

JSC Pioneer Group

**Condensed Consolidated Interim
Financial Statements
for the six months ended 30 June 2025**

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Independent Auditors' Report on Review of Condensed Consolidated Interim Financial Statements

**To the shareholders
JSC Pioneer Group**

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of JSC Pioneer Group and its subsidiaries as at 30 June 2025, the condensed consolidated interim statement of profit or loss and other comprehensive income for six months ended 30 June 2025, the condensed consolidated interim statement of changes in equity for six months ended 30 June 2025, the condensed consolidated interim statement of cash flows for six months ended 30 June 2025, and notes to the condensed consolidated interim financial statements (the “condensed consolidated interim financial statements”). Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with IAS 34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of condensed consolidated interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated interim financial statements as at 30 June 2025 and for six months ended on 30 June 2025 is not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting*.

Fonareva Svetlana Borisovna

JSC “Kept”

Moscow, Russia

18 August 2025

JSC Pioneer Group
Condensed Consolidated Statement of Financial Position as at 30 June 2025

RUB mln.	Note	30 June 2025	31 December 2024
ASSETS			
Non-current assets			
Investment property		28	28
Property, plant and equipment		864	851
Intangible assets		217	203
Other investments	8	10 967	11 592
Deferred tax assets		4 342	3 866
Trade and other receivables		27	27
Total non-current assets		16 445	16 567
Current assets			
Inventories	10	104 278	98 102
Other investments		25	13
Contract assets	3	31 655	32 555
Assets recognized from costs to fulfil contracts		1 121	959
Trade and other receivables	9	2 394	1 126
Other current assets		140	879
Cash and cash equivalents		4 283	923
Total current assets		143 896	134 557
Total assets		160 341	151 124
EQUITY AND LIABILITIES			
Equity			
Share capital		1	1
Retained earnings		21 787	21 668
Equity attributable to the owners		21 788	21 669
Total equity		21 788	21 669
		1	
Non-current liabilities			
Loans and borrowings	12	47 440	71 794
Deferred tax liabilities		474	681
Other non-current liabilities	11	2 099	3 477
Total non-current liabilities		50 013	75 952
Current liabilities			
Loans and borrowings	12	54 066	26 259
Contract liabilities	3	22 556	15 490
Trade and other payables	11	6 335	6 771
Provisions	13	2 614	2 469
Deferred income		2 969	2 514
Total current liabilities		88 540	53 503
Total liabilities		138 553	129 455
Total equity and liabilities		160 341	151 124

The condensed consolidated statement of financial position is to be read in conjunction with the notes to, and forming part of, the consolidated financial statements set out on pages 9 – 20

JSC Pioneer Group

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income for six months ended 30 June 2025

RUB mln.	Note	For the six months ended 30 June 2025	For the six months ended 30 June 2024
Revenue	3	28 218	22 032
Cost of sales		(17 171)	(11 703)
Gross profit		11 047	10 329
Other income		203	129
Administrative expenses	4	(1 306)	(1 226)
Commercial expenses	5	(1 645)	(1 475)
Other expenses		(72)	(55)
Results from operating activities		8 227	7 702
Finance income	6	811	630
Finance costs	6	(9 021)	(4 238)
Profit before income tax		17	4 094
Income tax income / (expense)	7	79	(411)
Profit for the period		96	3 683
Total comprehensive income		96	3 683
Basic and diluted earnings per share		0,10	3,68

These Condensed Consolidated Interim Financial Statements were approved by Management of JSC Pioneer Group on 18 August 2025 and were signed on its behalf by

Chief Executive Officer
JSC Pioneer Group

Miroshnikov A. A.

Chief Financial Officer
JSC Pioneer Group

Solntseva A. V.

The condensed 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 9 – 20.

JSC Pioneer Group
Condensed Consolidated Statement of Changes in Equity for six months ended 30 June 2025

RUB mln.

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total equity</u>
Balance at 1 January 2024	1	19 988	19 988
Income for the period	-	3 683	3 683
Total comprehensive income for the period	-	3 683	3 683
Other transactions with Shareholders		(1 743)	(1 743)
Balance at 30 June 2024	1	21 928	21 929

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total equity</u>
Balance at 1 January 2025	1	21 668	21 669
Income for the period	-	96	96
Total comprehensive income for the period	-	96	96
Other transactions with Shareholders		23	23
Balance at 30 June 2025	1	21 787	21 788

The condensed consolidated statement of changes in equity is to be read in conjunction with the notes to, and forming part of, the consolidated financial statements set out on pages 9 – 20.

RUB mln.	Note	For the six months ended	
		30 June 2025	30 June 2024
OPERATING ACTIVITIES			
Profit before income tax		17	4 095
Adjustments for:			
Amortization, incl. amortization of right-of-use assets		254	185
Capitalized interest attributed to cost of sales	6	1 474	715
Loss on disposal of intangible assets		12	3
Finance income	6	(811)	(630)
Finance costs	6	9 021	4 237
Cash flows from operating activities before changes in working capital and provisions		9 967	8 605
Increase in inventories		(3 358)	(10 443)
Decrease in contract assets		900	6 944
Increase in contract costs		(163)	(85)
(Increase) / decrease in trade and other receivables		(1 216)	45
Decrease in contract liabilities		(753)	(3 240)
Increase / (decrease) in deferred income		456	(462)
(Decrease) / increase in trade and other payables		(2 293)	378
(Decrease) / increase in provisions		(44)	64
Cash flows from operations before income taxes and interest paid		3 496	1 806
Income tax paid		(665)	(651)
Interest paid		(6 037)	(1 438)
Net cash used in operating activities		(3 206)	(283)
INVESTING ACTIVITIES			
Interest received		178	227
Acquisition of property, plant and equipment		(91)	(148)
Acquisition of intangible assets		(83)	(34)
Proceeds from sale of non-current assets		1	5
Loans granted		(974)	(8 654)
Loans repaid		2 156	2 012
Net cash from / (used in) investing activities		1 187	(6 592)
FINANCING ACTIVITIES			
Proceeds from borrowings		33 452	33 623
Repayment of borrowings		(28 021)	(24 354)
Rental payments		(92)	(191)
Contributions of Shareholders		472	-
Dividends paid and other distributions to Shareholders		(432)	(2 178)
Net cash from financing activities		5 379	6 900
Net increase in cash and cash equivalents			
		3 360	25
Cash and cash equivalents at 1 January		923	2 270
Cash and cash equivalents at the end of the period		4 283	2 295

Cash flows from operating activities do not include cash paid by customers - participants of share construction - to escrow accounts in banks inflow from operating activities in the first half of 2025 in amount of 23 854 RUB million. (in the first half of 2024: RUB 17 722 million).

1. Reporting entity

(a) Organization and operations

JSC Pioneer Group (hereinafter the “Company”) and its subsidiaries (hereinafter collectively the “Group”) are registered in the Russian Federation and carry out projects on the construction of residential and commercial real estate and their subsequent sale. The Group operates principally in Moscow.

The Company was founded in 2007 and is registered at the address: 119435, Malaya Pirogovskaya street, Moscow, building 3, floor 4, premise I, room 18.

The ultimate parent company is LLC Management Company “ELEMENT” (100% ownership).

The Group is one operating segment.

As at 30 June 2025 and 31 December 2024 the ultimate beneficiary owner of the Group is Mr. Maksimov L.V., who is entitled to manage the Group’s operations at his own discretion and in his own interest. Related party transactions are disclosed in note 15.

(b) Business environment

The Group’s operations are primarily located in the Russian Federation. Consequently, the Group is exposed to the economic and financial markets of the Russian Federation, which display the characteristics of an emerging market. The legal, tax and regulatory frameworks continue development, but are subject to varying interpretations and frequent changes which contribute together with other legal and fiscal impediments to the challenges faced by entities operating in the Russian Federation.

The events in Ukraine continued to significantly influence the economic environment in which the Group operates in 2025. Sanctions imposed by the United States of America, the European Union and some other countries against Government of the Russian Federation, as well as many large financial institutions, legal entities and individuals in Russia continue to be in effect and have been expanded. In particular, restrictions have been imposed on the export and import of goods, including capping the price of certain types of raw materials, restrictions were introduced on the provision of certain types of services to Russian enterprises, the assets of a number of Russian individuals and legal entities were blocked, a ban on maintaining correspondent accounts has been established, certain large banks have been disconnected from the SWIFT international financial messaging system, and other restrictive measures have been implemented. Also, in the context of the imposed sanctions, a number of large international companies from the United States, the European Union and other countries discontinued, have significantly reduced or suspended their own activities in the Russian Federation, as well as doing business with Russian citizens and legal entities.

In response to the increasing pressure on the Russian economy, the Government of the Russian Federation and Central Bank of the Russian Federation have introduced a set of measures, which are counter-sanctions, currency control measures, a number of key interest rate decisions and other special economic measures to ensure the security and maintain the stability of the Russian economy, financial sector and citizens.

The imposition and subsequent strengthening of sanctions have resulted in elevated economic uncertainty, including reduced liquidity and high volatility in the capital markets, volatility of the RUB exchange rate and the key interest rate, a decrease in foreign and domestic direct investments, difficulties in making payments for Russian Eurobond issuers, a significant reduction in the availability of sources of debt financing, as well as changes in the structure of the population's effective demand.

In addition, Russian companies have virtually no access to the international stock market, the debt capital market and other development opportunities, which may lead to their increased dependence on the governmental support. The Russian economy is in the process of adaptation associated with the replacement of retiring export markets, a change in supply markets and technologies, as well as changes in logistics, supply and production chains.

It is difficult to assess the consequences of the imposed and possible additional sanctions in the long term; however, sanctions may have a significant negative impact on the Russian economy.

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

2. Basic of accounting

(a) Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting. Selected notes have been included in these financial statements to explain significant events and transactions necessary to understand changes in the Group's financial position and results of operations that have occurred since the annual reporting period ended 31 December 2024. These condensed consolidated interim financial statements do not contain complete information, the disclosure of which is required for full annual statements prepared in accordance with International Financial Reporting Standards (IFRS).

(b) Use of estimates and judgements

The preparation of condensed consolidated interim financial statements 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.

The most significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty are the same as those described in the most recent annual financial statements prepared.

(c) Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

As at 30 June 2025 the fair value of received loans and borrowings amounted to RUB 4.8 billion was less than their book value (as at 31 December 2024: RUB 4.5 billion less than book value), the fair value of loans issued was RUB 2 billion less than their book value (as at 31 December 2024: RUB 2.2 billion less than their book value). The fair value of other financial assets and liabilities did not differ significantly from their carrying amounts.

3. Revenue

(a) Revenue breakdown

RUB mln.	For the six months ended 30 June 2025		For the six months ended 30 June 2024	
	Recognised over time	Recognised at a point in time	Recognised over time	Recognised at a point in time
Revenue from the sale of flats	21 205	81	10 662	1 074
Revenue from the sale of commercial real estate	5 302	18	4 812	202
Revenue from the sale of plots and land rights	-	-	-	4 583
Revenue from the sale of parking slots	1 306	5	495	76
Revenue from other services	-	40	-	100
Total revenue from contracts with customers	27 813	144	15 969	6 035
Rental income	261		28	
Total revenue for the period	28 218		22 032	

Revenue recognized in the first half of 2025 and 2024 at the time primarily relates to sales of finished goods.

The transaction amount for projects sold with application of escrow accounts was determined with economy on interest expenses in view of the application of lower interest rates compared to base rates provided by loans' agreements. Lower rates are applied to the loan balances covered by cash received from customers to escrow accounts and are additionally reduced in case when cash on escrow accounts is higher than loans received, as a result of which accrual interest rates are lower than base rates. The economy on escrow accounted in revenue in the first half of 2025 was RUB 5 636 million (for the first half of 2024: RUB 2 809 million).

(b) Trade receivables, contract assets and contract liabilities

Information about trade receivables, contract assets and contract liabilities are provided in the table below.

RUB mln.	30 June 2025	31 December 2024
Trade accounts receivable	432	48
Contract assets	31 655	32 555
Contract liabilities	(22 556)	(15 490)
	9 531	17 113

Contract assets relate to contracts concluded using escrow accounts.

During the first half of 2025 revenue from contracts concluded as at 31 December 2024 in the amount of RUB 12 953 million (the first half of 2024: RUB 7 636 million) was recognised.

Below is a breakdown of revenue (not including the amount of savings from using escrow) expected to be recognized in the future under contracts registered as at 30 June 2025, where the contract liabilities are not fulfilled and / or partly not fulfilled by the Group as at 30 June 2025.

RUB mln.	2025	2026	2027-2029
Revenue	20 910	18 140	7 285
Total revenue	20 910	18 140	7 285

Breakdown of revenue (not including the amount of savings from using escrow) to be recognized in the future periods under the contracts registered as at 31 December 2024, where the contract liabilities are not fulfilled and / or partly not fulfilled by the Group by the Group as at 31 December 2024, is following.

RUB mln.	2025	2026	2027-2029
Revenue	28 780	15 003	5 115
Total revenue	28 780	15 003	5 115

4. Administrative expenses

RUB mln.	For the six months ended 30 June 2025	For the six months ended 30 June 2024
Personnel costs	573	604
Depreciation and amortization, including amortization of right-of-use assets	183	150
Taxes	83	49
Consulting services	54	63
Other administrative expenses	413	360
	1 306	1 226

5. Commercial expenses

RUB mln.	For the six months ended 30 June 2025	For the six months ended 30 June 2024
Advertising expenses	760	837
Amortization of assets recognized from costs to fulfil contracts – realtor services	439	319
Personnel costs	370	282
Amortization of other assets used for commercial purposes	71	35
Other commercial expenses	5	2
	1 645	1 475

6. Financial income and financial costs

RUB mln.	For the six months ended 30 June 2025	For the six months ended 30 June 2024
Finance income		
Interest income on loans and deposits	755	608
Other financial income	56	22
	811	630
RUB mln.	For the six months ended 30 June 2025	For the six months ended 30 June 2024
Finance costs		
Interest expenses on loans and borrowings	(12 433)	(6 355)
Interest expenses on payables for land lease	(513)	(644)
Interest expenses on financing component	(94)	(102)
Interest expenses on rent	(5)	(9)
Finance costs before capitalization to cost of inventories	(13 045)	(7 110)
Capitalized interest (*)	4 291	3 309
Total finance costs after capitalization	(8 754)	(3 801)
Unwinding of discount on provisions	(187)	(159)
Write off of loans given and receivables	(24)	(242)
Foreign exchange differences	-	(6)
Other finance expenses	(56)	(30)
	(9 021)	(4 238)

(*) In the first half of 2025 the weighted average capitalization rate of financial expenses incurred for land and infrastructure was 21% (the first half of 2024: 14.8%).

During the first half of 2025 interest expense capitalized in inventories was recognized in cost of production of RUR 1 474 million (the first half of 2024: RUR 715 million).

7. Income tax expense

The applicable tax rate for Russian subsidiaries of the Group is the corporate income tax rate of 25% in the first half of 2025 (the first half of 2024: 20%).

RUB mln.	For the six months ended 30 June 2025	For the six months ended 30 June 2024
Current income tax expense		
Current period	(610)	(425)
Deferred income tax		
Origination and reversal of temporary differences	689	14
Total income tax income / (expense)	79	(411)

8. Other investments

Other long-term investments are represented by unsecured loans issued in the amount of RUB 10 967 million as at 30 June 2025 (as at 31 December 2024: RUB 11 592 million). Loan repayment period 2028-2032, interest rate is up to 25.8% per annum.

9. Trade and other receivables

RUB mln.	30 June 2025	31 December 2024
Taxes receivable other than profit tax	1 048	207
Profit tax receivables	508	432
Trade receivables	432	48
Advances given	164	252
Other receivables	242	187
	2 394	1 126

10. Inventories

RUB mln.	30 June 2025	31 December 2024
Construction in progress at the stage of active construction	75 701	75 795
Construction in progress in the form of development rights	11 391	11 713
Construction in progress at the stage of obtaining of project documentation approvals	10 564	9 438
Finished goods and goods for resale	6 622	1 156
	104 278	98 102

As at 30 June 2025 and as at 31 December 2024 management of the Group tested inventories for impairment. As a result, the net realizable value of inventories exceeds the book value of inventories; no significant impairment of inventories was identified.

11. Trade and other payables

RUB mln.	30 June 2025	31 December 2024
Accounts payable to Moscow department of civil property	4 650	5 823
Trade payables to suppliers	2 531	3 010
Payables to employees	434	254
Taxes payables other than profit tax	304	620
Profit tax payables	139	116
Other payables	376	426
	8 434	10 249
Other non-current liabilities	2 099	3 477
Accounts payable current	6 335	6 772
	8 434	10 249

12. Loans and borrowings

RUB mln.	30 June 2025	31 December 2024
<i>Non-current liabilities</i>		
Long-term secured bank loans	47 237	71 766
Long-term borrowings	135	28
Long-term liabilities for leases	68	-
	47 440	71 794
<i>Current liabilities</i>		
Short-term secured bank loans	51 159	21 531
Debt securities issued	1 547	3 026
Short-term non-secured bank loans	1 154	1 154
Debt on digital financial assets	111	109
Short-term liabilities for leases	95	118
Short-term borrowings	-	321
	54 066	26 259

(a) Terms and debt repayment schedule

RUB mln.	Currency	Nominal interest rate	Effective interest rate	Year of maturity	30 June 2025		31 December 2024	
					Face value	Carrying amount	Face value	Carrying amount
Debt securities issued	RUB	11.75%	11.75%	2025	1 547	1 547	3 026	3 026
Secured bank loans	RUB	floating*	floating*	2024-2025	43 713	43 713	68 793	68 793
Secured bank loans	RUB	floating*	floating*	2025	36 457	36 457	10 608	10 608
Secured bank loans	RUB	Bank of Russia key interest rate + 5.2% - 6.75%	Bank of Russia key interest rate + 5.2% - 6.75%	2024	14 702	14 702	10 923	10 923
Secured bank loans	RUB	Bank of Russia key interest rate + 5.75%	Bank of Russia key interest rate + 5.75%	2024-2025	3 525	3 525	2 973	2 973
Non-secured bank loans	RUB	Bank of Russia key interest rate + 5.2%	Bank of Russia key interest rate + 5.2%	2025-2032	1 154	1 154	1 154	1 154
Borrowings	RUB	From 2% up to Bank of Russia key interest rate + 6%	From 2% up to Bank of Russia key interest rate + 6%	2028	134	134	349	349
Lease liabilities	RUB	10.2%-27.75%	10.2%-27.75%	2024	163	163	118	118
Digital financial assets	RUB	25%	25%	2024	111	111	109	109
					101 506	101 506	98 053	98 053

* During the first half of 2025 the Group used credit lines to finance the Group's construction projects at an interest rate adjusted depending on the amount of escrow balances. As at 30 June 2025 the loan rate is in the range from a base rate of 22.4% - 25.8% to a preferential rate of 0.01% - 17% applicable to loan debt covered by escrow balances (as at 31 December 2024: base rate of 23.4% - 26.5%, preferential rate of 0.01% - 18%). The value of the base rate on such loans is tied to the key rate of the Central Bank of the Russian Federation.

As at 30 June 2025, bank loans were secured by the following assets:

- Inventories with a carrying amount of RUR 100 058 million (31 December 2024: RUR 84 148 million).
- Cash and cash equivalents with a carrying amount of RUB 671 million (31 December 2024: RUB 90 million).
- The surety of the Group's Shareholder in the amount of RUB 10 700 mln, and the pledge of shares and interests in the majority of the Group's subsidiaries.

13. Provisions

RUB mln.	30 June 2025	31 December 2024
Provision for construction of infrastructure	2 199	1 885
Provision for onerous contracts	361	529
Other provisions	54	55
Total provisions	2 614	2 469

Provision for construction of infrastructure is the estimate of future expenses to be incurred by the Group to construct objects of infrastructure and social facilities such as networks, schools, kindergartens, roads etc. for the Group's projects considering stage of competition of these projects.

These estimates depend on the current construction laws regulating infrastructure requirements for developers because changes to such laws can lead to changes in investments and other agreements between the Group and city authorities, as well as they depend on costs of workforce and construction materials.

During the six-month period ended 30 June 2025 the Group used a provision of RUB 306 million for the construction of infrastructure and accrued new provisions of RUB 619 million for the unwinding of the discount of RUB 187 million (see Note 6).

During the six-month period ended 30 June 2024 the Group used a provision of RUB 239 million for the construction of infrastructure and accrued new provisions of RUB 387 million for the unwinding of the discount of RUB 159 million (see Note 6).

14. Contingencies

(a) Insurance

The Group insured construction and installation risks for several buildings under construction until 2025-2028, book value of insured inventories was RUB 60 174 million as at 30 June 2025 (31 December 2024: RUB 63 322 million).

As at 30 June 2025 the Group insured finished goods in the amount of RUB 6 005 million (31 December 2024: RUB 528 million).

Until the Group has sufficient inventory insurance coverage, there is a risk that damage or loss of certain assets could have a significant negative effect on the Group's operations and financial position.

(b) Litigations and claims

The Group is a defendant in several litigations, as a result of which the Group does not consider any significant negative impact on the Group, excluding those litigations for which a provision was accrued as of 30 June 2025 and as of 31 December 2024.

(c) Tax contingencies

Taxation system

The tax system of the Russian Federation continues to develop and is characterized by frequent changes in legislative norms, official explanations and court decisions, which at times are contradictory, which allows for their ambiguous interpretation by various tax authorities.

Inspections and investigations regarding the correctness of the calculation of taxes are carried out by several regulatory bodies that have the right to impose large fines and charge penalties. The correctness of the

calculation of taxes in the reporting period can be verified within the next three calendar years. Recently, the practice in the Russian Federation is such that the tax authorities take a tougher position in terms of interpretation and compliance with tax legislation.

All these circumstances may lead to the fact that the tax risks in the Russian Federation will be much higher than in other countries. The Group's management, based on its understanding of the applicable Russian tax legislation, official explanations and court decisions, believes that tax liabilities are reflected in an adequate amount. However, the interpretation of these provisions by the tax and judicial authorities, especially as a result of the reform of the supreme judicial bodies responsible for resolving tax disputes, may be different and, if the tax authorities are able to prove the validity of their position, this may have a significant impact on these condensed consolidated interim financial statements.

Due to the uncertainty of tax legislation and law enforcement practice, as at 30 June 2025 there is a risk of additional charges for income tax and VAT approximately totaling RUB 2 800 million (as at 31 December 2024: RUB 2 500 million) due to the validity of the deduction certain expenses for tax purposes.

A number of transactions carried out by the Group in the course of restructuring the legal structure of the Group and the transfer of ownership and lease right to land plots within the Group may lead to additional requirements from the tax authorities, the amount of which cannot be determined with sufficient accuracy, but may be significant for the Group.

Management has not recognized a provision for these obligations in these consolidated financial statements because it assesses the likelihood of an outflow of cash to settle them as possible, but not high.

(d) Warranties

According to effective Russian legislation, the Group is liable for the quality of the construction work performed under the concluded contracts for five years after the sale of the corresponding asset, with the exception of the technical and utilities equipment included in the asset. The warranty period for technical and engineering equipment is three years. Based on historical statistics which shows that warranty claims are immaterial the Group did not accrue warranty provision in these condensed consolidated interim condensed financial statements.

The warranty period during which the Group's contractors are legally bound to eliminate defects is on average 5 years from the date final act of acceptance of construction works was signed with a contractor, from 2 to 2.5% of the total amount of liabilities under contracts with subcontractors is paid to them after 1 year from the date of final act of acceptance of construction works in case no defects were revealed as of date of act of acceptance.

15. Related party transactions

(a) Transactions with key management personnel and close family members

Key management personnel received the following remuneration during the period, which is included in personnel costs:

RUB mln.	For the six months ended 30 June 2025	For the six months ended 30 June 2024
Wages and salary	36	55
Bonuses	39	54
Contributions to social funds	16	18
	90	127

The remuneration of independent directors for the first half of 2025 amounted to RUB 14.7 million, including social charges (the first half of 2024: 14.5 million).

(b) Transactions with the ultimate parent company

As at 30 June 2025 the Group issued loans to the ultimate parent company in the amount of RUB 10 177 million until 2027-2030 at 2%-15% per annum (as at 31 December 2024: RUB 9 257 million). Interest income, including unwinding of the discount, amounted to RUB 514 million for the first half of 2025 (for the first half of 2024: RUB 187 million) and was recognised in finance income. Such loans are included in other investments.

(c) Transactions with other related parties

Transactions with related parties are one-off in nature, and all settlements on transactions with related parties are to be made in cash within twelve months after the reporting date. All debt is unsecured.

Information on the Group's transactions with other related parties is presented in the tables below.

(i) Revenue

In the first half of 2025, there was no revenue from sales to related parties (in the first half of 2024, revenue from the sale of certain land rights previously recognized as part of inventories to related parties amounted to RUB 212 million), revenue from leasing premises amounted to RUB 19 million (in the first half of 2024: RUB 19 million). As at 30 June 2025, accounts receivable from related parties amounted to RUB 97 million (31 December 2024: RUB 51 million).

(ii) Purchase of goods and services

During the first half of 2025 related parties provided utilities and other services to the Group in the amount of RUB 237 million (the first half of 2024: RUB 110 million). As at 30 June 2025 accounts payable on these transactions amounted to RUB 326 million (31 December 2024: RUB 136 million).

(iii) Borrowings

As at 30 June 2025 the Group's borrowings to related parties and group employees amounted to RUB 747 million (31 December 2024: RUB 2 234 million). Interest income, taking into account the unwinding of the discount, amounted to RUB 99 million for the first half of 2025 (first half of 2024: RUB 237 million) and is reflected in financial income.

As at 30 June 2025, the Group's loans received from related parties amounted to RUB 135 million (as at 31 December 2024: RUB 348 million). Both loans received and issued are subject to repayment mainly by 2032. Interest rates range from 2% to 26.5% per annum.

(iv) Other operations

In August 2024 the Group guaranteed debt obligations of a related party in the amount of RUB 5 000 million due September 2028. As of 30 June 2025 the amount of the liability under the issued financial guarantee agreement was RUB 358 million, amortization of the financial guarantee in finance income for the first half of 2025 was RUB 55 million (as at 31 December 2024: the amount of the liability under the issued financial guarantee agreement was RUB 413 million).

16. Liquidity management

As at 30 June 2025 the Group has resources of RUB 151 214 million, incl. cash and cash equivalents in the amount of RUB 4 283 million, cash balances on escrow accounts of RUB 65 306 million and unused credit line limits of RUB 81 625 million.

Based on the Group's liquidity at the date of approval of these consolidated interim condensed financial statements, management believes that the Group has sufficient resources and facilities.

17. Subsequent events

In July 2025 a credit line was opened to the Group for a maximum limit of RUB 3.3 billion until 2027 year to finance construction of a project.