	**156**	**250**	**(94)**	**(21)**
Set-off of tax	**(19)**	**(24)**	—	—
Net deferred tax assets	**137**	**226**	—	—
Deferred tax liabilities arising from:				
Intangible assets	(127)	(138)	11	24
Right-of-use assets	(15)	(18)	3	7
Property and equipment	(2)	(2)	—	—
Other items	(2)	(1)	(1)	1
Total deferred tax liabilities before set-off	**(146)**	**(159)**	**13**	**32**
Set-off of tax	**19**	**24**	—	—
Net deferred tax liabilities	**(127)**	**(135)**	—	—
Net deferred tax asset	**10**	**91**	—	—
Deferred tax (expense) / benefit	—	—	**(81)**	**11**

(in millions of Russian Rubles, unless otherwise stated)

10. LEASES

The Group leases several office buildings to provide employees with comfortable working conditions. Set out below are the carrying amounts of the Group's right-of-use assets and lease liabilities and the movements during the period:

	Right-of-use assets	Lease liabilities
As of January 1, 2021	**125**	**(113)**
Additions	—	—
Acquisition of a subsidiary (Note 6)	18	(18)
Depreciation expense	(45)	—
Interest expense	—	(9)
Set-off	—	2
Payments	—	47
As of December 31, 2021	**98**	**(91)**
Additions	30	(29)
Disposals	(8)	9
Depreciation expense	(46)	—
Interest expense	—	(6)
Payments	—	48
As of December 31, 2022	**74**	**(69)**

The maturity analysis of lease liabilities based on contractual undiscounted payments is disclosed in Note 20.

11. INTANGIBLE ASSETS AND GOODWILL

	Trademarks	Customer base	Computer software	Video/ audio rights	Development costs	Goodwill	Total
Cost							
At January 1, 2021	**76**	**186**	**111**	**118**	**69**	—	**560**
Additions	—	—	51	38	—	—	89
Acquisition of a subsidiary (Note 6)	254	753	39	—	—	785	1,831
Disposals	—	—	—	(109)	—	—	(109)
At December 31, 2021	**330**	**939**	**201**	**47**	**69**	**785**	**2,371**
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**
Amortization and impairment							
At January 1, 2021	**(57)**	**(63)**	**(81)**	**(98)**	**(4)**	—	**(303)**
Amortization charge	(44)	(56)	(52)	(32)	(11)	—	(195)
Disposals	—	—	—	109	—	—	109
At December 31, 2021	**(101)**	**(119)**	**(133)**	**(21)**	**(15)**	—	**(389)**
At January 1, 2022	**(101)**	**(119)**	**(133)**	**(21)**	**(15)**	—	**(389)**
Amortization charge	(28)	(61)	(67)	(25)	(11)	—	(192)
Disposals	—	—	—	26	—	—	26
At December 31, 2022	**(129)**	**(180)**	**(200)**	**(20)**	**(26)**	—	**(555)**
Carrying amounts							
At December 31, 2021	**229**	**820**	**68**	**26**	**54**	**785**	**1,982**
At December 31, 2022	**201**	**759**	**68**	**6**	**43**	**785**	**1,862**

Impairment test

The Group's non-current assets are fully attributable to the "Core Business" cash-generating unit (CGU). The "Core Business" CGU represents the main service line of real estate classifieds and related advertising services provided on the Group's platforms (websites and mobile application). "Mortgage Marketplace", "Valuation and Analytics", "C2C

(in millions of Russian Rubles, unless otherwise stated)

Rental" and "End-to-End Offerings" each represent a separate CGU; however, the Group did not recognize any assets related to these CGUs as of December 31, 2022 and 2021, as there was no convincing evidence available that these services would generate future economic benefits.

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

At December 31, 2022 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. Due to suspension of trading of Company's ADRs at New York Stock Exchange since February 28, 2022, management used quoted prices of Company's ADRs at Moscow Exchange, where active trading was resumed on March 24, 2022. At December 31, 2022 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.

12. INVENTORIES

The Group is planning to develop the Home Swap service in order to provide an alternative way to finance a real estate purchase by facilitating simultaneous sales and purchases of properties. The Home Swap service is currently in its testing phase, where the Group checks different consumer hypotheses to find the best product market fit. Within the testing period, the Group purchased some properties for the Group's own account to support the development of this service.

In 2022, inventories of 100 (2021: 33) were recognized as an expense during the year, in which the related revenue was recognized, and included in other operating expenses.

13. TRADE AND OTHER RECEIVABLES

	December 31, 2022	December 31, 2021
Trade receivables from third parties	396	233
Other receivables from third parties	30	183
Allowance for expected credit losses	(12)	(8)
Total trade and other receivables	**414**	**408**

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:

	2022	2021
Balance at the beginning of the year	**(8)**	**(6)**
Allowance for expected credit losses	(4)	(2)
Balance at the end of the year	**(12)**	**(8)**

Information about the Group's exposure to credit and market risks is presented in Note 20.

14. CASH AND CASH EQUIVALENTS

	December 31, 2022	December 31, 2021
Cash at banks	1,402	1,998
Short-term deposits	2,710	435
Allowance for expected credit losses	(2)	(14)
Total cash and cash equivalents	**4,110**	**2,419**

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 20.

(in millions of Russian Rubles, unless otherwise stated)

Since December 2022 the Company's accounts in a certain Cypriot bank have been suspended. However, the cash held in this bank (RUB 682 denominated in USD) is not restricted, as the bank allows own funds transfer to another bank. The Company is working on opening a new account in an alternative bank.

15. SHARE CAPITAL

	Authorized		Issued and fully paid	
Number of shares	**December 31, 2022**	**December 31, 2021**	**December 31, 2022**	**December 31, 2021**
Ordinary shares of EUR 0.0004 each	130,000,000	130,000,000	69,959,548	69,871,511
	130,000,000	**130,000,000**	**69,959,548**	**69,871,511**

	Number of ordinary shares	Share capital	Share premium
At January 1, 2021	**59,433,100**	—	**125**
Issue of shares in the private placement	5,566,900	—	2,291
Issue of shares in the IPO	4,042,400	—	4,624
Issue of shares under the phantom share program (Note 16)	829,111	—	966
Effect arising from the share split	—	2	—
Transaction costs	—	—	(392)
At December 31, 2021	**69,871,511**	**2**	**7,614**
Issue of shares upon the exercise of the share-based awards (Note 16)	88,037	—	88
At December 31, 2022	**69,959,548**	**2**	**7,702**

In February 2021, the Company issued 5,566,900 ordinary shares to the existing and new shareholders and received 2,265 in cash.

In November 2021, the Company issued 4,042,400 ordinary shares, represented by the ADSs, in the IPO on the NYSE. The Company received 4,255 in net proceeds from the IPO after deducting underwriting fees and other transaction costs.

In June 2022, the Company issued 57,199 ordinary shares to the former Chief Operating Officer upon his resignation and 30,838 to external advisors upon the exercise of the share-based awards (Note 16).

16. 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 millions of Russian Rubles, unless otherwise stated)

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 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 and 2020:

	2021	2020
Share-based payment liabilities at the beginning of the year	**636**	**78**
New awards granted	512	—
Remeasurement during the year	1,927	558
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	—	**636**

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 year ended December 31, 2022:

	Number of RSUs	Weighted average grant date fair value per award, RUB
Outstanding at December 31, 2020	—	—
Granted during the period	1,427,226	932
Forfeited during the period	—	—
Exercised during the period	—	—
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 the employees	(34,515)	920

(in millions of Russian Rubles, unless otherwise stated)

Outstanding at December 31, 2022	2,860,069	605
Exercisable at December 31, 2022	792,652	816

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 (Note 11), 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, 2022 and 2021:

	December 31, 2022	**December 31, 2021**
Fair value of the RSUs at the grant date, USD	5.46	14.89
Share price at the grant date, USD	6.97	17.62
Exercise price, USD	Nil	Nil
Expected annual volatility, %	59.6%	50.9%
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 2022 and 2021.

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

17. TRADE AND OTHER PAYABLES

	December 31, 2022	**December 31, 2021**
Trade payables	263	249
Annual bonus provision	193	119
Unused vacation provision	83	60
Other employee benefits	2	13
Other payables	101	178
Trade and other payables	**642**	**619**

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 20.

18. DEFERRED INCOME

In connection with the IPO, the Group has been entitled to receive consideration from the depositary based on the number of issued ADSs. The Group has recorded this consideration as deferred income in the consolidated statement of financial position, as the Group is obliged to return the unearned portion of the consideration upon termination of the ADS program before the five-year contract term expiration. Income is 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.

(in millions of Russian Rubles, unless otherwise stated)

19. 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, 2022, 2021 and 2020 amounted to:

	2022	2021	2020
Short-term employee benefits	(74)	(46)	(38)
Share-based payment expense	(317)	(1,573)	(313)
Total key management remuneration	**(391)**	**(1,619)**	**(351)**

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.

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 is considering obtaining 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 is expected to apply for 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, 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.

(in millions of Russian Rubles, unless otherwise stated)

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 2022 and 2020, 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 ultimate controlling party

During 2022 and 2020, there were no transactions or outstanding balances with Elbrus Capital, the ultimate controlling party. No guarantees have been given or received.

During 2021, the Group received a loan of 1,491 from Elbrus Capital 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
Associate of Elbrus Capital	2022	—	2	1	—
Associate of Elbrus Capital	2021	—	4	—	—
Associate of Elbrus Capital	2020	—	3	—	—

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.

20. FINANCIAL RISK MANAGEMENT

20.1 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, 2022	December 31, 2021
Financial assets measured at amortized cost		
Cash and cash equivalents (Note 14)	4,110	2,419
Trade and other receivables (Note 13)	414	408
Rent security deposits	7	3
Total financial assets	**4,531**	**2,830**
Financial liabilities measured at amortized cost		
Trade and other payables (Note 17)	364	427
Lease liabilities (Note 10)	69	91
Total financial liabilities	**433**	**518**

20.2 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.

(in millions of Russian Rubles, unless otherwise stated)

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.

20.2.1 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, 2022, 33% of the Group's cash and cash equivalents was denominated in US dollars and less than 1% was denominated in EURO. As of December 31, 2021 the US dollar and EURO exchange rates were 74.2926 Rubles and 84.0695 Rubles, respectively. 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, Ruble initially depreciated significantly against most other currencies. Following the subsequent decrease in imports and restrictions imposed by the Russian Central Bank as a response to sanctions, the Ruble strengthened against foreign currencies in the second and third quarter of 2022. However, in the fourth quarter Ruble deteriorated and as of December 31, 2022, the Ruble to US dollar and EURO exchange rates were 70.3375 Rubles and 75.6553 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:

	Change in US dollar, EURO exchange rates	Effect on profit before tax
Year ended December 31, 2022		
Cash and cash equivalents	+100%/-100%	1,389 / (1,389)
Trade and other payables	+100%/-100%	(90) / 90
Year ended December 31, 2021		
Cash and cash equivalents	+100%/-100%	1,600 / (1,600)
Trade and other receivables	+100%/-100%	172 / (172)
Trade and other payables	+100%/-100%	(230) / 230

20.2.2 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:

(in millions of Russian Rubles, unless otherwise stated)

	< 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

	< 30 days	31-60 days	61-90 days	> 90 days	Total
2021					
Expected credit loss rate	0.8%	4.3%	8.4%	72.9%	
Total gross carrying amount	216	8	1	8	233
Expected credit loss	2	—	—	6	8

Cash and cash equivalents

As of December 31, 2022, the Group held 83% of its cash and cash equivalents with the Russian banks (December 31, 2021: 22%), which are rated not less than A, based on Expert RA and AKRA ratings, the remaining cash and cash equivalents were held with a Cypriot 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, 2022.

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 reversal of 12 for the year ended December 31, 2022 (year ended December 31, 2021: allowance of 14).

20.2.3 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
2022					
Trade and other payables	364	—	—	—	364
Lease liabilities	46	30	—	—	76
Total financial liabilities	**410**	**30**	—	—	**440**

	Within 1 year	1 to 3 years	3 to 5 years	> 5 years	Total
2021					
Trade and other payables	427	—	—	—	427
Lease liabilities	50	50	—	—	100
Total financial liabilities	**477**	**50**	—	—	**527**

20.3 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.

(in millions of Russian Rubles, unless otherwise stated)

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

	January 1, 2021	Financing cash flows	Leases (non-cash)	Other	December 31, 2021
Borrowings	728	(728)	—	—	—
Lease liabilities	113	(38)	18	(2)	91
	841	**(766)**	**18**	**(2)**	**91**

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

20.4 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, 2022, 2021 and 2020.

21. 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, 2022.

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. 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 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 halted trading in the Company's American Depository Shares ("ADSs").

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.

The Group had approximately 4,700 of cash and cash equivalents as of March 29, 2023. 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.

COVID-19

In March 2020, the World Health Organization declared the COVID-19 virus a global pandemic. The highly contagious disease has spread to most of the countries including Russia, creating a negative impact on customers, workforces, and suppliers, disrupting economies and financial markets, and potentially leading to a worldwide economic downturn. The Group aimed to adapt to such adverse changes in conditions by exploring new ways of monetization and promotion of its products and services and cost optimization. As a result, the Group avoided any significant adverse impact on revenue or operating loss. However, the full impact of the COVID-19 outbreak continues to evolve as of the date of issuance of these consolidated financial statements. As such, it is uncertain as to the full magnitude that the pandemic will have on the Group's financial condition, liquidity, and future results of operations.

22. EVENTS AFTER THE REPORTING PERIOD

On March 15, 2023, the Company received a written notice from the staff of the New York Stock Exchange Regulation notifying the Company that it has determined to delist the Company's American depositary shares ("ADSs") from the NYSE. The Company utilized its right to a review of the determination and, accordingly, filed an appeal to this decision.