PUBLIC JOINT-STOCK COMPANY MOSCOW EXCHANGE MICEX-RTS

Summary Consolidated Financial Statements
For the Year Ended December 31, 2023

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NEW CHALLENGES
NEW SOLUTIONS

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Independent auditor's report

To the Shareholders, Supervisory Board and
Audit Commission of the Supervisory Board of
Public Joint-Stock Company
"Moscow Exchange MICEX-RTS"

Opinion

The accompanying summary consolidated financial statements, which comprise the summary consolidated statement of profit or loss, the summary consolidated statement of comprehensive income for the period ended 31 December 2023, the summary consolidated statement of financial position as at 31 December 2023, and the summary consolidated statement of cash flows, the summary consolidated statement of changes in equity for the year then ended and related notes are derived from the audited consolidated financial statements of Public Joint-Stock Company "Moscow Exchange MICEX-RTS" and its subsidiaries (the "Group") for the year ended 31 December 2023 prepared in accordance with International Financial Reporting Standards (the "audited consolidated financial statements").

In our opinion, the accompanying summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements, in accordance with the principles specified in Note 2.

Summary consolidated financial statements

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards (IFRS). Reading the summary consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and the auditor's report thereon.

Audited consolidated financial statements and our auditor's report thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 22 February 2024.That report also includes the communication of key audit matters. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period.

NEW CHALLENGES
NEW SOLUTIONS

Management's responsibility for the summary consolidated financial statements

Management is responsible for the preparation of the summary consolidated financial statements in accordance with the principles specified in Note 2.

Auditor's responsibility

Our responsibility is to express an opinion on whether the summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements based on our procedures, which are conducted in accordance with International Standard on Auditing (ISA) 810 (Revised) *Engagements to Report on Summary Financial Statements*.

Shinin Gennady Aleksandrovich,
acting on behalf of TSATR – Audit Services Limited Liability Company
on the basis of power of attorney 26 July 2023,
partner in charge of the audit resulting in this independent auditor's report
(main registration number 22006013387)

22 February 2024

Details of the auditor

Name: TSATR – Audit Services Limited Liability Company
Record made in the State Register of Legal Entities on 5 December 2002, State Registration Number 1027739707203.
Address: Russia 115035, Moscow, Sadovnicheskaya naberezhnaya, 77, building 1.
TSATR – Audit Services Limited Liability Company is a member of Self-regulatory organization of auditors Association "Sodruzhestvo". TSATR – Audit Services Limited Liability Company is included in the control copy of the register of auditors and audit organizations, main registration number 12006020327.

Details of the audited entity

Name: Public Joint-Stock Company "Moscow Exchange MICEX-RTS"
Record made in the State Register of Legal Entities on 16 October 2002, State Registration Number 1027739387411.
Address: Russia 125009, Moscow, Bolshoy Kislovsky per., building 13.

MOEX GROUP

Summary Consolidated Statement of Profit or Loss for the Year Ended December 31, 2023
(in millions of Russian rubles)

	Notes	Year ended December 31, 2023	Year ended December 31, 2022
Fee and commission income	4	52 242,1	37 487,2
Interest income calculated using the effective interest method	5	54 916,5	44 706,4
Other interest income	5	10,5	173,3
Interest expense	6	(4 086,9)	(3 054,2)
Net gain on financial assets at fair value through profit or loss	7	1 665,8	775,9
Net loss on financial assets at fair value through other comprehensive income	8	(780,2)	(665,6)
Gains less losses arising from foreign currencies and precious metals		480,4	3 692,6
Other operating income		212,8	379,7
Operating Income		**104 661,0**	**83 495,3**
General and administrative expenses	9	(13 398,1)	(11 860,9)
Personnel expenses	10	(15 264,5)	(11 982,3)
Profit before Other Operating Expenses and Tax		**75 998,4**	**59 652,1**
Movement in allowance for expected credit losses		1 662,5	(13 093,9)
Other impairment and provisions	18, 19, 20	(294,0)	(1 247,6)
Profit before Tax		**77 366,9**	**45 310,6**
Income tax expense	11	(16 597,4)	(9 019,5)
Net Profit		**60 769,5**	**36 291,1**
Attributable to:			
Equity holders of the parent		60 777,2	36 271,1
Non-controlling interest		(7,7)	20,0
Earnings per share (rubles)			
Basic earnings per share	25	26,91	16,07
Diluted earnings per share	25	26,78	15,96

Chairman of the Executive Board

Y.O. Denisov

21 February, 2024
Moscow

Chief Financial Officer

M.V. Panfilov

21 February, 2024
Moscow

The notes 1-32 form an integral part of these summary consolidated financial statements.

Summary Consolidated Statement of Comprehensive Income
for the Year Ended December 31, 2023
(in millions of Russian rubles)

	Notes	Year ended December 31, 2023	Year ended December 31, 2022
Net profit		**60 769,5**	**36 291,1**
Other comprehensive income/(loss) that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations		6,6	(9,9)
Movement in investment revaluation reserve for financial assets at fair value through other comprehensive income		(3 471,0)	(2 481,8)
Movement in revaluation reserve associated with changes in expected credit losses on financial assets at fair value through other comprehensive income		(1 753,0)	1 900,0
Net loss on investments at fair value through other comprehensive income reclassified to profit or loss	8	780,2	665,6
Income tax relating to items that may be reclassified	11	860,2	(16,8)
Other comprehensive (loss)/income that may be reclassified subsequently to profit or loss		**(3 577,0)**	**57,1**
Total comprehensive income		**57 192,5**	**36 348,2**
Attributable to:			
Equity holders of the parent		57 198,0	36 328,7
Non-controlling interest		(5,5)	19,5

Summary Consolidated Statement of Financial Position as at December 31, 2023
(in millions of Russian rubles)

	Notes	December 31, 2023	December 31, 2022
ASSETS			
Cash and cash equivalents	12	458 616,4	451 531,4
Financial assets at fair value through profit or loss	13	3 205,1	3 154,3
Due from financial institutions		1 930 134,6	1 515 726,7
Central counterparty financial assets	14	6 796 539,2	4 388 472,8
Financial assets at fair value through other comprehensive income	15	162 876,9	178 023,3
Investment financial assets at amortised cost	16	17 395,9	–
Equity-accounted investments		294,3	127,0
Property and equipment	17	5 262,9	5 589,5
Intangible assets	18	16 541,3	17 248,5
Goodwill	19	16 246,8	16 300,8
Current tax prepayments		–	2 714,7
Deferred tax asset	11	4 896,3	6 061,2
Other assets	20	52 327,5	34 330,1
TOTAL ASSETS		**9 464 337,2**	**6 619 280,3**
LIABILITIES			
Clients' funds	21	1 116 560,3	1 112 789,8
Central counterparty financial liabilities	14	6 796 539,2	4 388 472,8
Distributions payable to holders of securities and counterparties		1 313 928,2	928 064,4
Current tax payables		995,8	1 157,8
Deferred tax liability	11	1 246,7	1 464,1
Other liabilities	22	11 964,4	10 589,6
TOTAL LIABILITIES		**9 241 234,6**	**6 442 538,5**
EQUITY			
Share capital	23	2 495,9	2 495,9
Share premium	23	32 328,4	32 246,4
Treasury shares	23	(1 275,3)	(1 527,8)
Foreign currency translation reserve		–	(4,4)
Investments revaluation reserve		(7 513,8)	(3 930,2)
Share-based payments		640,7	783,9
Retained earnings		196 377,9	146 582,0
Total equity attributable to owners of the parent		**223 053,8**	**176 645,8**
Non-controlling interest		48,8	96,0
TOTAL EQUITY		**223 102,6**	**176 741,8**
TOTAL LIABILITIES AND EQUITY		**9 464 337,2**	**6 619 280,3**

The notes 1-32 form an integral part of these summary consolidated financial statements.

Summary Consolidated Statement of Cash Flows for the Year Ended December 31, 2023
(in millions of Russian rubles)

	Notes	Year ended December 31, 2023	Year ended December 31, 2022
Cash flows from / (used in) operating activities:			
Profit before tax		**77 366,9**	**45 310,6**
Adjustments for non-cash items:			
Depreciation and amortisation charge	9	4 864,3	4 360,4
Revaluation of derivative financial instruments		(1 559,2)	2 100,8
Share-based payment expense	10	962,7	264,3
Unrealized loss on foreign exchange operations		9 532,6	126 942,3
Unrealized (gain)/loss on precious metals		(33,3)	1 421,1
Loss on disposal of financial assets at FVTOCI	8	780,2	665,6
Net change in interest accruals		103,3	650,0
Change in allowance for expected credit losses		(1 662,5)	13 093,9
Change in other impairment and provisions	18, 19, 20	294,1	1 247,6
Fair value adjustment on securities at fair value through profit or loss		(1 665,8)	(922,7)
Loss on disposal of subsidiaries		84,0	–
Other changes from non-cash items		158,1	119,7
Cash flows from operating activities before changes in operating assets and liabilities		**89 225,4**	**195 253,6**
Changes in operating assets and liabilities:			
(Increase)/decrease in operating assets:			
Due from financial institutions		12 176,2	(1 089 782,9)
Financial assets at FVTPL		1 830,3	2 653,2
Central counterparty financial assets		(2 358 781,5)	967 994,2
Other assets		(444,4)	(1 497,9)
Increase/(decrease) in operating liabilities:			
Clients' funds		(199 054,4)	1 628 626,3
Due to financial institutions		–	(182,7)
Central counterparty financial liabilities		2 358 781,5	(967 994,2)
Distributions payable to holders of securities and counterparties		33 597,3	491 087,3
Other liabilities		915,8	937,4
Cash flows (used in) / from operating activities before taxation		**(61 753,8)**	**1 227 094,3**
Income tax paid		(13 057,1)	(14 399,6)
Cash flows (used in) / from operating activities		**(74 810,9)**	**1 212 694,7**

Summary Consolidated Statement of Cash Flows for the Year Ended December 31, 2023 (continued)

(in millions of Russian rubles)

	Notes	Year ended December 31, 2023	Year ended December 31, 2022
Cash flows from / (used in) investing activities:			
Purchase of financial assets at FVTOCI		(51 496,0)	(39 400,7)
Proceeds from sale and redemption of financial assets at FVTOCI		79 300,1	88 600,7
Purchase of property and equipment and intangible assets		(4 134,2)	(3 611,7)
Proceeds from disposal of property and equipment and intangible assets		–	0,4
Purchase of investment financial assets at amortised cost		(17 143,2)	–
Disposal of subsidiaries, net of cash disposed		(44,3)	–
Acquisition of equity-accounted investments		(167,3)	(127,0)
Cash flows from investing activities		**6 315,1**	**45 461,7**
Cash flows from / (used in) financing activities:			
Dividends paid	24	(10 192,4)	–
Cash outflow for lease liabilities		(111,1)	(194,5)
Acquisition of non-controlling interest in subsidiaries		(84,5)	(86,0)
Cash flows used in financing activities		**(10 388,0)**	**(280,5)**
Effect of changes in foreign exchange rates on cash and cash equivalents		85 965,8	(1 271 233,4)
Net increase/(decrease) in cash and cash equivalents		**7 082,0**	**(13 357,5)**
Cash and cash equivalents, beginning of period	12	**451 535,0**	**471 283,7**
Reclassification of restricted funds from cash and cash equivalents, beginning of period		–	(6 391,2)
Cash and cash equivalents, end of period	12	**458 617,0**	**451 535,0**

Interest received by the Group from operating activities during the year ended December 31, 2023, amounted to RUB 54 542,9 million (December 31, 2022: 45 492,1 RUB million).

Interest paid by the Group as part of its operating activities during the year ended December 31, 2023, amounted to RUB 3 599,5 million (December 31, 2022: RUB 2 974,7 million) and as part of its financing activities RUB 5,6 million (December 31, 2022: RUB 40,6 million).

MOEX GROUP

Summary Consolidated Statement of Changes in Equity for the Year Ended December 31, 2023

(in millions of Russian rubles)

	Share capital	Share premium	Treasury shares	Investments revaluation reserve	Share-based payments	Foreign currency translation reserve	Retained earnings	Total equity attributable to owners of the parent	Non-controlling interest	Total equity
December 31, 2021	**2 495,9**	**32 251,4**	**(1 535,4)**	**(3 997,2)**	**557,9**	**5,0**	**110 292,8**	**140 070,4**	**100,6**	**140 171,0**
Net profit	–	–	–	–	–	–	36 271,1	**36 271,1**	20,0	**36 291,1**
Other comprehensive income/(loss)	–	–	–	67,0	–	(9,4)	–	**57,6**	(0,5)	**57,1**
Total comprehensive income/(loss) for the period	**–**	**–**	**–**	**67,0**	**–**	**(9,4)**	**36 271,1**	**36 328,7**	**19,5**	**36 348,2**
Share-based payments	–	(5,0)	7,6	–	226,0	–	–	**228,6**	–	**228,6**
Acquisition of non-controlling interest	–	–	–	–	–	–	18,1	**18,1**	(24,1)	**(6,0)**
Total transactions with owners	**–**	**(5,0)**	**7,6**	**–**	**226,0**	**–**	**18,1**	**246,7**	**(24,1)**	**222,6**
December 31, 2022	**2 495,9**	**32 246,4**	**(1 527,8)**	**(3 930,2)**	**783,9**	**(4,4)**	**146 582,0**	**176 645,8**	**96,0**	**176 741,8**
Net profit	–	–	–	–	–	–	60 777,2	**60 777,2**	(7,7)	**60 769,5**
Other comprehensive (loss)/income	–	–	–	(3 583,6)	–	4,4	–	**(3 579,2)**	2,2	**(3 577,0)**
Total comprehensive (loss)/income for the period	**–**	**–**	**–**	**(3 583,6)**	**–**	**4,4**	**60 777,2**	**57 198,0**	**(5,5)**	**57 192,5**
Dividends declared (Note 24)	–	–	–	–	–	–	(10 938,5)	**(10 938,5)**	–	**(10 938,5)**
Share-based payments	–	82,0	252,5	–	(143,2)	–	–	**191,3**	–	**191,3**
Acquisition of non-controlling interest	–	–	–	–	–	–	(42,8)	**(42,8)**	(41,7)	**(84,5)**
Total transactions with owners	**–**	**82,0**	**252,5**	**–**	**(143,2)**	**–**	**(10 981,3)**	**(10 790,0)**	**(41,7)**	**(10 831,7)**
December 31, 2023	**2 495,9**	**32 328,4**	**(1 275,3)**	**(7 513,8)**	**640,7**	**–**	**196 377,9**	**223 053,8**	**48,8**	**223 102,6**

1. Organization

Public Joint-Stock Company Moscow Exchange MICEX-RTS (Moscow Exchange) is a stock exchange based in Moscow, Russian Federation. It was established as closed joint-stock company "Moscow Interbank Currency Exchange" (MICEX) in 1992. In December 2011 the company was reorganized into the form of open joint-stock company and renamed to Open Joint-Stock Company MICEX-RTS. In July 2012 the name of the company was changed to Open Joint-Stock Company Moscow Exchange MICEX-RTS. On April 28, 2015 at Annual General Meeting of Shareholders of Moscow Exchange (AGM) the company's new business name as Public Joint Stock Company Moscow Exchange MICEX-RTS was approved to meet revised standards of the Russian Civil Code. The new business name and respective changes to the Charter of Moscow Exchange took effect from May 13, 2015, the day the registration authority recorded new version of the Charter.

The legal address of Moscow Exchange: 13 Bolshoy Kislovsky per., Moscow, the Russian Federation.

Moscow Exchange Group ("the Group") is an integrated exchange structure that provides financial market participants with a full set of competitive trading, clearing, settlement, depository and information services. The Group operates on the following markets: foreign currencies exchange market, government securities and money market, market of derivative financial instruments, equities market, corporate and regional bonds market, commodities market.

The Group has 2 586 employees as at December 31, 2023 (December 31, 2022: 2 339 employees).

Operating environment

The aggravation of geopolitical tensions and conflict related to the Ukraine and also packages of sanctions imposed by European Union (the EU), the USA, Great Britain and certain other countries during the conflict period, including those imposed in 2023, against a number of the Russian individuals and certain sectors of the economy, as well as restrictions on certain types of transactions as well as restrictions on certain types of transactions, including blocking of balances on accounts in foreign banks and blocking of payments on Eurobonds of the Russian Federation and Russian entities had still a negative impact on Russian economy.

In response temporary restrictive economic measures have been introduced in the Russian Federation, including prohibition in respect to providing of borrowings by residents to non-residents in foreign currency, crediting foreign currency on the accounts opened in foreign banks by residents, restrictions on execution of payments under securities to foreign investors, restrictions with respect to making deals with parties from certain foreign countries, and also Russian issuers got the opportunity to issue local "substitute" bonds in a simplified way to replace issued blocked Eurobonds.

The above circumstances led to increased volatility on securities and currencies markets and may significantly affect the activities of Russian enterprises in various sectors of the economy.

In response to higher volatility in the financial markets and higher inflation risks, the Bank of Russia increased the key rate up to 20% at the extraordinary meeting held in February 2022; as at the end of 2023 the key rate was set at 16%.

In June 2022 the EU and Switzerland imposed blocking sanctions on NSD, which led to blocking of NSD's and NSD's customers' assets placed by NSD in EU/Switzerland. Factual restrictions on the assets placed the EU custodians started since March 2022.

MOEX and NSD filed a lawsuit to appeal against the imposed sanctions on NSD. The working group of experts of MOEX, NSD and foreign and Russian consultants seeks solutions to unblock customers' assets.

1. Organization (continued)

Operating environment (continued)

During the year 2022 a number of regulatory legal acts were issued regulating temporary regime for execution of payments under securities of Russian issuers as well as settlement of obligations to certain foreign creditors. According to these regulatory legal acts payments to foreign creditors must be carried out using special accounts with NSD.

On December 29, 2022, by a decision of the Board of Directors of the Bank of Russia, the procedure for settlements on special bank accounts opened for non-residents in accordance with the Decree of the President of the Russian Federation dated March 5, 2022 No. 95 *On a Temporary Procedure for Meeting Obligations to Certain Foreign Creditors* was changed. In 2023 in accordance with this decision, credit institutions of the Russian Federation that make settlements on special accounts transferred balances from special accounts opened with NSD to special accounts opened with the State Corporation Deposit Insurance Agency.

In December 2023 in accordance with the Decree of the President of the Russian Federation dated September 9, 2023 No. 665 *On a Temporary Procedure for Meeting State Obligations of the Russian Federation Expressed in State Securities the Nominal Price of which Denominated in Foreign Currency and Other Obligations on Foreign Securities to Residents and Foreign Creditors* NSD made a replacement of the obligations in foreign currency for the obligations in rubles to the owners of the foreign securities.

The Group has evaluated the potential short-term and long-term implications of changing micro- and macroeconomic conditions on its consolidated interim condensed financial statements, on the regulatory capital and liquidity position of its regulated subsidiaries. This evaluation included various stress-tests. Management of the Group constantly monitors changes as the situation evolves and the measures taken by the Bank of Russia in order to maintain financial stability in connection with the current geopolitical situation, the imposing of restrictive measures against the Russian Federation. Management currently believes that it has adequate capital and liquidity position to continue to operate the business and mitigate risks associated with the above said circumstances for the foreseeable future. The Group remains vigilant in monitoring day to day changes as the global situation evolves.

The financial statements approval

These Summary Consolidated Financial Statements of the Group were approved for issue by the Management on February 21, 2024.

2. Basis of Preparation of the Summary Consolidated Financial Statements and Material Accounting Policy Information for Consolidated Financial Statements

Basis of preparation of the Summary Consolidated Financial Statements

These Summary Consolidated Financial Statements of the Group have been prepared on the basis of the Consolidated Financial Statements prepared in accordance with the International Financial Reporting Standards (IFRS) as at December 31, 2023 and for the year ended December 31, 2023, by copying from it without any modifications:

- the consolidated statement of profit or loss for the year ended December 31, 2023;
- the consolidated statement of comprehensive income for the year ended December 31, 2023;
- the consolidated statement of financial position as at December 31, 2023;
- the consolidated statement of cash flows for the year ended December 31, 2023;
- the consolidated statement of changes in equity for the year ended December 31, 2023.

2. Basis of Preparation of the Summary Consolidated Financial Statements and Material Accounting Policy Information for Consolidated Financial Statements (continued)

Basis of preparation of the Summary Consolidated Financial Statements (continued)

The Summary Consolidated Statements as at December 31, 2023 and for the year ended December 31, 2023 do not disclose the information listed in the following regulatory documents:

- Decision of the Board of Directors of the Bank of Russia dated December 26, 2023 *"On the list of information that non-credit financial institutions may elect not to disclose, and information not to be published on the website of the Bank of Russia"*, i.e., the following information contained in the notes to the consolidated financial statements is not included in these summary consolidated financial statements of the Group:
  - information on debtors, creditors, members of the governing bodies of the non-credit financial institution, structure and composition of shareholders (participants) and other parties;
  - information on risks and transactions, the disclosure of which will result (may result) in the imposition of restrictions by foreign states and/or national unions and/or associations and/or state-owned (interstate) entities of foreign states or national unions and/or associations with respect to the non-credit financial institution and/or other parties, and when the above parties are already affected by these restrictions.
- Decree No. 1102 of the Russian Government dated July 4, 2023 "*On Specifics of Disclosures and Reporting of Information Subject to Disclosure and Reporting in Accordance with the Federal Laws "On Joint-Stock Companies" and "On the Securities Market"*, i.e., the following information contained in the notes to the consolidated financial statements is not included in these summary consolidated financial statements of the Group:
  - information on the Group's transactions, its controlling parties and controlled entities, including the information there were no such transactions;
  - information on banking groups, banking holdings, holdings and associations, to which the Group belongs, and their members;
  - information on the Group's affiliates, including the basis of the affiliation and share of the Group's shares owned by them;
  - information on the entities under the Group's control and members of their governing bodies, parties controlling the Group and members of their governing bodies;
  - information on related parties with whom the Group enters into transactions;
  - information on the Group's subsidiaries;
  - information on the Group's financial investments;
  - information on risks assumed by the Group, its risk assessment and management procedures;
  - information on the Group's transactions and (or) the volume of the Group's transactions and (or) the volume of the Group's funds in foreign currencies;
  - information on balances and (or) volume of funds on accounts opened by the Group for different types of customers;
  - information, including summarized information, on the Group's counterparties, their industry-specific and geographical structure.

2. Basis of Preparation of the Summary Consolidated Financial Statements and Material Accounting Policy Information for Consolidated Financial Statements (continued)

Basis of preparation of the Summary Consolidated Financial Statements (continued)

In accordance with the above regulations of the Russian Federation and the Resolution of the Government of the Russian Federation dated September 13, 2023 No. 1490 *On Peculiarities of Disclosing of consolidated financial statements*, the Group does not publish Consolidated Financial Statements for the year ended December 31, 2023 and discloses Summary Consolidated Financial Statements for the year ended December 31, 2023.

These Summary Consolidated Financial Statements are presented in millions of Russian rubles rounded to one decimal place, unless otherwise indicated.

Consolidated Financial statements have been prepared assuming that the Group is a going concern and will continue operation for the foreseeable future. Consolidated Financial Statements have been prepared on the historical cost basis except for certain financial assets and liabilities that are measured at fair value.

Consolidated Financial Statements have been prepared on basis of the statutory accounting records and have been adjusted to conform to IFRS.

The Russian ruble exchange rates applied in the preparation of Consolidated Financial Statements are presented below:

	December 31, 2023	December 31, 2022
USD	89,6883	70,3375
EUR	99,1919	75,6553
CNY	12,5762	9,8949

Changes in presentation

Starting from January 1, 2023 in accordance with Federal Law No. 263-FZ of July 14, 2022 *On Amending Part One and Two of the Tax Code of the Russian Federation*, a new procedure for accounting for accruals and payments of taxes and levies has been adopted. In 2023, a single tax account is opened for each taxpayer, which is replenished by a single tax payment before the taxes payments due date. The amount received is distributed among the taxpayer's liabilities on all types of taxes, the procedure for payment of which is established by the Tax Code of the Russian Federation. Therefore, starting from January 1, 2023 net overpayment of all taxes is recognised in Taxes prepayments within Other Assets (Note 20).

Changes in Accounting Policies

The accounting policies adopted by the Group in the preparation of Consolidated Financial Statements are consistent with those followed in the preparation of the Group's Consolidated Financial Statements for the year ended December 31, 2022.

The Group applied for the first time certain amendments to the standards, which are effective for annual periods beginning on or after January 1, 2023. The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

Below are new Standards, amendments and Interpretations which are effective from January 1, 2023.

2. Basis of Preparation of the Summary Consolidated Financial Statements and Material Accounting Policy Information for Consolidated Financial Statements (continued)

Changes in Accounting Policies (continued)

Amendments to IAS 8 Definition of Accounting Estimates

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

Amendments to IAS 1 and IFRS Practice Statement 2 Disclosure of Accounting Policies

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 *Making Materiality Judgements*, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

IFRS 17 Insurance Contracts

IFRS 17 *Insurance Contracts* is a new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. IFRS 17 replaced IFRS 4 *Insurance Contracts* and applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features.

A few scope exceptions are applied. IFRS 17 introduces new accounting requirements for banking products with insurance features that may affect the determination of which instruments or which components thereof will be in the scope of IFRS 9 or IFRS 17.

Amendments to IAS 12 Income Tax related to Assets and Liabilities arising from a Single Transaction

In May 2021, the IASB issued amendments, which narrow the scope of the initial recognition exception under IAS 12 Income Taxes, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The exemption applies only if the recognition of a lease asset and a lease liability (or a decommissioning liability and the corresponding amounts of the related asset) does not give rise to equal taxable and deductible temporary differences.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented.

At the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations.

The adoption of these new and revised Standards and Interpretations has not resulted in significant changes to the Group's accounting policies that have affected the amounts reported for the current or prior years.

2. Basis of Preparation of the Summary Consolidated Financial Statements and Material Accounting Policy Information for Consolidated Financial Statements (continued)

Business combinations

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

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

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

Goodwill

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment at least annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss in the Consolidated Statement of Profit or Loss. An impairment loss recognised for goodwill is not reversed in subsequent periods. On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Inflation accounting

The Russian economy was considered hyperinflationary until December 31, 2002. As such, the Group applied IAS *29 Financial Reporting in Hyperinflationary Economies*. The effect of applying IAS 29 is that non-monetary items, including components of equity, were restated to the measuring units current at December 31, 2002 by applying the relevant inflation indices to the historical cost, and that these restated values were used as a basis for accounting in subsequent periods.

2. Basis of Preparation of the Summary Consolidated Financial Statements and Material Accounting Policy Information for Consolidated Financial Statements (continued)

Financial assets

Initial recognition

All regular way purchases and sales of financial assets and liabilities are recognised on the settlement date. Regular way purchases or sales are purchases or sales of financial assets and liabilities that require delivery of assets and liabilities within the period generally established by regulation or convention in the marketplace.

Impairment

The Group recognises loss allowances for expected credit losses (ECLs) on the following financial instruments, not measured at FVTPL:

- due from financial institutions;
- cash and cash equivalents;
- debt investment securities;
- other financial assets subject to credit risk.

The Group does not form any loss allowance on ECLs for central counterparty (hereinafter – CCP) activities. The CCP is acting as an intermediary between the parties: i.e. as a seller for each buyer and as a buyer for each seller, so that replacing their contractual relations between each other with relevant contracts with a central counterparty. CCP assets and liabilities are simultaneously reflected in the Group's consolidated statement of financial position due to the following:

- the net market value of those deals at the end of each day is equal to zero (if there are no defaulted market participants);
- there are no uncollateralised receivables in case all the obligations are duly fulfilled by the clearing participants.

The risks of non-fulfilment or improper fulfilment of clearing participants obligations on the CCP deals are managed using the following risk-management system measures, organised according to the federal law as of February 7, 2011 № 7-FZ *On Clearing, Clearing Activities and the Central Counterparty*:

- setting the requirements for individual and collective clearing collateral to mitigate expected losses in case of non-fulfilment or improper fulfilment of clearing participants obligations;
- forming the CCP's guarantee fund – part of net assets designated according to the Clearing Rules to mitigate possible losses caused by non-fulfilment or improper fulfilment of clearing participants obligations;
- conducting regular stress-tests of the CCP capital adequacy, including the control of statutory ratios calculation;
- limitation of the CCP's liabilities.

2. Basis of Preparation of the Summary Consolidated Financial Statements and Material Accounting Policy Information for Consolidated Financial Statements (continued)

Financial assets (continued)

Definition of default

Critical to the determination of ECLs is the definition of default. The definition of default is used in measuring the amount of ECLs and in the determination of whether the loss allowance is based on 12-month or lifetime ECLs, as default is a component of the probability of default (PD) which affects both the measurement of ECLs and the identification of a significant increase in credit risk.

The Group considers the following as constituting an event of default:

- the counterparty has gone bankrupt;
- a third party has filed a claim with the court to call the counterparty bankrupt and it has been accepted for hearing;
- the counterparty is permanently insolvent, i.e. has obligations to the Group that are past due for over 90 days; or
- the borrower’s licence has been revoked;
- liquidation decision was made in respect of the counterparty.

Significant increase in credit risk

The Group monitors all financial assets that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Group will measure the loss allowance based on lifetime ECL.

When assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring to the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default that was anticipated for the remaining maturity at the reporting date when the financial instrument was first recognised. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable, including historical experience and forward-looking information that is available without undue cost or effort, based on the Group’s historical experience and expert credit assessment including forward-looking information.

The Group considers a significant increase in credit risk has occurred and the asset is in stage 2 of the impairment model, i.e. the loss allowance is measured as the lifetime ECLs in the following cases:

- when an asset becomes past due over 30 days;
- a decline in the credit ratings given to a resident/non-resident by national/international rating agencies or a decline in the counterparty's internal rating by 3 grades or more over the preceding 12 months (if the recognition period is less than 12 months from the initial recognition);
- decrease of credit ratings assigned to the resident/non-resident by national/international rating agencies or decrease of the counterparty's internal rating by 6 grades or more from the initial recognition.

2. Basis of Preparation of the Summary Consolidated Financial Statements and Material Accounting Policy Information for Consolidated Financial Statements (continued)

Financial assets (continued)

Probability of default (PD)

Multiple economic scenarios form the basis of determination of the probability of default at initial recognition and for the future. It is the weighting of these different scenarios that forms the basis of a weighted average probability of default that is used to determine whether credit risk has significantly increased.

To determine PD the Group uses:

- available data from international rating agencies for non-residents;
- available data from national rating agencies for residents;
- internal ratings if the data mentioned above is unavailable.

If the counterparty is rated by more than one rating agency, the historical probability of default is determined:

- for the non-resident by the best of the external ratings of the international agencies;
- for the resident by the best rating of the national agencies.

The Group allocates its counterparties to a relevant internal rating depending on their credit quality based on quantitative and qualitative information. The historical PD is identified using a migration matrix, where internal ratings are mapped to the rating scales of international and national rating agencies for those counterparties that are not rated by international and national rating agencies.

Modification and derecognition of financial assets

A modification of a financial asset occurs when the contractual terms governing cash flows of a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date.

When a financial asset is modified the Group assesses whether this modification results in derecognition. In accordance with the Group's policy a modification results in derecognition when it gives rise to substantially different terms. To determine whether the modified terms differ substantially from the original contractual terms the Group considers the following qualitative factors:

(a) contractual cash flows after modification are no longer SPPI;

(b) change in currency;

(c) change of counterparty;

(d) the extent of change in interest rates;

(e) maturity.

If these do not clearly indicate a substantial modification, then quantitative assessment is performed to compare the present value of the remaining contractual cash flows under the original terms with the contractual cash flows under the revised terms, both amounts discounted at the original effective interest. If the difference in present value is greater than 10% the Group deems the arrangement is substantially different leading to derecognition.

2. Basis of Preparation of the Summary Consolidated Financial Statements and Material Accounting Policy Information for Consolidated Financial Statements (continued)

Financial assets (continued)

Modification and derecognition of financial assets (continued)

In the case when the financial asset is derecognised the loss allowance for ECLs is remeasured at the date of derecognition to determine the net carrying amount of the asset at that date. The difference between this revised carrying amount and the fair value of the new financial asset with the new terms will lead to a gain or loss on derecognition. The new financial asset will have a loss allowance measured based on 12-month ECL except in the eventual occasions where the new asset is considered to be originated-credit impaired. The Group monitors credit risk of modified financial assets by evaluating qualitative and quantitative information.

When the contractual terms of a financial asset are modified and the modification does not result in derecognition, the Group determines whether the credit risk associated with the financial asset has increased significantly since initial recognition by comparing:

- the remaining lifetime PD estimated based on data at initial recognition and the original contractual terms; with
- the remaining lifetime PD at the reporting date based on the modified terms.

Where a modification does not lead to derecognition the Group calculates the modification gain/loss comparing the gross carrying amount before and after the modification (excluding the ECL allowance). Then the Group measures ECL for the modified asset, where the expected cash flows arising from the modified financial asset are included in calculating the expected cash shortfalls from the original asset.

Write-off

Financial assets are written off when the Group has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Group determines that the counterparty does not have assets and/or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Group may apply enforcement activities to financial assets written off. Recoveries resulting from the Group's enforcement activities will result in impairment gains.

Cash and cash equivalents

Cash and cash equivalents in the Consolidated Statement of Financial Position include cash on hand, balances with the CBR, unrestricted balances on correspondent and deposit accounts with banks with maturity up to one business day and clearing accounts with banks. Amounts that are subject to restrictions on their availability, including minimum reserve deposits with the CBR, are not included in cash and cash equivalents for the purpose of consolidated statement of cash flows.

Repurchase and reverse repurchase agreements

Sale and repurchase agreements ("repos") are treated as secured financing transactions. Securities sold under sale and repurchase agreements are retained in the consolidated statement of financial position and, in case the transferee has the right by contract or custom to sell or repledge them, reclassified as securities pledged under sale and repurchase agreements. The corresponding liability is presented within amounts due to financial institutions. Receivables under agreements to resell ("reverse repo") are recorded as amounts due from financial institutions. The difference between sale and repurchase price is treated as interest income and accrued over the life of REPO agreements using the effective interest method.

2. Basis of Preparation of the Summary Consolidated Financial Statements and Material Accounting Policy Information for Consolidated Financial Statements (continued)

Non-financial assets

Property and equipment

Property and equipment is carried at historical cost less accumulated depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method:

Buildings and other real estate	2%
Furniture and equipment	20-33%

Freehold land is not depreciated.

Costs related to repairs and renewals are charged when incurred and included in other operating expenses, unless they qualify for capitalization.

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives at the annual rates of 10% - 25%.

Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately. Amortisation is recognised on a straight-line basis. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Internally developed intangible assets

Development costs that are directly associated with the production of identifiable and unique software products controlled by the Group are capitalised and an internally generated intangible asset is recognised only if it is probable that it will generate economic benefits exceeding costs beyond one year and the development costs can be measured reliably. An internally generated intangible asset is recognised only if the Group has the technical feasibility, resources and intention to complete the development and to use the product. Direct costs include software development employee costs and an appropriate portion of relevant overheads. Expenditure on research activities is recognised as an expense in the period in which it is incurred.

Subsequent expenditure on intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

2. Basis of Preparation of the Summary Consolidated Financial Statements and Material Accounting Policy Information for Consolidated Financial Statements (continued)

Non-financial assets (continued)

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Interest income and interest expense

Interest income and expense for all financial instruments except for measured or designated as at fair value through profit or loss (FVTPL) are recognized in the profit or loss in 'Interest income calculated using the effective interest method' and 'Interest expense'.

Interest revenue on all financial assets at FVTPL is recognised using the contractual interest rate in 'Other interest income' in the consolidated statement of profit or loss. The transaction costs for such assets are recognized in profit or loss at initial recognition.

Fee and commission income and expense

The main source of the Group's revenue is through fees for services provided. Revenue is measured based on the consideration specified in a contract with a customer. The Group recognizes revenue as services are performed and as it satisfies its obligations to provide service to a customer.

The Group provides various services on trading in different markets, clearing, settlement and custody, IT services and also services of the financial platform operator related to providing an opportunity to make transactions by trading participants of the financial platform.

Fees and commission income of the Group are divided into fixed and variable.

Fixed fee and commission income revenue from providing services is recognized in the accounting period in which the services are rendered. Revenue is recognized based on the actual service provided up to the end of the reporting period as a proportion of the total services to be provided (i.e. recognition over time).

Variable fee and commission income are transaction or transaction volume-based revenues and are generated by services which are directly related to a single transaction or volume of transactions.

The performance obligation of a service is satisfied when the transaction or order has been executed trades or contracts cleared, custody service provided. Transaction revenues are recognized at a point in time when the Group meets its obligations to complete the transaction or service.

Being the financial platform operator the Group charges fee and commission income for the providing an opportunity to make transactions by trading participants of the financial platform. Such income is recognised at point in time as the service is provide at the moment of conclusion of the transaction.

Fee and commission expenses with regards to services are accounted for as the services are received.

Share-based payments

The Group grants the right to some employees to purchase equity instruments on the terms set in individual contracts.

2. Basis of Preparation of the Summary Consolidated Financial Statements and Material Accounting Policy Information for Consolidated Financial Statements (continued)

Share-based payments (continued)

The Group implemented 2 types of long-term motivation program: the equity-settled share-based program with the right to receive Moscow Exchange ordinary shares granted under conditions set out in the program and the cash settled share-based program.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity within Share-based payments reserve, over the period in which the performance and/or service conditions are fulfilled.

The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The consolidated income statement expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period (Note 10).

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year.

Fiduciary activities

The Group provides custodial services to its customers which include transactions with securities on their custody accounts. Assets accepted and liabilities incurred under the fiduciary activities are not included in the Group's Consolidated Financial Statements. The Group accepts the operational risk on these activities, but the Group's customers bear the credit and market risks associated with such operations. Revenue for provision of fiduciary services is recognised as services are provided.

Foreign currencies

In preparing the financial statements of each individual Group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

2. Basis of Preparation of the Summary Consolidated Financial Statements and Material Accounting Policy Information for Consolidated Financial Statements (continued)

New or amended standards issued but not yet effective

Below are the following new and revised IFRSs that have been issued as at these Consolidated Financial Statements publication date but are not required for application and were not early applied by the Group to these Consolidated Financial Statements for 2023:

Amendments to IAS 1 Classification of Liabilities as Current or Non-current.

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. In June 2022, the IASB decided to finalise the proposed amendments to IAS 1, published in an exposure draft Non-current Liabilities with Covenants with some modifications (the 2022 Amendments).

The amendments clarify:

- what is meant by a right to defer settlement;
- that a right to defer must exist at the end of the reporting period;
- that classification is unaffected by the likelihood that an entity will exercise its deferral right;
- that only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification;
- that an entity shall disclose additional information if it classifies liabilities arising from loan arrangements as non-current when the entity's right to defer settlement of those liabilities is subject to the entity complying with covenants within twelve months.

The amendments apply retrospectively to the periods beginning on or after January 1, 2024. Early application is acceptable.

The management of the Group does not expect that the application of these amendments could have an impact on the Group's financial statements in future periods.

Amendments to IFRS 16 Leases.

On September 22, 2022, the IASB issued amendments to IFRS 16 *Leases*, adding guidance on the subsequent measurement of assets and liabilities in sale and leaseback transactions that meet the criteria for a transfer of control of an asset in IFRS 15 *Revenue from Contracts with Customers*.

The amendments require a seller-lessee to measure the lease liability arising from a leaseback in a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee.

Entities should use IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* to develop an accounting policy for determining how to measure lease payments for such transactions.

The amendments shall be applied retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application of the amendments.

A seller-lessee shall apply the amendments for annual reporting periods beginning on or after January 1 2024, with earlier application permitted.

The management of the Group does not expect that the application of these amendments could have an impact on the Group's financial statements in future periods.

2. Basis of Preparation of the Summary Consolidated Financial Statements and Material Accounting Policy Information for Consolidated Financial Statements (continued)

New or amended standards issued but not yet effective (continued)

Amendments to IAS 21 – Lack of Exchangeability

On August 20, 2023, the IASB issued amendments to IAS 21 *The Effects of Changes in Foreign Exchange Rates.* The amendments introduce the definition of "convertible currency" and give explanations.

The amendments explain the following:

- a currency is considered to be exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations;
- entities assess whether a currency is exchangeable into another currency at a measurement date and for a specified purpose. A currency is not exchangeable into the other currency if the entity is able to obtain no more than an insignificant amount of the other currency at the measurement date for the specified purpose;
- in case there are several exchange rates the requirements of the standard is not changed, however the requirement regarding if exchangeability between two currencies is temporarily lacking, the rate used is the first subsequent rate at which exchanges could be made, has now been removed. In such cases it is required to estimate the spot exchange rate;
- new requirements to information disclosure are added. An entity is required to disclose information about:
    - the nature and financial effects of the currency not being exchangeable into the other currency;
    - the spot exchange rate(s) used;
    - the estimation process;
    - the risks to which the entity is exposed because of the currency not being exchangeable into the other currency.

The amendments apply to the periods beginning on or after January 1, 2025. Early application is acceptable. The Group is currently assessing the impact of these amendments on its consolidated financial statements.

3. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the Group's accounting policies the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements and critical estimates made by the Group in the process of applying the accounting policies were consistent with those disclosed in the annual consolidated financial statements for the year ended December 31, 2022, except for the following:

Update of expected credit loss (ECL) estimation model:

- indicators for the 3rd impairment stages have been adjusted:
  - reduction of the internal rating to level D (previously C3 or D);
  - the presence of an internal rating at the C3 level with the simultaneous presence of facts of non-fulfillment of obligations for more than 30 days and/or other negative information giving reason to believe that obligations will not be fulfilled;
- instead of the method of determining losses given default (LGD) for the 2nd and 3rd stage of impairment as a fixed value, a differentiated approach was introduced:
  - LGD can be assessed on a case-by-case basis other than fixed values, taking into account the characteristics of the financial instrument, historical defaults for comparable financial instruments, contractual terms, and the expertise of the units concerned if restructuring or recovery is possible.

The above changes resulted in a reduction in the amount of allowance for ECL by RUB 1 608,5 million.

Critical accounting judgements

Business model assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. The Group monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. The Group conducts assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change and so a prospective change to the classification of those assets.

Significant increase of credit risk

Expected credit losses are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Group takes into account the information listed above.

3. Critical Accounting Judgements and Key Sources of Estimation Uncertainty (continued)

Critical accounting judgements (continued)

Recoverability of deferred tax assets

The recognised deferred tax assets represent amount of income tax, which may be recovered through future income tax expenses and is recorded in the statement of financial position. Deferred income tax assets are recorded to the extent that realisation of the related tax benefit is probable. The future taxable profits and the amount of tax benefits that are probable in the future are based on management expectations that are believed to be reasonable under the circumstances (Note 11).

The management of the Group is confident that no valuation allowance against deferred tax assets at the reporting date is considered necessary, because it is more likely than the deferred tax asset will be fully realised. The carrying value of deferred tax assets amounted to RUB 4 896,3 million and RUB 6 061,2 million as at December 31, 2023 and 2022, respectively.

Key sources of estimation uncertainty

Probability of default

PD constitutes a key input in measuring ECL. PD is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions. See Note 31 for more details, including analysis of the sensitivity of the reported ECL to changes in PD resulting from changes in economic drivers.

Loss Given Default

LGD is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements. See Note 2 for more details.

Provision

The companies of the Group are subject to litigations. Such litigations may lead to orders to pay against the entities of the Group. If it is more likely than not that an outflow of resources will occur, a provision will be recognised based on an estimate of the most probable amount necessary to settle the obligation if such amount is reasonably estimable. The Group determines whether there is a possible obligation from past events, evaluates the probability that an outflow will occur and estimates the potential amount of the outflow. As the outcome of litigation is usually uncertain, the judgement is reviewed continuously. See Note 27 for further information.

Impairment of goodwill and other intangible assets

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the management to estimate the future cash flows expected to arise from the cash-generating unit and a discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

The following critical estimates were made by the Group for value in use of cash-generating units valuation:

- future cash flows expected to arise from the cash-generating unit;
- discount rate in order to calculate present value.

Details of the goodwill impairment testing are set out in Note 19.

(in millions of Russian rubles, unless otherwise indicated)

3. Critical Accounting Judgements and Key Sources of Estimation Uncertainty (continued)

Key sources of estimation uncertainty (continued)

Useful lives of intangible assets

The Group annually examines the estimated useful life of its intangible assets. When determining the asset's useful life, the factors taken into account include earlier termination of licences, technical feasibility up to the date of anticipated use of the asset, its typical life cycle, etc.

Valuation of financial instruments

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may be based on:

- using recent arm's length market transactions;
- reference to the current fair value of another instrument that is substantially the same;
- a discounted cash flow analysis or other valuation models;
- using the local market approach as advantageous;
- using risk-free yield curve calculated based on sovereign bonds and adjusted for credit-spread derived from observable data on proxy instruments, traded on active market.

An analysis of fair values of financial instruments and further details as to how they are measured are provided in Note 29.

Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the instrument and volatility and making assumptions about them.

4. Fee and Commission Income

	Year ended December 31, 2023	**Year ended December 31, 2022**
Money market	11 962,1	9 497,0
Securities market	11 053,7	5 847,9
- equities	*6 964,6*	*3 266,3*
- bonds	*3 357,5*	*2 003,6*
- listing and other services	*731,6*	*578,0*
Depository and settlement services	9 721,2	7 806,5
Foreign exchange market	7 383,8	5 661,6
Derivatives market	6 703,7	3 741,3
Financial marketplace services	1 806,2	747,4
Sale of software and technical services	1 636,2	1 221,2
Information services	1 349,9	1 118,2
Other	625,3	1 846,1
Total fee and commission income	**52 242,1**	**37 487,2**

(in millions of Russian rubles, unless otherwise indicated)

5. Interest Income

	Year ended December 31, 2023	Year ended December 31, 2022
Interest income calculated using the effective interest method		
Interest on cash and cash equivalents and due from financial institutions	43 707,6	34 090,4
Interest income on financial assets at FVTOCI	10 930,0	9 521,1
Interest income on investment financial assets at amortised cost	278,9	–
Interest income on clients' funds	–	1 094,9
Total interest income calculated using the effective interest method	**54 916,5**	**44 706,4**
Other interest income		
Interest income on financial assets at FVTPL	10,5	173,3
Total other interest income	**10,5**	**173,3**
Total interest income	**54 927,0**	**44 879,7**

6. Interest Expense

	Year ended December 31, 2023	Year ended December 31, 2022
Interest expense on stress collateral	1 979,7	807,4
Interest expense on accounts of clearing participants	1 847,2	304,3
Interest expense on interbank loans and deposits	196,7	82,5
Interest expense on REPO agreements and other	48,1	0,1
Interest expense on cash and cash equivalents and due from financial institutions	9,6	1 819,3
Interest expense on lease liabilities	5,6	40,6
Total interest expense	**4 086,9**	**3 054,2**

7. Net Gain on Financial Assets at Fair Value through Profit or Loss

	Year ended December 31, 2023	Year ended December 31, 2022
Shares issued by foreign companies	1 686,4	868,2
Bonds issued by foreign companies of Russian groups	10,6	(114,5)
Shares issued by Russian companies	(31,2)	–
Other	–	22,2
Total net gain on financial assets at FVTPL	**1 665,8**	**775,9**

(in millions of Russian rubles, unless otherwise indicated)

8. Net Loss on Financial Assets at Fair Value through Other Comprehensive Income

	Year ended December 31, 2023	Year ended December 31, 2022
Bonds issued by the Russian issuers	(807,4)	(437,5)
Bonds issued by foreign issuers	27,2	(228,1)
Total net loss on financial assets at FVTOCI	**(780,2)**	**(665,6)**

Net loss on financial assets at fair value through other comprehensive income represents reclassification adjustment from other comprehensive income to profit or loss upon disposal of financial assets.

9. General and Administrative Expenses

	Year ended December 31, 2023	Year ended December 31, 2022
Amortisation of intangible assets (Note 18)	3 893,5	3 184,4
Advertising and marketing costs	1 808,7	1 563,6
Equipment and intangible assets maintenance	1 608,8	1 779,9
Depreciation of property and equipment (Note 17)	970,8	1 176,0
Taxes, other than income tax	892,3	951,2
Professional services	812,0	808,0
Agent fees	771,1	453,3
Market makers fees	685,7	438,4
Registrar and foreign depository services	552,9	389,5
Information services	375,9	202,9
Rent and office maintenance	331,7	350,3
Charity	129,3	114,1
Loss on disposal of property, equipment and intangible assets	118,8	119,9
Communication services	100,5	103,9
Loss on disposal of subsidiaries	84,0	–
Business trip expenses	50,3	22,1
Security expenses	33,9	29,7
Transport expenses	24,2	21,9
Other	153,7	151,9
Total general and administrative expenses	**13 398,1**	**11 860,9**

Professional services comprise consulting, audit, legal and other services.

(in millions of Russian rubles, unless otherwise indicated)

10. Personnel Expenses

	Year ended December 31, 2023	Year ended December 31, 2022
Employees benefits except for share-based payments	11 692,1	9 758,0
Payroll related taxes	2 609,7	1 960,0
Share-based payment expense on cash settled instruments	771,4	35,7
Share-based payment expense on equity settled instruments	191,3	228,6
Total personnel expenses	**15 264,5**	**11 982,3**

Equity settled share-based program

The Group has an active incentive share-based program of equity settled instruments (hereinafter – "LTIP").

The following table illustrates the number and weighted average fair value of shares granted (WAFV) and movements in rights to receive shares under the LTIP:

	Number	WAFV
Outstanding at December 31, 2021	**16 380 997**	**115,84**
Granted	1 061 157	91,37
Modification	(679 903)	113,27
Forfeited	(3 315 891)	111,95
Outstanding at December 31, 2022	**13 446 360**	**115,09**
Granted	39 277	85,93
Modification	(702 277)	114,92
Forfeited	(1 360 900)	119,72
Exercised	(3 112 610)	119,38
Outstanding at December 31, 2023	**8 309 850**	**117,05**

The weighted average remaining contractual life of the outstanding instruments under LTIP as at December 31, 2023 is 1,07 years (December 31, 2022: 1,68 years).

Cash settled share-based program

In 2023 a new program of cash-settled instruments was introduced. The amount of cash consideration to be received by the employees is linked to the future market price of the Group's shares. The rights vest when the employee continues to be employed by the Group at the vesting date.The maximum contractual vesting period is five and a half years. The fair value is remeasured at each reporting date using a binomial model.

During the year ended December 31, 2023 218 300 514 cash-settled instruments were granted, with weighted average fair value (WAFV) RUB 37,99.

The weighted average remaining contractual life of the outstanding cash-settled instruments as at December 31, 2023 is 3,17 years.

(in millions of Russian rubles, unless otherwise indicated)

10. Personnel Expenses (continued)

Cash settled share-based programm (continued)

The following table lists the inputs to the models used for the granted instruments under the new cash settled program during the year ended December 31, 2023:

Assumption	Cash settled December 31, 2023
Expected volatility	29,26%
Risk-free interest rate	11,75%
Weighted average share price, RUB	189,36
Dividend yield	6,0-7,7%

The volatility assumption is based on realized volatility of returns of quoted shares of Moscow Exchange.

As of December 31, 2023 liabilities under the cash-settled share-based is amounted to 704,8 RUB million and is included in Personnel remuneration provision within Other liabilities (Note 22).

11. Income Tax

The Group provides for taxes based on the tax accounts maintained and prepared in accordance with the tax regulations of countries where the Group and its subsidiaries operate and which may differ from IFRS.

Deferred taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes.

Temporary differences relate mostly to different methods of income and expense recognition, as well as to recorded values of certain assets. The tax rate used for the reconciliations between tax expense and accounting profit is the corporate tax rate of 20% payable by corporate entities in the Russian Federation on taxable profits under the tax law in that jurisdiction.

(in millions of Russian rubles, unless otherwise indicated)

11. Income Tax (continued)

The analysis of the temporary differences as at December 31, 2023 and 2022, is presented below:

	December 31, 2021	Recognised in profit or loss	Recognised in other comprehensive income	December 31, 2022	Recognised in profit or loss	Recognised in other comprehensive income	December 31, 2023
Tax effect from deductible temporary differences:							
Cash, cash equivalents and amounts due from financial institutions	2,0	2 009,9	–	2 011,9	823,3	–	2 835,2
Financial assets at FVTPL	11,5	334,5	–	346,0	(346,0)	–	–
Financial assets at FVTOCI	1 889,8	1 064,3	(16,8)	2 937,3	(2 407,9)	860,2	1 389,6
Property and equipment	19,9	0,1	–	20,0	9,7	–	29,7
Intangible assets	35,6	18,8	–	54,4	8,2	–	62,6
Other assets	499,9	(121,5)	–	378,4	(141,5)	–	236,9
Distributions payable to holders of securities and counterparties	–	1 401,0	–	1 401,0	(1 401,0)	–	–
Other liabilities	942,4	179,5	–	1 121,9	394,3	–	1 516,2
Clients' funds	5,2	–	–	5,2	0,7	–	5,9
Tax loss carried forward	12,9	(2,8)	–	10,1	0,6	–	10,7
Total tax effect from deductible temporary differences	**3 419,2**	**4 883,8**	**(16,8)**	**8 286,2**	**(3 059,6)**	**860,2**	**6 086,8**
Tax effect from taxable temporary differences:							
Cash, cash equivalents and amounts due from financial institutions	(4,1)	(1 371,9)	–	(1 376,0)	1 376,0	–	–
Financial assets at FVTPL	(73,9)	(108,2)	–	(182,1)	(340,9)	–	(523,0)
Financial assets at FVTOCI	–	(4,3)	–	(4,3)	4,3	–	–
Investment financial assets at amortised cost	–	–	–	–	(13,2)	–	(13,2)
Property and equipment	(320,0)	(0,2)	–	(320,2)	(51,8)	–	(372,0)
Intangible assets	(2 059,0)	254,9	–	(1 804,1)	276,7	–	(1 527,4)
Other assets	–	(0,7)	–	(0,7)	(0,1)	–	(0,8)
Other liabilities	(0,8)	(0,9)	–	(1,7)	0,9	–	(0,8)
Total tax effect from taxable temporary differences	**(2 457,8)**	**(1 231,3)**	**–**	**(3 689,1)**	**1 251,9**	**–**	**(2 437,2)**
Deferred income tax assets	**2 563,7**	**3 514,3**	**(16,8)**	**6 061,2**	**(2 025,1)**	**860,2**	**4 896,3**
Deferred income tax liabilities	**(1 602,3)**	**138,2**	**–**	**(1 464,1)**	**217,4**	**–**	**(1 246,7)**
Total deferred tax asset	**961,4**	**3 652,5**	**(16,8)**	**4 597,1**	**(1 807,7)**	**860,2**	**3 649,6**

(in millions of Russian rubles, unless otherwise indicated)

11. Income Tax (continued)

Deferred tax assets decrease as at December 31, 2023 was mainly driven by changes in mark-to-market and forex revaluation of financial assets at FVTOCI as well as by reversal of the allowance for ECL.

Tax effect from deductible temporary differences on other assets is mainly represented by the differences from created provisions on other financial assets. Deductible temporary differences on other liabilities is mainly represented by differences from the personnel remuneration provision and other accruals.

Reconciliation of income tax expense and accounting profit for the year ended December 31, 2023 and December 31, 2022, are explained below:

	Year ended December 31, 2023	**Year ended December 31, 2022**
Profit before income tax	**77 366,9**	**45 310,6**
Tax at the statutory tax rate (20%)	15 473,4	9 062,1
Tax effect of income taxed at rates different from the prime rate	(454,2)	(404,4)
Permanent differences relating to equity-settled share-based program	36,0	(1,0)
Non-deductible expenses for tax purposes	352,0	365,0
Windfall tax	1 169,3	–
Adjustments in respect of current and deferred income tax of previous years	1,6	(4,8)
Other permanent differences	19,3	2,6
Income tax expense	**16 597,4**	**9 019,5**
Current income tax expense	13 618,8	12 676,8
Current income tax expense related to previous years	1,6	(4,8)
Windfall tax	1 169,3	–
Deferred taxation movement due to origination and reversal of temporary differences	1 807,7	(3 652,5)
Income tax expense	**16 597,4**	**9 019,5**

Income tax expense includes the amount of security payment for windfall tax in the amount of RUB 1 169,3 million imposed by Federal Law No. 414-FZ *On Windfall Tax* dated August 4, 2023, which establishes the procedure for calculation and payment of the one-off tax on profits earned in previous tax periods. The Group took the opportunity to reduce the tax amount by making a security payment.

(in millions of Russian rubles, unless otherwise indicated)

12. Cash and Cash Equivalents

	December 31, 2023	December 31, 2022
Accounts and overnight deposits with banks	458 612,7	451 530,6
Cash on hand	4,3	4,4
Total cash and cash equivalents before allowance for ECL	**458 617,0**	**451 535,0**
Less allowance for ECL	(0,6)	(3,6)
Total cash and cash equivalents	**458 616,4**	**451 531,4**

As at December 31, 2023, the Group has balances with five counterparties, each of which is greater than 10% of equity (December 31, 2022: six counterparties). The total aggregate amount of these balances is RUB 396 205,2 million or 86% of total cash and cash equivalents as at December 31, 2023 (December 31, 2022: RUB 413 763,5 million or 92% of total cash and cash equivalents).

13. Financial Assets at Fair Value through Profit or Loss

	December 31, 2023	December 31, 2022
Shares issued by foreign companies	2 975,9	1 289,4
Shares issued by Russian companies	228,9	210,5
Derivative financial instruments	0,3	22,4
Bonds issued by foreign companies of Russian groups	–	1 632,0
Total financial assets at FVTPL	**3 205,1**	**3 154,3**

Shares issued by foreign companies are represented by investment securities measured at fair value through profit or loss.

14. Central Counterparty Financial Assets and Liabilities

	December 31, 2023	December 31, 2022
Repo transactions and deposits	6 784 692,2	4 368 592,7
Derivative financial instruments	11 783,3	19 880,1
Other	63,7	–
Total CCP financial assets and liabilities	**6 796 539,2**	**4 388 472,8**

CCP financial assets are receivables under reverse REPO and fair value of derivatives (asset) and CCP financial liabilities are payables under respective direct REPO and deposits and fair value of derivatives (liability) under transactions which the Group concluded with market participants as a CCP.

(in millions of Russian rubles, unless otherwise indicated)

14. Central Counterparty Financial Assets and Liabilities (continued)

As at December 31, 2023 the fair value of securities purchased and sold by the Group under REPO transactions is RUB 7 211 087,5 million (December 31, 2022: RUB 4 779 554,4 million). As at December 31, 2023 and December 31, 2022, none of these assets were past due.

As at December 31, 2023, the Group has CCP financial assets balances with twenty seven counterparties, each of which is greater than 10% of equity (December 31, 2022: twenty one counterparties). The total aggregate amount of these balances is RUB 6 451 714,1 million or 95% of total CCP financial assets as at December 31, 2023 (December 31, 2022: RUB 4 148 161,6 million or 95% of total CCP financial assets).

As at December 31, 2023, the Group has CCP financial liabilities balances with forty one, each of which is greater than 10% of equity (December 31, 2021: thirty six counterparties). The total aggregate amount of these balances is RUB 6 101 640,8 million or 90% of total CCP financial liabilities as at December 31, 2023 (December 31, 2022: RUB 3 846 509,0 million or 88% of total CCP financial liabilities).

CCP financial assets and liabilities under derivative financial instruments represent fair values of derivative financial instruments. Gross claims and liabilities with individual counterparties are offset in accordance with IAS 32. Information about financial assets offset against financial liabilities in the consolidated statement of financial position is disclosed in Note 32.

15. Financial Assets at Fair Value through Other Comprehensive Income

	December 31, 2023	**December 31, 2022**
Bonds issued by the Russian issuers	162 876,9	164 774,1
Bonds issued by foreign issuers	–	13 249,2
Total financial assets at FVTOCI	**162 876,9**	**178 023,3**

16. Investment Financial Assets at Amortised Cost

	December 31, 2023	**December 31, 2022**
Bonds issued by the Russian issuers	17 422,0	–
Total investment financial assets at amortised cost before allowance for ECL	**17 422,0**	**–**
Less allowance for ECL	(26,1)	–
Total investment financial assets at amortised cost	**17 395,9**	**–**

(in millions of Russian rubles, unless otherwise indicated)

17. Property and equipment

	Land	Buildings and other real estate	Furniture and equipment	Construc-tion in progress	Right-of-use assets	Total
Cost						
December 31, 2021	**208,5**	**5 798,6**	**9 202,7**	**18,2**	**1 097,5**	**16 325,5**
Additions	–	–	585,0	2,7	15,7	**603,4**
Reclassification	–	–	17,7	(17,7)	–	**–**
Disposals	–	–	(277,9)	–	(0,8)	**(278,7)**
Modification and remeasurement	–	–	–	–	(732,5)	**(732,5)**
December 31, 2022	**208,5**	**5 798,6**	**9 527,5**	**3,2**	**379,9**	**15 917,7**
Additions	–	–	465,0	145,4	15,9	**626,3**
Disposals	–	–	(207,1)	(0,5)	(319,7)	**(527,3)**
Disposal through sale of subsidiary company	–	–	(0,9)	–	(5,1)	**(6,0)**
Effect of movements in exchange rates	–	–	0,3	–	1,6	**1,9**
Modification and remeasurement	–	–	–	–	20,5	**20,5**
December 31, 2023	**208,5**	**5 798,6**	**9 784,8**	**148,1**	**93,1**	**16 033,1**
Accumulated depreciation						
December 31, 2021	**–**	**1 905,1**	**7 355,8**	**–**	**168,4**	**9 429,3**
Charge for the period	–	116,1	927,4	–	132,5	**1 176,0**
Disposals	–	–	(277,6)	–	(0,1)	**(277,7)**
Other	–	–	0,6	–	–	**0,6**
December 31, 2022	**–**	**2 021,2**	**8 006,2**	**–**	**300,8**	**10 328,2**
Charge for the period	–	116,1	776,6	–	78,1	**970,8**
Disposals	–	–	(207,0)	–	(319,2)	**(526,2)**
Disposal through sale of subsidiary company	–	–	(0,5)	–	(2,9)	**(3,4)**
Effect of movements in exchange rates	–	–	0,1	–	0,7	**0,8**
December 31, 2023	**–**	**2 137,3**	**8 575,4**	**–**	**57,5**	**10 770,2**
Net book value						
December 31, 2022	**208,5**	**3 777,4**	**1 521,3**	**3,2**	**79,1**	**5 589,5**
December 31, 2023	**208,5**	**3 661,3**	**1 209,4**	**148,1**	**35,6**	**5 262,9**

As at December 31, 2023, historical cost of fully depreciated property and equipment amounts to RUB 7 042,1 million (December 31, 2022: RUB 6 465,9 million).

As at December 31, 2023, the book value of right-of-use assets is represented by leased buildings in the amount of RUB 17,5 million and IT equipment (furniture and equipment) in the amount of RUB 18,1 million (December 31, 2022: RUB 67,0 million and RUB 12,2 million).

During the year ended December 31, 2023 there were no modifications. During the year ended December 31, 2022 the Group modified the right-of-use assets due to significant decrease of the lease term of one leased building contract and other not significant modifications.

(in millions of Russian rubles, unless otherwise indicated)

17. Property and Equipment (continued)

The amounts recognized in profit or loss related to Group's lease contracts are as follows:

	Year ended December 31, 2023	Year ended December 31, 2022
Amounts recognised in profit or loss		
Depreciation expense on right-of-use assets	78,1	132,5
Interest expense on lease liabilities	5,6	40,6
Expense relating to short-term leases	9,9	14,8
Total	**93,6**	**187,9**

18. Intangible Assets

	Software and licenses	Client base	Intangible assets development	Total
Cost				
December 31, 2021	**11 789,5**	**19 764,3**	**1 492,4**	**33 046,2**
Additions	2 503,4	–	1 087,6	**3 591,0**
Reclassification	1 085,7	–	(1 085,7)	**–**
Disposals	(307,7)	–	(35,1)	**(342,8)**
December 31, 2022	**15 070,9**	**19 764,3**	**1 459,2**	**36 294,4**
Additions	1 392,7	–	2 038,2	**3 430,9**
Reclassification	1 138,2	–	(1 138,2)	**–**
Disposals	(221,5)	(157,6)	(84,4)	**(463,5)**
December 31, 2023	**17 380,3**	**19 606,7**	**2 274,8**	**39 261,8**
Accumulated amortisation and impairment				
December 31, 2021	**6 256,9**	**9 818,2**	**–**	**16 075,1**
Charge for the period	1 992,5	1 191,9	–	**3 184,4**
Impairment	9,3	–	–	**9,3**
Disposals	(222,9)	–	–	**(222,9)**
December 31, 2022	**8 035,8**	**11 010,1**	**–**	**19 045,9**
Charge for the period	2 713,6	1 179,9	–	**3 893,5**
Impairment	(6,3)	132,6	–	**126,3**
Disposals	(187,6)	(157,6)	–	**(345,2)**
December 31, 2023	**10 555,5**	**12 165,0**	**–**	**22 720,5**
Net book value				
December 31, 2022	**7 035,1**	**8 754,2**	**1 459,2**	**17 248,5**
December 31, 2023	**6 824,8**	**7 441,7**	**2 274,8**	**16 541,3**

As at December 31, 2023, historical cost of fully depreciated intangible assets amounts to RUB 5 198,2 million (December 31, 2022: RUB 3 214,4 million).

The client base has been recognized on acquisition of subsidiaries by the Group. The Group's purchased client base mainly represents the customer relationships with professional market participants acquired in 2011. The amortization period remaining on these assets is 6,34 years.

(in millions of Russian rubles, unless otherwise indicated)

19. Goodwill

As at December 31, 2023 the Group's goodwill amounted to RUB 16 246,8 million (December 31, 2022: RUB 16 300,8 million).

Goodwill is allocated to the following cash-generating units ("CGU") as at December 31, 2023 and 2022:

	Trading services	Clearing	Depository	Marketplace	OTC Platform*	Total
December 31, 2021	**10 774,1**	**3 738,7**	**1 458,6**	**275,4**	**1 020,4**	**17 267,2**
Impairment	–	–	–	–	(966,4)	**(966,4)**
December 31, 2022	**10 774,1**	**3 738,7**	**1 458,6**	**275,4**	**54,0**	**16 300,8**
Impairment	–	–	–	–	(54,0)	**(54,0)**
December 31, 2023	**10 774,1**	**3 738,7**	**1 458,6**	**275,4**	**–**	**16 246,8**

* OTC Platform being the part of operating segment "Markets"

Impairment Test for Goodwill

Trading services, Clearing, Depository

The recoverable amounts of these CGUs have been determined based on value in use calculations, using discounted cash flow projections prepared by Management of the Group covering the five-year period. The projected cash flows have been updated to reflect current economic situation. Discount rate of 16,6% p.a. is applied to cash flows (December 31, 2022: 16,0% p.a.). Value in use calculations for each CGU are based on key assumptions about short- and medium-term revenue and cost growth and long-term economic growth rates (used to determine terminal values). Terminal growth rate applied is 4,0% p.a. (December 31, 2022: 4,0% p.a.).

Based on the results of the impairment tests performed no impairment of the carrying value of the goodwill in any of the above CGU was identified (Trading services, Clearing, Depository).

20. Other Assets

	December 31, 2023	December 31, 2022
Other financial assets:		
Receivables on services rendered and other operations	2 307,3	1 791,5
Less allowance for ECL	(522,6)	(454,5)
Total other financial assets	**1 784,7**	**1 337,0**
Other non-financial assets:		
Other non-financial assets measured at fair value	49 126,0	32 182,8
Prepaid expenses	1 093,1	808,0
Taxes prepayments	362,3	83,2
Non-current assets prepaid	267,5	174,6
Other	32,8	16,4
Less allowance for impairment	(338,9)	(271,9)
Total other assets	**52 327,5**	**34 330,1**

(in millions of Russian rubles, unless otherwise indicated)

20. Other assets (continued)

The impairment allowance for other non-financial assets was created due to the temporary suspension of services by the counterparties.

An analysis of impairment and provisions for other non-financial assets for the year ended 31 December 2023 and 31 December 2022 is as follows:

	Year ended December 31, 2023	Year ended December 31, 2022
Beginning of the period	**271,9**	**–**
Net charge for the period	67,0	271,9
End of the period	**338,9**	**271,9**

21. Clients' Funds

	December 31, 2023	December 31, 2022
Financial liabilities measured at amortised cost		
Accounts of clearing participants	642 627,5	484 219,1
Other current and settlement accounts	355 621,7	583 599,1
Stress collateral	64 688,6	8 463,5
Risk-covering funds	4 496,5	4 309,4
Total financial liabilities measured at amortised cost	**1 067 434,3**	**1 080 591,1**
Non-financial liabilities measured at FVTPL		
Other non-financial liabilities measured at FVTPL	49 126,0	32 198,7
Total non-financial liabilities measured at FVTPL	**49 126,0**	**32 198,7**
Total clients' funds	**1 116 560,3**	**1 112 789,8**

22. Other Liabilities

	December 31, 2023	December 31, 2022
Other financial liabilities		
Trade and other payables	2 229,2	859,5
Dividends payable	747,3	1,2
Payables to employees	444,8	512,0
Lease liabilities	38,6	109,5
Derivative financial liabilities	0,3	1 581,6
NCI acquisition liability	–	80,0
Total other financial liabilities	**3 460,2**	**3 143,8**
Other non-financial liabilities		
Personnel remuneration provision	4 368,6	3 275,1
Tax agent liabilities regarding distributions payable to holders of securities	2 543,7	2 923,7
Taxes payable, other than income tax	1 136,4	842,0
Advances received	455,5	405,0
Total other liabilities	**11 964,4**	**10 589,6**

(in millions of Russian rubles, unless otherwise indicated)

22. Other liabilities (continued)

A maturity analysis of the lease liabilities as of December 31, 2023 and December 31, 2022 is presented below:

	December 31, 2023	**December 31, 2022**
Maturity analysis of lease liabilities		
Less than one year	23,1	100,5
One to two years	9,8	9,2
Two to three years	6,3	1,5
Three to four years	3,1	1,5
Four to five years	2,2	1,5
More than 5 years	–	0,9
Less: unearned interest	**(5,9)**	**(5,4)**
Lease liabilities	**38,6**	**109,5**

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

December 31, 2021	**981,0**
Financing cash flows	(194,5)
Modification and remeasurement	(732,5)
New leases	15,7
Other changes	39,8
December 31, 2022	**109,5**
Financing cash flows	(111,1)
Modification and remeasurement	20,5
New leases	15,9
Foreign exchange differences	1,6
Other changes	2,2
December 31, 2023	**38,6**

(in millions of Russian rubles, unless otherwise indicated)

23. Share Capital and Share Premium

The share capital of Moscow exchange comprises ordinary shares with a par value of RUB 1 each:

	Ordinary shares issued and fully paid (number of shares)	Treasury shares (number of shares)
December 31, 2021	**2 276 401 458**	**(18 922 617)**
Exercised equity instruments (Note 10)	–	93 538
December 31, 2022	**2 276 401 458**	**(18 829 079)**
Exercised equity instruments (Note 10)	–	3 112 610
December 31, 2023	**2 276 401 458**	**(15 716 469)**

As at December 31, 2023 and December 31, 2022, the number of authorized shares is 12 095 322 151.

During the year ended December 31, 2023 the Group distributed to employees 3 112 610 treasury shares under exercised equity instruments (December 31, 2022: 93 538 treasury shares) (Note 10).

24. Retained Earnings

During the year ended December 31, 2023 the Group declared and paid to the owners of the parent dividends for the year ended December 31, 2022 of RUB 10 938,5 million. The amount of dividends per share is RUB 4,84 per ordinary share (for the year ended December 31, 2021 the Group didn't declare and pay dividends on ordinary shares).

The Group's distributable reserves are limited to the amount of reserves reported in the statutory financial statements of the Group members. Non-distributable reserves comprise a reserve fund, which is created according to the statutory regulations, to cover risks, including future losses and other unforeseen risks and contingencies, as well as funds of NCC required to comply with regulations of CBR relating to CCP activities.

25. Earnings per Share

The calculation of earnings per share is based on the profit for the period attributable to shareholders of the Group and the weighted average number of ordinary outstanding during the period, calculated as shown below.

	Year ended December 31, 2023	Year ended December 31, 2022
Net profit attributable to ordinary equity holders of the parent	**60 777,2**	**36 271,1**
Weighted average number of shares	**2 258 941 289**	**2 257 555 978**
Effect of dilutive share options	10 978 124	14 711 915
Weighted average number of shares adjusted for the effect of dilution	**2 269 919 413**	**2 272 267 893**
Basic earnings per share, RUB	26,91	16,07
Diluted earnings per share, RUB	26,78	15,96

26. Operating Segments

Starting from July 1, 2023, the Group reconsidered its approach to segment reporting including the comparative period. The management of the Group switched from the segment analysis based on types of the Group companies activities to the approach focused on services provided. According to the changed approach commission income from trading and clearing services is combined and presented in segment "Markets" due to providing of complex trade-clearing services. After the combination of trade-clearing services segment "Treasury" including liquidity management function and placement of available funds, was formed. There was also a change in the consequence of costs allocation and drivers between the segments.

The Group distinguishes the following operating segments for management purposes depending on the types of products and services:

Operating segment **"Markets"** includes the Group's trading services in foreign exchange, securities, derivatives and money markets, listing and other trading services. This segment generates interest and other finance income from the placement of the market participants' funds.

In the *Foreign Exchange Market* of Moscow Exchange spot and swap transactions are performed with different maturities in the following currencies: USD, EUR, CNY, HKD, GBP, CHF, JPY, TRY, KZT, BYT, AMD, ZAR, TJS, KGS, UZS and AED. Deliverable forward contracts for currency pairs are also traded in the foreign exchange market, and transactions with precious metals are performed (gold and silver).

In the *Money Market* Moscow Exchange provides REPO services with shares and bonds of the following types: REPO with the CCP, including REPO with General Collateral Certificates with CCP (GCC-repo), inter-dealer repo, direct REPO with the CBR. Participants can also perform depositary-credit operations, in particular, funds placement auctions on bank deposits.

In the *Securities Market* of Moscow Exchange primary and secondary trades in shares, Russian government bonds (OFZ), municipal and corporate bonds, foreign state and corporate Eurobonds, depositary receipts, fund shares, ETFs are performed.

In the *Derivatives Market* of Moscow Exchange the following derivative instruments are traded: futures contracts on indices, Russian and foreign shares, Russian government bonds (OFZ) and Eurobonds Russia-30, currency pairs, interest rates, commodities, and option contracts on futures.

Listing services – inclusion and maintenance of securities in the List of securities admitted to on-exchange trading.

Clearing includes mainly CCP clearing services and other clearing services. The CCP guarantees stability in the serviced market segments through the risk-management system implementation, and provides clearing services to the market participants. The CCP guarantees that all obligations to all non-defaulting parties of the contracts signed with the CCP, regardless of whether obligations to the CCP are met or not, are fulfilled.

Operating segment **"Treasury"** includes the results of treasury activities related to management of current and long-term liquidity, operations on placement of free cash in order to generate income.

Operating segment **"Depository"** includes depository and settlement services provided to participants in the on-exchange and OTC markets, OTC transaction registration services (repository services), collateral management services and information services. Interest and other finance income is generated from the placement of Depositary's clients' funds.

(in millions of Russian rubles, unless otherwise indicated)

26. Operating Segments (continued)

Operating segment **"Marketplace"** includes income and expenses from Finuslugi project. Finuslugi is a platform for online processing financial services (mortgages, consumer loans, credit cards, car loans, deposits, debit cards, microloans, investment in bonds) and insurance products ("OSAGO" compulsory automobile insurance, "KASKO" comprehensive insurance, mortgage insurance).

Operating segment **"Other services"** includes the Group's results from information products, software and technical services provision.

Software, technical and information services include a wide range of professional instruments used for access to the Exchange markets, electronic trade based on modern exchange trade technologies, real time market data, trading results data and indices.

Financial results of the operating segments are defined before the income tax expense. Therefore, the income tax is not allocated to operating segments. Segment reports and the segment financial results provided to Management of the Group for analysis are prepared according to the International Financial Reporting Standards and are adjusted for intersegment transfers. Management of the Group evaluates the segment financial results, using the segment total income and operating profit figures, taking into account differences in products and services of different segments.

The information on income and expenses of the Group broken down into operating segments for the year ended December 31, 2023 and December 31, 2022, is provided below.

	Year ended December 31, 2023					
	Markets	**Treasury**	**Depository**	**Marketplace**	**Other services**	**Total**
Income						
Fee and commission income	37 317,1	244,0	10 175,5	1 829,5	2 676,0	**52 242,1**
Net interest and other finance income*	7 876,2	29 937,2	12 605,3	47,1	1 740,3	**52 206,1**
Other operating income	175,2	–	21,0	9,9	6,7	**212,8**
Total income	**45 368,5**	**30 181,2**	**22 801,8**	**1 886,5**	**4 423,0**	**104 661,0**
Expenses						
Personnel expenses	(7 876,8)	(2 529,3)	(2 988,5)	(1 005,2)	(864,7)	**(15 264,5)**
General and administrative expenses,	(5 407,0)	(1 740,4)	(2 568,8)	(3 101,0)	(580,9)	**(13 398,1)**
Incl. depreciation and amortisation	*(2 045,4)*	*(788,3)*	*(1 269,8)*	*(580,1)*	*(180,7)*	***(4 864,3)***
Total expenses before other operating expenses	**(13 283,8)**	**(4 269,7)**	**(5 557,3)**	**(4 106,2)**	**(1 445,6)**	**(28 662,6)**
Total profit before other operating expenses and tax	**32 084,7**	**25 911,5**	**17 244,5**	**(2 219,7)**	**2 977,4**	**75 998,4**
Movement in allowance for expected credit losses	(91,3)	1 765,4	(10,5)	(1,1)	–	**1 662,5**
Other impairment and provisions	(180,2)	–	(46,8)	–	(67,0)	**(294,0)**
Total profit before tax	**31 813,2**	**27 676,9**	**17 187,2**	**(2 220,8)**	**2 910,4**	**77 366,9**

(in millions of Russian rubles, unless otherwise indicated)

26. Operating Segments (continued)

	Year ended December 31, 2022					
	Markets	**Treasury**	**Depository**	**Marketplace**	**Other services**	**Total**
Income						
Fee and commission income	24 366,0	1 007,4	8 533,5	748,6	2 831,7	**37 487,2**
Net interest and other finance income*	5 790,2	22 044,2	16 948,0	19,6	826,4	**45 628,4**
Other operating income	342,4	–	19,9	17,4	–	**379,7**
Total income	**30 498,6**	**23 051,6**	**25 501,4**	**785,6**	**3 658,1**	**83 495,3**
Expenses						
Personnel expenses	(6 405,7)	(1 411,1)	(2 764,0)	(723,8)	(677,7)	**(11 982,3)**
General and administrative expenses	(5 002,9)	(1226,4)	(2 770,5)	(2 189,8)	(671,3)	**(11 860,9)**
Incl. depreciation and amortisation	*(1 864,2)*	*(609,9)*	*(1 455,9)*	*(195,8)*	*(234,6)*	***(4 360,4)***
Total expenses before other operating expenses	**(11 408,6)**	**(2 637,5)**	**(5 534,5)**	**(2 913,6)**	**(1 349,0)**	**(23 843,2)**
Total profit before other operating expenses and tax	**19 090,0**	**20 414,1**	**19 966,9**	**(2 128,0)**	**2 309,1**	**59 652,1**
Movement in allowance for expected credit losses	(175,0)	(12 919,6)	1,1	(0,4)	–	**(13 093,9)**
Other impairment and provisions	(1 074,6)	–	(173,0)	–	–	**(1 247,6)**
Total profit before tax	**17 840,4**	**7 494,5**	**19 795,0**	**(2 128,4)**	**2 309,1**	**45 310,6**

* including net gain on financial assets at FVTOCI and net financial result from foreign exchange

27. Commitments and Contingencies

Legal proceedings and claims. From time to time and in the normal course of business, claims against the Group may be received from customers and counterparties. Management of the Group believes that such claims may not have a material impact on its financial and operational activities and that no material losses will be incurred, and accordingly no provision has been made in these Consolidated Financial Statements.

Fiduciary activities. The Group provides depositary services to its customers. As at December 31, 2023 and 2022, the Group had customer securities totalling 89 950 bln items and 85 528 bln items, respectively, in its nominal holder accounts. The Group accepts the operational risk on these activities, but the Group's customers bear the credit and market risks associated with such operations.

Taxation. Major part of the Group's business activity is carried out in the Russian Federation. Russian tax, currency and customs legislation as currently in effect is vaguely drafted and is subject to varying interpretations, selective and inconsistent application and changes, which can occur frequently, at short notice and may apply retrospectively. Management's interpretation of such legislation as applied to the transactions and activity of the Group may be challenged by the relevant regional and federal authorities. Recent trends in tax law enforcement practice indicate that the tax authorities and courts may be taking a more assertive position in their interpretation and application of this legislation and assessments. It is therefore possible that transactions and activities of the Group that have not been challenged in the past may be challenged at any time in the future. As a result, significant additional taxes, penalties and late payment interest may be assessed by the relevant authorities. Generally fiscal periods remain open and subject to review by the Russian tax authorities for a period of three calendar years immediately preceding the year in which the decision to conduct a tax review is taken. Under certain circumstances tax reviews may cover longer periods.

As at December 31, 2023 management believes that its interpretation of the relevant legislation is appropriate and that the Group's tax, currency and customs positions should be sustained vis-à-vis tax authorities and courts.

(in millions of Russian rubles, unless otherwise indicated)

28. Transactions with Related Parties

Intragroup transactions have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

(a) Transactions with key management

Key management personnel comprises members of the Executive Board and the Supervisory Board. The total remuneration paid to key management personnel includes short-term benefits (salary, bonuses, payroll related taxes, insurance, health care, etc.), long-term benefits and share-based payment expense.

Included in the Consolidated Statement of Financial Position are the following amounts that arose on transactions with key management personnel:

	December 31, 2023	December 31, 2022
Other assets	0,1	0,1
Other liabilities	932,5	449,3
Share-based payments	368,7	134,2

Included in the Consolidated Statement of Profit or Loss are the following amounts that arose due to transactions with key management personnel:

	Year ended December 31, 2023	Year ended December 31, 2022
Short-term employee benefits	743,2	671,2
Share-based payment expense on cash settled instruments	240,7	–
Long-term employee benefits	191,6	113,2
Share-based payment expense on equity settled instruments	54,7	65,3
Total remuneration of key management personnel	**1 230,2**	**849,7**

(b) Transactions with equity-accounted investees

Included in the Consolidated Statement of Financial Position are the following amounts that arose on transactions with equity-accounted investees:

	December 31, 2023	December 31, 2022
Assets		
Equity-accounted investments	294,3	127,0
Due from financial institutions	32,4	15,5
Other assets	4,3	–
Liabilities		
Central counterparty financial liabilities	(57,9)	–

Included in the Consolidated Statement of Profit or Loss are the following amounts that arose on transactions with equity-accounted investees:

	Year ended December 31, 2023	Year ended December 31, 2022
Fee and commission income	16,2	–
Other interest income	1,9	–
Other operating income	0,4	–
General and administrative expenses	(5,9)	–

29. Fair Value Measurements

The Group performs a fair value assessment of its assets and liabilities, as required by IFRS 13 Fair Value Measurement. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability.

The Group measures fair values for assets recorded on the consolidated statement of financial position at fair value using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- level 1: Quoted market prices in an active market (that are unadjusted) for identical assets or liabilities.
- level 2: Valuation techniques (for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable).
- level 3: Valuation techniques (for which the lowest level input that is significant to the fair value measurement is unobservable).

Derivative financial instruments contracts are measured based on observable spot and forward exchange rates and the yield curves of the respective currencies.

The fair value of the unquoted equity securities is determined using discounted cash flow method representing the calculation of the present value of expected future cash flows to the reporting date for which unobservable inputs are used.

Significant unobservable inputs used in the fair value measurement of the unquoted equity securities using discounted cash flow method are discount rate (for which weighted average cost of capital of the company is used) and long-term growth rate (which mostly approaches to projected long-term inflation rate).

Non-financial assets measured at FVTPL are recorded at CBR prices.

(in millions of Russian rubles, unless otherwise indicated)

29. Fair value Measurements (continued)

The table below analyses assets and liabilities measured at fair value at December 31, 2023, by the level in the fair value hierarchy into which the fair value measurement is categorised:

	December 31, 2023			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Financial assets at FVTPL	0,3	–	3 204,8	**3 205,1**
CCP financial assets (derivative financial instruments)	10 644,7	1 138,6	–	**11 783,3**
Financial assets at FVTOCI	156 229,4	6 647,5	–	**162 876,9**
Non-financial assets measured at fair value				
Other assets (non-financial assets measured at FVTPL)	–	49 126,0	–	**49 126,0**
Financial liabilities measured at fair value				
CCP financial liabilities (derivative financial instruments)	(10 644,7)	(1 138,6)	–	**(11 783,3)**
Other liabilities (derivative financial instruments)	(0,3)	–	–	**(0,3)**
Non-financial liabilities measured at fair value				
Clients' funds (non-financial liabilities measured at FVTPL)	–	(49 126,0)	–	**(49 126,0)**

Financial assets and liabilities measured at fair value at December 31, 2022, by the level in the fair value hierarchy into which the fair value measurement is categorised:

	December 31, 2022			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Financial assets at FVTPL	22,4	1 632,0	1 499,9	**3 154,3**
CCP financial assets (derivative financial instruments)	19 871,9	8,2	–	**19 880,1**
Financial assets at FVTOCI	149 793,7	28 229,6	–	**178 023,3**
Non-financial assets measured at fair value				
Other assets (non-financial assets measured at FVTPL)	–	32 182,8	–	**32 182,8**
Financial liabilities measured at fair value				
CCP financial liabilities (derivative financial instruments)	(19 871,9)	(8,2)	–	**(19 880,1)**
Other liabilities (derivative financial instruments)	(1 581,6)	–	–	**(1 581,6)**
Non-financial liabilities measured at fair value				
Clients' funds (non-financial liabilities measured at FVTPL)	–	(32 198,7)	–	**(32 198,7)**

(in millions of Russian rubles, unless otherwise indicated)

29. Fair value Measurements (continued)

Assets and liabilities fair value of which is disclosed

The fair value of cash and cash equivalents, due from financial institutions, other financial assets, clients' funds, distributions payable to holders of securities and counterparties and other financial liabilities as of December 31, 2023 and 2022, refer to level 2 hierarchy of fair value.

Management of the Group considers that the fair value of cash and cash equivalents, due from financial institutions (except for non-financial assets measured at FVTPL), CCP financial assets and liabilities (REPO transactions and deposits), other assets (except for non-financial assets measured at FVTPL), clients' funds (except for non-financial liabilities measured at FVTPL), due to financial institutions, distributions payable to holders of securities and counterparties and other liabilities (except for derivative financial instruments) not carried at fair value in Consolidated Statement of Financial Position approximates their carrying value due to their short-term nature.

The fair value of investment financial assets at amortised cost as of December 31, 2023 amounted to RUB 17 700,4 million and refer to level 1 hierarchy of fair value.

Transfers between level 1 and 2

For assets and liabilities that are recognised at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The following table shows total amount of transfers of financial assets between level 1 and level 2. Transfers from level 2 to level 1 (from level 1 to level 2) occurred due to fact that markets for certain financial assets became (ceased to be) active during the period.

	Transfers between Level 1 and Level 2	
	Year ended December 31, 2023	Year ended December 31, 2022
From Level 1 to Level 2		
Financial assets at FVTPL	–	1 632,0
Financial assets at FVTOCI	3 809,0	24 708,0
From Level 2 to Level 1		
Financial assets at FVTOCI	14 993,0	697,4

Level 3 fair value measurements reconciliation.

The reconciliation of Level 3 fair value measurements of financial assets is presented as follows:

	Financial assets at FVTPL
	Unquoted equities
December 31, 2021	**532,5**
Total unrealized profit in profit or loss	868,2
Purchases	99,2
December 31, 2022	**1 499,9**
Total unrealized profit in profit or loss	1 645,2
Purchases	59,7
December 31, 2023	**3 204,8**

(in millions of Russian rubles, unless otherwise indicated)

29. Fair value Measurements (continued)

Unobservable inputs used in measuring fair value

The following table sets out information about significant unobservable inputs used at December 31, 2023 in measuring financial instruments categorised as Level 3 in the fair value hierarchy:

Type of financial instrument	Fair values at December 31, 2023	Valuation technique	Significant unobservable input	Estimates used for significant unobservable input
Financial assets at FVTPL (unquoted shares)	3 204,8	Discounted cash flow model	Discount rate	17,4%
			Long-term growth	5,0%

The Group has performed a sensitivity analysis on how fair value of unquoted shares categorised as Level 3 in the fair value hierarchy will change if the key unobservable inputs used to calculate fair value change by a certain percentage.

The table below outlines the change in fair value of unquoted shares with effect on profit or loss if the key unobservable inputs change while all other inputs stay unchanged:

Significant unobservable input	Change in significant unobservable input	Change in fair value
Discount rate	+1,5%	(215,1)
	-1,5%	274,3
Long-term growth	+1,0%	112,2
	-1,0%	(95,5)

30. Capital Management

The Group's policy is to maintain a strong capital base to maintain investor, creditor and market confidence and to sustain future development of the business. The Supervisory Board monitors the return on capital, which the Group defines as net profit divided by total equity, excluding non-controlling interests. The Supervisory Board also monitors the level of dividends to ordinary shareholders.

The capital structure of the Group consists of the shareholder's equity, which includes capital issued, reserves and retained earnings. The allocation of capital between specific operations and activities is, to a large extent, driven by optimization of the return achieved on the capital allocated. Although maximization of return on risk-adjusted capital is the principal basis used in determining how capital is allocated within the Group to particular operations or activities, it is not the sole basis used for decision making. Account is also taken of synergies with other operations and activities, the availability of management and other resources and the fit of the activity with the longer term strategic objectives. The policies in respect of capital management and allocation are regularly reviewed by the Supervisory Board through approval and review within annual budgets.

The Group entities are subject to capital requirements established by the CBR in respect of the minimum amount of own funds for each entity depending on the nature of their activities and capital adequacy ratio. NSD and NCC as credit institutions have to maintain a ratio of capital to risk weighted assets (statutory capital ratio N1) above the prescribed minimum level, which is 12% for NSD and 100% for NCC as a central counterparty as of December 31, 2023 (December 31, 2022: 12% for NSD and 50% for NCC).

Moscow Exchange and NAMEX have to maintain capital adequacy ratio at minimum level 100%.

(in millions of Russian rubles, unless otherwise indicated)

30. Capital Management (continued)

Regulatory capital adequacy ratios for the major Group companies were as follows:

	Capital adequacy ratio %		Capital adequacy ratios requirements %	
	December 31, 2023	**December 31, 2022**	**December 31, 2023**	**December 31, 2022**
Moscow Exchange	281,90	243,95	100,0	100,0
NCC	266,61	197,07	100,0	50,0
NSD	117,25	60,77	12,0	12,0
NAMEX	897,88	915,79	100,0	100,0

Own funds and regulatory own funds minimum requirements for the major Group companies were as follows:

	Own funds		Own funds minimum requirements	
	December 31, 2023	**December 31, 2022**	**December 31, 2023**	**December 31, 2022**
Moscow Exchange	69 502,2	52 912,2	100,0	100,0
NCC	110 823,0	102 759,9	300,0	300,0
NSD	47 149,9	33 106,0	4 000,0	4 000,0
NAMEX	401,7	372,1	100,0	100,0

The Group companies had complied in full with all its externally imposed capital requirements at all times.

31. Risk Management Policies

Risk management is an integral part of the Group's activities. Moscow Exchange Group distinguishes the following significant risks: credit, liquidity, market, operational. Risk management core objectives include identification of sources of risks, measurement of risk levels, development of risk management policies and implementation of risk controls, including setting limits and further compliance with them.

A description of the Group's risk management policies in relation to each significant risk is as follows.

Credit risk

The Group uses credit risk risk management approaches under requirements of the Russian regulators, based on the best international practices and standards. The Group's assets are exposed to credit risk, which is defined as the risk of losses resulting from a default or improper performance of their obligations to the Group by its counterparties.

The goal of credit risk management is to timely define and efficiently evaluate the level of risk necessary to ensure sustainable growth determined by the Group's development strategy.

The objectives of the Group in credit risk management:

- implement a systemic and enhanced approach to optimize the structure of the assets in order to limit credit risk level;
- enhance the competitive advantages of the Group through implementation of more precise risk measures;
- maintain stability during the introduction of new complex products and services.

31. Risk Management Policies (continued)

Credit risk (continued)

The Group controls credit risk by setting limits on a counterparty and groups of related counterparties. Credit risk limits are set on the basis of a comprehensive and in-depth evaluation of the counterparties financial conditions, analysis of the macroeconomic environment of counterparties' activities, the level of information transparency, business reputation and other financial and non-financial factors. The Group has developed and constantly improves an internal ratings system, providing a prudent assessment of its counterparties and the level of accepted credit risk.

Credit risk limits are approved by authorised bodies. Credit risk limits are monitored and reviewed on a regular basis. Also the Group constantly monitors the concentration of credit risk in compliance with applicable prudential requirements.

To reduce credit risk the Group applies specific requirements to the financial conditions of its counterparties and to the types and quality of collateral accepted by the Group. Accepted collateral includes liquid securities and cash contributions in Rubles and foreign currencies. Eligible types of collateral depend on the market and the type of exposure. To mitigate credit risk from its CCP activities the Group has introduced a multi-level default waterfall structure in compliance with the highest international standards and consisting of various lines of defence applicable in case of a clearing participant default.

As explained in Note 2, the Group monitors all financial assets that are subject to impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Group will measure the loss allowance based on lifetime rather than 12-month ECL.

In order to assess the financial condition of counterparties and the level of credit risk assumed by them, the Group has developed and continuously improves its internal rating system. The Group's internal rating system includes ten categories. Internal rating information is based on a combination of actual financial reporting data and non-financial information, including expert judgment regarding the credit risk of the counterparty. The analysis takes into account the nature of the risk and type of counterparty. Internal ratings are determined using qualitative and quantitative factors that indicate the risk that a counterparty may default on its obligations to the Group.

Internal ratings serve as a basis for assessing the time pattern of probability of default and subsequent estimation of expected credit losses.

The Group analyzes all data collected using statistical models and assesses the probability of default of the counterparty over the remaining term of the exposed instruments and its possible evolution over time in order to subsequently calculate an allowance for expected credit losses.

The Group considers that the credit risk on a financial asset has increased significantly since initial recognition if contractual payments are overdue by more than 30 days or if the counterparty's external credit rating or internal rating has been downgraded by 3 notches in the preceding 12 months or by 6 notches or more since initial recognition of the financial asset.

The Group has monitoring procedures in place to validate the effectiveness of the criteria used to identify a significant increase in credit risk. This means that a significant increase in credit risk is identified before an event of default occurs or before a payment becomes 31 days or more overdue or a counterparty's credit rating is downgraded by 3 notches or more. The Group tests its internal ratings annually based on historical data to determine whether the internal ratings adequately and timely take into account credit risk factors.

31. Risk Management Policies (continued)

Credit risk (continued)

In order to determine the amount of expected credit losses, the Group assesses the level of credit risk for those financial instruments that give rise to financial assets exposed to credit risk (Note 2).

The Group assesses the level of credit risk for a financial instrument on a monthly basis as at the reporting date throughout the life of that financial instrument, taking into account the provisioning period.

The Group uses the following methodological approaches to estimate provisions:

- determining the period of the macroeconomic cycle to assign an asset to a specific stage of impairment;
- determining the probability of counterparty default (PD) and the amount at risk (EAD) depending on the stage of impairment and the characteristics of the asset;
- determination of the risk-free value of the financial asset and the amount of expected losses (EL);
- receivables are booked taking into account their grouping;
- the EAD on demand assets is determined as the minimum of the following two values:
    - the account balance as of the reporting date;
    - the average daily account balance for the five years preceding the reporting date inclusive.

The procedure for determining the required amount of NFP provisioning includes the following assessment steps:

- determination of the provision period;
- determination of the stage of the economic cycle for the next planned provisioning period;
- determination of the stage of current impairment of a financial instrument.

For financial instruments exposed to credit risk, the Group calculates expected credit losses by estimating the expected cash flows considering all contractual terms of the financial instrument over the next 12 months or over the life of the asset (depending on the stage).

The Group assesses the counterparty's financial position and whether there is any indication that the financial instrument may be impaired based on the amounts receivable, the counterparties the period of delay in the fulfillment of the obligation. Depending on the impairment indicators identified by the Group, the financial instrument is assigned classified into one of three stages of impairment.

Default determination is an important consideration in assessing expected credit losses. The criteria for determining default are described in Note 2.

In its assessment of significant increase in credit risk as well as in its measurement of ECL the Group uses forward-looking information to create a "baseline scenario" of future dynamics of the relevant economic indicators, as well as a representative set of other possible forecast scenarios to assess the sensitivity of the results to changes in the parameters. The external information used includes economic data and forecasts published by government and monetary authorities.

The Group uses ruble zero-coupon yield curves in its measurement of macroeconomic factor for the purpose of the measurement of ECL.

31. Risk Management Policies (continued)

Credit risk (continued)

As at December 31, 2023 and 2022, the Group has no modified financial assets as a result of the Group's forbearance activities and no amounts outstanding on financial assets that were written off during the reporting period and are still subject to enforcement activity.

Maximum credit risk exposure

The Group's maximum exposure to credit risk equals to the carrying value of assets that bear credit risk.

As at December 31, 2023 included into other assets are overdue receivables of RUB 409,5 million (December 31, 2022: RUB 414,9 million).

Financial assets are classified according to the current credit ratings issued by international rating agencies (Fitch Ratings, Standard & Poor's and Moody's Investor Service) for non-residents and the current credit ratings issued by Russian national rating agencies (ACRA and Expert RA) for residents (including sovereign counterparties). The highest possible rating is AAA. Investment grade financial assets have ratings from AAA to BBB-. Financial assets which have ratings lower than BBB- are classed as speculative grade.

Liquidity risk

Liquidity risk is the risk of facing the situation where available funds are insufficient to meet current financial liabilities. The main purpose of liquidity management is to ensure Group's ability to perform its obligations not only under normal market conditions but also in cases of unforeseen emergencies without suffering unacceptable losses or risk of damaging its business reputation.

Group's liquidity management procedures cover various forms of liquidity risk:

- operating liquidity risk arising from the inability to timely meet its current obligations due to the existing structure of current cash credits and debits (operating analysis and control of liquidity);
- risk of mismatch between the amounts and dates of repayment of claims and obligations – analysis and assessment of prospective liquidity (GAP analysis);
- risk of unforeseen claims on liquidity, i.e. the consequences of the risk that unforeseen future events may claim more resources than allocated for this purpose (stress testing).

Liquidity risk management plays an important role in the whole risk management system and includes such procedures as: forecasting/monitoring payment flow and liquidity ratios, planning measures to recover the required liquidity level considering unfavourable and crisis situations, ensuring an optimal structure of assets in accordance with the resource base, taking into account the maturities of fund sources and their volumes when allocating assets to financial instruments.

The maturities of assets and liabilities and the ability to replace, at an acceptable cost, interest-bearing liabilities as they mature, are important factors in assessing the liquidity of the Group and its exposure to changes in interest and exchange rates.

Management of the Group expects that the cash flows from certain financial assets will be different from their contractual terms either because the Group has the discretionary ability to manage the cash flows or because past experience indicates that cash flows will differ from contractual terms. In case of any liquidity shortages the following liquidity management tools are used by the Group: overdraft borrowing from the CBR, Lombard and interbank borrowings, REPO deals.

(in millions of Russian rubles, unless otherwise indicated)

31. Risk Management Policies (continued)

Market risk

Market risk is the risk of losses due to changes in market variables such as interest rates, foreign exchange rates, and prices of financial instruments, as well as due to the low liquidity of the market for the purpose of the liquidation restructuring of the market position of the defaulted clearing participant. The key components of market risk are interest and currency risks.

Interest rate risk

Interest rate risk is the risk of changes in interest income or the financial instruments price due to the interest rate changes.

Management of the relevant Group entities is responsible for asset-liability management regarding relevant individual Group entities.

Designated functional units within individual Group entities and at the Group level are responsible for interest rate risk management.

The majority of the Group's transactions is represented by fixed income instruments, and hence the contractual maturity dates are also the dates of changes in interest rates.

In order to measure the impact of interest rate risk on the fair value of financial instruments the Group conducts periodic assessments of potential losses, which may be triggered by negative changes in market environment. The Risk Management Department conducts periodic monitoring of the current financial results of the Group and its entities, assesses the sensitivity of the impact of interest rate risk on portfolio fair value and income.

The results of the sensitivity analysis of the impact of interest rate risk on the fair value of debt securities measured at FVTOCI and FVTPL included in own portfolio as of December 31, 2023 and December 31, 2022 are presented in the table below:

	Year ended December 31, 2023		Year ended December 31, 2022	
	Net profit	**Equity**	**Net profit**	**Equity**
Interest rates rise	–	(12 418,5)	(6,9)	(5 169,5)
Interest rates fall	–	9 260,1	6,1	4 193,3

Sensitivity analysis is performed based on the risks of interest rate fluctuations at the reporting date. The calculation uses the assumption of interest rate changes from 86 to 207 basis points (December 31, 2022: 86 to 200 basis points) depending on the maturity of the security and the direction of interest rate changes (growth or decline). These interest rate scenarios are derived from historical data on changes in the OFZ coupon-free yield curve (G-curve).

Currency risk

Currency risk is the risk of changes in financial instruments value due to the exchange rates fluctuations. The financial state and cash flows of the Group are subject to the influence of such fluctuations. The main source of currency risk are open foreign currency positions.

The following exchange rates are applied during the period:

	December 31, 2023			December 31, 2022		
	USD	**EUR**	**CNY**	**USD**	**EUR**	**CNY**
Minimum	67,5744	72,7908	9,8949	51,158	52,7379	7,6985
Maximum	101,3598	110,6847	13,8926	120,3785	132,9581	19,0415
Average	85,7492	92,8046	12,0486	68,3761	72,1990	10,2386
Year-end	89,6883	99,1919	12,5762	70,3375	75,6553	9,8949

In addition to projecting and analysing assets and liabilities by currency, the Group analysises sensitivities to movements in exchange rates which are taking into account market conditions.

31. Risk Management Policies (continued)

Operational risk

Operational risk is the risk of direct or indirect losses arising from a wide variety of risk events associated with the internal processes, personnel, technology and infrastructure, and from external factors (other than credit, market and liquidity risks) such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour or IT failure.

The Supervisory Board has overall responsibility for the oversight of operational risk management, reviewing risk management policies and procedures. The risk assessment, reporting and control procedures vary by exposure type, but share a common methodology developed and updated periodically by the risk management personnel.

Both external and internal risk factors are identified and managed throughout the business units within their functional duties. The primary responsibility for the implementation of controls to address operational risk is assigned to management within each business unit.

Operational risk management includes reputational, compliance and legal risks governance as well.

Moreover, strategic risk (risk of non-achievement of strategic goals within certain deadline or resources) is also monitored and managed under the operational risk management framework.

Legal risk

Legal risk is the risk of incurring losses as a result of inefficient organization of legal work leading to legal errors in the activities of the Group due to the actions of employees or management boards; violation of contractual terms and conditions by the Group, as well as by its clients and counterparties; imperfection of the legal system; the Group, its clients and counterparties being under the jurisdiction of different countries. Losses arising from the realisation of legal risk are reflected in the risk event database along with losses from the realisation of operational risk.

Legal risk management procedures include:

- monitoring of legislation and internal procedures for compliance with the up-to-date requirements on a regular basis;
- setting quantitative and volume limits for legal claims and control over limits set;
- analysis of legal basis for all new products and services;
- update of internal regulations in relation to legislation changes.

Compliance risk

Compliance risk is the risk of losses resulting from Group activities being inconsistent with the law, the Charter and internal regulations. Compliance risk is solely managed by Internal Control and Compliance department that takes the following actions in order to prevent losses due to compliance risk realization:

- legislation monitoring;
- interaction with the regulatory authorities regarding the specifics of upcoming regulation;
- compliance risk identification in existing and planned internal procedures;
- best-practice analysis of internal control measures.

31. Risk Management Policies (continued)

Reputational risk

Reputational risk is the risk of the Group incurring losses or loss of profit due to negative impact of external and internal factors on business reputation, which occur in the form of specific events resulting from the actions/inaction of employees, affiliates, shareholder, beneficiaries of the Group, members of management boards, as well as third parties and organizations, which may directly or indirectly adversely affect the maintenance of reputation risk at an acceptable level.

Since January 2023, approaches to reputation risk management have been unified and unified risk appetite indicators have been developed by the Group. The reputation risk level is calculated based on the analysis of negative publications about the Group in mass media and social networks. The unified approach to managing the risk of loss of business reputation provides the possibility of timely identification of reputational threats and informing the management of the Group about them for prompt management decisions to prevent and/or minimize possible damage to the Group.

32. Offsetting of Financial Instruments

Gross claims and liabilities with individual counterparties under CCP currency transactions are offset in accordance with IAS 32.

Direct and reverse REPO transactions of CCP with individual counterparties are subject to clearing rules that create a contingent right of set-off that does not qualify for offsetting. Clearing participants are required to deposit collateral in the form of cash or securities for current deals and make contribution to a risk-covering fund, as described in Note 31. Clearing rules give the Group right to use these amounts under certain conditions (e.g. in case of default). However, offsetting criteria is not met as there is no intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Reverse REPO transactions with financial institutions are subject to master agreement that gives the Group right to settle amounts relating to these transactions on a net basis under certain conditions (e.g. in case of default), but offsetting criteria is not met as there is no enforceable right to set off in the normal course of business.

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32. Offsetting of Financial Instruments (continued)

The table below shows financial assets and liabilities offset in the statement of financial position, as well as the effect of clearing agreements that do not result in an offset in the consolidated statement of financial position:

	December 31, 2023			Related amounts not set off in the consolidated statement of the financial position		
	Gross claims	**Gross liabilities**	**Net amount presented in consolidated financial statements**	**Financial instruments**	**Collateral received**	**Net amount**
Due from financial institutions (reverse REPO receivables from financial institutions)	74 051,7	–	**74 051,7**	(74 051,7)	–	**–**
Central counterparty financial assets (REPO transactions and deposits)	6 784 692,2	–	**6 784 692,2**	(6 784 692,2)	–	**–**
Central counterparty financial assets (derivative financial instruments)	11 783,3	–	**11 783,3**	(4 224,2)	(7 559,1)	**–**
Financial assets at FVTPL (derivative financial instruments)	0,3	–	**0,3**	(0,3)	–	**–**
Central counterparty financial liabilities (REPO transactions and deposits)	–	(6 784 692,2)	**(6 784 692,2)**	6 784 692,2	–	**–**
Central counterparty financial liabilities (derivative financial instruments)	–	(11 783,3)	**(11 783,3)**	4 224,2	7 559,1	**–**
Other liabilities (derivative financial liabilities)	–	(0,3)	**(0,3)**	0,3	–	**–**

(in millions of Russian rubles, unless otherwise indicated)

32. Offsetting of Financial Instruments (continued)

	December 31, 2022			Related amounts not set off in the consolidated statement of the financial position		
	Gross claims	**Gross liabilities**	**Net amount presented in consolidated financial statements**	**Financial instruments**	**Collateral received**	**Net amount**
Due from financial institutions (reverse REPO receivables from financial institutions)	8 034,7	–	**8 034,7**	(8 034,7)	–	**–**
Central counterparty financial assets (REPO transactions and deposits)	4 368 592,7	–	**4 368 592,7**	(4 368 592,7)	–	**–**
Central counterparty financial assets (derivative financial instruments)	19 880,1	–	**19 880,1**	(7 136,3)	(12 743,8)	**–**
Financial assets at fair value through profit or loss (derivative financial instruments)	22,4	–	**22,4**	(3,0)	–	**19,4**
Central counterparty financial liabilities (REPO transactions and deposits)	–	(4 368 592,7)	**(4 368 592,7)**	4 368 592,7	–	**–**
Central counterparty financial liabilities (derivative financial instruments)	–	(19 880,1)	**(19 880,1)**	7 136,3	12 743,8	**–**
Other liabilities (derivative financial liabilities)	–	(1 581,6)	**(1 581,6)**	3,0	–	**(1 578,6)**