



PJSC LSR Group

**Disclosed Condensed Consolidated
Interim Financial Statements
for the six-month period ended 30 June 2025**

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

**To the Shareholders and the Board of Directors
Public Joint Stock Company LSR Group**

Introduction

We have reviewed the accompanying disclosed condensed consolidated interim financial statements of Public Joint Stock Company LSR Group (the "Company") and its subsidiaries (the "Group"), which comprise the disclosed condensed consolidated interim statement of profit or loss and other comprehensive income for the six-month period ended 30 June 2025, the disclosed condensed consolidated interim statement of financial position as at 30 June 2025, the disclosed condensed consolidated interim statement of cash flows for the six-month period ended 30 June 2025, the disclosed condensed consolidated interim statement of changes in equity for the six-month period ended 30 June 2025, and notes to the disclosed condensed consolidated interim financial statements (the "disclosed condensed consolidated interim financial statements"). Management is responsible for the preparation and presentation of these disclosed condensed consolidated interim financial statements in accordance with the criteria, established the Note 2(a). Our responsibility is to express a conclusion on these disclosed condensed consolidated interim financial statements based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the disclosed condensed consolidated interim financial statements as at 30 June 2025 and for the six-month period ended 30 June 2025 are not prepared, in all material respects, in accordance with the criteria, established in the Note 2(a).

Emphasis of Matter - Basis of Accounting and Restriction on Use

We draw attention to Note 2(a) to the disclosed condensed consolidated interim financial statements, which describes the basis of preparation of the disclosed condensed consolidated interim financial statements. The disclosed condensed consolidated interim financial statements are prepared for the purpose of presenting the Group's consolidated financial position as at 30 June 2025, the consolidated financial results and consolidated cash flows for the six-month period ended 30 June 2025, the disclosure of which in a public information resources would not prejudice the Group and/or its counterparties. As a result, the disclosed condensed consolidated interim financial statements may not be suitable for another purpose. Our conclusion is not modified in respect of this matter.



Yagnov Igor Anatolievich

JSC "Kept"

Moscow, Russia

29 August 2025

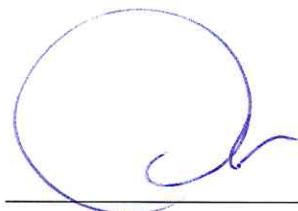
PJSC LSR Group
*Disclosed Condensed Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income
for the six-month period ended 30 June 2025*

mln RUB	Note	Six-month period ended 30 June	
		2025	2024
Revenue	10	96,404	85,147
Cost of sales		(63,129)	(52,457)
Gross profit		33,275	32,690
Distribution expenses		(6,057)	(6,635)
Administrative expenses	5	(9,312)	(8,208)
Share of profit of equity-accounted investees (net of income tax)	13	2	49
Other income	6	856	34
Other expenses	6	(442)	(233)
Results from operating activities		18,322	17,697
Finance income	8	2,265	2,433
Finance costs	8	(22,588)	(13,886)
(Loss) / profit before income tax		(2,001)	6,244
Income tax expense	9	(516)	(1,818)
(Loss) / profit for the period		(2,517)	4,426
Other comprehensive loss			
<i>Items that are or may be reclassified subsequently to profit or loss:</i>			
Foreign currency translation differences		(8,680)	(1,407)
Total comprehensive (loss) / income for the period		(11,197)	3,019

PJSC LSR Group
*Disclosed Condensed Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income
for the six-month period ended 30 June 2025*

mln RUB	Six-month period ended 30 June		
	Note	2025	2024
(Loss) / profit attributable to:			
Shareholders of the Company		(2,523)	4,429
Non-controlling interest	6	(3)	
(Loss) / profit for the period		(2,517)	4,426
Total comprehensive (loss) / income attributable to:			
Shareholders of the Company		(11,203)	3,022
Non-controlling interest	6	(3)	
Total comprehensive (loss) / income for the period		(11,197)	3,019
(Loss) / earnings per share			
Basic (loss) / earnings per share	19	<u>(25.10) RUB</u>	<u>44.05 RUB</u>

These disclosed condensed consolidated interim financial statements were approved by management on 29 August 2025 and were signed on its behalf by:



D. V. Kutuzov
Chief Executive Officer



L. V. Fradina
Chief Financial Officer

mln RUB	Note	30 June 2025	31 December 2024
ASSETS			
Non-current assets			
Property, plant and equipment	11	67,695	56,128
Intangible assets	12	3,674	3,644
Equity-accounted investees	13	1,583	2,512
Other investments	14	3,101	1,237
Deferred tax assets		7,359	6,071
Trade and other receivables	16	2,036	2,219
Total non-current assets		85,448	71,811
Current assets			
Other investments	14	1,001	702
Inventories	15	300,431	297,715
Contract assets, trade and other receivables	16	159,188	132,186
Cash and cash equivalents*	17	24,903	46,307
Total current assets		485,523	476,910
Total assets		570,971	548,721

* In Cash and cash equivalents is not included cash received to escrow accounts by the authorized bank from the accounts owners (the real estate buyers). This cash on escrow accounts was received as the settlement of the share participation agreements' price in the amount of RUB 169,447 million as at 30 June 2025 (31 December 2024: RUB 137,899 million).

mln RUB	Note	30 June 2025	31 December 2024
EQUITY AND LIABILITIES			
Equity	18		
Share capital		35	35
Treasury shares		(2,454)	(1,851)
Share premium		26,408	26,408
Additional paid-in capital		16,849	16,849
Foreign currency translation reserve		(4,610)	4,070
Retained earnings		84,542	94,934
Total equity attributable to the shareholders of the Company		120,770	140,445
Non-controlling interest		33	27
Total equity		120,803	140,472
 Non-current liabilities			
Loans and borrowings	20	258,105	206,587
Deferred tax liabilities		1,858	4,585
Trade and other payables	22	56,376	50,576
Provisions	21	93	100
Total non-current liabilities		316,432	261,848
 Current liabilities			
Loans and borrowings	20	30,671	50,372
Contract liabilities, trade and other payables	22	93,403	87,804
Provisions	21	9,662	8,225
Total current liabilities		133,736	146,401
Total liabilities		450,168	408,249
Total equity and liabilities		570,971	548,721

mln RUB	Note	Six-month period ended 30 June		
		2025	2024	
OPERATING ACTIVITIES				
(Loss) / profit for the period				
Adjustments for:				
Depreciation and amortisation	11, 12	1,082	1,028	
Gain on disposal of property, plant and equipment		(47)	(25)	
Loss on impairment loss		-	20	
Change in allowance for obsolete inventory	15	106	(254)	
Share of profit of equity-accounted investees, net of income tax	13	(2)	(49)	
Capitalised interest, including significant financing component in respect of prepayments from customers, recognized in cost of sales		2,596	1,549	
Significant financing component in respect of prepayments from customers and benefit of escrow loans recognised in revenue	10	(7,694)	(5,507)	
Net finance costs	8	20,323	11,453	
Income tax expense	9	516	1,818	
Operating profit before changes in working capital and provisions				
Increase in inventories net of non-cash items		14,363	14,459	
Increase in contract assets, trade and other receivables		(1,644)	(19,480)	
Increase in contract liabilities, trade and other payables		(49,962)	(29,551)	
Increase in provisions		12,223	13,299	
		272	186	
Cash flows utilised by operations before income taxes and interest paid				
Income taxes paid		(24,748)	(21,087)	
Interest paid		(6,470)	(5,723)	
		(14,472)	(10,088)	
Cash flows utilised by operating activities*				
<i>For reference:</i>				
<i>Cash flows utilised by operating activities, including cash on escrow accounts</i>				
		(14,142)	(11,684)	

* In Cash flows from operations is not included cash received to escrow accounts by the authorized bank from the accounts owners (the real estate buyers). This cash on escrow accounts was received as the settlement of the share participation agreements' price during the six-month period ended 30 June 2025 in the amount of RUB 31,548 million (six-month period ended 30 June 2024: RUB 25,214 million).

mln RUB	Note	Six-month period ended 30 June		
		2025	2024	
INVESTING ACTIVITIES				
Proceeds from disposal of non-current assets				
		85	30	
Interest received		2,130	2,097	
Acquisition of property, plant and equipment		(10,643)	(7,100)	
Acquisition of intangible assets		(54)	(15)	
Acquisition of equity-accounted investees	13	-	(14)	
Originated loans		(4,079)	(205)	
Loans repaid		1,732	3,143	
Cash flows utilised by investing activities		(10,829)	(2,064)	
FINANCING ACTIVITIES				
Proceeds from borrowings	20	119,289	74,387	
Proceeds from bonds	20	4,000	3,000	
Repayment of borrowings	20	(72,052)	(39,184)	
Repayment of bonds	20	(2,000)	(1,000)	
Payment of land lease liabilities	24	(1,054)	(1,111)	
Dividends		(7,869)	(10,177)	
Payment for treasury shares acquired		(603)	-	
Acquisition of minority interest		-	(3)	
Cash flows from financing activities		39,711	25,912	
Net decrease in cash and cash equivalents		(16,808)	(13,050)	
Cash and cash equivalents at the beginning of the period		46,307	51,506	
Effect of exchange rate fluctuations on cash and cash equivalents		(4,596)	(751)	
Cash and cash equivalents at the end of the period	17	24,903	37,705	

mln RUB

	Attributable to the shareholders of the Company								
	Share capital	Treasury shares	Share premium	Additional paid-in capital	Foreign currency translation reserve	Retained earnings	Total	Non-controlling interest	Total equity
Balance at 1 January 2024	35	(2,628)	26,408	16,847	362	77,614	118,638	36	118,674
Total comprehensive income									
Profit for the period	-	-	-	-	-	4,429	4,429	(3)	4,426
Other comprehensive loss									
Foreign currency translation differences for foreign operations	-	-	-	-	(1,407)	-	(1,407)	-	(1,407)
Total comprehensive income for the period	-	-	-	-	(1,407)	4,429	3,022	(3)	3,019
Transactions with owners recorded directly in equity									
Excess minority interest acquired over of consideration paid	-	-	-	2	-	-	2	(3)	(1)
Equity-settled share-based payment	-	1,379	-	-	-	(1,379)	-	-	-
Transactions with owners recorded directly in equity	-	-	-	-	-	272	272	-	272
Dividends to shareholders	-	-	-	-	-	(10,177)	(10,177)	-	(10,177)
Balance at 30 June 2024	35	(1,249)	26,408	16,849	(1,045)	70,759	111,757	30	111,787

mln RUB

	Attributable to the shareholders of the Company								Non-controlling interest	Total equity
	Share capital	Treasury shares	Share premium	Additional paid-in capital	Foreign currency translation reserve	Retained earnings	Total			
Balance at 1 January 2025	35	(1,851)	26,408	16,849	4,070	94,934	140,445	27	140,472	
Total comprehensive income										
Loss for the period	-	-	-	-	-	(2,523)	(2,523)	6	(2,517)	
Other comprehensive loss										
Foreign currency translation differences for foreign operations	-	-	-	-	(8,680)	-	(8,680)	-	(8,680)	
Total comprehensive loss for the period	-	-	-	-	(8,680)	(2,523)	(11,203)	6	(11,197)	
Transactions with owners recorded directly in equity										
Treasury shares acquired	-	(603)	-	-	-	-	(603)	-	(603)	
Dividends to shareholders	-	-	-	-	-	(7,869)	(7,869)	-	(7,869)	
Balance at 30 June 2025	35	(2,454)	26,408	16,849	(4,610)	84,542	120,770	33	120,803	

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1 Background

(a) Organisation and operations

PJSC LSR Group (the “Company”) and its subsidiaries (together referred to as the “Group”) comprise Russian limited liability and joint stock companies as defined in the Civil Code of the Russian Federation, and companies located in other countries. The Company’s shares are traded on Moscow Exchange.

The Company’s registered office is at 36B Kazanskaya Street, Floor 4, Office 32-N (18), Suite 404, Saint Petersburg, 190031, Russia.

The Group’s principal activities include real estate development, prefabricated panel construction, contracting, subcontracting and engineering services in civil and industrial construction, extraction of sand and clay, production of crushed granite, reinforced concrete, bricks, aerated concrete, transportations and crane rental services. The Company primarily operates in the following geographic markets of Russia: Saint Petersburg, the Leningrad region, Moscow and Yekaterinburg.

The Group’s major subsidiaries are detailed in note 28.

Related party transactions are detailed in note 27.

(b) Russian business environment

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

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

In response to the increasing pressure on the Russian economy, the Government of the Russian Federation and Central Bank of the Russian Federation have introduced counter-sanctions, currency control measures and other special economic measures to ensure the security and the stability of the Russian economy, financial sector and citizens.

The imposition and subsequent strengthening of sanctions have resulted in elevated economic uncertainty, including reduced liquidity and high volatility in the capital markets, volatility of the Rouble exchange rate and the key interest rate, a decrease in foreign and domestic direct investments, difficulties in making payments for Russian Eurobond issuers, and also a significant reduction in the availability of sources of debt financing.

In addition, Russian companies have virtually no access to the international stock market, the debt capital market and other development opportunities, which may lead to their increased dependence

on the governmental support. The Russian economy is in the process of adaptation associated with the replacement of retiring export markets, a change in supply markets and technologies, as well as changes in logistics, supply and production chains.

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

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

2 Basis of preparation

(a) Basis of preparation of the disclosed condensed consolidated interim financial statements

These disclosed condensed consolidated interim financial statements comprise disclosed condensed consolidated interim statement of financial position as at 30 June 2025, disclosed condensed consolidated interim statements of profit or loss and other comprehensive income, changes in equity and statements of cash flows for the six-month period then ended, and related notes.

These disclosed condensed consolidated interim financial statements for the six months ended 30 June 2025 have been prepared by the Group's management on the basis of the condensed consolidated interim financial statements for the six months period then ended prepared in accordance with IAS 34 "Interim Financial reporting" with the exception of information disclosure of which is likely to cause prejudice to the Group and (or) its counterparties ("sensitive information").

The decision on preparation of the disclosed consolidated financial statements was made by the Group's management on the basis of the part 8 of article 7 of the Federal Law "On consolidated financial statements" and Resolution of the Russian Federation Government dated 13 September 2023 № 1490 "On specific aspects of consolidated financial statements disclosure". The content of the sensitive information was defined by the Group's management in accordance with the Resolution of the Russian Federation Government dated 4 July 2023 № 1102 "On specific aspects of disclosure and (or) provision of information, subject to disclosure and (or) provision in accordance with the requirements of the Federal Law "On Joint Stock Companies" and the Federal Law "On the Securities Market".

The disclosed condensed consolidated interim financial statements do not contain all the necessary information, the disclosure of which is required to present a complete set of condensed consolidated interim financial statements of the Group in accordance with IAS 34 "Interim Financial reporting".

The disclosed condensed consolidated interim financial statements have been prepared to present the consolidated financial position and consolidated financial results and consolidated cash flows of the Group, the disclosure of which is not prejudicial to the Group and (or) its counterparties. Accordingly, these disclosed condensed consolidated interim financial statements may not be applicable for other purposes.

Group's management is responsible for the preparation and presentation of these disclosed condensed consolidated interim financial statements.

The Group also prepares the disclosed condensed consolidated interim financial statements in Russian language which excludes the same information that the disclosed condensed consolidated interim financial statements in English language.

(b) Basis of measurement

The disclosed condensed consolidated interim financial statements have been prepared on the historical cost basis.

(c) Functional and presentation currency

The national currency of the Russian Federation is the Russian Rouble (“RUB”), which is the Company’s and major subsidiaries functional currency and the currency in which these disclosed condensed consolidated interim financial statements are presented.

The results and financial position of subsidiaries whose functional currency is different from the presentation currency are translated into presentation currency using the following procedures: assets and liabilities are translated at the closing rate at the date of that statement of financial position; income and expenses are translated at approximated exchange rates to the actual exchange rates of the transactions; and all resulting exchange differences shall be recognised in other comprehensive income.

All financial information is presented in the Russian Rouble and has been rounded to the nearest million, except if otherwise indicated.

(d) Use of estimates and judgements

Preparing the disclosed condensed consolidated interim financial statements requires Management to make judgements, estimates assumptions that affect the application of accounted policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual consolidated financial statements.

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

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

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

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

Further information about the assumptions made in measuring fair values is included in note 23.

3 Significant accounting policies

The accounting policies applied in these disclosed condensed consolidated interim financial statements are the same as those applied in the Group’s consolidated financial statements as at and for the year ended 31 December 2024.

4 Operating segments

(a) Operating segments profit and loss, assets and liabilities

For the six-month period ended 30 June 2025		Real Estate Development and Construction		
mln RUB	Building Materials	Other entities	Total	
Revenue from external customers	8,146	82,614	2,389	93,149
Inter-segment revenue	469	1,267	-	1,736
Total segment revenue	8,615	83,881	2,389	94,885
Segment result	92	19,873	-	19,965
For the six-month period ended 30 June 2024				
mln RUB	Building Materials	Other entities	Total	
Revenue from external customers	10,081	70,826	595	81,502
Inter-segment revenue	1,884	892	-	2,776
Total segment revenue	11,965	71,718	595	84,278
Segment result	1,724	19,015	-	20,739
As at 30 June 2025				
mln RUB	Building Materials	Real Estate Development and Construction	Total	
Segment assets	20,853	434,321	455,174	
Segment liabilities	4,403	156,413	160,816	
As at 31 December 2024				
mln RUB	Building Materials	Real Estate Development and Construction	Total	
Segment assets	20,268	414,256	434,524	
Segment liabilities	3,402	143,128	146,530	

(b) Reconciliations of reportable segment revenues, profit/ (loss), assets and liabilities and other material items

Revenue	Six-month period ended 30 June	
	2025	2024
mln RUB		
Total revenue for reportable segments	94,885	84,278
Other revenue	909	594
Transportation revenue	2,346	3,051
Elimination of intersegment revenue	(1,736)	(2,776)
Consolidated revenue	96,404	85,147

(Loss) / profit for the period mln RUB	Six-month period ended 30 June	
	2025	2024
Total segment result	19,965	20,739
Other result	1,770	(165)
Unallocated expenses and income, net	(3,413)	(2,877)
Finance income	2,265	2,433
Finance costs	(22,588)	(13,886)
Income tax expense	(516)	(1,818)
Consolidated (loss) / profit for the period	(2,517)	4,426

Assets mln RUB	30 June 2025	31 December 2024
Total segment assets, excluding net financial position	455,174	434,524
Elimination of intersegment assets	(3,936)	(2,985)
Other unallocated assets	119,733	117,182
Total assets	570,971	548,721

Liabilities mln RUB	30 June 2025	31 December 2024
Total segment liabilities, excluding net financial position	160,816	146,530
Elimination of intersegment liabilities	(33,744)	(19,706)
Consolidated loans and borrowings	288,776	256,959
Other unallocated liabilities	34,320	24,466
Total liabilities	450,168	408,249

5 Administrative expenses

mln RUB	Six-month period ended 30 June	
	2025	2024
Wages and salaries	5,583	5,379
Services	1,182	905
Taxes other than profit tax	772	504
Social expenditure	692	527
Depreciation and amortisation	160	83
Materials	126	98
Insurance	50	25
Other administrative expenses	747	687
	9,312	8,208

6 Other income and expenses

mln RUB	Six-month period ended 30 June	
	2025	2024
Other income:		
Gain on disposal of other assets	179	9
Gain on disposal of property, plant and equipment	47	25
Other income	630	-
Total other income	856	34
Other expenses:		
Other expenses	(442)	(233)
Total other expenses	(442)	(233)
Net other expenses	414	(199)

7 Total personnel costs

mln RUB	Six-month period ended 30 June	
	2025	2024
Wages and salaries:		
Cost of sales	7,142	5,477
Administrative expenses	5,583	5,379
Distribution expenses	221	220
Total personnel costs	12,946	11,076

8 Finance income and finance costs

mln RUB	Six-month period ended 30 June	
	2025	2024
Recognised in profit or loss		
Finance income		
Interest income	2,083	2,357
Unwind of discount	152	3
Change in allowance recognised for doubtful debts	-	27
Foreign exchange gain	9	19
Gain from recovery of financial assets	20	17
Other financial income	1	10
Total finance income	2,265	2,433
Finance costs		
Interest expense	(11,561)	(8,730)
Interest expense (significant financing component and effect from beneficial rates applies to escrow loans)	(9,863)	(4,654)
Unwind of discount	(562)	(215)
Foreign exchange loss	(42)	(113)
Change in allowance recognised for doubtful debts	(550)	-
Other finance costs	(10)	(174)
Total finance costs	(22,588)	(13,886)
Net finance costs recognised in profit or loss	(20,323)	(11,453)
Recognised in other comprehensive loss		
Finance costs		
Foreign currency translation differences for foreign operations	(8,680)	(1,407)
Finance costs recognised in other comprehensive loss, net of tax	(8,680)	(1,407)

In addition to borrowing costs recognised as an expense during the six-month period ended 30 June 2025, interest in the amount of RUB 3,261 million (six-month period ended 30 June 2024: RUB 1,691 million) has been capitalized using a capitalization rate of 19.20% (six-month period ended 30 June 2024: 14.52%) as part of the work in progress, construction of buildings.

In addition to borrowing costs recognised as an expense during the six-month period ended 30 June 2025, interest in the amount of RUB 631 million (six-month period ended 30 June 2024: RUB 304 million) has been capitalized as part of the assets under construction.

In addition to unwind of discount on long-term payables for land plots and lease rights, recognized as finance costs during the six-month period ended 30 June 2025, unwind of discount in the amount of RUB 257 million (six-month period ended 30 June 2024: RUB 180 million) has been capitalized as part of the work in progress, construction of buildings.

9 Income tax expense

mln RUB	Six-month period ended 30 June	
	2025	2024
<i>Current tax expense</i>		
Current period	4,531	5,797
<i>Deferred tax expense</i>		
Origination and reversal of temporary differences	(4,015)	(3,979)
Income tax expense	516	1,818

The majority of the Group activities are taxed in Russia at a corporate income tax rate of 25.00% (2024: 20.00%).

Reconciliation of effective tax rate:

	Six-month period ended 30 June			
	2025	2024	mln RUB	%
(Loss) / profit for the period	(2,517)	4,426	126	71
Income tax expense	516	1,818	(26)	29
(Loss) / profit before income tax	(2,001)	6,244	100	100
Income tax at applicable tax rate	(501)	1,249	25	(20)
Non-taxable income	(208)	(75)	10	1
Non-deductible expenses	1,225	644	(61)	(10)
Derecognition of previously recognised deductible temporary difference	-	-	-	-
Total income tax expense for the period	516	1,818	(26)	(29)

10 Revenue

The following table provides a breakdown of the Group's revenue based on timing of satisfaction of its performance obligations – over time or at the point in time.

mln RUB	Six-month period ended 30 June	
	2025	2024
Revenue recognized over time under share participation agreements	63,458	55,404
Revenue recognized over time under long-term construction contracts	1,426	289
Revenue recognized over time under automated services contracts	480	532
Total revenue recognised over time	65,364	56,225
Total revenue recognized at a point in time	31,040	28,922
Total revenue	96,404	85,147

The significant financing component as part of the transaction price recognised in revenue from sales of real estate for six-month period ended 30 June 2025 amounted to RUB 81 million (for six-month period ended 30 June 2024: RUB 152 million). For most of the construction contracts, there is no significant financing component due to the fact that the period between receipt of payment and the fulfillment of the obligation or part of the obligation under the contracts with customers, corresponding to the payment, does not exceed 12 months, and the Group applies a practical expedient.

The significant financing component in the transaction price in contracts with customers concluded for six-month period ended 30 June 2025, was calculated using interest rates from 18.02% to 19.96% (for six-month period ended 30 June 2024: from 14.06% to 14.82%).

The transaction prices in sales of properties involving escrow accounts were determined taking into account savings on interest expense as a result of applying preferential interest rates compared to base rates stipulated in the credit facility agreements. Preferential interest rates are applied to project credit facility balances covered by funds placed by customers on escrow accounts. Rates are further reduced when the cash balances on escrow accounts exceed the amount of the loan received. As a result, the actual interest rate was less than 1% in certain periods.

Savings on interest expense recognized in revenue for six-month period ended 30 June 2025 amounted to RUB 7,613 million (for six-month period ended 30 June 2024: RUB 5,355 million).

During for six-month period ended 30 June 2025, the Group compensated banks for a portion of interest expense on mortgage loans issued by the banks at lower interest rates than the banks' customary market rates to customers who had purchased real estate from the Group. This consideration has decreased the transaction price for the sale of real estate. The reduction in revenue from the sale of real estate related to these refunds for six-month period ended 30 June 2025 amounted to RUB 723 million (for six-month period ended 30 June 2024: RUB 411 million).

Total revenue recognised over time for six-month period ended 30 June 2025 includes revenue of the Real Estate and Construction business units in amount of RUB 64,884 million and the Building materials business units in amount of RUB 480 million (for six-month period ended 30 June 2024: the Real Estate and Construction business units – RUB 55,693 million, the Building materials business units – RUB 532 million).

Total revenue recognised at a point in time for six-month period ended 30 June 2025 includes revenue of the Real Estate and Construction business units in amount of RUB 18,997 million, the Building materials business units in amount of RUB 8,135 million and Other entities in amount of RUB 2,389 million (for six-month period ended 30 June 2024: the Real Estate and Construction business units –

RUB 16,025 million, the Building materials business units – RUB 11,433 million, Other entities – RUB 595 million).

Revenue segregated by product type is presented below:

mln RUB	Six-month period ended 30 June	
	2025	2024
Sand	895	1,112
Crushed Granite	2,342	2,580
Fleet services	233	96
Ready-mix Concrete	-	768
Brick	2,474	2,695
Aerated Concrete	1,636	2,182
Tower crane services	566	648
Sales of Property and Construction services provision	82,614	70,826
Other	5,644	4,240
Total consolidated revenue	96,404	85,147

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

mln RUB	30 June 2025	31 December 2024
Receivables, which are included in “trade receivables”	10,531	7,621
Contract assets	89,330	73,904
Contract liabilities	(30,722)	(31,609)

The contract assets relate to the Group’s right for consideration for work completed but not billed at the reporting date on share participation agreements and construction contracts. The contract assets are transferred to receivables when the rights become unconditional.

The contract liabilities primarily relate to the contract liabilities under share participation agreements. For breakdown of contract liabilities by type of contracts, see note 22.

Significant changes in the liabilities balances during the periods are as follows:

mln RUB	30 June 2025	31 December 2024
Increase due to cash received, excluding amount recognized as revenue during the period	7,080	9,192

mln RUB	Six-month period ended 30 June	
	2025	2024
Revenue recognized that was included in the contract liability balance at the beginning of the period	11,864	12,528

The remaining aggregate amount of the transaction price allocated to the performance obligations under share participation agreements that are unsatisfied or partially unsatisfied as of the end of the reporting period and are expected to be recognized within the next two to three years equals to RUB 114,714 million (31 December 2024: RUB 108,988 million).

The Group applies the practical expedient in paragraph 121 of IFRS 15 and does not disclose information about remaining performance obligations that have original expected durations of one year or less.

11 Property, plant and equipment

mln RUB	2025	2024
Cost at 1 January	56,128	37,856
Additions	12,419	8,755
Depreciation charge	(1,067)	(1,028)
Disposals	(95)	(28)
Reclassifications from /(to) inventories	643	-
Effect of movements in exchange rates	(333)	(41)
Cost at 30 June	67,695	45,514

(a) Lease rights

As at 30 June 2025, the net book value of lease rights included in property, plant and equipment, mostly land plots, was RUB 523 million (31 December 2024: RUB 388 million). Depreciation for the six-month period ended 30 June 2025 amounted to RUB 43 million (six-month period ended 30 June 2024: RUB 25 million). Information on lease agreements is also provided in note 24.

12 Intangible assets

mln RUB	2025	2024
Cost at 1 January	3,644	3,585
Additions	54	15
Depreciation charge	(24)	(14)
Disposals	-	(4)
Cost at 30 June	3,674	3,582

Impairment review of goodwill was conducted by the Group as at 31 December 2024 and next time goodwill will be tested for impairment as at 31 December 2025. As at 30 June 2025, major assumptions remained unchanged, no impairment indicators were identified.

13 Equity-accounted investees

The following table provides information on the carrying amount and the Group's share of profit / (loss) and other comprehensive income of joint ventures and associates:

mln RUB	Joint ventures and associates	
	2025	2024
Equity accounted investments as at 1 January	2,512	2,551
Acquisition of equity-accounted investees	-	14
Effect of movements in exchange rates	(149)	(39)
Share of profit of equity-accounted investees, net of income tax	2	49
Reclassification	-	(303)
Disposals	(782)	-
Equity accounted investments as at 30 June	1,583	2,272

14 Other investments

mln RUB	30 June 2025	31 December 2024
<i>Non-current</i>		
Investments at amortised cost:		
<i>Stated at cost</i>	18	17
Originated loans	3,083	1,220
	<u>3,101</u>	<u>1,237</u>
<i>Current</i>		
Originated loans	1,001	702
	<u>1,001</u>	<u>702</u>

15 Inventories

mln RUB	30 June 2025	31 December 2024
Work in progress, construction of buildings	222,024	215,142
Finished goods, construction of buildings	45,218	44,624
Lease rights	29,514	34,714
Raw materials and consumables	5,814	5,632
Finished goods and goods for resale	3,370	2,933
Work in progress	<u>1,465</u>	<u>1,538</u>
	<u>307,405</u>	<u>304,583</u>
Less: allowance for obsolete inventory	(6,974)	(6,868)
	<u>300,431</u>	<u>297,715</u>

Work in progress, construction of buildings represents the expenditure incurred during the construction of buildings before they are put into operation, including land costs. The expenditure is financed by liabilities under share participation agreements (refer to note 22), loans and borrowings (refer to note 20), and profits of the developer.

Work in progress, construction of buildings with a carrying amount of RUB 169,512 million are expected to be completed in more than 12 months from the reporting date (31 December 2024: RUB 160,875 million).

Work in progress, construction of buildings and finished goods, construction of buildings include the unique development objects in the amount of RUB 10,808 million (31 December 2023: RUB 10,529 million). The net realizable value of these objects is defined applying assumptions about rental rates amounts and growth rates, occupancy rates, operational expenses and discount rates.

Lease rights represent assets under land lease contracts and the amount paid to obtain the right of development of land plot which are capitalized into the cost of object upon completion of development. On initial recognition, lease rights are recognized at the present value of future cash outflows.

Effect from beneficial rates applies to escrow loans with a carrying amount of RUB 8,303 million was capitalized as a part of work in progress, construction of buildings (31 December 2024: RUB 6,179 million).

Inventories with a carrying amount of RUB 68,048 million are subject to a registered debenture to secure bank loans (31 December 2024: RUB 72,356 million) (refer to note 20).

Unwind of discount on provision for social infrastructure in the amount of RUB 327 million (31 December 2024: RUB 674 million) has been capitalized as part of work in progress, construction of buildings.

The following is movement in the allowance for obsolete inventory:

mln RUB	2025	2024
Balance at 1 January	6,868	2,649
Change in the allowance for obsolete inventory	106	(253)
Balance at 30 June	<u>6,974</u>	<u>2,396</u>

As at 30 June 2025 the net realizable value testing resulted in an amount which was less than the carrying amount by RUB 6,974 million (31 December 2024: RUB 6,868 million) and the respective allowance was recognized in cost of sales. As at 30 June 2025 major part of the allowance of RUB 6,912 million (31 December 2024: RUB 6,804 million) relates to finished goods and goods for resale.

The net realizable value allowance was made based on the following key assumptions:

- Cash inflows were projected as total of contracted revenue and forecasted revenue determined based on current prices or prices of objects considered analogues;
- Cash outflows include costs accumulated to date and budgeted costs to finish the construction.

16 Contract assets, trade and other receivables

mln RUB	30 June 2025	31 December 2024
Non-current		
Trade receivables	2,030	2,210
Other receivables	6	9
	<u>2,036</u>	<u>2,219</u>
Current		
Assets under share participation agreements	86,293	71,175
Prepayments to suppliers	45,795	34,476
Asset on escrow	9,196	11,185
Trade receivables	5,926	4,302
Assets under construction contracts	3,037	2,729
VAT receivable	2,639	2,997
Receivables under share participation agreements	2,575	1,109
Income tax receivable	1,099	1,236
Deferred expenses	239	229
Notes receivable	140	140
Employee receivables	5	4
Other receivables	3,138	2,954
	<u>160,082</u>	<u>132,536</u>
Provision for doubtful debtors	(894)	(350)
	<u>159,188</u>	<u>132,186</u>

17 Cash and cash equivalents

mln RUB	30 June 2025	31 December 2024
Petty cash	8	4
Current accounts	4,194	8,466
Current special accounts	1,730	2,348
Call deposits	18,971	35,489
Cash and cash equivalents in the disclosed condensed consolidated interim statement of financial position and disclosed condensed consolidated interim statement of cash flows	24,903	46,307
Cash on escrow accounts	169,447	137,899
Cash and cash equivalents including cash on escrow accounts	194,350	184,206

Cash on escrow accounts

The cash on escrow accounts, which are not reflected in the disclosed condensed consolidated interim statement of financial position of the Group, represent funds, received by authorized bank from the real estate buyers as the settlement of the share participation agreements' price.

In accordance with the changes in the Federal Law №214-FZ that has come in effect as at 1 July 2019, the financing received by the developer from the customers under share participation agreements is received to the authorized bank accounts. The developer has no longer access to these funds but can obtain bank loans that are secured by those funds at the lower interest rates. The access to these funds is obtained only upon the corresponding constructions' completion. The developer reflects those funds "off balance" and discloses for information purposes only within cash on escrow accounts.

The Group's ability to use funds on current accounts is not restricted by the covenant disclosed in note 20.

18 Equity

(a) Share capital

Number of shares unless otherwise stated

	Ordinary shares	
	30 June 2025	31 December 2024
Par value	RUB 0.25	RUB 0.25
On issue at beginning of the period	103,030,215	103,030,215
On issue at end of the period, fully paid	103,030,215	103,030,215

The holders of ordinary shares are entitled to receive dividends which can be declared and are entitled to one vote per share at meetings of the Company.

(b) Treasury shares

The treasury shares comprises the cost of the Company's shares held by the Company. At the reporting date the Company held 3,079,455 of its own shares (31 December 2024: 2,299,456).

(c) Dividends

In accordance with Russian legislation the Company's distributable reserves are limited to the balance of retained earnings as recorded in the Company's statutory financial statements prepared in accordance with Russian Accounting Standards. As at 30 June 2025 the Company had unaudited and

not reviewed retained earnings, including the profit for the current period, of RUB 109,762 million (as at 31 December 2024: RUB 107,421 million).

In April 2025 the Company declared dividends in the amount of RUB 8,036 million at value RUB 78.00 per ordinary share for financial year ended 31 December 2024. The dividends were paid in full in May 2025.

In April 2024 the Company declared dividends in the amount of RUB 10,303 million at value RUB 100.00 per ordinary share for financial year ended 31 December 2023. The dividends were paid in full in May 2024.

19 Earnings per share

The calculation of earnings per share is based on profit attributable to the shareholders of the Company divided by the weighted average number of ordinary shares outstanding during the period, and by the weighted average number of dilutive potential ordinary shares, refer to note 18(a).

	2025	2024
Issued shares at 1 January	103,030,215	103,030,215
Effect of own shares held	(2,517,743)	(2,486,774)
Weighted average number of shares for the period ended 30 June	<u>100,512,472</u>	<u>100,543,441</u>

20 Loans and borrowings

This note provides information about the contractual terms of the Group's loans and borrowings.

mln RUB	30 June 2025	31 December 2024
Non-current		
Secured bank loans	59,468	51,265
Project bank loans	143,348	115,502
Unsecured bank loans	27,247	9,700
Unsecured bond issues	11,000	16,000
Reconstruction loans	16,772	14,120
Other unsecured loans	<u>270</u>	-
	<u>258,105</u>	<u>206,587</u>
Current		
Secured bank loans	15,479	28,720
Project bank loans	-	2,020
Unsecured bank loans	2,192	12,807
Unsecured bond issues	13,000	6,000
Reconstruction loans	-	541
Other unsecured loans	<u>-</u>	<u>284</u>
	<u>30,671</u>	<u>50,372</u>

Terms and debt repayment schedule

Terms and conditions of outstanding loans were as follows:

mln RUB	Currency	Nominal interest rate	Year of maturity	30 June 2025		31 December 2024	
				Face value	Carrying amount	Face value	Carrying amount
Secured facility	RUB	12.54% - 26.14%	2025 - 2037	74,947	74,947	79,985	79,985
Project facility	RUB	0.01% - 23.72%*	2026 - 2030	184,323	143,348	148,486	117,522
Reconstruction facility	RUB	4.00% - 8.25%	2035 - 2036	36,874	16,772	27,335	14,661
Unsecured facility	RUB	0.00% - 24.00%	2025 - 2030	53,709	53,709	44,791	44,791
				349,853	288,776	300,597	256,959

* Loan facilities to finance the construction of residential buildings at an interest rate, depending on the amount of cash received to escrow accounts from the real estate buyers.

As at 30 June 2025 the Group entered into a number of loan agreements for reconstruction subsidized by the government in the amount of RUB 36,874 million with annual interest rates of 4.00% - 8.25%. Loans were attracted in 2022 - 2025 and are to be repaid in 2036.

The Group determined that the interest rates for an equivalent loan issued on an arm's length basis without government grants would have been 11.50% - 25.38%. The Group concluded that the difference between the interest rate is government assistance that is intended to compensate the Group for interest expense that would otherwise be incurred if the loans were not subsidized under the financial support scheme. This government assistance is recognised and measured as part of the unit of account in determining the fair value of the loan. There are no unfulfilled conditions or contingencies for the government assistance at 30 June 2025.

Changes in liabilities arising from financing activities were as follows:

mln RUB	1 January 2025	Changes from financing activities			30 June 2025
		Received	Paid	Other movements	
Bank and other loans	234,959	119,289	(72,052)	(17,420)	264,776
Bond issued	22,000	4,000	(2,000)	-	24,000
	256,959	123,289	(74,052)	(17,420)	288,776

mln RUB	1 January 2024	Changes from financing activities			30 June 2024
		Received	Paid	Other movements	
Bank and other loans	196,935	74,387	(39,184)	(11,133)	221,005
Bond issued	27,200	3,000	(1,000)	-	29,200
	224,135	77,387	(40,184)	(11,133)	250,205

Covenants and other matters

The Credit Agreements require the Group to comply with certain general, informational and financial covenants, including:

- a limitation on the Group's ability to incur additional debt beyond certain financial ratios;
- maintaining by the Group's of some of financial coefficients on a fixed level;
- subject to certain exceptions, a prohibition restricting the Group ability to issue significant borrowings, provide guarantees or indemnities to the third party;

- an obligation to provide to the Banks with such financial and other information, the Banks may reasonably require in relation to the loan contracts, including the Group's annual audited and unaudited consolidated financial statements, prepared in accordance with IFRS;
- an obligation to keep the ratio of bank account opened in the bank-lender to loan principal at no less than one.

The Group complies with covenants described above. The Group also expects that these conditions will be met for at least 12 months after the reporting date as part of the accepted practice of interacting with creditors.

Bank loans are secured by the following:

- Property, plant and equipment with a carrying amount of RUB 21,894 million is pledged as collateral to secure bank loans (31 December 2024: RUB 19,416 million).
- Inventories with a carrying amount of RUB 68,048 million are pledged as collateral to secure bank loans (31 December 2024: RUB 72,356 million) – refer to note 15.

Bank loans are secured by the pledge of the following shares in subsidiary companies as at 30 June 2025:

- 99.99% of “Specialized developer “Soymonovskiy, 3” Ltd,
- 100% of OOO “Primorskaya”,
- 99.99% of OOO “Spetsializirovanny zastroishchik “LSR. Klyuchi”,
- 100% of JSC “Sanatorium “Sestroretsky kurort”,
- 97.22% of AO “Pansionat “Kristall”,
- 96.96% of JSC “Sanatorium “Volna”,
- 100% of “SZ “LSR. Object-M”,
- 100% of OOO “Spetsializirovanny zastroishchik “LSR. LO”,
- 100% of OOO “LSR. Otel”.

21 Provisions

mln RUB	Site finishing	Environment restoration	Litigation provision	Provision for social infrastructure	Total
Current					
Balance at 1 January 2025	419	17	520	7,269	8,225
Provisions made during the period	684	2	252	2,276	3,214
Provisions used during the period	(396)	-	(121)	(1,445)	(1,962)
Unused provisions	(1)	-	(166)	-	(167)
Unwind of discount	-	-	-	327	327
Reclassification		31	(6)	-	25
Balance at 30 June 2025	<u>706</u>	<u>50</u>	<u>479</u>	<u>8,427</u>	<u>9,662</u>
Non-current					
Balance at 1 January 2025	-	100	-	-	100
Provisions made during the period	-	12	6	-	18
Reclassification		(31)	6	-	(25)
Balance at 30 June 2025	<u>-</u>	<u>81</u>	<u>12</u>	<u>-</u>	<u>93</u>

mln RUB	Site finishing	Environment restoration	Litigation provision	Provision for social infrastructure	Total
Current					
Balance at 1 January 2024	612	34	236	5,154	6,036
Provisions made during the period	524	-	279	2,747	3,550
Provisions used during the period	(508)	-	(62)	(1,015)	(1,585)
Unused provisions	(22)	(30)	(26)	-	(78)
Unwind of discount	-	-	-	362	362
Balance at 30 June 2024	<u>606</u>	<u>4</u>	<u>427</u>	<u>7,248</u>	<u>8,285</u>
Non-current					
Balance at 1 January 2024	-	49	-	-	49
Provisions made during the period	-	31	-	-	31
Balance at 30 June 2024	<u>-</u>	<u>80</u>	<u>-</u>	<u>-</u>	<u>80</u>

(a) Site finishing

The Group records provisions in respect of the Group's obligation to incur additional costs including costs associated with cleaning up the surrounding area after finishing the construction of apartment buildings in Saint Petersburg, Moscow and Yekaterinburg.

(b) Environment restoration

The Group records provisions in respect of the Group's obligation to clean up the surrounding area after quarrying sand in forested areas. The damage caused during quarrying is cleaned up after quarrying is completed. The amount of provision is estimated based on the available information. The Group expects the resulting outflow of economic benefits over the next five years.

(c) Litigation provision

The Group recognises provision on legal obligations that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

(d) Provision for social infrastructure

The Group records provisions in respect of the Group's obligation to construct social infrastructure that is necessary for the apartment buildings' tenants.

Provision for social infrastructure is discounted as at 30 June 2025 at rate 14.60% (31 December 2024: 15.87%).

22 Contract liabilities, trade and other payables

mln RUB	30 June 2025	31 December 2024
Non-current payables		
Trade payables	10,457	12,934
Liabilities under lease contracts	2,654	11,886
Other payables	43,265	25,756
	56,376	50,576
Current payables		
Trade payables	32,695	31,925
Contract liabilities under share participation agreements	23,833	23,964
Interest payable	12,230	9,780
Advances from customers	3,658	4,354
Taxes and other payables to the budget	3,602	2,971
Liabilities under construction contracts	3,231	3,291
Employee-related liabilities	3,095	2,784
Liabilities under lease contracts	2,219	3,108
Deferred income	775	778
Income tax payable	739	2,815
Other payables	7,326	2,034
	93,403	87,804

Non-current trade payables include payables to be repaid in instalments. Payables for land plots were discounted at the obligation's recognition date at rates in the range of 7.53% - 18.02%.

Non-current accounts payable – trade include additional payables for acquired land plots of RUB 2,052 million (31 December 2024: RUB 2,918 million).

The amount of additional payables is estimated based on the projected premises' square meter selling prices and construction volumes.

The estimate of payments for land plots acquisition is largely sensitive to the change in expected market prices of premises in the buildings under construction.

The carrying amount of account payable for land plots as at 30 June 2025 is estimated based on increase of expected price per square meter by 3.96% and 3.97% annually.

The increase of expected price of premises constructed on such land plots by 5.00% per square meter annually would have led to the increase of accounts payable for land plots acquisition by RUB 361 million. The analysis assumes that all other variables, in particular sales volumes, remain constant.

Other non-current accounts payable include long-term interest payable of RUB 21,567 million and government grants of RUB 21,698 million (refer to note 20).

23 Financial instruments – fair values and risk management

(a) Classification and fair value

The fair values of financial assets and liabilities and their carrying amounts are presented below, including their levels in the fair value hierarchy:

30 June 2025 mln RUB	Note	Carrying amount	Fair value		Total
			Level 1	Level 3	
Financial assets					
Other investments at amortised cost	14	18	-	18	18
Loans and receivables		29,860	-	29,860	29,860
		<u>29,878</u>	<u>-</u>	<u>29,878</u>	<u>29,878</u>
Financial liabilities					
Secured bank loans	20	(74,947)	-	(76,528)	(76,528)
Project bank loans	20	(143,348)	-	(140,364)	(140,364)
Reconstruction loans	20	(16,772)	-	(18,392)	(18,392)
Unsecured bank loans	20	(29,439)	-	(30,540)	(30,540)
Unsecured other loans	20	(270)	-	(186)	(186)
Unsecured bond issues	20	(24,000)	(22,583)	-	(22,583)
Trade and other payables	22	(67,581)	-	(67,581)	(67,581)
		<u>(356,357)</u>	<u>(22,583)</u>	<u>(333,591)</u>	<u>(356,174)</u>
31 December 2024 mln RUB	Note	Carrying amount	Level 1	Fair value Level 3	Total
Financial assets					
Other investments at amortised cost	14	17	-	17	17
Loans and receivables		26,438	-	26,438	26,438
		<u>26,455</u>	<u>-</u>	<u>26,455</u>	<u>26,455</u>
Financial liabilities					
Secured bank loans	20	(79,985)	-	(74,071)	(74,071)
Project bank loans	20	(117,522)	-	(99,536)	(99,536)
Reconstruction loans	20	(14,661)	-	(12,404)	(12,404)
Unsecured bank loans	20	(22,507)	-	(21,980)	(21,980)
Unsecured other loans	20	(284)	-	(241)	(241)
Unsecured bond issues	20	(22,000)	(18,776)	-	(18,776)
Trade and other payables	22	(71,667)	-	(71,667)	(71,667)
		<u>(328,626)</u>	<u>(18,776)</u>	<u>(279,899)</u>	<u>(298,675)</u>

The interest rates used to discount estimated cash flows, where applicable, are based on incremental borrowing rates, available for the Group as at:

	30 June 2025	31 December 2024
Loans and borrowings	20.48%	25.07%

(b) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and cash and cash equivalents. During the reporting period, there were no significant changes in the structure of financial assets and their credit quality, as well as the Group's approaches to their assessment.

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

mln RUB	Carrying amount	
	30 June 2025	31 December 2024
Other investments at amortised cost	18	17
Loans	4,084	1,922
Receivables	25,776	24,516
Assets under share participation agreements	86,293	71,175
Cash and cash equivalents	24,903	46,307
	141,074	143,937

The ageing of trade receivables at the reporting date was:

mln RUB	Gross	Impairment	Gross	Impairment
	30 June 2025	30 June 2025	31 December 2024	31 December 2024
Not past due	6,806	-	5,313	-
Past due 0-30 days	638	-	557	-
Past due 31-60 days	138	-	172	-
Past due 61-90 days	39	-	113	-
Past due more than 90 days	335	(140)	357	(27)
	7,956	(140)	6,512	(27)

24 Leases liabilities

mln RUB	Leases liabilities	
	2025	2024
Leases liabilities as at 1 January	14,994	8,485
Current	3,108	1,446
Non-current	11,886	7,039
Additions, lease modifications and effect of movements in exchange rates	(9,067)	8,375
Interest accrued	779	941
Lease payments, including interest	(1,833)	(2,052)
Total lease liabilities as at 30 June	4,873	15,749
Current	2,219	4,930
Non-current	2,654	10,819
Variable lease payments not included in the measurement of lease liabilities	(167)	(154)

The Group leases a number of land plots. The leases typically vary from an initial year of four to forty nine years, with an option to renew the lease after that date. The lease payments are mostly expressed as a percentage of cadastral value of the related land plot or are based on rental rates, determined by authorities, which are not necessarily based on market.

The following table sets out a maturity analysis of variable lease payments not included in the measurement of lease liabilities to be paid after the reporting date.

mln RUB	30 June 2025	31 December 2024
Less than 1 year	314	349
1-5 years	1,096	1,282
Over 5 years	1,330	1,291
Total	2,740	2,922

25 Commitments

At 30 June 2025 the Group was committed to purchase and construct of property, plant and equipment for approximately RUB 19,946 million net of VAT (31 December 2024: RUB 20,769 million).

26 Contingencies

(a) Insurance

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

(b) Litigation

Existing litigations include a number of small claims relating to purchases from domestic customers. Based on experience in resolving such claims, management believes that they will be settled without significant cost to the Group. Accordingly, no provision has been made for such amounts.

(c) Taxation contingencies

The taxation system in the Russian Federation continues to evolve and is characterised by frequent changes in legislation, official pronouncements and court decisions, which are sometimes contradictory and subject to varying interpretation by different tax authorities.

Taxes are subject to review and investigation by a number of authorities, which have the authority to impose severe fines, penalties and interest charges. A tax year generally remains open for review by the tax authorities during the three subsequent calendar years. Recent events within the Russian Federation suggest that the tax authorities are taking a more assertive and substance-based position in their interpretation and enforcement of tax legislation.

All these circumstances may create tax risks in the Russian Federation that are substantially more significant than in other countries. Management believes that it has provided adequately for tax liabilities based on its interpretations of applicable Russian tax legislation, official pronouncements and court decisions. However, the interpretations of the tax authorities and courts, especially due to reform of the supreme courts that are resolving tax disputes, could differ and the effect on these disclosed condensed consolidated interim financial statements, if the authorities were successful in enforcing their interpretations, could be significant.

The Group companies entered into transactions involving other Group companies at prices which management believed were consistent with applicable tax law. However, based on the uncertainty of legislation, the tax authorities could take a different position and attempt to assess additional tax and

interest. The potential amount of such assessment cannot be reasonably estimated based on the uncertainty of transfer pricing rules, but could be significant. Management has not made any provision because it believes there will be no outflow of funds relating to any such assessment.

(d) Environmental liabilities

The Group is engaged in dredging sand in the 9 areas. The Group is engaged in crushed granite production in the 6 areas and extraction of clay in 4 areas.

According to existing legislation and the terms of licenses obtained by the Group, there is a liability for the Group to restore these sites when quarrying is complete. In case the planned restoration costs can be identified before the quarrying is completed and the license is used, the reserve for restoration is recognized.

It is planned that quarrying clay in 1 area will be completed in 2025, quarrying of the remaining 18 areas will be completed no later than 2026.

27 Related party transactions

(a) Transactions with management and close family members

The management and their close family members control 28.12% of the voting shares of the Group. (31 December 2024: 28.20%).

(i) Management remuneration

Key management received the following remuneration during the period:

mln RUB	Six-month period ended 30 June	
	2025	2024
Salaries and bonuses	663	2,177

(b) Transactions with other related parties

The Group's other related party transactions are disclosed below:

(i) Revenue

mln RUB	Transaction value six-month period ended		Outstanding balance	
			31 December	
	30 June 2025	30 June 2024	30 June 2025	2024
Sale of goods and services provided to:				
Beneficial owner and companies controlled or significantly influenced by or on behalf of the Group's ultimate beneficial owner or persons acting on their behalf	93	53	13	7
	93	53	13	7

All outstanding balances with related parties are to be settled in cash within the 12-month of the reporting date. None of the balances is secured.

Other expenses to companies controlled or significantly influenced by or on behalf of the Group's ultimate beneficial owners for the period ended 30 June 2025 - RUB 97 mln (other expenses for the period ended 30 June 2024: RUB 50 mln). Outstanding balance – nil (31 December 2024: RUB nil).

(ii) *Expenses and capital expenditures*

mln RUB	Transaction value six-month period ended		Outstanding balance	
			31 December	
	30 June 2025	30 June 2024	30 June 2025	2024
Purchase of goods and services from: Beneficial owner and companies controlled or significantly influenced by or on behalf of the Group's ultimate beneficial owner or persons acting on their behalf				
	941	1,855	194	163
	941	1,855	194	163

All outstanding balances with related parties are to be settled in cash within the 12-month of the reporting date. None of the balances is secured.

(iii) *Loans*

mln RUB	Transaction value six-month period ended		Outstanding balance	
			31 December	
	30 June 2025	30 June 2024	30 June 2025	2024
Loans received (included into unsecured other loans – refer to note 20) from: Beneficial owner and companies controlled or significantly influenced by or on behalf of the Group's ultimate beneficial owners or persons acting on their behalf				
	270	-	270	24
	270	-	270	24

mln RUB	Transaction value six-month period ended		Outstanding balance	
			31 December	
	30 June 2025	30 June 2024	30 June 2025	2024
Interest payable (included into other payables) to: Beneficial owner and companies controlled or significantly influenced by or on behalf of the Group's ultimate beneficial owner or persons acting on their behalf				
	-	-	-	8
	-	-	-	8

mln RUB	Transaction value six-month period ended		Outstanding balance	
			31 December	
	30 June 2025	30 June 2024	30 June 2025	2024
Loans given (included into other investments – loans given category– refer to note 14) to:				
Beneficial owner and companies controlled or significantly influenced by or on behalf of the Group's ultimate beneficial owner or persons acting on their behalf	4,005	183	3,923	1,819
	<u>4,005</u>	<u>183</u>	<u>3,923</u>	<u>1,819</u>

Management does not consider that any of the counterparties may not perform their obligations.

mln RUB	Transaction value six-month period ended		Outstanding balance	
			31 December	
	30 June 2025	30 June 2024	30 June 2025	2024
Interest receivable (included into other receivables) from:				
Beneficial owner and companies controlled or significantly influenced by or on behalf of the Group's ultimate beneficial owner or persons acting on their behalf	162	32	18	112
	<u>162</u>	<u>32</u>	<u>18</u>	<u>112</u>

(iv) Transactions with shares / promissory notes

mln RUB	Transaction value six-month period ended		Outstanding balance	
			31 December	
	30 June 2025	30 June 2024	30 June 2024	2024
Purchase of shares / promissory notes from:				
Beneficial owner and companies controlled or significantly influenced by or on behalf of, the Group's ultimate beneficial owner or persons acting on their behalf	-	-	140	140
	<u>-</u>	<u>-</u>	<u>140</u>	<u>140</u>

28 Major subsidiaries

Entity	Country of incorporation	Ownership/ voting interest	Ownership/ voting interest
		30 June 2025	31 December 2024
AO "Spetsializirovanny zastroishchik "SKV SPb"	Russia	100.00%	100.00%
OOO "LSR. Nedvizimost-SZ"	Russia	100.00%	100.00%
OOO "LSR. Stroitelstvo-SZ"	Russia	100.00%	100.00%
AO "LSR. Krany-SZ"	Russia	100.00%	100.00%
AO "SZ "LSR. Nedvizimost-M"	Russia	100.00%	100.00%
LSR. Wall Materials Ltd	Russia	100.00%	100.00%
OOO "Leningradka 58"	Russia	100.00%	100.00%
Limited Liability Company Smolnyi District	Russia	100.00%	100.00%
JSC "A Plus Estate"	Russia	100.00%	100.00%
AO "Stroicorporatciya"	Russia	100.00%	100.00%
AO MTO "ARHPROEKT"	Russia	100.00%	100.00%
OOO "Velikan - XXI vek"	Russia	100.00%	100.00%
Lsr Group Ltd	Russia	100.00%	100.00%
LSR. Construction-Urals Ltd	Russia	100.00%	100.00%
AO "Spetsializirovanny zastroishchik "LSR. Nedvizimost-Ural"	Russia	100.00%	100.00%
OOO "LSR-Stroy"	Russia	100.00%	100.00%
AO "LSR. Bazovye"	Russia	100.00%	100.00%
"SZ "LSR. Object-M" Ltd	Russia	100.00%	100.00%
OOO "Spetsializirovanny zastroishchik "LSR"	Russia	100.00%	100.00%
OOO "Spetsializirovanny zastroishchik "LSR. Prostor"	Russia	100.00%	100.00%
OOO "Kallelovo"	Russia	100.00%	100.00%
OOO "Spetsializirovanny zastroishchik "LSR. Luchi"	Russia	100.00%	100.00%
OOO "Spetsializirovanny zastroishchik "LSR. Razvitie"	Russia	100.00%	100.00%
OOO "Spetsializirovanny zastroishchik "LSR. Ural"	Russia	100.00%	100.00%
OOO "Spetsializirovanny zastroishchik "LSR. Prostranstvo"	Russia	100.00%	100.00%
OOO "Spetsializirovanny zastroishchik "LSR. LO"	Russia	100.00%	100.00%
OOO "Nerudnye materialy"	Russia	100.00%	100.00%
OOO "Spetsializirovanny zastroishchik "LSR. Klyuchi"	Russia	100.00%	100.00%
OOO "Spetsializirovanny zastroishchik "LSR. Perspektiva"	Russia	100.00%	100.00%
OOO "Spetsializirovanny zastroishchik "LSR. Proekt"	Russia	100.00%	100.00%
"Gorki Lake" Ltd	Russia	100.00%	100.00%
Avtovskaya 31, JSC	Russia	100.00%	100.00%
OOO "Primorskaya"	Russia	100.00%	100.00%
"Specialized developer "Soymonovskiy, 3" Ltd	Russia	100.00%	100.00%
JSC "Sanatorium "Sestroretsky kurort"	Russia	100.00%	100.00%
AO "Pansionat "Kristall"	Russia	97.22%	97.22%
OOO "Spetsializirovanny zastroishchik "LSR. Kvartal"	Russia	100.00%	100.00%
OOO "Smolny, 11"	Russia	100.00%	100.00%
OOO "Smolny, 12"	Russia	100.00%	100.00%
LLC "LSR. PM"	Russia	100.00%	100.00%
"ZILART Mall" Ltd	Russia	100.00%	100.00%
JSC "Sanatorium "Volna"	Russia	96.96%	96.96%
LLC "SD "Borisovskie Prudy"	Russia	100.00%	100.00%
"LSR. Sochi" Ltd	Russia	100.00%	100.00%
LSR. Hotel Management Company LLC	Russia	100.00%	100.00%
OOO "SZ "ZIL Vostok"	Russia	100.00%	100.00%
OOO "YUG-RIELT"	Russia	100.00%	100.00%
OOO "Spetsializirovanny zastroishchik "LSR. Avtovskaya"	Russia	100.00%	100.00%
OOO "SZ "LSR. Progress"	Russia	100.00%	100.00%
OOO "Spetsializirovanny zastroishchik "LSR. Ostrov"	Russia	100.00%	100.00%
AO "Smart development"	Russia	100.00%	100.00%
OOO "LSR. Kapital-M"	Russia	100.00%	100.00%

Entity	Country of incorporation	Ownership/ voting interest	Ownership/ voting interest
		30 June 2025	31 December 2024
OOO "LSR. Promdevelopment"	Russia	100.00%	100.00%
OOO "LSR. Otel"	Russia	100.00%	100.00%
OOO "Spetsializirovanny zastroishchik "LSR. SZ 2"	Russia	100.00%	100.00%
OOO "SZ "Fort-Invest"	Russia	100.00%	100.00%
CHUK "MVTs "Kollektsiia"	Russia	100.00%	100.00%
OOO "Spetsializirovanny zastroishchik "LSR. SZ 3"	Russia	100.00%	100.00%
OOO "LSR. Servis"	Russia	99.00%	99.00%
LLC KESKO-TERMINAL	Russia	100.00%	100.00%
OOO "Muzeyniy magazin "Kollektsiia"	Russia	100.00%	-
AO "Innovatsiia"	Russia	100.00%	-
OOO "Spetsializirovanny zastroishchik "LSR. SZ 4"	Russia	100.00%	-
Novaya Perspektiva LLC	Russia	100.00%	-
OOO "LSR. Osnova"	Russia	100.00%	-

29 Events subsequent to the reporting date

(a) Financing events

In July 2025 the Group entity repaid loan agreements to VTB Bank (PJSC) for a total amount of RUB 1,455 million.

In July 2025 Group entities entered into loan agreements with Sberbank with a limit of RUB 552 million and maturing no later than September 2027, with a limit of RUB 828 million and maturing no later than March 2028 with a limit of RUB 3,224 million and maturing no later than October 2028 and with VTB Bank (PJSC) with a limit of RUB 7,457 million and a maturity date no later than July 2037, with a limit of RUB 1,755 million and a maturity date no later than March 2027.

30 Supplementary disclosures

Key financial performance indicators business segment / business unit were as follows:

For the six-month period ended 30 June 2025 mln RUB	Revenue from external customers	Inter-group revenue	Total revenue	Results from operating activities (excl. management fee)	Depreciation / Amortisation	Impairment losses	Capitalized Interest recognized in cost of sales	Write off of change in fair value of the disposed asset	Adjusted EBITDA*
Sand	895	53	948	60	61	-	-	-	121
Crushed Granite	2,342	83	2,425	(162)	105	-	-	-	(57)
Land improvement	-	185	185	(5)	20	-	-	-	15
Fleet services	233	-	233	(347)	34	-	-	-	(313)
Eliminations	-	-	-	-	-	-	-	-	-
LSR. Basic Materials	3,470	321	3,791	(454)	220	-	-	-	(234)
Brick	2,474	4	2,478	206	224	-	-	-	430
Aerated Concrete	1,636	22	1,658	219	94	-	-	-	313
Eliminations	-	-	-	-	-	-	-	-	-
LSR. Wall Materials	4,110	26	4,136	425	318	-	-	-	743
LSR. Cranes	566	146	712	115	7	-	-	-	122
Eliminations	-	(24)	(24)	6	-	-	-	-	6
Building Materials	8,146	469	8,615	92	545	-	-	-	637
LSR. Real Estate and Construction - North-West	36,418	1,254	37,672	8,194	184	-	261	-	8,639
LSR. Real Estate and Construction - Moscow	42,364	13	42,377	11,058	36	-	2,319	-	13,413
LSR. Real Estate and Construction - Ural	3,832	-	3,832	621	48	-	16	-	685
Eliminations	-	-	-	-	-	-	-	-	-
Real Estate Development and Construction	82,614	1,267	83,881	19,873	268	-	2,596	-	22,737
Other entities	2,389	-	2,389	-	269	-	-	-	269
Unallocated income and expenses	909	-	909	(3,413)	-	-	-	-	(3,413)
Transportation revenue	2,346	-	2,346	-	-	-	-	-	-
Eliminations	-	(1,736)	(1,736)	1,770	-	-	-	-	1,770
Consolidated	96,404	-	96,404	18,322	1,082	-	2,596	-	22,000

* Adjusted EBITDA = Results from operating activities + Depreciation/amortisation – (Increase in fair value of Investment property – Decrease in fair value of Investment property) – (Increase in results from operating activities due to write off of change in fair value of the disposed asset – Decrease in results from operating activities due to write off of change in fair value of the disposed asset) + Impairment losses recognised during the reporting period + Capitalized interest recognized in cost of sales. Adjusted EBITDA is not a defined performance measure in IFRS.

For the six-month period ended 30 June 2024 mln RUB	Revenue from external customers	Inter-group revenue	Total revenue	Results from operating activities (excl. management fee)	Depreciation / Amortisation	Impairment losses	Capitalized Interest recognized in cost of sales	Write off of change in fair value of the disposed asset	Adjusted EBITDA*
Sand	1,112	83	1,195	364	53	-	-	-	417
Crushed Granite	2,580	173	2,753	(38)	110	-	-	-	72
Land improvement	-	1,480	1,480	63	25	-	-	-	88
Fleet services	96	-	96	(91)	28	-	-	-	(63)
Eliminations	-	-	-	-	-	-	-	-	-
LSR. Basic Materials	3,788	1,736	5,524	298	216	-	-	-	514
LSR. Ready-mix Concrete	768	192	960	(44)	4	-	-	-	(40)
Brick	2,695	18	2,713	551	238	-	-	-	789
Aerated Concrete	2,182	23	2,205	768	105	-	-	-	873
Eliminations	-	-	-	-	-	-	-	-	-
LSR. Wall Materials	4,877	41	4,918	1,319	343	-	-	-	1,662
LSR. Cranes	648	89	737	135	12	-	-	-	147
Eliminations	-	(174)	(174)	16	-	-	-	-	16
Building Materials	10,081	1,884	11,965	1,724	575	-	-	-	2,299
LSR. Real Estate and Construction - North-West	30,008	882	30,890	8,138	153	-	351	-	8,642
LSR. Real Estate and Construction - Moscow	35,069	10	35,079	9,209	25	1	1,192	-	10,427
LSR. Real Estate and Construction - Ural	5,749	-	5,749	1,668	51	-	6	-	1,725
Eliminations	-	-	-	-	-	-	-	-	-
Real Estate Development and Construction	70,826	892	71,718	19,015	229	1	1,549	-	20,794
Other entities	595	-	595	-	224	-	-	-	224
Unallocated income and expenses	594	-	594	(2,877)	-	19	-	-	(2,858)
Transportation revenue	3,051	-	3,051	-	-	-	-	-	-
Eliminations	-	(2,776)	(2,776)	(165)	-	-	-	-	(165)
Consolidated	85,147	-	85,147	17,697	1,028	20	1,549	-	20,294

* Adjusted EBITDA = Results from operating activities + Depreciation/amortisation – (Increase in fair value of Investment property – Decrease in fair value of Investment property) – (Increase in results from operating activities due to write off of change in fair value of the disposed asset – Decrease in results from operating activities due to write off of change in fair value of the disposed asset) + Impairment losses recognised during the reporting period + Capitalized interest recognized in cost of sales. Adjusted EBITDA is not a defined performance measure in IFRS.