Etalon Group PLC

Consolidated Financial Statements

For the year ended 31 December 2023 and the audit report of an independent auditor

Contents

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors

Gennadii Shcherbina (appointed on 30 April 2021)
Alexander Voloshin (appointed on 30 April 2021)
Sergey Egorov (appointed on 19 February 2019)
Marina Ogloblina (appointed on 19 February 2019)
Andreas Kriftis (appointed on 26 April 2023)
Vitaly Pyltsov (appointed on 4 April 2022)
Ganna Khomenko (appointed on 19 February 2019 and resigned on 25 April 2023)
Denis Vinokurov (appointed on 9 November 2018 and resigned on 26 May 2023)
Boris Svetlichny (appointed on 15 April 2013 and resigned on 26 May 2023)
Charalampos Avgousti (appointed on 10 November 2016 and resigned on 21 April 2023)
Oleg Mubarakshin (appointed on 19 February 2019 and resigned on 16 February 2023)
Maksim Berlovich (appointed on 27 April 2018 and resigned on 16 February 2023)

Secretary	Petsas Fiduciary Services Limited Griva Digeni, 36 Georgiou&Thelmas Paraskevaide, Flat/Office 4031066 Nicosia, Cyprus)
Registered Office	2-4 Arch. Makariou III Avenue Capital Center, 9th floor 1065 Nicosia Cyprus
Independent auditors	NSP Sagehill Parnters Limited Arianthi Court, 2nd Floor 50 Agias Zonis Street 3090 Limassol Cyprus

CONSOLIDATED MANAGEMENT REPORT

The Board of Directors of Etalon Group PLC (the “Company”) presents its Consolidated Management Report together with the audited Consolidated Financial Statements of the Company and its subsidiaries (together referred to as the “Group”) for the year ended 31 December 2023. The Group’s consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

Review of the development and performance of the Group’s business and its position

The results of the Group for the year ended 31 December 2023 are set out on page 18 of the consolidated financial statements.

(a) Revenue

The Group’s total revenue for the year ended 31 December 2023 amounted to RUB 88 791 million compared to RUB 80 556 million for the year ended 31 December 2022, an increase of RUB 8 235 million or 10%.

Revenue of the reportable segment “Residential development” increased by RUB 8 882 million or 13%, as a result of the cumulative impact of a 26% increase in revenues from the sales of parking spaces by RUB 965 million and an increase in revenue by 34% from the sales of built-in commercial premises by RUB 1 311 million and an increase in revenue by 11% from the sale of apartments by RUB 6 606 million.

Revenues from external buyers in the reportable segment “Construction services” decreased by RUB 1 349 million or 63%.

Revenues from external customers in the reportable segment "Other" increased by RUB 702 million or by 8% as a result of the cumulative effect of an increase in other revenues by RUB 78 million or by 2%, an increase in the sales of construction materials by RUB 1 562 million or by 54%, and an increase in the rental revenue by RUB 83 million or 14%.

(b) Gross profit

Gross profit for the year ended 31 December 2023 amounted to RUB 29 971 million compared to RUB 28 203 million for the year ended 31 December 2022, an increase of RUB 1 768 million or 6%, mainly as a result of an increase in gross profit of the reportable segment “Residential development” by RUB 3 149 million or 12% and decrease in gross profit of the reportable segment “Other” by RUB 1 353 million or 51%.

(c) Results from operating activities

Profit from operating activities during the year ended 31 December 2023 amounted to RUB 11 941 million compared to RUB 25 055 million for the year ended 31 December 2022, a decrease of RUB 13 114 million or 52%, which was mainly driven by the gain from bargain purchase of Russian business of YIT Corporation (“YIT Russia”) of RUB 12 038 million.

During the year ended 31 December 2023, general and administrative expenses increased by RUB 216 million or 3%, selling expenses increased by RUB 157 million or 3%, other income increased by RUB 165 million or 50%, other expenses increased by RUB 2 719 million or 116%, as compared to the year ended 31 December 2022.

(d) General and administrative expenses

The increase in general and administrative expenses was mainly caused by the increase in cost of services by RUB 449 million or 65%, an increase of repair and maintenance costs by RUB 49 million or 48% and other taxes by RUB 50 million or 68%.

(e) Other income and other expenses

During the year ended 31 December 2023, other income increased by RUB 165 million or 50%, mainly due to the fact that during 2023, income from the disposal of fixed assets was recognized in the amount of RUB 214 million and an increase of the fines and penalties received in the amount of RUB 190 million.

Other expenses increased by RUB 2 719 million or 116% mainly due to an increase in the costs of constructing of social infrastructure facilities for commissioned facilities by RUB 2 326 million, an increase of the fines and penalties by RUB 645 million and other expenses by RUB 638 million.

(f) Net finance costs

Net finance costs for the year ended 31 December 2023 increased by RUB 3 830 million or 42% as compared to the year ended 31 December 2022.

Finance income increased by RUB 523 million or 697% mainly due to the increase in income from write-offs of accounts payables of RUB 194 million or 318%, and the increase in exchange differences by RUB 343 million or 100%. Interest income on bank deposits decreased due to the decrease in bank deposits by RUB 494 million or by 20%, and a decrease in funds in bank accounts by RUB 793 million or 96%.

Financial costs increased by RUB 2 656 million or 20% due to an increase in interest expense on loans and borrowings by RUB 2 795 million or 31%.

(g) Income tax expense

Income tax expense for the year ended 31 December 2023 amounted to RUB 2 416 million compared to an income tax expense of RUB 2 886 million for the year ended 31 December 2022, a decrease by RUB 470 million or 16%.

(h) (Loss)/profit for the year

The loss for the year ended 31 December 2023 amounted to RUB 3 370 million, compared to a profit of RUB 13 001 million for the year ended 31 December 2022.

(i) Adjusted net debt/adjusted EBITDA and net corporate debt/adjusted EBITDA ratios

As described in note 23 and in the Supplementary Information section, certain bank loans are subject to restrictive covenants which are calculated based on the consolidated financial statements of the Group. The loans used to finance the acquisition of JSC Etalon Finance (JSC Leader-Invest prior to 2022) require the Group to maintain adjusted net debt/adjusted EBITDA ratio below 4.

As of 31 December 2023 the Group’s adjusted net debt is negative (specified assets exceed borrowings), which results in adjusted net debt/ adjusted earnings before taxes, interest, and amortization (EBITDA) ratio being minus -0.09, that well below the required minimal ratio.

The Group also monitors the ratio of net corporate debt (total loans and borrowings less secured project financing less cash and cash equivalents less bank deposits over 3 months) to adjusted EBITDA. Following the transition to settlements with customers through escrow accounts and to financing of construction by means of project financing, the classical net debt/EBITDA indicator distorts the actual debt burden. At the appropriate level of coverage of project loan with cash on escrow accounts, nominal interest rates on such debt are reduced to near-zero values, well below the market rates.

As of 31 December 2023, the ratio amounted to 1.91, which is in line with the Group’s target for the ratio being less than 2-3.

Principal risks and uncertainties

The principal risks and uncertainties faced by the Group are disclosed in the notes 1(b), 2(d) and 26 of the Consolidated Financial Statements.

Activities related to research and development

During the year ended 31 December 2023, the Group has undertaken certain activities in the field of research and development related to development of IT systems. Development costs in the amount of RUB 335 million have been capitalized into intangible assets.

Branches

The Group operated through branches in Moscow and Saint Petersburg and 15 representative (sales) offices across the Russian Federation during the year ended 31 December 2023.

Use of financial instruments by the Group

The classes of financial instruments used by the Group, the Group's financial risk management objectives and policies as well as the Group's exposure to credit risk, liquidity risk and market risk are disclosed in the note 26 of the consolidated financial statements.

Transactions with related parties

Transactions with related parties are disclosed in note 29 to the consolidated financial statements.

Dividends

As of the date of approval of these consolidated financial statements, no dividends for the current or previous year have been recommended or paid.
We hereby confirm that there is no other material information that affects or may affect the readers' assessment of this Consolidated Management Report with respect to profits and losses for the reporting period or any future periods, prospects and trends of activities other than those disclosed by the Company in the consolidated financial statements and the Consolidated Management Report.

Changes in the Company's share capital

There were no changes in the Company's share capital during 2023.

On 15 December 2023, the annual general meeting of shareholders of the Company, together with the decision to change the place of registration of the Company from Cyprus to the Russian Federation, adopted a decision according to which, from the date of registration of the Company as an international public joint stock company in the Unified State Register of Legal Entities of the Russian Federation, the issued authorized capital of the Company with a nominal value of 39,172 pounds sterling, divided into 383 445 362 ordinary shares with a par value of 0.00005 pounds sterling each and 20 000 preferred shares with a par value of 1 pound sterling each, it will be converted into capital with a par value of 4 401 635 rubles, divided into 383 445 362 ordinary shares with a par value of 0.005618305 rubles each and 20 000 preferred shares with a par value of 112.3661 rubles each.

Changes in the composition, allocation of responsibilities or compensation of the Board of Directors

The changes in the composition and allocation of responsibilities of the Board of Directors during 2023 and until the date these consolidated financial statements have been authorised for issue, are disclosed in the Board of Directors and other Officers section of these consolidated financial statements.

Independent Auditors

The Company appointed NSP Sagehill Partners Limited as the auditor of the Group's consolidated financial statements for the year ended 31 December 2023.

CONSOLIDATED MANAGEMENT REPORT (CONTINUED)

Nonrecurring or unusual activities and other significant events

Acquisition of investment in joint veture

In December 2023, the Group acquired a 75.86% share in a group of companies owning leasehold rights for a land plot in Moscow for the consideration of RUB 9 015 million, see note 15. The investment was accounted for as a joint venture because the Group exercises control over the investee jointly with other joint venturer.

Changing the place of registration of the Company from Cyprus to the Russian Federation

On 15 December 2023, the annual general meeting of shareholders of the Company decided to proceed with the cancellation of registration in the registrar of companies in Cyprus and the transfer of its registered office to the Special Administrative Region - Oktyabrsky Island of the Kaliningrad Region of the Russian Federation, and registration as a legal successor in the form of an international public joint stock company in the legal regime of the Russian Federation without dissolution and re-formation. The head office of the Company in the Special Administrative Region of Oktyabrsky Island is proposed to be established no later than 9 months from the date of the decision

The Ukrainian crisis

Since the outbreak of the conflict in Ukraine on 24 February 2022, the US, UK, EU and other countries announced an extension of sanctions on certain Russian officials, businessmen and companies. These developments resulted in reduced access of Russian businesses to international capital, import and export markets, reduction in consumer demand and other negative economic consequences.

Future developments of the Group

The Board of Directors acknowledges that the current geopolitical situation and the resulting economic developments in Russia may have an adverse impact on operations and financial results of the Group in the future. Still, the Group continues to adhere to its strategy, including regional expansion, and to sustain the scale of its operations, and overall will be able to continue its business for the foreseeable future.

CORPORATE GOVERNANCE REPORT

Company's internal control and risk management in relation to the preparation of the financial statements

The main documents regulating the activities of the Company are the Cyprus Companies Law, Cap. 113, Listing rules of PJSC Moscow Exchange, Prospectus and Disclosure and Transparency Rules, together with the Memorandum and Articles of Association of the Company. The Company has also enacted a number of governance policies and procedures, such as the Management Policy and Committee terms of reference, to ensure that a proper system of corporate governance is in place.

The Board of Directors is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with the International Financial Reporting Standards as adopted by the European Union (IFRS-EU) and the requirements of the Cyprus Companies Law, Cap. 113, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's and the Company's ability to continue as a going concern, considering all available information about the future and for disclosing any material uncertainties related to events or conditions that may cast significant doubt upon the Group's and the Company's ability to continue as a going concern.

Those charged with governance are responsible for the implementation of internal control necessary for the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and in particular for the design, implementation and maintenance of internal control to prevent and detect fraud and error.

The Audit Committee is responsible for monitoring the financial reporting process and the integrity of the Company's financial statements. It is also responsible for reviewing internal controls, overseeing how management monitors compliance with the Group's risk management policies and procedures, the effectiveness of the Group's Internal Audit function and the independence, objectivity and the effectiveness of the external audit process. The Audit Committee is also responsible for considering the terms of appointment and remuneration of the external auditor.

Each of the subsidiaries of the Group keeps accounting records for statutory purposes. The preparation of consolidated financial statements involves the transformation of the statutory accounting records into IFRS and the consolidation of financial statements. The Group continues the process of implementing a single Group-wide information system featuring automated consolidation of the accounts that will strengthen internal control and risk management in relation to the preparation of the consolidated financial statements.

The Group believes that its financial reporting functions and internal control systems are sufficient to ensure compliance with the requirements of the FCA's Disclosure and Transparency Rules as a listed company and with the requirement of Cyprus Companies Law, Cap. 113.

Significant direct or indirect shareholdings (including indirect shareholdings through pyramid structures and cross-shareholdings)

The authorised and issued share capital of the Company is GBP 39,172 divided into 383 445 362 Ordinary Shares of GBP 0,00005 each and 20,000 redeemable preference shares of GBP 1 each. 294 251 042 ordinary shares (76,7%) are deposited for the issuance of Global Depositary Receipts (GDRs) pursuant to the agreement with the new depositary bank RCS Issuer Services S.AR. effective November 6, 2023, replacing Bank of New York Mellon. The GDRs represent one ordinary share each and at the reporting date have been listed and traded on the Main Market of the London Stock Exchange (LSE). Since the beginning of March 2022, LSE suspended trading in Etalon's GDRs. On 7 February 2024 the Company ceased listing its GDRs on the London Stock Exchange.

The Company's GDRs are traded on the Moscow Stock Exchange Starting from 3 February 2020.

As at 31 December 2023, the Company was aware of the following interests in its share capital:

Shareholders	**%**
Free float	35,2%
PJSC AFK Sistema	48,8%
Mubadala Investment Company	6,3%
Kopernik Global Investors	5,0%
Prosperity Capital	4,1%
Management of the Company	0,6%
Total	**100%**

The holders of any shares with special control rights and a description of these rights

The Company does not have any shares with special control rights.

Restrictions in exercising of voting rights of shares

The 20 000 preference shares having the par value of GBP 1 each issued by the Company, bear no voting rights. The Company does not have any other restrictions in exercising of the voting rights of its shares.

CORPORATE GOVERNANCE REPORT (CONTINUED)

The rules regarding the appointment and replacement of board members

The Company may by ordinary resolution appoint any person as a director and may by ordinary resolution of which special notice has been given, in accordance with sections 178 and 136 of the Cyprus Companies Law, cap. 113 (the Law), remove a director. Any such director will receive special notice of the meeting and is entitled to be heard at the meeting. Any director has to confirm in writing that he is eligible under the Law.

A director may resign from office as a director by giving notice in writing to that effect to the Company, which notice shall be effective upon such date as may be specified in the notice.

The directors have the power from time to time, without sanction of the Company in general meeting, to appoint any person to be a director, either to fill a casual vacancy or as an additional director.

The office of a director shall be vacated if the director:

(a) becomes of unsound mind or an order is made by a court having jurisdiction (whether in Cyprus or elsewhere) in matters concerning mental disorder for their detention or for the appointment of a receiver, curator or other person to exercise powers with respect to their property or affairs; or
(b) is prohibited from acting as director in accordance with section 180 of the Law; or
(c) becomes bankrupt or makes any arrangement or composition with their creditors generally or otherwise has any judgment executed on any of their assets; or
(d) dies; or
(e) resigns their office by written notice to the Company; or
(f) the Company removes them from their position in accordance with section 178 of the Law.

The rules regarding the amendment of the articles of association

Without limiting the provisions of the Law, the Company has the right to amend or supplement the provisions of the charter by a decision adopted by a qualified majority of votes. Amendments or additions act as if they were specified in the original version of the charter, and may also be similarly amended by a decision taken by a qualified majority of vote.

Financial statements

The consolidated financial statements of the Group, verified by independent auditors, will not be sent to the owners, but will be posted on the corporate website www.etalongroup.com.

By order of the Board of Directors,

Andreas Kriftis	Sergey Egorov
Director	Director

Nicosia

26 April 2024

Responsibility statement of the Directors and management of the Company in accordance with the Transparency Law

We, the members of the Board of Directors and the Company officials responsible for the drafting of the consolidated financial statements of ETALON GROUP PLC (the 'Company'), the names of which are listed below, in accordance with the requirements of the Section 9 of the Transparency Requirements (Security Admitted to Trading) Law 190(I)/2007 (hereinafter the "Transparency Law"), as amended, confirm that we have complied with the requirements in preparing the financial statement and that to the best of our knowledge:

(a) The consolidated annual financial statements for year ended 31 December 2023:

(i) Have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union (EU), in accordance with the provisions of section 9(4) of the Transparency Law and in accordance with Cyprus Companies Law, Cap.113;

(ii) Give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidated financial account as a whole, and

(b) The consolidated management report includes an objective review of the development and results of operations and financial condition of the Company, as well as a description of the principal risks and uncertainties facing the Company. The consolidated management report provides a fair overview on information required as per Section 9(6)(a) of the Transparency Law.

SERGEY EGOROV, Chairman of the Board of Directors	
MARINA OGLOBLINA, Member of the Board of Directors	
ANDREAS KRIFTIS, Member of the Board of Directors	
ALEXANDER VOLOSHIN, Member of the Board of Directors	
VITALY PYLTSOV, Member of the Board of Directors	
GENNADII SHCHERBINA, Chief Executive Officer	
ILYA KOSOLAPOV, Chief Financial Officer	

26 April 2024

SAGEHILL
PARTNERS

INDEPENDENT AUDITOR'S REPORT

To the Members of Etalon Group PLC

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Etalon Group PLC ("the Company") and its subsidiaries the ("Group"), which are presented in pages 21 to 87 and comprise the consolidated statement of financial position as at 31 December 2023 and the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

Basis for Opinion

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

Emphasis of Matter

We draw attention to management report of the financial statements which describes the decisions taken on annual general meeting of the shareholders for redomiciliation of the Company from Cyprus to Russia. Our opinion is not modified in respect of this matter.

Key audit matters incorporating the most significant risks of material misstatements, including assessed risk of material misstatements due to fraud.

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

SAGEHILL
PARTNERS

INDEPENDENT AUDITOR'S REPORT (continued)

Key audit matters incorporating the most significant risks of material misstatements, including assessed risk of material misstatements due to fraud (continued)

Why the matter was determined to be key audit matter	How the matter was addressed in the audit
Revenue recognition In accordance with IFRS 15 Revenue from Contracts with Customers, the Group recognises revenue from sale of real estate inventories as performance obligations are satisfied (i.e. over time) or when performance obligations are satisfied (i.e. at a point in time) depending on the type of contract and the date of its registration with the state authorities. We consider revenue recognition under IFRS 15 to be a key audit matter due to: • significance of judgments applied when determining at the reporting date percentage of construction completion and the progress toward satisfying the Group's performance obligations under share participation agreements giving rise to over-time revenue recognition; • the complexity of judgements involved in determining the financing component for the particular share participation agreements, as well as calculating the correct portion to be recognised in profit or loss of the reporting period. The accounting policies on revenue under share participation agreements are disclosed in Note 3, part h). (i)-(iii). For other disclosures on revenue refer to Note 6.	Our audit procedures included amongst others: We analysed the Group's contracts with customers to identify the rights and obligations of the parties, challenged the appropriateness of revenue recognition method used by the Group, taking into account current legal practices in respect of such contracts. We obtained an understanding, assessed design and implementation of controls over the construction costs budgeting process and assessed the appropriateness of assumptions related to estimating the planned costs and expected construction timeline, which are used by the Group's management in measuring the progress toward completion when revenue is recognised over time. In addition, we performed a retrospective analysis of the Group's fulfilment of the budgets and construction milestones in the past. We received justification for all significant budget changes compared to the previous reporting date. We assessed the comparability and reasonableness of the budget structure and the average budgeted cost per square meter in the context of class and regions. We have verified that the percentage of completion is calculated correctly based on planned and actual construction costs incurred by suppliers before the reporting date. On a sample basis we checked primary documentation confirming the cost of the relevant actual costs. We also verified the Group's calculations of recognized revenue and significant financing component by performing the following: • In a sample basis, we traced input data in the calculations to the respective share participation agreements; • we verified that the discount rates applied by the Group reflect the credit characteristics of the party receiving financing in the contract, and that the rates determined at contract inception are applied consistently over the contract term; • we checked the arithmetical accuracy of the Group's calculations. We reviewed the disclosures in the consolidated financial statements for compliance with the requirements of IFRS 15. All the above procedures were completed in a satisfactory manner.

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INDEPENDENT AUDITOR'S REPORT (continued)

Key audit matters incorporating the most significant risks of material misstatements, including assessed risk of material misstatements due to fraud (continued)

Why the matter was determined to be key audit matter	How the matter was addressed in the audit
Net realizable value of inventories	
The Group has significant inventory balance (refer to Note 17 in the consolidated financial statements), which comprises real estate under construction and development, as well as completed properties, construction materials and other inventories. The Group measures its inventories at the lower of cost and net realizable value. We consider this area to be a key audit matter because it requires use of observable and unobservable inputs and application of a significant degree of judgment when developing assumptions, in particular in relation to: • the cost to complete construction; • expected timing and prices of sale; • the level of overhead expenses as a percentage of revenue; • the discount rate used to arrive to the present value of the future expected cash flows. The key sources of estimation uncertainty and accounting policies are disclosed in Note 2(d) and Note 3(g).	Our audit procedures included amongst others: We evaluated the appropriateness of management's assumptions applied in calculating the carrying value of inventories including: • obtaining an understanding of the Group's processes and procedures for developing assumptions used and assessing design and implementation; • assessing the appropriateness of the discount rate used; • reviewing, recalculating and critically assessing the reasonableness of the assumptions used in calculation of allowance for inventories considering: • historical turnover and prices of sales in these and/or similar projects; • price growth rates for future sales; • budgeted costs to complete construction; • budgeted general, administrative and selling expenses. We also assessed whether the disclosure in the consolidated financial statements in respect of the inventory allowances is in compliance with IFRS requirement. All the above procedures were completed in a satisfactory manner.

SAGEHILL PARTNERS

INDEPENDENT AUDITOR'S REPORT (continued)

Key audit matters incorporating the most significant risks of material misstatements, including assessed risk of material misstatements due to fraud (continued)

Why the matter was determined to be key audit matter	How the matter was addressed in the audit
Accounting for the acquisition of investment In a joint venture As discussed in Note 15, the Group acquired joint control over an owner of land rights in Moscow via a series of cash and non-cash transactions under common control in December 2023. This series of transactions was complex in terms of their quantity, number of legal entities involved, plentiful contingent clauses and extensive interrelationships between them. We consider the accounting for this deal to be a key audit matter due to: • Inherent complexity in identification of appropriate financial and non-financial assets and liabilities which should have been recognized by the Group as part of the non-cash consideration for the acquired investment; • Assumptions and judgements which were required to be applied in assessing the fair values of assets and liabilities to be recognized; • Judgmental nature of considerations relevant to the conclusion on whether the Group obtained control or joint control over the investee as a result of the deal.	We have read all individual agreements comprising the deal, vouched the related cash transactions, summarized all relevant terms and analyzed their interdependencies. We then inquired the legal and finance departments of the Group about their understanding of the commercial substance of each relevant term and condition, and about the completeness of the document package, including any side agreements. We also inquired about their considerations on the treatment of particular elements of the deal in the consolidated financial statements of the Group. Based on our independent analysis of the document package and cash flows, we developed an understanding of particular assets and liabilities which should have been identified as elements of the consideration for the acquisition, and compared it with the set of assets and liabilities identified and recognized by the Group. We obtained and assessed the details of the management's assessment of the amounts at which those assets and liabilities were initially measured, including the techniques and inputs of any involved fair value estimations. We assessed whether they were initially recognized in accordance with IFRS and also compared these amounts to our own independent calculations. We assessed the management's conclusion that the Group obtained joint control in the investee as a result of the deal based on: • identification of relevant activities of the investee and the way how the parties agreed to take decisions on them; • analysis possible ways for the parties to earn variable returns from the investment; • identification of any potential voting rights and analysis of whether they are currently exercisable. We also reviewed the related disclosures in the consolidated financial statements for completeness, accuracy and compliance with the requirements of IFRS.

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INDEPENDENT AUDITOR'S REPORT (continued)

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information that is included in the Consolidated Management Report and the Responsibility Statement of the Directors and management of the Company,but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and those charged with governance for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union (EU) ("IFRSs"), and the requirements of the Cyprus Companies Law, Cap.113, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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INDEPENDENT AUDITOR'S REPORT (continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

SAGEHILL
PARTNERS

INDEPENDENT AUDITOR'S REPORT (continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

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

Report on Other Legal Requirements

Pursuant to the additional requirements of the Auditors Law of 2017, we report the following:

- In our opinion, the consolidated management report has been prepared in accordance with the requirements of the Cyprus Companies Law, Cap. 113, and the information given is consistent with the consolidated financial statements.
- In our opinion, and in the light of the knowledge and understanding of the Group and its environment obtained in the course of the audit, we have not identified material misstatements in the consolidated management Report.

Other Matters

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 69 of the Auditors Law of 2017 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

The engagement partner on the audit resulting in this independent auditor's report is Stelios Spiliotis.

Stelios Spiliotis
Certified Public Accountant and Registered Auditor
for and on behalf of

NSP Sagehill Partners Limited
Certified Public Accountants and Registered Auditors

50 Agias Zonis Street
Arianthi Court, 2nd Floor
3090 Limassol
Cyprus

Limassol, 26 April 2024

mln RUB	Note	2023	2022
Revenue	6	88 791	80 556
Cost of sales	7	(58 820)	(52 353)
Gross profit		**29 971**	**28 203**
General and administrative expenses	8	(7 475)	(7 259)
Selling expenses		(5 158)	(5 001)
Impairment loss on trade and other receivables	26 (b)(ii)	(829)	(912)
Gain from bargain purchase		-	12 038
Other income	9	496	331
Other expenses, net	9	(5 064)	(2 345)
Results from operating activities		**11 941**	**25 055**
Finance income – interest revenue	11	2 217	3 914
Finance income – other	11	598	75
Finance costs	11	(15 776)	(13 120)
Net finance costs		**(12 961)**	**(9 131)**
Share of profit/(loss) of equity accounted investees		66	(37)
(Loss)/profit before income tax		**(954)**	**15 887**
Income tax expense	12	(2 416)	(2 886)
(Loss)/profit for the year		**(3 370)**	**13 001**
Total comprehensive (loss)/income for the year		**(3 370)**	**13 001**
(Loss)/profit attributable to:			
Owners of the Company		(3 370)	12 948
Non-controlling interest		-	53
(Loss)/profit for the year		**(3 370)**	**13 001**
Total comprehensive (loss)/income attributable to:			
Owners of the Company		(3 370)	12 948
Non-controlling interest		-	53
Total comprehensive (loss)/income for the year		**(3 370)**	**13 001**
(Loss)/earnings per share			
Basic and diluted (loss)/earnings per share (RUB)	22	(8,79)	33,77

The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to, and forming part of, the consolidated financial statements set out on pages 25 to 82.

mln RUB	Note	2023	2022
ASSETS			
Non-current assets			
Property, plant and equipment	13	6 184	4 531
Intangible assets	14	2 956	2 652
Investment property		344	396
Other long-term investments	15	13 427	583
Trade and other receivables	18	1 446	1 569
Deferred tax assets	16	11 298	11 373
Total non-current assets		**35 655**	**21 104**
Current assets			
Inventories under construction and development	17	117 110	119 600
Inventories - finished goods	17	26 525	16 872
Other inventories	17	8 400	6 047
Advances paid to suppliers	18	11 175	12 469
Costs to obtain contracts		1 662	1 197
Contract assets	6	31 252	28 733
Trade receivables	18	5 922	6 638
Other receivables	18	10 604	9 945
Income tax receivable		2 325	1 607
Short-term investments	19	37	22
Cash and cash equivalents	20	9 724	23 811
Total current assets		**224 736**	**226 941**
Total assets		**260 391**	**248 045**
EQUITY AND LIABILITIES			
Equity			
Share capital	21	2	2
Share premium	21	26 367	26 367
Reserve for own shares	21	(1)	(1)
Retained earnings		44 523	47 821
Total equity attributable to equity holders of the Company		**70 891**	**74 189**
Total equity		**70 891**	**74 189**

The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to, and forming part of, the consolidated financial statements set out on pages 25 to 82.

mln RUB	Note	2023	2022
Non-current liabilities			
Loans and borrowings	23	82 112	73 970
Trade and other payables	25	8 957	22 978
Provisions	24	366	406
Deferred tax liabilities	16	3 578	7 513
Total non-current liabilities		**95 013**	**104 867**
Current liabilities			
Loans and borrowings	23	36 499	19 118
Trade and other payables	25	40 168	28 527
Contract liabilities	25	8 597	12 045
Income tax payable		1 308	241
Provisions	24	7 915	9 058
Total current liabilities		**94 487**	**68 989**
Total equity and liabilities		**260 391**	**248 045**

These Consolidated Financial Statements were approved by the Board of Directors on 26 April 2024 and were signed on its behalf by:

Andreas Kriftis

Director

Sergey Egorov

Director

The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to, and forming part of, the consolidated financial statements set out on pages 25 to 82.

	Attributable to equity holders of the Company						
mln RUB	**Share capital**	**Share premium**	**Reserve for own shares**	**Retained earnings**	**Total**	**Non-controlling interest**	**Total equity**
Balance as at 1 January 2022	2	26 367	(1)	34 992	61 360	-	**61 360**
Total comprehensive income for the year					-		
Profit for the period	-	-	-	12 948	12 948	53	**13 001**
Total comprehensive income for the year	-	-	-	12 948	12 948	53	**13 001**
Transactions with owners, recorded directly in equity							
Acquisition of subsidiaries with NCI	-	-	-	-	-	195	**195**
Result of asquisition and disposal of NCI in subsidiaries with NCI, note 22 (e)	-	-	-	(119)	(119)	(248)	**(367)**
Total transactions with owners	-	-	-	(119)	(119)	(53)	**(172)**
Balance as at 31 December 2022	**2**	**26 367**	**(1)**	**47 821**	**74 189**	**-**	**74 189**

The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to, and forming part of, the consolidated financial statements set out on pages 25 to 82.

	Attributable to equity holders of the Company						
mln RUB	**Share capital**	**Share premium**	**Reserve for own shares**	**Retained earnings**	**Total**	**Non-controlling interest**	**Total equity**
Balance as at 1 January 2023	2	26 367	(1)	47 821	74 189	-	**74 189**
Total comprehensive income for the year							
Loss for the period	-	-	-	(3 370)	(3 370)	-	**(3 370)**
Total comprehensive income for the year	-	-	-	(3 370)	(3 370)	-	**(3 370)**
Transactions with owners, recorded directly in equity							
Disposal of subsidiary	-	-	-	72	72	-	**72**
Total transactions with owners	-	-	-	72	72	-	**72**
Balance as at 31 December 2023	**2**	**26 367**	**(1)**	**44 523**	**70 891**	**-**	**70 891**

The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to, and forming part of, the consolidated financial statements set out on pages 25 to 82.

mln RUB	**Note**	**2023**	**2022**
OPERATING ACTIVITIES:			
(Loss)/profit for the year		(3 370)	13 001
Adjustments for:			
Depreciation, including right-of-use assets		797	541
(Gain)/loss on disposal of property, plant and equipment	9	(214)	90
Loss on disposal of investment property	9	-	3
Loss/(gain) on disposal of inventories under construction and development	9	84	(51)
(Reversal)/Impairment loss on inventories	17	(34)	994
Impairment loss on trade and other receivables, advances paid to suppliers and investments	26 (b)(ii)	829	898
Share of (gain)/loss of equity accounted investees		(66)	37
(Gain)/loss on disposal of subsidiary	9	(14)	2
Gain on disposal of associate	9	-	(135)
Cost of social infrastructure facilities of implemented projects		2 535	-
Gain from bargain purchase		-	(12 038)
Significant financing component from contracts with customers recognised in revenue		(157)	(324)
Savings on escrow-backed loans recognised in revenue		(4 697)	(2 715)
Finance costs, net	11	12 961	9 131
Income tax expense	12	2 416	2 886
Cash from operating activities before changes in working capital and provisions		**11 070**	**12 320**
Change in inventories	17	(9 780)	(24 897)
Change in accounts receivable	18	(49)	(2 212)
Change in contract assets	6	(25 990)	(24 029)
Change in accounts payable	25	(4 994)	2 424
Change in contract liabilities	6	(3 291)	(3 577)
Change in provisions	24	(2 964)	(28)
Cash used in operating activities		**(35 998)**	**(39 999)**
Income tax paid		(4 518)	(5 553)
Interest paid		(6 015)	(5 263)
Net cash used in operating activities *		**(46 531)**	**(50 815)**

The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to, and forming part of, the consolidated financial statements set out on pages 25 to 82.

mln RUB	**Note**	**2023**	**2022**
INVESTING ACTIVITIES:			
Proceeds from disposal of property, plant and equipment		413	10
Proceeds from disposal of investment property		8	12
Interest received		1 952	1 211
Acquisition of property, plant and equipment and intangible assets		(2 146)	(1 201)
Loans given		(165)	(13)
Loans repaid		173	64
Proceeds from disposal of subsidiaries, net of cash disposed of		1	-
Acquisition of investment in associates and joint ventures		(9 014)	(247)
Acquisition of subsidiary, net of cash acquired		-	536
Acquisition of other investments	15, 19	-	(1)
Disposal of other investments	15, 19	-	45
Net cash (used in)/from investing activities		**(8 778)**	**416**
FINANCING ACTIVITIES:			
Proceeds from borrowings	23	73 292	43 008
Repayments of borrowings *	23	(29 150)	(11 166)
Payments for lease liabilities, excluding interest	23	(2 966)	(2 144)
Net cash from financing activities		**41 176**	**29 698**
Net decrease in cash and cash equivalents		(14 133)	(20 701)
Cash and cash equivalents at the beginning of the year		23 811	44 587
Effect of exchange rate fluctuations		46	(75)
Cash and cash equivalents at the end of the year	20	**9 724**	**23 811**

* Repayments of borrowings during the year ended 31 December 2023 do not include repayment of project financing of RUB 18 003 million (during the year ended 31 December 2022: 27 162 million) that was made by means of offset against funds released from escrow accounts. Similarly, the offset is also reflected within operating activities as part of changes in contract assets.

The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to, and forming part of, the consolidated financial statements set out on pages 25 to 82.

1 Background

Organisation and operations

Etalon Group PLC (Etalon Group Public Company Limited before 27 July 2017 and Etalon Group Limited before 5 April 2017) (the “Company”) and its subsidiaries (together referred to as the “Group”) comprise Russian joint stock companies and limited liability companies, as defined in the Civil Code of the Russian Federation, and companies located abroad.

The Company was incorporated on 8 November 2007 in the Bailiwick of Guernsey.

On 5 April 2017, the Company migrated from Guernsey, Channel Islands, and was registered in the Republic of Cyprus under the name of Etalon Group Public Company Limited.

On 27 July 2017, the Annual General Meeting of Shareholders resolved to change the name of the Company from Etalon Group Public Company Limited to Etalon Group PLC. On 8 August 2017, the change of the Company’s name was approved by the Registrar of Companies and Official Receiver of the Republic of Cyprus.

The Company’s registered office is located at:

2-4 Arch. Makariou III Avenue
Capital Center, 9th floor
1065 Nicosia
Cyprus

On 15 December 2023, the annual general meeting of shareholders decided to change the place of registration of the Company from the Republic of Cyprus to the special administrative region (SAR) on Oktyabrsky Island, Kaliningrad Region, the Russian Federation.

The Group’s principal activity is residential development in the Saint Petersburg metropolitan area and the Moscow metropolitan area and in other regions of the Russian Federation.

In April 2011, the Company completed an initial public offering and placed its ordinary shares in the form of global depository receipts ("GDR") on the Main Market of the London Stock Exchange. The Company’s GDRs are traded on the Moscow Stock Exchange starting from 3 February 2020. Since the beginning of March 2022, as a result of sanctions imposed in connection with the Ukrainian crisis, LSE suspended trading in Group’s GDRs.

In the structure of shareholders of Etalon Group PLC as of 31 December 2023, PJSC AFK Sistema and its subsidiary own the largest block of shares in 48.8% of the issued shares (as of 31 December 2022 – 48.8%). As of 31 December 2023, and 31December 2022, Vladimir Petrovich Yevtushenkov owns a 49.2% stake in the structure of shareholders of PJSC AFK Sistema. In 2022, Vladimir Petrovich Yevtushenkov sold his share in the capital of PJSC AFK Sistema in the amount of 10%, as a result of which he ceased to be the owner of the majority of shares. 50.8% of shares owned by a significant number of shareholders.

Business environment

The Group operates exclusively in the Russian Federation. Accordingly, the Group's business is influenced by the economy and financial markets of the Russian Federation, which have the characteristics of an emerging market.

The markets of developing countries, including Russia, are exposed to economic, political, social, legal and legislative risks that differ from those of more developed markets. Laws and regulations governing doing business in Russia can change rapidly, there is a possibility of their different interpretation. The future direction of Russia's development largely depends on geopolitical factors nd the domestic political situation in the country, the tax and monetary policy of the state, the laws and regulations adopted. Due to the fact that Russia produces and exports large volumes of oil and gas, the Russian economy is particularly sensitive to changes in world oil and gas prices.

Since 2014, the United States, the United Kingdom, the European Union and other countries have imposed several packages of sanctions against a number of Russian officials, businessmen and organizations. On February 24, 2022, it was announced the beginning of a special military operation on the territory of Ukraine. In response to these events, the United States, the United Kingdom, the European Union and other countries have significantly expanded sanctions against the Russian Federation, state authorities, officials, businessmen, and organizations. This has led to limited access of Russian organizations to international capital markets, goods and services, a decrease in quotations on financial markets, a drop in GDP and other negative economic consequences. On September 21, 2022, a partial conscription of citizens for military service on mobilization was announced by a decree of the President of the Russian Federation. There is a risk of further expansion of sanctions.

The imposition of sanctions has led to an increase in economic uncertainty, including greater volatility in capital markets, a fall in the Russian ruble, a reduction in the volume of foreign and domestic direct investment, as well as a significant decrease in the availability of debt financing sources. In particular, some Russian companies may experience difficulties in gaining access to the international stock market and the debt capital market, which may lead to increased dependence on government support.

During 2023, the Central Bank raised the discount rate several times and as of 31 December 2023 it was 16%.

At the same time, preferential mortgage programs remain in the primary housing market, which in the current conditions may lead to a further flow of buyers from the secondary to the primary housing market, and it is not possible to clearly assess the impact of rising rates on the Group’s sales.

During 2023, the Government of the Russian Federation adjusted a number of parameters of preferential mortgage programs, in particular, the maximum loan size was reduced and the down payment was increased.

The presented consolidated financial statements reflect the impact of the business environment in the Russian Federation on the Group's operations and financial position. The actual impact of future business conditions may differ from the estimates of their management.

2 Basis of preparation

a) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted in the European Union.

b) Basis of measurement and going concern principle

The consolidated financial statements are prepared on the historical cost basis. Management prepared these consolidated financial statements on a going concern basis.

In assessing its going concern status, the Group has taken account of its principal risks and uncertainties including inflation risks for construction materials and labour costs, sharp reduction of the Company's market capitalisation and suspension of trading in the Company's GDRs on the London Stock Exchange, available undrawn credit facilities as at the date of analysis, and its forecast compliance with covenants on project financing and corporate borrowings, anticipated future continuity in demand, and major instalments in relation to acquisition of land plots.

The recurring net cash outflow from operating activities is a consequence of the specifics of recording transactions to repay project financing covered by balances in escrow accounts. Repayment of project financing is accounted for by offsetting funds received from escrow accounts, and the offset is reflected as an outflow of cash from operating activities as part of changes in contract assets. Also, the net outflow is caused by the accelerated growth of investments in construction, including the launch of new projects, expressed in the outflow of funds from inventory lines, assets under contracts, accounts payable, compared to the inflow of funds when opening escrow upon completion of projects.

In assessing the Group's ability to continue as a going concern, the Group considered the main risks and uncertainties, including inflationary risks with respect to construction materials and labor costs, existing unused credit lines at the date of analysis and their projected compliance with covenants on project financing and corporate borrowings and the expected continuity of demand in the future.

In the context of assessing the impact of the current operating environment, the Group considered the following factors:

Continuity in demand

The demand for real estate depends significantly on the availability of mortgage loans and mortgage rates.

From 20 June 2022, the Government of the Russian Federation approved special preferential mortgage rates of 7% (8% from 1 January 2023). At the same time, preferential mortgage programs were extended, including a family mortgage for the purchase of housing at a rate of 6%.

During 2023, the Government of the Russian Federation adjusted a number of parameters of these preferential mortgage programs, in particular, it reduced the maximum loan size for all regions to 6 million rubles. and the down payment was also increased from 20% to 30%.

Availability and cost of finance

Loans with a carrying amount of RUB 61 163 million or 53% of the total outstanding loans as at 31 December 2023 are linked to the key rate of the Central Bank of the Russian Federation (are variable rate instruments). The Group's loan contracts either include limitation on the maximum interest rate or bear preferential interest rates to debt covered by escrow account balances. These factors will limit the effect of any potential increase in the Central Bank's key rate on the cost of borrowings.

The Group does not have any borrowings denominated in foreign currencies.

The Group has secured project financing for all construction project in place that will enable it to continue financing its construction projects. For the new projects the Group aims to balance the ratio of borrowed funds to cash collected on escrow accounts to reduce borrowing costs.

The Group has sufficient liquidity to repay borrowings and does not expect any breaches of financial covenants during 2024.

The Group secured a credit line that will allow repaying short-term accounts payable associated with the acquisition of 88% of the authorized capital of LLC Specialized Developer ZIL-YUG (Note 25). At the same time, the Group may need to attract additional corporate financing to support the Group's activities, which can be done, inter alia, through additional issuance of exchange-traded bonds. The Group does not see any high risks regarding the impossibility of issuing bonds.

Despite the fact that the Group's parent company is registered in Cyprus, the Group's place of operation is the Russian Federation, and the Group is not subject to any restrictions on receipt from customers of any proceeds from sale of real estate which have been introduced by the Russian Government with respect to foreign construction companies operating in Russia.

Availability and cost of construction materials

The Group mainly uses domestically produced construction materials and equipment and expects to be able to replace any shortages or breakages in its supply chain caused by foreign sanctions with supplies from other jurisdictions. The prices for construction materials are not linked to foreign currencies and the Group does not expect that the high volatility of foreign currency exchange rates will result in a significant increase in its production costs during 2024.

Considering the above and given the Group's history of profitable operations and ready access to financial resources, the Group reached a conclusion that the going concern basis of accounting is appropriate for the preparation of these consolidated financial statements.

c) Functional and presentation currency

The national currency of the Russian Federation is the Russian Rouble ("RUB"), which is the Company's functional currency and the currency in which these Consolidated financial statements are presented. The functional currency of most of the most Group's subsidiaries, including foreign operations, is the RUB, as the activities of foreign operations are carried out as an extension of the activities of the Group in the Russian Federation.

All financial information presented in RUB has been rounded to the nearest million.

d) Use of estimates and judgments

The preparation of consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Critical accounting judgments

The following are the critical accounting judgements (apart from judgements involving estimation which are dealt with separately below), made during the year that had the most significant effect on the amounts recognised in the consolidated financial statements.

Classification of assets and liabilities as current or non-current:

- Inventories under construction and development and finished goods, advances paid to suppliers, contract assets and contract liabilities arisen from the sale of real estate, being part of the working capital used in the Group's normal operating cycle are classified as current, even if they are due to be settled more than twelve months after the reporting period;
- Financial assets and financial liabilities are classified as current or non-current based on their contractual maturities.

Key sources of estimation uncertainty

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year is included in the following notes:

- Note 6 – revenue: measurement of the progress towards complete satisfaction of the performance obligation, including estimation of the total costs to satisfy the performance obligation;
- Note 14 – intangible assets: expected pattern of consumption of the expected future economic benefits embodied in the future savings on connection to networks;
- Note 17 – inventories – impairment provisions: the discount rate and the years of turnover of parking places; recognition of obligations for the construction of social infrastructure: construction budgets and timing of construction, impairment;
- Note 15 – other long-term investments – accounting for investment as investment in joint venture due to existence of joint control over the investee, valuation of the option to acquire the remaining interest in the joint venture, valuation of the financial guarantee, testing the carrying amount of the investment in the joint venture for impairment;
- Note 23 – loans and borrowings - valuation of a loan from the joint venture.

e) Classification changes, changes in accounting policy, correction of mistakes

The Group consistently applies the accounting policies and new standards that have entered into force to all periods indicated in the consolidated financial statements.

Correction of classification in the consolidated statement of financial position:

	31 December 2022		
mln RUB	**Before adjustment of presentation**	**Adjustment of presentation**	**After adjustment of presentation**
Short-term liabilities			
Trade and other payables	36 946	(8 419)	28 527
Provisions	639	8 419	9 058
Total short-term liabilities	**37 585**	**-**	**37 585**

In order to comply with the requirements of the separate presentation of reserves specified in IAS 1 *Presentation of Financial Statements*, the Group corrected the presentation in the consolidated statement of financial position of obligations for the construction of social infrastructure facilities and transferred them from short-term trade and other payables to short-term reserves.

f) Changes in accounting policies

The Group has consistently applied the accounting policies to all periods presented in these consolidated financial statements.

g) New Standards and Interpretations

The following amendments to the standards and interpretations are effective for annual periods beginning on or after 1 January 2024.

• IFRS 17: *Insurance Contracts*, including Supplementary Agreements – insurance contracts, including amendments of June 2020 and December 2021;

• Amendments to IAS 12 - International Tax Reform – Rules of the Pillar 2 Model;

• Amendments to IAS 12 *Income Taxes*, deferred tax relating to assets and liabilities arising from a single transaction;

• Amendments to IAS 1 *Presentation of Financial Statements* and Statement of Practice on the Application of IFRS 2 *Disclosure of Accounting Policies*;

• Amendments to IAS 8 *Accounting Policy, changes in accounting estimates and errors*, definition of accounting estimates.

e) New and revised IFRSs issued but not effective in the current reporting period

• Amendments to IFRS 10 and IAS 28 Sale or Transfer between an Investor and its Associate or Joint Venture;

• Amendments to IAS 1 Classification of Liabilities as Current or Non-Current, Long-Term Liabilities with Covenants,

• Amendments to IAS 7 and IFRS 7 Supplier Financing Arrangements,

• Amendments to IAS 16 Lease Liabilities in Sale and Leaseback Transactions.

The application of the above amendments to standards and interpretations did not have a material impact on the financial position or results of the Group.

3 Significant accounting policies

a) Basis of consolidation

(i) Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The identifiable assets acquired and the liabilities assumed, as well as the consideration transferred in the acquisition are measured at their acquisition-date fair values.

The gain on a bargain acquisition is recognised in profit or loss at the acquisition date. Acquisition-related costs are recognised as expenses as incurred.

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls another entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. The Group’s significant subsidiaries are disclosed in note 30.

(iii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated.

(iv) Associates and joint ventures

An entity is considered an associate if the Group exercises significant influence over its financial and operating activities. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies.

A joint venture is a joint arrangement in which the participants who have joint control have rights to the net assets from the joint arrangement.

Joint control is a contractually established division of control over an enterprise, providing for unanimous approval of decisions on significant activities by the jointly controlling parties. The results of operations and the assets and liabilities of associates and joint ventures are accounted for using the equity method, under which investments in associates and joint ventures are initially recognised in the consolidated statement of financial position at cost and subsequently adjusted to reflect the Group's share of profit or loss and other comprehensive income of associates and joint ventures.

The excess of the acquisition cost of an investment over the Group's share of the fair value of the identifiable assets and liabilities at the acquisition date constitutes goodwill, which is included in the carrying amount of such investments. The excess of the Group's share of the fair value of identifiable assets and liabilities over the cost of the investment upon remeasurement is immediately recognised in profit or loss.

If the Group's share of losses in an associate or joint venture exceeds the Group's interest in that entity, the Group ceases to recognise its share of any further losses. Additional losses are recognised only if the Group has a legal or constructive obligation to recover the excess share of losses or if the Group has made payments on behalf of an associate or joint venture.

The carrying amount of an investment, including goodwill, is tested for impairment in accordance with IAS 36 *Impairment of Assets* by comparing the recoverable amount (the greater of value in use and fair value less costs to sell) to the carrying amount. An impairment loss recognised reduces the carrying amount of the investment. A reversal of an impairment loss is recognised in accordance with IAS 36 if the recoverable amount of the investment subsequently increases.

Gain or loss on transactions with associates and joint ventures is recognised in the Group's accounts only to the extent of unrelated investors’ interests in the associate or joint venture.

b) Financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when the Group becomes a party to the contract with respect to the relevant financial instrument.

Financial assets measured at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. Amortised cost is reduced by the amount of impairment losses. Interest income, foreign exchange gains and losses and impairment charges are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss for the period.

Financial liabilities

All financial liabilities are subsequently measured at amortized cost using the effective interest method or at fair value through profit or loss (FVTPL).

Financial liabilities measured at amortised cost

Financial liabilities that (i) are not contingent consideration of the acquirer in a business combination; (ii) are not intended for trading; (iii) are not classified as at fair value and are subsequently measured at amortised cost using the effective interest method.

The Group has bank loans with a fixed rate, which give banks the right to change interest rates due to changes in the key rate of the Central Bank of the Russian Federation. The Group has the right to early repayment at par without significant penalties. Such instruments are treated by the Group as essentially floating rate instruments.

Financial liabilities of the FVTPL category

Financial liabilities are classified as FVTPL if the financial liability
(i) is contingent consideration to the acquirer in a business combination,
(ii) held for trading or (iii) classified as FVTPL.

A financial liability that is not a financial liability held for trading or a contingent consideration of an acquirer in a business combination is classified as a financial liability at fair value at initial recognition if the application of that classification eliminates or significantly reduces a measurement or accounting inconsistency that would have arisen otherwise.

Financial liabilities at fair value at fair value are measured at fair value, with gains and losses on changes in fair value recognised in profit or loss. Net gains and losses recognised in profit or loss include interest paid on financial liabilities and are included in the line item “Finance income/costs” in profit or loss.

Impairment

Financial instruments and contract assets

The Group recognises loss allowances for expected credit losses (ECLs) on:

– financial assets measured at amortised cost;

– debt investments measured at FVOCI; and

– contract assets.

The Group uses a simplified approach to measure loss allowance at an amount equal to lifetime ECLs for trade receivables and contract assets that result from transactions that are within the scope of IFRS 15, irrespective of whether they contain a significant financing component or not.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

For measuring of loss allowance for trade receivables and contract assets, the Group allocates those financial assets into the following two categories based on shared credit risk characteristics that are determined by existence of a collateral:

– Trade receivables and contract assets arising from sales of real estate;

– Trade receivables and contract assets arising from provision of construction services and other operations.

The Group does not transfer title for sold properties to customers until they settle their accounts in full. In case a customer fails to settle obligations in a reasonable time as determined in their sales contract, the Group initiates termination of the sales contract, the properties are returned to the Group and in addition, the Group withholds a penalty from the amount of consideration it returns to the customer. The properties are subsequently sold to other customers, and the cash flows from sale of collateral are included into the cash flows that the Group expects to receive under the initial contract.

The Group estimates and recognises ECLs on trade receivables based on its own statistics about contract termination and credit losses incurred.

For the second category of receivables and contract assets, the Group calculates ECL based on individual credit risk ratings of each debtor and the remaining terms to maturity. The Group determines the inputs for calculation of ECL such as probability of default and loss given default using both internal and external statistical data. ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

The Group defines default event when a financial asset is more than 90 days past due or it is unlikely that the debtor's obligations to the Group will be repaid in full without the Group taking such actions as the sale of the collateral (if any).

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets and contract assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery of a financial asset. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group’s procedures for recovery of amounts due.

c) Advances paid and contract liabilities

Due to the nature of its activities, the Group receives significant advances from customers (designated as contract liabilities), and makes significant prepayments to sub-contractors and other suppliers. Advances paid are recognised on an undiscounted basis. The Group adjusts contract liabilities for the significant financing component if the timing of payments agreed to by the parties provides the Group with a significant benefit of financing.

d) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and bank balances and call deposits with original maturities of three months or less. In accordance with IFRS 9, cash and cash equivalents are classified at amortised cost. Bank balances kept in escrow accounts, which represent funds received by authorized banks from escrow-account holders - participants of share participation agreements for construction of real estate, are not included in the balance of cash and cash equivalents. The funds, in the excess of the amounts borrowed from the banks, will be transferred to the Group’s bank accounts upon completion of construction of respective real estate and on such time will be recognised within cash and cash equivalents.

e) Property, plant and equipment

(i) Recognition and measurement

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment loss.

Cost includes expenditure that is directly attributable to the acquisition of the asset.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within "other income" in profit or loss.

(ii) Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land owned by the Group is not depreciated.

f) Investment property

Investment property is measured at cost less accumulated depreciation and any accumulated impairment losses.

Any gain or loss on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

g) Inventories

Inventories comprise real estate properties under construction and development (including residential premises, stand-alone and built-in commercial premises) when the Group acts in the capacity of a developer, finished goods, and construction and other materials.

The Group accounts for stand-alone and built-in commercial properties within inventories because it does not intend to engage in renting-out those assets and keeping those as investment properties to generate rental income and benefit from appreciation. Properties classified as inventory may be rented out on a temporary basis while the Group is searching for a buyer, while rental earnings are not significant compared to the sales price of the property. Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The cost of real estate properties under construction and development is determined on the basis of specific identification of their individual costs. The costs of individual residential units and built-in commercial premises are arrived at by allocating the costs of a particular development project to individual apartments and built-in premises on a pro rata basis relative to their size.

Inventories for which revenue is recognised over time and inventories under construction are classified as assets available for sale in their current condition and are not qualifying assets for capitalisation of financing costs.

The costs of real estate property comprise costs of construction and other expenditure directly attributable to a particular development project.

The cost of inventories, other than construction work in progress intended for sale, is based on the weighted average cost formula and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. Cost of manufactured inventories and work in progress includes an appropriate share of overheads based on normal operating capacity.

Transfer from real estate properties under construction and development to the stock of finished goods occurs when the respective building is approved by the State commission established by the local regulating authorities for acceptance of finished buildings and the building is ready for housing.

The Group's inventory is not limited to 12 months and may be of longer term since the development cycle exceeds 12 months. Inventories are classified as current assets even when they are not expected to be realised within twelve months after the reporting date.

h) Revenue

(i) Revenue from sale of real estate properties (including flats, commercial premises and parking places)

Revenue is measured based on the consideration specified in a contract with a customer adjusted for the effect of the time value of money (significant financing component) if the timing of payments agreed to by the parties provides the customer or the Group with a significant benefit of financing.

The Group recognises revenue when (or as) it transfers control over an asset to a customer. Control of an asset refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, the asset. Transfer of control may vary depending on the individual terms of the sales contracts.

For contracts for the sale of finished goods, the Group generally considers that control have been transferred on the date when a buyer signs the act of acceptance of property.

For each performance obligation satisfied over time (promise to transfer an apartment specified in the contract with a customer in a multicompartment building under construction), the Group recognises revenue over time by measuring the progress towards satisfaction of that performance obligation using the input method. The Group starts recognising revenue after state registration of respective share participation agreements.

The Group applies the input method because it believes that there is a direct relationship between the Group's inputs and the transfer of control of goods or services to a customer. The measurement of the value to the customer of the goods or services transferred to date, applied under the output method, is not available for the Group without undue cost. The Group excludes from the input method the effects of any inputs that do not contribute to the Group's progress in satisfying the performance obligation.

Under the input method, revenue is recognised on the basis of costs incurred relative to the total expected costs to the satisfaction of that performance obligation that is the proportion of costs incurred to date to construct a multicompartment building to the total costs to construct the building in accordance with a business plan.

The progress is considered to be the same for all apartments within a building, irrespective of their floors, and revenue is recognised with respect to apartments that are contracted under share participation agreements. Costs used to measure progress towards complete satisfaction of performance obligation include costs of design and construction of a multicompartment building and exclude the cost of acquisition of land plots. The cost of acquisition of land plot is recognised in cost of sales consistently with the transfer to the customers of the apartments to which the land plot relates.

When adjusting the promised amount of consideration (monetary or non-monetary) for a significant financing component, the Group applies discount rates that would be reflected in a separate financing transaction between the entity and its customer at contract inception that is typically the average mortgage rate for contract assets and the Group's incremental borrowing rate for contract liabilities.

When the Group finances construction of residential buildings using project financing backed by balances on escrow accounts, it adjusts transaction price for the difference between interest expense on borrowings calculated using the base interest rate and the preferential interest rate. Interest rate on project financing depends on the proportion of balances on escrow accounts to the balance of project loan and varies from base interest rate (no balances on escrow accounts) to preferential interest rates (balances on escrow accounts exceed or equal balance of project loan), while specific formula is used to calculate interest rates when balances on escrow accounts are lower than balances of project loan. The range of interest rates for the Group's project financing portfolio is disclosed in note 23 as nominal interest rates for each loan, where the lower rate is preferential rate and the higher is base rate.

Costs to obtain contracts

The Group recognises as an asset the incremental costs of obtaining a contract with a customer. These costs usually include sales commissions and insurance payments for share participation agreements. Such assets are amortised on the basis of the progress towards complete satisfaction of respective performance obligations and are included into selling expenses.

(ii) Revenue from construction services

For accounting purposes, the Group distinguishes two types of construction contracts:

- Contracts for provision of construction services;
- Contracts for construction of an asset.

For the first type of contracts, revenue from construction services rendered is recognized in the consolidated statement of Profit or Loss and Other Comprehensive Income when the Group transfers control of a service to customer. These contracts are normally short-term, therefore revenue is recognised when the customer signs the act of acceptance of the construction service.

For the second type of contracts revenue is recognized over time by measuring progress towards complete satisfaction of the performance obligation at the reporting date, measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs, using the input method. Contract costs are recognised as expenses in the period in which they are incurred except when the costs are the costs that generate or enhance resources of the entity that will be used in satisfying a performance obligation in future.

Some or all of an amount of variable consideration is included in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when that uncertainty associated with the variable consideration is subsequently resolved.

The Group accounts for a contract modification (change in the scope or price (or both)) when that is approved by the parties to the contract.

Where the outcome of a performance obligation cannot be reasonably measured, contract revenue is recognised to the extent of costs incurred in satisfying the performance obligation that is expected to be recovered.

When it becomes probable that total contract costs will exceed total contract revenue, the Group recognises expected losses from onerous contract as an expense immediately.

(iii) Revenue from sale of construction materials

Revenue from the sale of construction materials is recognised in the consolidated statement of profit or loss and other comprehensive income when the Customer obtains control of a promised asset.

i) Leases

The Group recognises right-of-use assets and lease liabilities primarily for its leases of land plots for development purposes.

The Group does not present right-of-use assets for land plots separately in the statement of financial position but includes such assets within inventories under construction and development. The depreciated part of right-of-use asset arising from lease of land plots is recognised within cost of sales on the same basis as the cost of acquisition of land plots.

The Group presents lease liabilities in “Trade and other payables” (note 27) in the statement of financial position.

In accordance with IFRS 16 variable payments which do not depend on an index or rate, i.e. do not reflect changes in market rental rates, should not be included in the calculation of lease liability. In respect of municipal (or federal) land leases where the lease payments are based on cadastral value of the land plot and do not change until the next potential revision of that value or payments (or both) by the authorities, the Group determined that these lease payments are not considered as either variable (that depend on an index or rate or reflect changes in market rental rates) or fixed or in-substance fixed, and therefore these payments are not included in the measurement of the lease liability.

j) Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date.

In accordance with the tax legislation of the Russian Federation, tax losses and current tax assets of a company in the Group may not be set off against taxable profits and current tax liabilities of other Group companies. In addition, the tax base is determined separately for the certain types of the Group’s activities whose tax profits or losses cannot be offset against profits or losses related to other activities.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

4 Determination of fair values

A number of the Group’s accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and for disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

a) Non-derivative financial assets

The fair value of trade and other receivables and other financial assets measured at amortised cost is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purposes.

b) Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. For finance leases, the market rate of interest is determined by reference to similar lease agreements.

5 Operating segments

The Group has three reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies. The following summary describes the operations in each of the Group's reportable segments:

- *Residential development*. Includes construction of residential real estate including flats, built-in commercial premises and parking places by region of the Group's presence:
  - Saint Petersburg
  - Moscow
  - Other regions
- *Construction services*. Includes construction services for third parties and for internal purpose.
- *Other operations.* Include selling of construction materials, construction and sale of stand-alone commercial premises, sale of land plots and various services related to sale and servicing of premises. None of these meets any of the quantitative thresholds for determining reportable segments during the year ended 31 December 2023 and 2022.

Performance of the reportable segments is measured by the management based on gross profits, on the way in which the management organises the segments within the entity for making operating decisions and in assessing performance.

The performance of the reportable segment "Residential development" is additionally assessed on the basis of gross profit adjusted for purchase price allocation from the acquisition of JSC "Etalon-Finance" (JSC "Leader-Invest" before 4 April 2022).

General and administrative expenses, selling expenses, finance income and finance costs are treated as equally attributable to all reporting segments and are not analysed by the Group on a segment-by-segment basis and therefore not reported for each individual segment. The transition from the scheme of customer financing to bank project financing backed by escrow accounts led to the emergence of significant assets and liabilities that are attributable only to the reportable segment *Residential development* and are not attributable to other segments. Under the circumstances, the Board of Directors focuses on the measures of profit or loss of each reportable segment. The information about reportable segments' assets and liabilities is not disclosed as it is not analyzed by management.

a) Information about reportable segments

	Residential development		**Construction services**		**Other**		**Total**	
mln RUB	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
External revenues	77 990	69 108	789	2 138	10 012	9 310	**88 791**	**80 556**
Including:								
St. Petersburg metropolitan area	26 157	30 552						
Moscow metropolitan area	40 189	35 088						
Other regions	11 644	3 468						
Inter-segment revenue	-	-	30 284	26 493	1 635	614	**31 919**	**27 107**
Total segment revenue	77 990	69 108	31 073	28 631	11 647	9 924	**120 710**	**107 663**
Gross profit adjusted for purchase price allocation from acquisition of Etalon Finance	30 035	27 612	(71)	(43)	1 297	2 945	**31 261**	**30 514**
Including:								
St. Petersburg metropolitan area	11 894	12 761						
Moscow metropolitan area	13 790	13 377						
Other regions	4 351	1 474						
Gross profit adjusted for purchase price allocation, %	39%	40%						
Including:								
St. Petersburg metropolitan area	45%	42%						
Moscow metropolitan area	34%	38%						
Other regions	37%	43%						

b) Reconciliations of reportable segment revenues and gross profit

mln RUB	2023	2022
Reconciliation of revenue		
Total revenue for reportable segments	120 710	107 663
Elimination of inter-segment revenue	(31 919)	(27 107)
Consolidated revenue	**88 791**	**80 556**

Reconciliation of gross profit adjusted for purchase price allocation from acquisition of Etalon Finance (Leader-Invest prior to 2022) to profit before tax		
Total gross profit for reportable segments adjusted for purchase price allocation from	31 261	30 514
Purchase price allocation from acquisition of Etalon Finance included in cost of sales	(1 290)	(2 311)
Consolidated gross profit	**29 971**	**28 203**
Unallocated amounts		
General and administrative expenses	(7 475)	(7 259)
Selling expenses	(5 158)	(5 001)
Impairment loss on trade and other receivables	(829)	(912)
Other income	496	331
Other expenses	(5 064)	(2 345)
Gain from bargain purchase	-	12 038
Finance income and interest revenue	2 815	3 989
Finance costs	(15 776)	(13 120)
Share of loss of equity accounted investees	66	(37)
Consolidated profit before income tax	**(954)**	**15 887**

6 Revenue

mln RUB	2023	2022
Sale of flats - transferred at a point in time	16 820	12 131
Sale of flats - transferred over time	51 365	49 448
Sale of built-in commercial premises - transferred at a point in time	1 299	1 580
Sale of built-in commercial premises - transferred over time	3 857	2 265
Sale of parking places - transferred at a point in time	3 261	2 231
Sale of parking places - transferred over time	1 388	1 453
Total revenue - segment Residential development (note 5 (a))	77 990	69 108
Long term construction contracts - transferred over time	430	1 194
Short term construction services - transferred at a point in time	359	944
Total revenue - segment Construction services (note 5 (a))	789	2 138
Sale of construction materials - transferred at a point in time	4 429	2 867
Sale of stand-alone commercial premises - transferred over time	-	914
Sale of stand-alone commercial premises - transferred at a point in time	-	107
Other revenue - transferred over time	4 890	4 812
Total other revenue (note 5 (a))	9 319	8 700
Total revenues from contracts with customers	**88 098**	**79 946**
Rental revenue (note 5 (a))	693	610
Total revenues	**88 791**	**80 556**

Other revenue is mainly represented by the revenue of housing servicing companies.

Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers

mln RUB	2023	2022
Trade receivables	7 279	8 174
Contract assets	31 252	28 733
Contract liabilities	(8 597)	(12 045)

Assets under contracts mainly relate to the Group's rights to remuneration for work performed, but not invoiced, at the reporting date under contracts with buyers of real estate, settlements on which are carried out using escrow accounts.

The Group receives the right to receive funds deposited by buyers in escrow accounts at the time of completion of the construction of real estate. At this point, assets under contracts become part of trade receivables when the right to payment becomes unconditional.

Contract liabilities include advance consideration received from customers.

The explanation of significant changes in contract asset and contract liability balances during the reporting period is presented in the table below.

mln RUB	2023 Contract assets	2023 Contract liabilities	2022 Contract assets	2022 Contract liabilities
Balance at 1 January	28 733	(12 045)	25 332	(14 157)
Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period	-	14 307	-	10 451
Increases due to cash received, excluding amounts recognized as revenue during the period	-	(10 817)	-	(6 799)
Acquisition through business combination	-	-	6 534	(1 465)
Transfers from contract assets recognised at the beginning of the period to receivables	(25 068)	-	(22 422)	-
Increase as a result of changes in the measure of progress	27 502	-	18 937	-
Financing component under IFRS 15	85	(42)	352	(75)
Balance as at 31 December	31 252	(8 597)	28 733	(12 045)
Change during the period	**2 519**	**3 448**	**3 401**	**2 112**

The following table includes revenue expected to be recognised in the future related to performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date.

31 December 2023 **mln RUB**	**2024**	**2025**	**2026**	**2027**	**Total**
Residential development	49 371	17 007	3 920	10	**70 308**
Construction services	1 317	-	-	-	**1 317**
Total	**50 688**	**17 007**	**3 920**	**10**	**71 625**

31 December 2022 **mln RUB**	**2023**	**2024**	**2025**	**2026**	**Total**
Residential development	43 701	15 337	1 043	163	**60 244**
Construction services	1	-	-	-	**1**
Total	**43 702**	**15 337**	**1 043**	**163**	**60 245**

As at 31 December 2023, capitalised costs to obtain contracts with customers of RUB 524 million will be recognised within selling expenses after more than 12 months from the reporting date (31 December 2022: RUB 604 million), and contract assets for construction projects that will be completed more than 12 months after the reporting date RUB 3 059 million. (31 December 2022: RUB 8 594 million).

The Group applies a practical expedient included in par. 121 of IFRS 15 and does not disclose information about its remaining performance obligations for contracts that have an original expected duration of one year or less.

7 Cost of sales

mln RUB	**2023**	**2022**
Cost of design and construction works and engineering infrastructure	36 621	32 329
Cost of land plots	7 014	6 825
Cost of construction of social infrastructure	2 258	2 470
Other costs	3 351	1 888
Total cost of sales - segment Residential development	49 244	43 512
Cost of sales for segment Construction services	860	2 181
Cost of sales for segment Other	8 716	6 660
Total cost of sales	**58 820**	**52 353**

Cost of design and construction works and engineering infrastructure, among other, includes costs of raw materials and consumables used in construction, production employees' benefits expenses, and depreciation expense of construction machinery and equipment.

8 General and administrative expenses

mln RUB	**2023**	**2022**
Payroll and related taxes	4 516	4 779
Services	1 135	686
Depreciation	486	384
Audit and consulting services	319	276
Bank fees and commissions	88	102
Materials	165	119
Repair and maintenance	151	102
Other taxes	123	73
Other	492	738
Total	**7 475**	**7 259**

The analysis of the total remuneration paid or payable to the auditor appointed to act as auditor of the Group's consolidated financial statements for the years 2023 and 2022 is presented as follows:

mln. RUB	**2023**	**2022**
Audit of accounting (financial) statements	8,1	13,2
Other audit services	0,8	6,8
	8,9	**20**

9 Other income and other expenses

mln RUB	**2023**	**2022**
Other income		
Reversal of impairment loss on inventories	34	-
Gain on disposal of property, plant and equipment	214	-
Fees and penalties received	190	145
Other income	44	-
Gain on disposal of subsidiary	14	
Gain on disposal of associate	-	135
Gain on disposal of inventories under construction and development	-	51
Other income	**496**	**331**

	2023	**2022**
Other expenses		
Cost of social infrastructure for completed projects	(2 535)	(209)
Other expenses	(1 011)	(373)
Fees and penalties incurred	(890)	(245)
Other taxes	(469)	(277)
Loss on disposal of inventories under construction and development	(84)	-
Charity	(75)	(152)
Impairment loss on inventories (note 15)	-	(994)
Loss on disposal of property, plant and equipment	-	(93)
Loss on disposal of subsidiary	-	(2)
Other expenses	**(5 064)**	**(2 345)**
Other expenses, net	**(4 568)**	**(2 014)**

10 Personnel costs

mln RUB	**2023**	**2022**
Wages and salaries	12 233	9 427
Social security contributions	2 830	2 175
	15 063	**11 602**

Remuneration to employees in respect of services rendered during the reporting period is recognised on an undiscounted basis as an expense in the consolidated statement of profit or loss and other comprehensive income as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or other profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

The Group pays fixed contributions to Russia’s State pension fund and has no legal or constructive obligation to pay further amounts.

During the year ended 31 December 2023, personnel costs and related taxes included in cost of production amounted to RUB 9 495 million (year ended 31 December 2022: RUB 6 009 million). The remaining part of personnel expenses was subsumed within general and administrative expenses and selling expenses in the total amount of RUB 5 568 million (year ended 31 December 2022: RUB 5 593 million).

The average number of staff employed by the Group during the year ended 31 December 2023 was 6 300 employees (year ended 31 December 2022: 5 486 employees).

11 Finance income and finance costs

mln RUB	**2023**	**2022**
Recognised in profit or loss		
Finance income		
Interest income under the effective interest method on:		
- Bank deposits - at amortised cost	1 932	2 426
- Cash and cash equivalents (except bank deposits)	34	827
- Interest income - financing component under IFRS 15	85	352
- Unwinding of discount on trade receivables	166	309
Total interest income arising from financial assets measured at amortised cost	**2 217**	**3 914**
Reversal of impairment on investments and advances paid to suppliers	-	14
Gain on write-off of accounts payable	255	61
Net foreign exchange gain	343	-
Finance income - other	**598**	**75**
Finance costs		
Financial liabilities measured at amortised cost:		
- Interest expenses - borrowing costs, including:	(11 792)	(8 997)
Cost of corporate debt	(4 479)	(4 474)
Cost of project debt - at preferential rate	(3 344)	(803)
Cost of project debt - adjustment to arrive at base rate	(3 969)	(3 720)
- Unwinding of discount on other payables	(2 551)	(3 133)
- Interest expense on leases	(921)	(732)
- Interest expenses- financing component under IFRS 15	(42)	(75)
Net foreign exchange loss	-	(50)
Impairment loss on advances paid to suppliers and financial investments	(427)	-
Other finance costs	(43)	(133)
Finance costs	**(15 776)**	**(13 120)**
Net finance costs recognised in profit or loss	**(12 961)**	**(9 131)**

12 Income tax expense

The Company’s applicable tax rate under the Cyprus Income Tax Law is 12,5%. The Cypriot subsidiaries’ applicable tax rate is 12,5%. For the Russian companies of the Group the applicable income tax rate is 20% (year ended 31 December 2022: 20%).

mln RUB	2023	2022
Current tax expense		
Current period	6 286	5 294
(Over-provided)/under-provided in prior period	(33)	17
	6 253	5 311
Deferred tax expense		
Origination and reversal of temporary differences	(3 837)	(2 425)
Income tax expense	**2 416**	**2 886**

Reconciliation between tax expense and the product of accounting profit multiplied by the applicable tax rate 20%:

mln RUB	2023	2022
Profit before income tax	(954)	15 887
Theoretical income tax at statutory rate of 20%	(191)	3 177
Adjustments due to:		
(Over-provided)/under-provided in prior period	(35)	17
Write-off of previously recognised deferred tax assets	406	-
Excess profit tax	309	-
Tax losses for which no deferred tax asset was recognised	155	32
Expenses not deductible and income not taxable for tax purposes, net, including:	1 772	(340)
- Gain from bargain purchase arising from acquisition of YIT Russia	-	(2 407)
- Interest on loans used to finance the acquisition of JSC “Etalon-Finance”	437	566
- Unwinding of discount on payables for acquisition	234	309
- Other not deductible expenses	1 100	1 192
Income tax expense	**2 416**	**2 886**

The Group prepares reconciliation using the tax rate of 20% that is applicable in the Russian Federation and not the domestic tax rate of the Cyprus parent Company (12,5%) since substantially all taxable profit is generated in the Russian Federation.

On 4 August 2023, Federal Law No. 414-FZ was adopted, which introduced a tax on excess profits for a number of companies registered in the Russian Federation whose average taxable profit for the years ended 31 December 2022 and 2021 exceeds 1 billion rubles. This is a one-time tax calculated as the excess of the arithmetic average of taxable profit for the years ended 31 December 2022 and 2021 over the arithmetic average of taxable profit for the years ended 31 December 2019 and 2018, multiplied by the tax rate of 10%.

The excess profit tax is paid no later than 28 January 2024, while the taxpayer has the right to reduce the amount of accrued excess profit tax by the amount of the tax deduction. The amount of the tax deduction is defined as the amount of the security payment paid during the period from October 1 to 30 November 2023, while the tax deduction may not exceed half of the amount of tax calculated in accordance with the procedure established by the Federal Law.

A number of subsidiaries of the Group are subject to the criteria for this tax.

Excess profit tax in the amount of RUB 309 million was paid in November 2023 and included in current income tax expense.

13 Property, plant and equipment

During the year ended 31 December 2023, depreciation expense of RUB 400 million (year ended 31 December 2022: RUB 341 million) was charged to cost of sales, RUB 22 million (year ended 31 December 2022: RUB 85 million) to cost of real estate properties under construction and development, RUB 75 million to other expenses, net (year ended 31 December 2022: RUB 10 million) and RUB 319 million (year ended 31 December 2022: RUB 180 million) to general and administrative expenses.

mln RUB	Buildings and constructions	Machinery and equipment	Vehicles	Other	Land	Construction in progress	Total
Cost							
Balance at 1 January 2022	3 321	2 263	108	364	113	463	**6 632**
Additions	531	147	34	97	52	93	**954**
Reclassification to inventories	-	(11)	(2)	-	-	-	**(13)**
Acquisition through business combination	292	54	-	2	23	-	**371**
Disposals	(178)	(150)	(36)	(106)	(22)	-	**(492)**
Transfers	28	5	-	16	-	(49)	**-**
Balance at 31 December 2022	3 994	2 308	104	373	166	507	**7 452**
Balance at 1 January 2023	3 995	2 308	104	372	166	507	**7 452**
Additions	764	120	19	205	50	904	**2 062**
Reclassification to inventories	-	(2)	(8)	-	-	580	**570**
Disposals	(314)	(115)	(1)	(14)	(61)	-	**(505)**
Transfers	112	101	-	114	-	(327)	**-**
Balance at 31 December 2023	4 557	2 412	114	677	155	1 664	**9 579**
Accumulated depreciation							
Balance at 1 January 2022	(581)	(1 724)	(82)	(194)	(1)	-	**(2 582)**
Depreciation for the period	(325)	(184)	(14)	(92)	(1)	-	**(616)**
Disposals	93	94	24	66	-	-	**277**
Balance at 31 December 2022	(813)	(1 814)	(72)	(220)	(2)	-	**(2 921)**
Balance at 1 January 2023	(813)	(1 814)	(72)	(220)	(2)	-	**(2 921)**
Depreciation for the period	(439)	(175)	(14)	(187)	(1)	-	**(816)**
Disposals	241	94	1	6	-	-	**342**
Balance at 31 December 2023	(1 011)	(1 895)	(85)	(401)	(3)	-	**(3 395)**
Carrying amounts							
Balance at 1 January 2022	**2 740**	**539**	**26**	**170**	**112**	**463**	**4 050**
Balance at 31 December 2022	**3 181**	**494**	**32**	**153**	**164**	**507**	**4 531**
Balance at 1 January 2023	**3 182**	**494**	**32**	**152**	**164**	**507**	**4 531**
Balance at 31 December 2023	**3 546**	**517**	**29**	**276**	**152**	**1 664**	**6 184**

14 Intangible assets

mln RUB	Future savings on connection to networks	Computer software	Customer relationships	Total
Cost				
Balance at 1 January 2022	-	-	-	**-**
Additions	2 600	21	-	**2 621**
Acquisition through business combination	-	49	143	**192**
Disposals	-	-	(100)	**(100)**
Reclassification to inventories	(53)	-	-	**(53)**
Balance at 31 December 2022	2 547	70	43	**2 660**
Balance at 1 January 2023	2 547	70	43	**2 660**
Additions	-	335	-	**335**
Balance at 31 December 2023	2 547	405	43	**2 995**
Accumulated amortisation				
Balance at 1 January 2022	-	-	-	**-**
Amortisation for the period	-	(5)	(3)	**(8)**
Balance at 31 December 2022	-	(5)	(3)	**(8)**
Balance at 1 January 2023	-	(5)	(3)	**(8)**
Amortisation for the period	(26)	(3)	(2)	**(31)**
Balance at 31 December 2023	(26)	(8)	(5)	**(39)**
Carrying amounts				
Balance at 1 January 2022	-	-	-	**-**
Balance at 31 December 2022	**2 547**	**65**	**40**	**2 652**
Balance at 1 January 2023	2 547	65	40	2 652
Balance at 31 December 2023	**2 521**	**397**	**38**	**2 956**

Future savings on connection to networks

During 2022 the Group acquired 100% of the share capital of five limited liabilities companies owning infrastructure facilities that will enable to connect new “Solnechniy” residential complex that the Group develops in the Solnechny neighborhood of Yekaterinburg to centralised heating, electricity, and water supply and sewerage networks.

Based on the results of the assessment, the Group determined that the acquired assets do not form a separate business, and the entire transaction is accounted for as the acquisition of an intangible asset, in order to guarantee the timing and reduce the costs of connecting the residential complex under construction to the utility networks.

Depreciation of future savings on connection to network is included into cost of sales, similar to accounting for the cost of land plots. Future savings have been transferred to the inventory in proportion to the degree of fulfillment of obligations for the construction of a residential complex and the net share of areas not yet sold.

Customer relationships

Customer relationships represent present value of net cashflows of housing servicing companies over the 25 years since the date of acquisition of YIT. Respectively, customer relationships are amortised over the period of 25 years on a straight-line basis.

Computer software

Computer software consists of several types of software The estimated useful life of computer software is 6 years.

15 Other long-term investments

mln RUB	2023	2022
Investments in joint ventures	12 564	210
Option for the purchase of share in joint venture	701	-
Loans - at amortised cost	429	277
Investments in associates	103	118
	13 797	**605**
Loss allowance for loans given	(370)	(22)
	13 427	**583**

As of 31 December 2023, investments in joint ventures are represented by a 50% stake in Strana-Etalon LLC, acquired in 2022, in the amount of RUB 188 million. (31 December 2022: RUB 210 million). Strana-Etalon LLC is implementing a construction project in Tyumen.

Also, as of 31 December 2023, investments in joint ventures include the acquisition of 75.86% of the shares of a group of companies in the amount of RUB 12 376 million. The investment is accounted for as a joint venture because the Group exercises control over the investee jointly with the other joint venturer. To manage the relevant activities of a joint venture, the participants must act together (make decisions unanimously), and no investor has individual control over the investee because no investor can direct the relevant activities without interacting with the other investor.

The calculation of the carrying amount of the investment in the joint venture at the acquisition date is presented in the table below.

	mln RUB
Cash consideration transferred, including:	
Loan from the joint venture, note 29(c)(i)	8 692
Group's own funds	323
Fair value adjustment to the loan from the joint venture	2 850
Financial guarantee issued for the joint venture	1 212
Fair value of the option for purchase of share in joint venture	(701)
Carrying amount of interest in joint venture	**12 376**

The Group also entered into agreements with the second participant in the joint venture to provide options to enter into purchase and sale agreements for the remaining 24.14% stake in the joint venture (call and put options). The exercise period of the call option is from 31 January 2026 to 20 June 2031, the exercise period of the put option is from 20 December 2030 to 20 March 2031. A put option may be accepted early if the joint venture fails to comply with certain conditions in relation to the construction project, or if the joint venture or the Group violates payment obligations, or claims are brought against the Group in excess of the contractual amount. Such terms indicate that the Group has a financial guarantee contract issued in connection with the loan of the joint venture.

The Group recognised the fair value of the call option in the amount of RUB 701 million. The fair value of the option was estimated based on the following basic assumptions and terms of the contract: the put option does not have a separate value, and therefore the value of the call option corresponds to the value of a forward transaction, the economically feasible expiration date of which is expected no earlier than 20 March 2031. When calculating the fair value, the expected market cost of borrowing was 14.1%, the expected yield of the issuer's bonds was 15.2%, and the discount rate for the expected cash flows of the project was 26%.

Simultaneously with the future acquisition of the remaining share in the joint venture, the Group must repay the debt of the investee to the second participant in the joint venture under the loan agreement in the amount of RUB 11 500 million. and accrued interest at the Central Bank rate + 5% per annum for the period from the date of conclusion of the agreement. Together with the terms of the put option, this provision constitutes a financial guarantee on the debt obligation of the joint venture. The Group recorded a liability under the financial guarantee agreement in the amount of RUB 1 212 million, see note 25.

The Group tested the carrying amount of the investment as at 31 December 2023 for impairment in accordance with IAS 36 *Impairment of Assets* by comparing the recoverable amount (the greater of value in use and fair value less costs to sell) with the carrying amount. No impairment was identified.

An impairment testing was performed by discounting projected cash flows from the construction and sale of properties (DCF model) based on the following key assumptions:

- Discount rate – 26% per annum;
- Project’s implementation period – 2024 -2035;
- Inflation rates – 4% per annum;

Investments in associates and joint ventures are accounted for using the equity method.

Summarised financial information relating to the joint venture in which the Group acquired a 75.86% interest in 2023, including fair value adjustments made at the time of acquisition, and a reconciliation of the summarised financial information to the carrying amount of the Group's interest in the joint venture is set out below.

mln RUB	2023
Current assets	793
Including cash and cash equivalents	716
Non-current assets	38 050
Current liabilities	(160)
Non-current liabilities	(22 369)
Including non-current financial liabilities (excluding trade and other payables and provisions)	(21 622)
Net assets of joint venture (100%)	**16 314**
Group's share of net assets (75,86%)	12 376
Carrying amount of interest in joint venture	**12 376**
Revenue	125
Depreciation and amortisation	(8)
Interest income	62
Interest expense	(122)
Income tax expense	(18)
Profit/loss and total comprehensive income (100%)	(24)
Profit/loss and total comprehensive income (75,86%)	(18)
Group's share of total comprehensive income of joint venture	(18)
Dividends received from joint venture	-

Information about the Group's exposure to credit and interest rate risks in connection with other investments is disclosed in note 26

16 Deferred tax assets and liabilities

a) Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

mln RUB	Assets		Liabilities		Net	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**
Property, plant and equipment	496	543	(475)	(310)	21	233
Investments	85	99	(72)	(72)	13	27
Inventories	12 299	13 562	(2 458)	(2 199)	9 841	11 363
Contract assets and trade and other receivables	3 613	3 808	(7 495)	(6 508)	(3 882)	(2 700)
Deferred expenses	13	13	-	-	13	13
Loans and borrowings	760	681	(1 315)	(569)	(555)	112
Provisions	1 587	1 871	(343)	(388)	1 244	1 483
Contract liabilities and trade and other payables *	3 155	2 416	(7 505)	(12 477)	(4 350)	(10 061)
Tax loss carry-forwards	5 535	3 677	-	-	5 535	3 677
Other	341	196	(501)	(484)	(160)	(288)
Tax assets/(liabilities)	27 884	26 867	(20 164)	(23 007)	7 720	3 860
Set off of tax	(16 586)	(15 494)	16 586	15 494	-	-
Net tax assets/(liabilities)	**11 298**	**11 373**	**(3 578)**	**(7 513)**	**7 720**	**3 860**

* as of 31 December 2022, deferred tax asset was adjusted to the amount of social obligations that are included in provisions

b) Unrecognised deferred tax liability

At 31 December 2023, a deferred tax liability arising on temporary differences of RUB 115 995 million (31 December 2022: RUB 92 208 million) related to investments in subsidiaries was not recognized because the Company controls the timing of reversal of the temporary differences and is satisfied that those differences will not be reversed in the foreseeable future.

c) Unused tax losses

A deferred tax asset of RUB 1 109 million (31 December 2022: RUB 954 million) was not recognised for the carry forward of unused tax losses to the extent that it is not probable that future taxable profit will be available against which these unused tax losses can be utilised.

d) Movement in temporary differences during the period

mln RUB	1 January 2023	Recognised in profit or loss	Acquisition through business combination	31 December 2023
Property, plant and equipment	233	(212)	-	21
Investments	27	(14)	-	13
Inventories	11 364	(1 523)	-	9 841
Contract assets and trade and other receivables	(2 700)	(1 182)	-	(3 882)
Deferred expenses	13	-	-	13
Loans and borrowings	112	(667)	-	(555)
Provisions	1 483	(239)	-	1 244
Contract liabilities and trade and other payables	(10 061)	5 711	-	(4 350)
Tax loss carry-forwards	3 677	1 835	23	5 535
Other	(288)	128	-	(160)
	3 860	**3 837**	**23**	**7 720**

mln RUB	1 January 2022	Recognised in profit or loss	Acquisition through business combination	31 December 2022
Property, plant and equipment	(165)	162	236	233
Investments	48	(499)	478	27
Inventories	9 749	(3 168)	2 488	9 069
Contract assets and trade and other receivables	(6 087)	2 295	1 092	(2 700)
Deferred expenses	11	2	-	13
Loans and borrowings	357	484	(729)	112
Provisions	(31)	(96)	(74)	(201)
Contract liabilities and trade and other payables	(5 374)	1 869	(2 577)	(6 082)
Tax loss carry-forwards	1 626	1 678	373	3 677
Other	(215)	(302)	229	(288)
	(81)	**2 425**	**1 516**	**3 860**

17 Inventories

mln RUB	2023	2022
Inventories under construction and development		
Own flats under construction and development	94 693	100 230
Built-in commercial premises under construction and development	15 580	13 304
Parking places under construction and development	8 765	9 988
	119 038	**123 522**
Less: Allowance for inventories under construction and development	(1 928)	(3 922)
Total inventories under construction and development	**117 110**	**119 600**
Inventories - finished goods		
Own flats	16 717	6 470
Built-in commercial premises	5 490	5 619
Parking places	9 511	8 437
	31 718	**20 526**
Less: Allowance for inventories - finished goods	(5 193)	(3 654)
Total inventories - finished goods	**26 525**	**16 872**
Other inventories		
Construction materials	2 627	2 079
Stand-alone commercial premises under construction and development	5 380	3 226
Land in industrial park	-	706
Other	395	39
	8 402	**6 050**
Less: Allowance for other inventories	(2)	(3)
Total other inventories	**8 400**	**6 047**
Total	**152 035**	**142 519**

As at 31 December 2023, inventories under construction and development of RUB 113 868 million relate to construction projects that will be completed after more than 12 months from the reporting date (31 December 2022: RUB 80 862 million).

In the course of implementation of several development projects the Group has to construct and transfer certain social infrastructure to city authorities. As at 31 December 2023, the cost of such social infrastructure amounts to RUB 829 million and is included into the balance of finished goods and inventories under construction and development (31 December 2022: RUB 1 566 million). These costs are recoverable as part of projects they relate to. The cost of social infrastructure is recognised in cost of sales consistently with the transfer to the customers of the apartments to which this social infrastructure relates.

a) Allowance for impairment of inventories

The following is movement in the allowance for impairment of inventories:

mln RUB	2023	2022
Balance at 1 January	7 579	7 357
Write down to net realisable value of inventories	2 951	3 495
Reversal of write down of inventories	(3 407)	(3 273)
Balance at 31 December	**7 123**	**7 579**

As at 31 December 2023, the net realizable value testing resulted in an amount which was less than the carrying amount by RUB 7 123 million (31 December 2022: RUB 7 579 million) and the respective allowance was recognised in other expenses (note 9), and in cost of sales for segment Other (note 7). As at 31 December 2023, the allowance of RUB 5 757 million related to parking places (31 December 2022: RUB 5 967 million).

As at 31 December 2023, the balance of parking places is equal to RUB 18 275 million (31 December 2022: RUB 18 425 million). An impairment allowance was made based on the following key assumptions:

- Cash flows were projected during the expected period of sales equal to years of turnover of parking places determined based on historical information on contracts concluded with customers;
- Discount rate – 17,1% per annum (weighted average mortgage rate on the secondary real estate market) (31 December 2022: – 9,35%);
- Inflation rates – 4,00 – 6,00% per annum (31 December 2022: – 4,00 – 5,00% per annum);
- In case there was no historical information on sales of certain parking places, the Group considered historical information in relation to similar parking places.

The determination of net realizable value for parking places is subject to significant estimation uncertainty and, as such, the impairment allowance is judgmental.

The following table demonstrates changes in key inputs and sensitivity of measurement of allowance for impairment:

	31 December 2023		
	Change of parameter	**Impact on allowance for impairment**	**In monetary terms (mln RUB)**
Growth of discount rate	2%	3%	153
Growth of inflation rates	2%	-2%	(88)
Reduction of turnover of finished goods, years	(1)	5%	301
Reduction of revenue from uncontracted parking places	-2%	2%	95

	31 December 2022		
	Change of parameter	**Impact on allowance for impairment**	**In monetary terms (mln RUB)**
Growth of discount rate	2%	7%	263
Growth of inflation rates	2%	-10%	(403)
Reduction of turnover of finished goods, years	(1)	4%	143
Reduction of revenue from uncontracted parking places	2%	3%	139

b) Pledges

As at 31 December 2023, inventories with a carrying amount of RUB 120 261 million (31 December 2022: RUB 113 259 million) are pledged as security for borrowings (note 23).

c) Cost of acquisition of construction projects (land plots)

The following table summarises cash spent on acquisition of construction projects (land plots) and related costs incurred during the reporting period.

mln RUB	**2023**	**2022**
Cost of acquisition of rights for land plots during the period	12 773	19 585
Including fees for changing of the type of permitted use of land plots	*3 448*	*2 335*
Capitalised lease payments for land plots	785	849
Total	**13 558**	**20 434**

18 Contract assets, trade and other receivables

mln RUB	2023	2022
Long-term trade and other receivables		
Trade receivables	1 953	1 544
Less: loss allowance for expected credit losses on trade accounts receivable	(596)	(8)
Long-term trade receivables less allowance	**1 357**	**1 536**
Other receivables	95	36
Less: loss allowance for expected credit losses on other accounts receivable	(6)	(3)
Long-term other receivables less allowance	**89**	**33**
Total long-term trade and other receivables	**1 446**	**1 569**
Short-term trade and other receivables		
Trade receivables	6 831	7 447
Less: loss allowance for expected credit losses on trade accounts receivable	(909)	(809)
Contract assets and short-term trade receivables less allowance	**5 922**	**6 638**
Advances paid to suppliers	11 328	12 613
Less: loss allowance for expected credit losses on advances paid to suppliers	(153)	(144)
Short-term advances paid to suppliers less allowance	**11 175**	**12 469**
VAT recoverable	7 510	7 343
loans	1 347	336
Other taxes receivable	92	152
Other receivables due from related parties	120	142
Other receivables	2 605	3 243
	11 674	**11 216**
Less: loss allowance for expected credit losses on other accounts receivable	(1 070)	(1 271)
Short-term other receivables less allowance	**10 604**	**9 945**
Total short-term trade and other receivables	**27 701**	**29 052**
Total	**29 147**	**30 621**

As at 31 December 2023, non-financial assets recognised within advances paid to suppliers, VAT and other taxes receivable and future savings on interest on concluded project financing agreements using escrow accounts amounted to RUB 20 124 million (31 December 2022: RUB 20 300 million).

19 Short-term investments

mln RUB	2023	2022
Loans - at amortised cost	154	139
	154	**139**
Loss allowance for loans given	(117)	(117)
Total	**37**	**22**

The Group's exposure to credit, currency and interest rate risks related to other investments is disclosed in note 26.

20 Cash and cash equivalents

mln RUB	2023	2022
Cash in banks, in RUB	655	1 162
Cash in banks, in EUR	2	288
Petty cash	1	1
Cash in transit	8	-
Short-term deposits (less than 3 months)	9 058	22 360
Total	**9 724**	**23 811**

The Group keeps significant bank balances in major Russian banks with credit ratings assigned by Russian rating agencies of ruAAA, ruAA+, ruAA, ruA+, ruA, ruA-.

At 31 December 2023, the most significant amount of cash and cash equivalents held with one bank totalled RUB 2 684 million (31 December 2021: RUB 9 456 million). At 31 December 2023, the Group had outstanding loans and borrowings with the same bank that held the most significant amount of cash and cash equivalents of RUB 2 966 million (31 December 2022: RUB 66 304 million).

At 31 December 2023, short-term deposits in foreign currency in the amount of RUB 51 million are restricted in use.

At 31 December 2023, short-term deposits bore interest rates ranging from 12,7% to 16,51% per annum (31 December 2022: 4,9% to 8,1% per annum).

Bank balances on escrow accounts – supplementary disclosure

mln RUB	2023	2022
Bank balances in escrow accounts	77 440	60 362

Bank balances kept in escrow accounts are not included in the balance of cash and cash equivalents in the Group's consolidated statement of financial position. They represent funds received by authorized banks from escrow-account holders - participants of share participation agreements for construction of real estate as a means of payment of consideration under such agreements. The funds will be transferred to the Group's bank accounts upon completion of construction of respective real estate.

The table below demonstrates the movement of funds on escrow accounts during the reporting period.

mln RUB	2023	2022
Balance at 1 January	60 362	59 752
Receipts of funds on escrow accounts	57 226	28 400
Acquired through business combination	-	12 130
Release of funds from escrow accounts	(40 148)	(39 920)
Balance at 31 December	**77 440**	**60 362**

21 Capital and reserves

a) Share capital

The table below summarizes the information about the issued share capital of the Company.

Number of shares unless otherwise stated

	2023		2022	
	Ordinary shares	Preference shares	Ordinary shares	Preference shares
Issued shares				
Par value	0.00005 GBP	1 GBP	0.00005 GBP	1 GBP
On issue at the beginning of the period	383 445 362	20 000	383 445 362	20 000
On issue at the end of the period, fully paid	**383 445 362**	**20 000**	**383 445 362**	**20 000**

Preference shares bear neither voting rights nor rights to receive dividends.

All issued ordinary shares are fully paid. The holders of ordinary shares are entitled to receive dividends and to one vote per share at meetings of the Company.

On 17 July 2023, at a meeting of the Company's Board of Directors, it was decided to terminate the listing of the Company's global depositary receipts (GDRs) on the London Stock Exchange (LSE). The Company appealed to the Financial Supervision Authority of the United Kingdom (FCA) with a request to terminate the listing of the Company's GDRs, and to the London Stock Exchange with a request to cancel the admission of GDRs to trading on the Main Market of the exchange. In accordance with the Listing Rules, the listing of the GDR on the London Stock Exchange ceased on 7 February 2024.

On 7 July 2023, the Bank of Russia decided to register the Company's GDR issue prospectus and authorized the public circulation of the Company's GDR in the Russian Federation. After the termination of the listing on the London Stock Exchange, the Company retains the listing of the GDR on the Moscow Stock Exchange.

b) Share premium

The Company’s share premium account originated from issuance of 117 647 ordinary £0,01 shares for a consideration of USD 82 352 900 in March 2008, from the initial public offering of 71 428 571 ordinary shares at a value USD 7 each in form of global depository receipts (GDRs) on the London Stock Exchange on 4 April 2011 and from a supplementary public offering of 88 487 391 ordinary shares at a value USD 1,7 in form of shares and global depository receipts on 14 May 2021.

c) Reserve for own shares

During 2011-2017, the Company acquired 8 216 378 GDRs for own shares under GDR repurchase programmes.

During the year ended 31 December 2018, the Group transferred 8 212 432 shares to certain members of its key management personnel as part of their remuneration (note 10). As at 31 December 2022 and 31 December 2021, the total number of own shares acquired by the Group amounted to 3 946 shares or 0,001% of issued share capital.

The consideration paid for own shares, including directly attributable costs, net of any tax effects, is recognised as a deduction from equity. When own shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is transferred to/from retained earnings.

d) Dividends

As the majority of the Company's subsidiaries are incorporated in the Russian Federation, and in accordance with Russian legislation, the subsidiaries' distributable reserves are limited to the balance of retained earnings as recorded in their statutory financial statements prepared in accordance with Russian Accounting Principles.

The current challenging geopolitical circumstances, certain sanctional provisions and mutual restrictions, including on distribution of funds through international payment and clearing systems, have a significant impact on the Company's ability to pay out dividends to all groups of its shareholders. Based on the principle of equitable treatment of all shareholders, the Board of Directors of the Company resolved to postpone consideration of the matter of dividend payments until constraints currently in force are removed.

For the financial year ended 31 December 2023, the Group did not declare or pay dividends (for the year ended 31 December 2022, it did not declare or pay dividends).

22 Earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding during the reporting period, as shown below. The Company has no dilutive potential ordinary shares.

Number of shares unless otherwise stated	**2023**	**2022**
Issued shares at 1 January	383 441 416	383 441 416
Weighted average number of shares for the year ended 31 December	**383 441 416**	**383 441 416**

	2023	**2022**
Profit attributable to the owners of the Company, mln RUB	(3 370)	12 948
Basic and diluted earnings per share (RUB)	(8,79)	33,77

23 Loans and borrowings

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings, which are measured at amortised cost. For more information about the Group's exposure to interest rate, foreign currency and liquidity risk, see note 26.

mln RUB	2023	2022
Non-current liabilities		
Carried at amortized cost		
Secured bank loans	6 564	12 423
Secured project financing	44 054	51 273
Unsecured bank and other loans	2 190	306
Unsecured bond issues	17 700	9 968
Total liabilities carried at amortized cost	**70 508**	**73 970**
Carried at fair value through profit or loss		
Unsecured other loans	11 604	-
Total liabilities carried at fair value through profit or loss	11 604	-
Total long-term liabilities	**82 112**	**73 970**
Current liabilities		
Carried at amortized cost		
Current portion of secured bank loans	6 019	7 751
Current portion of secured project financing	27 794	3 489
Current portion of unsecured bank and other loans	310	2 705
Current portion of unsecured bond issues	2 376	5 173
Total current liabilities carried at amortized cost	**36 499**	**19 118**

Unsecured other loans are represented by a loan from the Group's joint venture that is accounted for by this joint venture as a financial asset at fair value through profit or loss, see note 29(ii). For subsequent measurement, in accordance with IFRS 9, the Group decided to classify the loan received as carried at fair value through profit or loss, because such classification will provide more relevant information by eliminating or significantly reducing measurement or recognition inconsistencies ("accounting mismatch") that would otherwise arise from the use of different measurement bases for assets or liabilities or the recognition of related gains and losses of the Group and profit or loss of the joint venture.

The amount that the Group would be contractually required to pay at maturity to the holder of the above-mentioned obligation, based on the forecasted rates of the Central Bank of the Russian Federation for the period from 2024 to 2031 (from 14% to 7%), will amount to RUB 23 847 million.

The Group has credit line facilities used to finance construction of residential buildings with variable interest rates adjusted based on the volume of escrow accounts balances (designated as "Project financing" in these consolidated financial statements).

The loans' rates have two components: the base rate and the preferential rate applied to debt covered by escrow account balances. In case of excess of balances on escrow accounts over outstanding loans, the rate is capped depending on the amount of the excess.

The reconciliation of movements of liabilities to cash flows arising from financing activities during the reporting period is presented in the table below.

mln RUB	Loans and borrowings	Lease liabilities	Total
Balance at 1 January 2023	93 088	7 811	100 899
Proceeds from loans and borrowing	73 292	-	73 292
Repayment of loans and borrowing	(29 150)	-	(29 150)
Payment of lease liabilities	-	(2 966)	(2 966)
Payment of dividends	-	-	-
Total changes from financing cash flows	**44 142**	**(2 966)**	**41 176**
Other changes			
Interest expense on loans and borrowings	11 792	-	11 792
Foreign exchange loss	-	-	-
Interest expense on lease liabilities	-	921	921
Additions/terminations to lease liabilities	-	5 825	5 825
Assumed through business combination	-	-	-
Modifications of lease contracts	-	(29)	(29)
Interest paid on loans and borrowings	(5 094)	-	(5 094)
Interest paid on lease liabilities	-	(921)	(921)
Offset of funds released from escrow accounts against loans payable	(18 003)	-	(18 003)
Discounting of loans	(7 314)	-	(7 314)
Total liability-related other changes	**(18 619)**	**5 796**	**(12 823)**
Total equity-related other changes	**-**	**-**	**-**
Balance at 31 December 2023	**118 611**	**10 641**	**129 252**

mln RUB	Loans and borrowings	Lease liabilities	Total
Balance at 1 January 2022	83 438	9 370	92 808
Proceeds from loans and borrowing	43 008	-	43 008
Repayment of loans and borrowing	(11 166)	-	(11 166)
Payment of lease liabilities	-	(2 144)	(2 144)
Payment of dividends	-	-	-
Proceeds from issue of share capital	-	-	-
Total changes from financing cash flows	**31 842**	**(2 144)**	**29 698**
			-
Other changes			-
Interest expense on loans and borrowings	8 997	-	8 997
Foreign exchange loss	-	732	732
Interest expense on lease liabilities	-	-	-
Additions/terminations to lease liabilities	-	289	289
Assumed through business combination	3 951	296	4 247
Modifications of lease contracts	-		-
Interest paid on loans and borrowings	(4 531)	-	(4 531)
Interest paid on lease liabilities	-	(732)	(732)
Offset of funds released from escrow accounts against loans payable	(27 162)	-	(27 162)
Discounting of loans	(3 447)	-	(3 447)
Total liability-related other changes	**(22 192)**	**585**	**(21 607)**
Total equity-related other changes	**-**	**-**	**-**
Balance at 31 December 2022	**93 088**	**7 811**	**100 899**

Terms and debt repayment schedule

mln RUB	Currency	Nominal interest rate as of 31 December	Year of maturity	2023 Face value	2023 Carrying amount	2022 Face value	2022 Carrying amount
Secured bank loans							
Secured project financing	RUB	0,01% - 10,75%	2024	24 440	23 657	23 462	22 792
Secured project financing	RUB	0,01% - CBR's key rate + 2,65% - 4%	2026	24 545	21 625	5 320	4 679
Secured bank loan	RUB	CBR's key rate + 3%	2027	9 538	9 532	12 449	12 354
Secured project financing	RUB	0,01% - 13,75%	2025	8 456	8 365	18 840	18 317
Secured project financing	RUB	0,01% - CBR's key rate + 3,05%	2030	8 709	7 123	5 478	4 970
Secured project financing	RUB	0,01% - CBR's key rate + 2,70% - 4%	2027	7 738	5 872	1 323	1 213
Secured project financing	RUB	0,01% - CBR's key rate + 4%	2028	3 984	3 281	173	144
Secured bank loan	RUB	CBR's key rate + 2,35%	2024	3 051	3 051	7 835	7 820
Secured project financing	RUB	0,01% - CBR's key rate + 3,5%	2025	2 189	1 925	-	-
Secured project financing	RUB	0,01% - 11,01%	2023	-	-	2 647	2 647
Total secured bank loans				**92 650**	**84 431**	**77 527**	**74 936**

mln RUB	Currency	Nominal interest rate as of 31 December	Year of maturity	2023 Face value	2023 Carrying amount	2022 Face value	2022 Carrying amount
Unsecured bank and other loans							
Unsecured joint venture loans	RUB	CBR's key rate + 10,0%	2031	8 754	11 604	-	-
Unsecured bank and other loans	RUB	7,00%	2025	2 399	2 399	2 911	2 911
Unsecured bank and other loans	RUB	10,00%	2027	101	101	-	-
Unsecured bank and other loans	RUB	0,01%	2023	-	-	100	100
Total unsecured bank and other loans				**11 254**	**14 104**	**3 011**	**3 011**
Unsecured bond issues							
Unsecured bonds	RUB	9,10% - 13,70%	2026	20 176	20 076	10 027	9 995
Unsecured bonds	RUB	7,95%	2023	-	-	5 148	5 146
Total unsecured bond issues				**20 176**	**20 076**	**15 175**	**15 141**
Total outstanding loans				**124 080**	**118 611**	**95 713**	**93 088**

As at 31 December 2023, the weighted average interest rate on current credit portfolio amounted to 8,73% p.a. (31 December 2022: 5,22% p.a.).

Bank loans are secured by inventories with a carrying amount of RUB 120 261 million (31 December 2022: RUB 113 259 million) (note 17), pledged shares of subsidiaries, which together represent RUB 89 435 million in net assets (31 December 2022: RUB 88 614 million in net assets)[1].

As at 31 December 2022, the amount of undrawn borrowing facilities that may be available for future operating activities and to settle capital commitments amount to RUB 169 012 million (31 December 2022: RUB 154 964 million).

In accordance with the terms of the loan agreements and the terms of the bond issue, the Group is required to comply with certain general, informational and financial conditions (covenant).

As of 31 December 2023, non-financial conditions were violated under a number of loan agreements. The liabilities were not transferred to short-term debt due to the fact that under the loan agreements, under the terms of which these violations are grounds for early repayment of debt, the Group received a waiver of claims from the bank at the reporting date. As of 31 December 2022, waivers of claims from the bank were also received.

24 Provisions

mln RUB	Provision for social infrastructure	Provision for deferred works	Warranty provision	Provision for litigations and claims	Total
Balance at 1 January 2022	8 043	331	117	124	8 615
Provisions made during the period	989	2 779	151	169	4 088
Assumed through business combination	355	137	285	16	793
Provisions used during the period	(1 714)	(2 835)	(65)	(64)	(4 678)
Высвобождение дисконта	1 468	-	-	-	1 468
Provision reversed during the period	(721)	26	(82)	(45)	(822)
Balance at 31 December 2022	**8 420**	**438**	**406**	**200**	**9 464**
Balance at 1 January 2023	8 419	436	406	200	9 461
Provisions made during the period	3 174	3 111	38	254	6 577
Provisions used during the period	(5 118)	(2 745)	(78)	(13)	(7 954)
Высвобождение дисконта	886	-	-	-	886
Provision reversed during the period	(447)	(40)	-	(202)	(689)
Balance at 31 December 2023	**6 914**	**762**	**366**	**239**	**8 281**
Non-current	-	-	366	-	366
Current	6 914	762	-	239	7 915
Balance at 31 December 2023	**6 914**	**762**	**366**	**239**	**8 281**

[1] Net assets are calculted based on the individual financial statements of the respective companies in accordance with IFRS.

a) Provision for the constraction of social facilities

The provision for the construction of social facilities includes the Group's obligations for the construction of social infrastructure facilities, as well as the provision for onerous contracts, which is accrued at the moment when it becomes likely that the total costs of the contract will exceed the total revenue.

b) Provision for deferred works

The Group records provisions in respect of the Group’s obligation to incur additional costs associated with landscaping and other works after finishing the construction of apartment buildings. The provision is estimated based on historical experience. The Group expects the expenses to be incurred over the next year.

c) Warranties

The provision for warranties relates mainly to the residential units sold during the reporting period. The provision is based on estimates made from historical experience from the sale of such units. The Group expects the expenses to be incurred over the next three years on average. The warranty provision relates to construction works done.

d) Provision for litigations and claims

The Group records provision for litigations and claims when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

25 Contract liabilities, trade and other payables

mln RUB	2023	2022
Long-term		
Trade payables	272	16 933
Lease liabilities	7 181	4 596
Other accounts payable and other financial liabilities	1 504	1 449
	8 957	**22 978**
Short-term		
Contract liabilities	8 597	12 045
Trade payables	20 799	11 977
VAT payable	6 566	5 531
Payroll liabilities	1 781	1 450
Other taxes payable	578	360
Lease liabilities	3 460	3 215
Other payables	6 984	5 994
	40 168	**28 527**
Total	**57 722**	**63 550**

Contract liabilities include advance consideration received from customers.

Other accounts payable and other financial liabilities include the liability under the financial guarantee agreement issued for the joint venture in the amount of RUB 1 212 million, see note 15.

Short-term trade payables are mainly represented by a liability in the amount of RUB 16 340 million. (31 December 2022: RUB 23 168 million, of which RUB 13 340 million were reflected as part of long-term trade payables and RUB 6 828 million as part of short-term trade payables) for the purchase of 88%

of the authorized capital of Specialized Developer ZIL-YUG LLC (a company that owns a land plot in Moscow) to be paid in 2024.

As of 31 December 2023, non-financial liabilities represented by contractual obligations, VAT, other taxes payable and obligations for the construction of social infrastructure accounted for in reserves amounted to RUB 15 741 million (31 December 2022: RUB 17 936 million).

Explanations of significant changes in contractual obligations in the reporting year are indicated in note 6.

26 Financial instruments and risk management

a) Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments:

- *Level 1 inputs*

  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*

  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.

- *Level 3 inputs*

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

mln RUB	**Carrying amount**		**Fair value**		
31 December 2023	**At amortised cost**	**Total**	**Level 1**	**Level 2**	**Total**
Financial assets not measured at fair value					
Trade receivables	7 279	**7 279**	-	6 367	**6 367**
Other receivables (excluding taxes receivable and advances paid to suppliers)	1 744	**1 744**	-	1 589	**1 589**
Loans given	96	**96**	-	41	**41**
Cash and cash equivalents	9 724	**9 724**	9 724	-	**9 724**
	18 843	**18 843**	**9 724**	**7 997**	**17 721**
Financial liabilities not measured at fair value					
Secured bank loans	(12 583)	**(12 583)**	-	(12 454)	**(12 454)**
Secured project financing	(71 848)	**(71 848)**	-	(70 275)	**(70 275)**
Unsecured bank loans	(14 104)	**(14 104)**	-	(5 321)	**(5 321)**
Unsecured bond issues	(20 076)	**(20 076)**	(18 713)	-	**(18 713)**
Trade and other payables	(41 981)	**(41 981)**	-	(37 869)	**(37 869)**
	(160 592)	**(160 592)**	**(18 713)**	**(125 919)**	**(144 632)**

mln RUB	Carrying amount		Fair value		
31 December 2022	**At amortised cost**	**Total**	**Level 1**	**Level 2**	**Total**
Financial assets not measured at fair value					
Trade receivables	8 174	**8 174**	-	8 014	**8 014**
Other receivables (excluding taxes receivable and advances paid to suppliers)	2 147	**2 147**	-	2 138	**2 138**
Loans given	277	**277**	-	139	**139**
Cash and cash equivalents	23 811	**23 811**	23 811	-	**23 811**
	34 409	**34 409**	**23 811**	**10 291**	**34 102**
Financial liabilities not measured at fair value					
Secured bank loans	(20 174)	**(20 174)**	-	(19 859)	**(19 859)**
Secured project financing	(54 762)	**(54 762)**		(44 529)	**(44 529)**
Unsecured bank loans	(3 011)	**(3 011)**	-	(2 946)	**(2 946)**
Unsecured bond issues	(15 141)	**(15 141)**	(14 129)	-	**(14 129)**
Trade and other payables	(45 616)	**(45 615)**	-	(42 392)	**(42 392)**
	(138 704)	**(138 703)**	**(14 129)**	**(109 726)**	**(123 855)**

The fair value of financial asset arising from preferential rate on escrow-backed loans approximates it carrying amount.

Fair values of financial assets and financial liabilities were determined by quantitative maturity analysis of contractual cash flows according to remaining contractual maturities, discounted using the following rates:

	Discounting factor	2023	2022
Receivables (excluding taxes receivable and advances paid to suppliers)	Weighted average rate on mortgages issued during the period	17,10%	9,35%
Loans given, Unsecured loans and bond issued, and trade and other payables	Weighted average interest rates on bonds of Etalon-Finance	17,02%	12,63%

The Group has exposure to the following risks from its use of financial instruments:

- credit risk;
- liquidity risk;
- market risk.

This note presents information about the Group’s exposure to each of the above risks, the Group’s objectives, policies and processes for measuring and managing risk, and the Group’s management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

Risk management framework

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, has developed a disciplined and constructive control environment in which all employees understand their roles and obligations.

b) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from cash and cash equivalents, deposits with banks as well as credit exposures to customers, including outstanding trade and other receivables.

Credit risk with regards to cash and cash equivalents and deposits with banks is managed by placing funds primarily in the banks listed in note 20.

Credit risk connected with trade receivable arising from the sale of apartments to individuals is managed by securing those receivables against sold apartments. A significant share of such sales is made on a prepayment basis.

To manage the credit risk of trade receivables from legal entities the Group has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are applied.

(i) Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. As at 31 December 2022, receivables from one customer equalled to RUB 189 million or 2% of the Group`s consolidated trade and other receivables (31 December 2022: RUB 158 million or 1%).

(ii) Exposure to credit risk

The carrying amount of financial assets and contract assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	Carrying amount	
mln RUB	**2023**	**2022**
Loans given	96	277
Receivables (excluding taxes receivable and advances paid to suppliers)*, including contract assets	38 063	33 698
Bank promissory notes	-	-
Bank deposits (over 3 months)	-	-
Cash and cash equivalents	9 724	23 811
	47 883	**57 786**

* presented net of receivables and contract assets arising from the sale of real estate that is secured by a pledge of the sold real estate (see 3(b)).

The amount of trade and other receivables including contract assets represents the maximum exposure to credit risk without taking account of trade receivables covered by collateral.

The maximum exposure to credit risk for trade receivables at the reporting date by geographic region was concentrated in the Saint Petersburg region.

The maximum exposure to credit risk for trade receivables at the reporting date by type of customer was concentrated on industrial customers – legal entities included in the segment "Construction services".

Maturity analysis and impairment

The ageing of trade receivables and contract assets at the reporting date was as follows. Contract assets are not past due and not impaired.

	Gross	Impairment	Gross	Impairment
mln RUB	**2023**		**2022**	
Not past due	36 898	(1 001)	34 922	(20)
Past due 0-30 days	593	(2)	157	-
Past due 31-90 days	329	(7)	188	(2)
Past due 91-120 days	185	-	85	-
Past due more than 120 days	2 031	(495)	2 372	(795)
	40 036	**(1 505)**	**37 724**	**(817)**

The Group's current credit risk grading framework for loans given at the reporting date comprises the following categories:

	Gross	Impairment	Gross	Impairment
mln RUB	**2023**		**2022**	
12 - month ECL	87	(9)	281	(22)
Lifetime ECL - credit-impaired	496	(478)	135	(117)
	583	**(487)**	**416**	**(139)**

<u>Allowance for impairment in respect of trade receivables</u>

The movement in the allowance for impairment in respect of trade receivables during reporting period was as follows:

mln RUB	**2023**	**2022**
Balance at 1 January	817	539
Amounts written off	(188)	(46)
Net remeasurement of loss allowance	876	324
Balance at 31 December	**1 505**	**817**

The Group calculates lifetime expected credit losses for trade receivables at an individual asset and a collective level. All individually significant assets were individually assessed for impairment. Assets that were not individually significant were collectively assessed for impairment. Collective assessment was carried out by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Group used publicly available historical information about the probabilities of default (PD) and losses given default (LGD) for issuers with different credit ratings and financial instruments with different durations.

To assess the probability of default of individual debtors, the Group assigned to them credit ratings similar to those used in publicly available historical information. Speculative ratings (speculative-grade) were assigned to debtors that do not have official ratings and are not undergoing bankruptcy procedures. Such counterparties represent a major part of the Group debtors.

The Group defines a default event when a financial asset is more than 90 days past due.

The Group established an allowance for accounts receivable arising from the sale of real estate, in accordance with the methodology, described in the note 3(b).

During the reporting period, there were no changes in the quality of the collateral. There were no changes in the collateral policies of the Group during the year ended 31 December 2023.

Allowance for impairment in respect of other receivables

Expected credit loss allowance for other receivables is measured as an allowance equal to 12-month ECL for stage 1 assets. The movement in the allowance for impairment in respect of other receivables during the reporting period was as follows:

mln RUB	**2023**	**2022**
Balance at 1 January	1 274	834
Reversal of loss allowance	(151)	(126)
Increase in loss allowance	(47)	566
Balance at 31 December	**1 076**	**1 274**

Allowance for impairment in respect of financial investments (loans given and promissory notes)

The movement in the allowance for impairment in respect of loans given during the reporting period was as follows:

mln RUB	**2023**	**2022**
Balance at 1 January	139	208
Net remeasurement of loss allowance	348	(69)
Balance at 31 December	**487**	**139**

As at 31 December 2023 and 31 December 2022, the credit risk on financial investments has not increased significantly since initial recognition, and the Group measures the loss allowance for those financial instruments at an amount equal to 12-month expected credit losses.

Allowance for impairment of cash and cash equivalents

The Group assessed impairment of cash and cash equivalents on the 12-month expected loss basis that reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The Group uses a similar approach for assessment of expected credit losses for cash and cash equivalents to those used for debt securities.

Allowance for impairment in respect of advances paid to suppliers

During the reporting period, the movement in the allowance for impairment in respect of advances paid to suppliers, which are outside the scope of IFRS 9, was as follows:

mln RUB	2023	2022
Balance at 1 January	144	158
Amounts written off	(70)	(69)
Increase during the period	79	55
Balance at 31 December	**153**	**144**

The Group includes a specific loss component that relates to individually significant exposures in its allowance for impairment of advances paid to suppliers.

c) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group’s approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group’s reputation.

Each year the Group prepares a cash flow budget to forecast possible liquidity deficits and to define the sources of financing of those deficits.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements. It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts. However, repayment of secured project financing may occur prior to their contractual maturities – as soon as construction projects are completed and funds from escrow accounts are released.

Contractual maturities of financial liabilities were as follows:

31 December 2023

mln RUB	Carrying amount	Contractual cash flows	0 - 12 mths	1-2 yrs	2-3 yrs	3-4 yrs	4-5 yrs	over 5 yrs
Non-derivative financial liabilities								
Loans and borrowings	118 611	131 622	41 036	20 554	38 949	8 901	2 416	19 766
Trade and other payables (excluding taxes payable, contract liabilities and liabilities to construct social infrastructure)	31 340	31 598	29 859	175	10	341	-	1 213
Lease liabilities	10 641	12 168	3 631	3 137	2 935	1 744	186	535
	160 592	**175 388**	**74 526**	**23 866**	**41 894**	**10 986**	**2 602**	**21 514**

31 December 2022

mln RUB	Carrying amount	Contractual cash flows	0 - 12 mths	1-2 yrs	2-3 yrs	3-4 yrs	4-5 yrs	over 5 yrs
Non-derivative financial liabilities								
Loans and borrowings	93 089	101 182	22 049	40 631	23 335	9 123	6 044	-
Trade and other payables (excluding taxes payable and contract liabilities)	37 804	39 100	20 238	18 419	64	-	377	2
Lease liabilities	7 811	9 301	2 869	2 881	1 743	946	174	688
	138 704	**149 583**	**45 156**	**61 931**	**25 142**	**10 069**	**6 595**	**690**

d) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(ii) Interest rate risk

Interest rate risk is the risk that changes in floating interest rates will adversely impact the financial results of the Group. The Group does not use any derivative instruments to manage interest rate risk exposure.

Profile

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was:

mln RUB	**Carrying amount**	
	2023	**2022**
Fixed rate instruments		
Financial assets	11 477	24 203
Financial liabilities	(65 239)	(69 719)
	(53 762)	**(45 516)**
Variable rate instruments		
Financial liabilities	(64 013)	(31 180)
	(64 013)	**(31 180)**

Cash flow sensitivity analysis for variable rate instruments

mln RUB	**Profit or loss**		**Equity**	
	200 bp increase	**100 bp increase**	**200 bp increase**	**100 bp increase**
31 December 2023				
Variable rate instruments	(1 280)	640	(1 280)	640
Cash flow sensitivity (net)	(1 280)	640	(1 280)	640
31 December 2022				
Variable rate instruments	(624)	312	(624)	312
Cash flow sensitivity (net)	(624)	312	(624)	312

The sensitivity analysis has been determined based on the exposure to interest rates for financial instruments at the reporting date. The analysis shows how profit or loss and equity would have been affected by a 2% increase or 1% decrease in the variable interest rates and represents management's assessment of the change in the interest rates that were reasonably possible at the reporting date.

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

e) Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to equity holders through the optimisation of the debt and equity balance. The management of the Group reviews the capital structure on a regular basis. As part of this review, the management considers the cost of capital and the risks associated with it.

The capital structure of the Group consists of net debt (total loans and borrowings offset by cash and bank balances and bank deposits over 3 months) and equity of the Group (comprising issued capital and retained earnings as detailed in note 21). Certain subsidiaries of the Group may be subject to externally imposed capital requirements in accordance with Russian law.

The Group's debt to capital ratio at the end of the reporting period was as follows:

mln RUB	**2023**	**2022**
Loans and borrowings, note 23	118 611	93 088
Less: cash and cash equivalents, note 20	(9 724)	(23 811)
Net debt	108 887	69 277
Total equity	70 891	74 189
Debt to capital ratio at end of period	1,54	0,93

At 31 December 2023, lease liabilities of RUB 10 641 million (31 December 2022: RUB 7 811 million) are included in trade and other payables (see notes 25 and 27) and are not included in the total amount of borrowings.

27 Leases

The Group leases a number of land plots for the purpose of the construction of residential and commercial premises for sale, as well as land plots occupied by its own production and office facilities. The leases typically run for the years of construction of premises for sale.

The following table summarises the movement in the right-of-use assets and lease liabilities during the reporting period.

mln RUB	Inventories under construction	Property, plant and equipment	Total
Right-of-use assets			
Balance at 1 January 2023	10 039	1 167	11 206
Additions to right-of-use assets	5 655	259	5 914
Modifications of lease contracts	(8)	(21)	(29)
Termination of lease contracts	-	(62)	(62)
Depreciation included in administrative expenses	-	(260)	(260)
Write-off to the cost of sales of construction projects	(1 487)	-	(1 487)
Balance at 31 December 2023	**14 199**	**1 083**	**15 282**
Lease liabilities			
Balance at 1 January 2023	6 547	1 264	7 811
Settlement of lease liabilities, including interest	(3 532)	(355)	(3 887)
Interest expense on lease liabilities	778	143	921
Additions to lease liabilities	5 655	259	5 914
Modifications of lease contracts	(8)	(21)	(29)
Termination of lease contracts	-	(89)	(89)
Balance at 31 December 2023	**9 440**	**1 201**	**10 641**

mln RUB	Inventories under construction	Property, plant and equipment	Total
Right-of-use assets			
Balance at 1 January 2022	10 708	870	11 578
Additions to right-of-use assets	55	320	375
Acquired through business combination	77	242	
Termination of lease contracts	(134)	(81)	(215)
Depreciation included in administrative expenses	-	(184)	(184)
Write-off to the cost of sales of construction projects	(668)	-	(668)
Balance at 31 December 2022	**10 038**	**1 167**	**11 205**
Lease liabilities			
Balance at 1 January 2022	8 456	914	9 370
Settlement of lease liabilities, including interest	(2 568)	(308)	(2 876)
Interest expense on lease liabilities	619	113	732
Additions to lease liabilities	55	320	375
Modifications of lease contracts	37	259	296
Termination of lease contracts	(52)	(34)	(86)
Balance at 31 December 2022	**6 547**	**1 264**	**7 811**

Future cash outflows to which the Group is exposed that are not reflected in the measurement of lease liabilities arising from variable lease payments amount to RUB 1 546 million (31 December 2022: RUB 694 million).

Lease payments associated with short-term leases and leases of low-value assets and recognised as an expense in the statement of profit or loss amounted to RUB 596 million for the year ended 31 December 2023 (year ended 31 December 2022: RUB 994 million).

28 Contingencies

a) Insurance

The insurance industry in the Russian Federation is in a developing state and many forms of insurance protection common in other parts of the world are not yet generally available. The Group does not have full coverage for its plant facilities, business interruption, or third-party liability in respect of property or environmental damage arising from accidents on Group property or relating to Group operations. Until the Group obtains adequate insurance coverage, there is a risk that the loss or destruction of certain assets could have a material adverse effect on the Group's operations and financial position.

b) Litigation

During the year ended 31 December 2023 and 2022, the Group was involved in a number of court proceedings (both as a plaintiff and a defendant) arising in the ordinary course of business.

In the opinion of management, there are no current legal proceedings or claims outstanding which could have a material effect on the result of operations or financial position of the Group and which have not been accrued or disclosed in these consolidated financial statements.

29 Related party transactions

a) Transactions with management

(i) Management remuneration

Key management received the following remuneration during the year ended 31 December 2023, which is included in personnel costs:

mln RUB	**2023**	**2022**
Short-term employee benefits - salaries and bonuses	334	704
	334	**704**

During the year ended 31 December 2023 and 2022, the Group did not grant any loans and pensions to its key management personnel.

During the year ended 31 December 2023, the remuneration of the members of the Board of Directors of the Company amounted to RUB 26 million (2022: RUB 31 million).

b) Transactions with related parties under control of PJSC AFK Sistema

The Group's transactions with other related parties are disclosed below.

(i) Revenue

	Transaction value		Outstanding balance	
mln RUB	**2023**	**2022**	**2023**	**2022**
Other related parties	169	715	175	280
	169	**715**	**175**	**280**

All outstanding balances with related parties are to be settled in cash. None of the balances are secured.

(ii) Expenses (rent of premises and related expenses)

	Transaction value		Outstanding balance	
mln RUB	**2023**	**2022**	**2023**	**2022**
Other related parties	(345)	(706)	5 101	1 255
	(345)	**(706)**	**5 101**	**1 255**

All outstanding balances with related parties are to be settled in cash. None of the balances are secured.

(iii) Loans

	Amount loaned / received / repaid		Outstanding balance	
mln RUB	**2023**	**2022**	**2023**	**2022**
Loans given	(330)	70	415	73
Loans received	217	(2 438)	(3 128)	(2 911)
	(113)	**(2 368)**	**(2 713)**	**(2 838)**

All outstanding balances with related parties are to be settled in cash. None of the balances are secured.

(iv) Other transactions

	Transaction value		Outstanding balance	
mln RUB	**2023**	**2022**	**2023**	**2022**
Cash and cash equivalents in banks-related parties	23 406	35 978	1 272	261
Proceeds from investments in associates and other	-	-	-	(19)
Acquisition of land plot	-	(360)	-	(205)
Interest on deposits	189	619	-	-
Interest payable	(273)	(249)	(4)	(34)
Investments in shares - Joint ventures	(12 376)	-	12 376	-
	10 946	**35 988**	**13 644**	**3**

All outstanding settlements with related parties are not secured and will be repaid in cash equivalent.

During the reporting year, a 50% share in its authorized capital was pledged under the project financing agreement of the joint venture. As of 31 December 2023, the amount of the pledge amounted to RUB 140 million (31 December 2022: no pledge).

(v) Issued guarantees and pledges

During the reporting year, the Group entered into guarantee agreements with the lending bank, ensuring the fulfillment of obligations by a related party of the Group under loan agreements. These agreements represent guarantees in the amount of RUB 194 million as of 31 December 2023 (31 December 2022: no guarantees), as well as pledge of property rights (claims) under loan agreements issued to its related party (note 17), the carrying amount of which as of 31 December 2023 was RUB 15 million. (December 31, 2022: no pledge).

In December 2023, the Group entered into an assignment agreement with the second joint venturer under which, concurrently with the future acquisition of the remaining interest in the joint venture (see note 15), the Group will be required to repay the debt of the investee to the second joint venturer under the loan agreement in the amount RUB 11 500 million and accrued interest at the Central Bank rate + 5% per annum for the period from the date of conclusion of the agreement. The Group recognised a liability under a financial guarantee agreement in accordance with IFRS 9 in the amount of RUR 1 212 million, see note 25.

c) Transactions with joint venture

(i) Loans

mln RUB	**Amount loaned / received / repaid**		**Outstanding balance**	
	2023	**2022**	**2023**	**2022**
Loans given	(70)	-	-	70
Financial guarantee	1 212	-	(1 212)	-
Loans received	8 692	-	(11 604)	-
	9 834	**-**	**(12 816)**	**70**

In December 2023, to finance the acquisition of a stake in a joint venture (see note 15), the Group raised a loan from the joint venture at the Central Bank rate + 10%. The group concluded that the interest rate provided for in the contract has a characteristic of leverage, because it increases the variability of contractual cash flows beyond the maximum factor, resulting in such cash flows do not have the economic characteristics of interest. Therefore, the contract does not qualify for subsequent measurement at amortised cost or fair value through other comprehensive income. Therefore, for this contract the Group has chosen the fair value through profit or loss method of measurement. The table above shows the fair value of the loan at 31 December 2023.

(ii) Other transactions

	Transaction value		**Outstanding balance**	
mln RUB	**2023**	**2022**	**2023**	**2022**
Share of profit of equity accounted investees	(48)	-	188	140
	(48)	**-**	**188**	**140**

30 Group entities

Significant subsidiaries

Subsidiary	Country of incorporation	31 December 2023	31 December 2022
"Etalon Group company" JSC	Russian Federation	100,00%	100,00%
JSC "Etalon-Finance" (JSC "Leader-Invest" before 4 April 2022)	Russian Federation	100,00%	100,00%
JSC "Etalon LenSpetsSMU"	Russian Federation	100,00%	100,00%
LLC "EtalonAktiv"	Russian Federation	100,00%	100,00%
JSC "Novator"	Russian Federation	100,00%	100,00%
JSC "LenSpetsSMU-Reconstruktsiya"	Russian Federation	100,00%	100,00%
LLC "SPM-Zhilstroy"	Russian Federation	100,00%	100,00%
LLC "Etalon-Invest"	Russian Federation	100,00%	100,00%
JSC "Zatonskoe"	Russian Federation	100,00%	100,00%
LLC "Specialized Developer "Serebryaniy Fontan"	Russian Federation	99,97%	99,97%
LLC "Specialized Developer "Etalon Galaktika"	Russian Federation	100,00%	100,00%
LLC "Specialized Developer "Etalon Development"	Russian Federation	100,00%	100,00%
LLC "Razvitiye"	Russian Federation	100,00%	100,00%
LLC "Specialized Developer "ZIL-YUG"	Russian Federation	100,00%	100,00%
LLC "Specialized Developer "MBI"	Russian Federation	100,00%	100,00%
JSC "Lobachevskogo 120"	Russian Federation	100,00%	100,00%
JSC "Etalon Perspectiva" (JSC "YIT Saint Petersburg" before 5 April 2023)	Russian Federation	100,00%	100,00%
LLC "Specialized Developer "Etalon Novoorlovskiy" (LLC "Specialized Developer "YIT Novoorlovskiy" before 8 August 2023)	Russian Federation	100,00%	100,00%
LLC "Specialized Developer "Etalon Finskiy" (LLC "Specialized Developer "YIT Finskiy" before 11 November 2023)	Russian Federation	100,00%	100,00%

As at 31 December 2023, the Group controlled 126 legal entities (31 December 2022: 132). Their assets, liabilities, revenues and expenses have been included in these consolidated financial statements. The above is a list of the most significant subsidiaries.

31 Events subsequent to the reporting date

Financing events

Subsequent to the reporting date, the Group has repaid loans and borrowings outstanding as at 31 December 2023 for the total amount of RUB 24 713 million.

Subsequent to the reporting date, the Group has obtained additional tranches of loans for the total amount of RUB 39 282 million with nominal interest rates of 0,01%-26% and repayable by 2031.

In March 2024, the Group fully settled accounts payable for the acquisition of 88% of the authorized capital of LLC Specialized Developer ZIL-YUG in the amount of RUB 16 595 million (Note 25).

In March 2024, the Group acquired a share 65% in a limited liability company owning a land in Rostov-on-Don. In accordance with the terms of the agreement, the Group should pay the seller 750 million rubles at the time of registration of the transfer of the right to a share in the company, and 750 million rubles no later than January 31, 2025. The first payment under the terms of the agreement has already been paid on April 10, 2024.