

MOSCOW EXCHANGE

MOEX 2Q 2025 IFRS results conference call

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Speakers:

- Anton Terentiev, Head of Investor Relations

Participants asking questions:

- Svetlana Aslanova, Euler
- Olga Naydenova, Sinara Bank
- Gleb Poleshkin, ATON AM
- Artur Karapetyan, ATON AM
- Nikita Zevakin, Alfa-Capital

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Anton Terentiev – Head of Investor Relations

Thank you. Good afternoon everyone, and welcome to Moscow Exchange's 2Q 2025 IFRS results conference call. As usual, we will start with prepared remarks and then have a Q&A session. Please ask every question in both Russian and English. For the convenience of our audience, we will make transcripts available in both languages in the next few days.

Before we start, I would like to remind you that certain statements in this presentation and during the Q&A session may relate to future events and expectations and, as such, constitute forward-looking statements. Actual results may differ materially from these projections. The Company does not intend to update these statements prior to the next conference call. By now, you must have received the press release outlining our results. Our management presentation is available on the Company's website in the Investor Relations section.

Slide 2 is on the delivery on our strategic initiatives in 2Q 2025 and beyond.

First, the Exchange continues to add new products: 13 new Russian-law ETFs on bonds, equities, money market instruments and precious metals have started trading on MOEX since the beginning of 2Q 2025, bringing the total count of these ETFs to 96, almost a hundred. MOEX added 39 non-listed equities to CCP-based OTC trading; the resulting total number of such equities equals 174. The Derivatives Market also has some new things to present. Ten new futures contracts, primarily on equities and commodities, have been launched since our previous call. Two

companies have placed 29 DFA issues of credit nature on the MOEX platform since our previous conversation, raising a total of RUB 74.9 billion. Finuslugi added the fourth authored mutual fund, building on a healthy demand that has already brought into this product line AUM of about RUB 150 million in just four months since launch. An easy online access to mutual funds is a unique offering that Finuslugi has brought to facilitate the development of the asset management industry. These developments make the market more diversified and appealing to end clients.

Second, we continue to work on new services. Responding to client activity, we began weekend calculation of the MOEX Index under the IMOEX2 ticker and weekend trading in Russian-law ETFs & derivatives, while also admitting more stocks. The number of equity and fixed income instruments traded at morning and evening sessions reached 220 and 547, respectively, reflecting growing demand for extended market hours. Specifically, Equities, Bonds and Derivatives Markets combined saw some 20% of their volumes coming from extended market hours since the beginning of 2Q 2025. MOEX introduced 15 indices, including three that track new topics: crypto-assets (MOEXBTC), climatic impact (ICLIMATE) and shareholder value creation (MVBI). BookBuilder, our proprietary digital platform that facilitates bond placements, processed 80+% of corporate primary market volumes in 2Q 2025.

Third, we are developing our client base and partnerships. The number of retail clients on the Securities Market approached 37.8 million as of the end of July 2025. As many as nearly 2.7 million new clients have onboarded since the beginning of this year. The total number of

individual investment accounts amounted to 6.1 million. On the primary Bond Market, 135 corporates including 13 newcomers, placed 299 bond issues, raising over RUB 2.67 trillion in the second quarter. OZON Pharmaceuticals successfully completed its RUB 2.8 billion SPO on MOEX. Digital Habits, an IT developer, raised RUB 900 million via MOEX Start as the pre-IPO platform continues to develop, admitting venture companies with mining licenses. Finally, Moscow Exchange completed dividend payments for 2024, distributing a total of RUB 59.4 billion (DPS of RUB 26.11), or 75% of the 2024 IFRS net profit.

Slide 3. Summary of 2Q 2025 financials. Operating income decreased by 12% YoY on the back of the declining NII. Although fee income grew 15% YoY, NII declined by 33% YoY following a reduction in client balances. At our previous call in May 2025, midway through the second quarter, we reiterated that balances at that point had stabilised at about a half of the average level observed in 2024. Today, we have full data for 2Q 2025 and see that client balances were insignificantly down QoQ on the back of a layer which carried interest expense. Beyond that, client balances which have no associated interest expense stood practically unchanged. The 2Q NII contains a positive one-off amounting to some RUB 1 billion plus a RUB 0.7 billion effect of a more favourable client balances structure that we have just described. Net of these two factors, the 2Q NII would have ended up in line with the adjusted 1Q 2025 that consensus forecasts had suggested back in May. Thus far in 3Q 2025, we do not see any improvement in either client balances or interest rate on the investment portfolio. Therefore, the 3Q NII will most likely end up between the reported NII figures for 1Q and 2Q 2025. The current split of money market instruments vs bonds in our

rouble investment portfolio is roughly 50/50, with a slight tilt towards bonds. The HTM part of the bond portfolio has stood practically unchanged since we announced that we were done putting together this part of the portfolio at the 2Q 2024 earnings call. You can see this on the balance sheet.

Operating expenses decreased by 5% QoQ and 2% YoY. The decline is mainly explained by the reduction in personnel expenses. We will dissect OPEX dynamics later in the presentation. Cost-to-income ratio amounted to 37.9%, improving on a QoQ basis. Adjusted EBITDA was down 15% YoY, but up 25% QoQ and stood at a margin of 67.9%. Adjusted net income decreased by 24% YoY, but improved by 28% QoQ, and adjusted return on equity amounted to 23.2%.

Slide 4. Diversified fee and commission income. Fee income grew by 15% YoY and its structure remains well-diversified. The single largest constituent was the Money Market, which accounted for 26% of the total. Let me now go line by line.

On the Money Market, fees grew by 21% YoY on the back of a nearly identical increase in trading volumes of 22%. The increase in the share of value-added CCP repo, including GCC, in the volume mix supported the effective fee. The decrease in repo terms had a negative effect. The average on-exchange repo term was down 35% YoY to 2.9 days. The GCC repo term decreased by 50% YoY to 2.2 days. The strong accumulated position in Russian-law money market ETFs supports the GCC repo segment.

Fee income on the Equities Market added 17% YoY, while volumes were up 20% YoY. Extended market hours trading accounted for 30% of volumes in 2Q. Trading velocity amounted to 71% in 2Q 2025 compared to

51% in 2Q 2024. Over 3.6 million retail clients were active every month during the quarter.

On the Derivatives Market, fees improved by 22% YoY and trading volumes increased by 35% YoY. The discrepancy between fees and volumes is explained by the change in the trading volume mix. It shifted away from commodities and towards index contracts, creating a negative effect on the effective fee. Specifically, index derivative volumes surged by 202%, while commodity contracts added only 7.0%. The share of options in the volume mix stood at 2.5%.

Fees and commissions from the Depository and Settlement decreased by 6.7% YoY. The average value of assets on deposits was down 0.3% YoY. The discrepancy between the dynamics of fees and assets is the result of business lines beyond safekeeping, primarily clearing and collateral management services, i.e. money market operations at the NSD. The latter demonstrated negative financial performance.

On the Fixed Income market, fees surged by 78% YoY, while trading volumes added 64%. This is explained by the activity at both primary and secondary markets. Primary market volumes excluding overnight bonds were up by 64% YoY, driven by fixed-coupon bonds. Secondary trading volumes surged by the same magnitude, 64% YoY.

Finuslugi revenue improved by 150% YoY and 25% QoQ.

The ITSLOFI line includes IT Services, Listing and other fee income. Sales of software and technical services added 7% YoY. Sales of information services practically halved as major foreign clients exited this market. Listing and other services improved by 44% YoY as

activity on the primary bond market was strong during the quarter.

Slide 5. Operating expenses in 2Q 2025 (excluding provisions). Operating expenses in 2Q decreased by 2.1% YoY, largely due to the reduction in personnel expenses. On a quarterly basis, OPEX declined by 5.2%. Current personnel expenses were up only 8.7% YoY due to the unwinding of FY 2024 bonus accruals in 2Q 2025. Long-term incentive provisions declined by 92% YoY amid the high base effect of LTIP provisions in 2Q 2024 and share price decline. The employee headcount added 24.5% YoY and 2.6% QoQ. New hires are related to the overall strengthening of the IT function and strategic projects.

Advertising and marketing costs grew by 41% YoY to stimulate further growth of the Finuslugi client base. The increase in taxes, other than income tax, is related to VAT on marketing, IT, and consulting services. Market makers' fees added 45% as trading activity improved across markets.

D&A and IT maintenance was up 48% YoY, while the D&A alone added 45% YoY. IT maintenance costs increased by 55% due to the implementation of the software & hardware renewal programme.

The FY 2025 OPEX growth guidance remains in the range of 20–30%. The approximate split of the OPEX growth rate is as follows: 1/4 relates to personnel expenses, 1/3 to IT maintenance and other G&A, while the rest is allocated to marketing. The acceleration of marketing spend is driven by the development of the Finuslugi platform. CAPEX explains the IT maintenance component. Personnel expenses growth is linked to strengthening of existing business lines and new hires on strategic projects. Net of marketing expenses,

the 2025 OPEX growth range settles in the mid to high teens area, broadly in line with historical levels adjusted for CPI.

The 2Q 2025 CAPEX amounted to RUB 2.7 billion and was spent on purchases of software and equipment, as well as software development. The 2025 CAPEX guidance range remains at RUB 14–16 billion. The actual spend depends on the implementation of the software and hardware renewal programme.

This concludes the overview of our results. We are now ready to take your questions.

Operator

Our first question comes from Svetlana Aslanova, Euler. Please go ahead.

Svetlana Aslanova – Euler

My first question is on staff costs growth. What growth do you target in 2025? What should we include in our models? The second question is on commission income. The current growth of commission income follows the average growth of more than 13% per annum according to your strategy target. What challenges or support do you see for your strategy in commission income growth in 2025–2026?

Anton Terentiev – Head of Investor Relations

Hello, Svetlana, I will start with your question number one. Unfortunately, I cannot give you a direct answer to that question, but let me try to elaborate on that subject and give you an indirect answer. Your question is about the guidance breakdown. Given the guidance of 20–30%, could we specify ranges for personnel and other G&A? We still have uncertainty over dynamics for the second half. We intentionally did not narrow the guidance

range to allow for possible changes in different components, therefore we cannot give you this breakdown. What I can say is that everything that happens in the second quarter will still fit the guidance range. We did discuss internally narrowing of the guidance towards 20–25%, but decided not to do this because of the LTIP. You remember from previous quarters, specifically 2Q 2024, that the LTIP component can be very volatile. In 2Q 2025, it was subdued because of the low price and the decline in the key rate, but it may rebound if markets go up. So, we keep the guidance range of 20–30%, but we could have narrowed it down to 20–25%, and the personnel would have played a role in that.

Your second question is about fee income, that is progressing broadly in line with our strategy in 2025–2026, and drivers for changes of this growth rate. First of all, I would like to point out that our fee income performance is visibly ahead of the strategy. We were riding at 20% plus. In 2Q, the growth rate was 15%, but you have already seen trading volumes for July. Soon enough, we will report trading volumes for August. In 2Q, markets were subdued, therefore, we may see some acceleration in fees and commissions in 3Q. That comes hand in hand with your question about the factors. The factor will be an increase in asset prices, because it is hard to maintain growth of fees and commissions against a declining market and declining asset price levels. We see that the key rate is going down, and that might support the markets and drive some revaluation in the markets. If asset prices go up, this will provide significant support to our fees and commissions performance. As you can see from the next slide demonstrating the composition of our markets, most of these markets will be beneficiaries if price levels go up.

Operator

Thank you. Our next question comes from Olga Naydenova, Sinara Bank.

Olga Naydenova – Sinara Bank

I have a question regarding your OPEX guidance. It suggests that around 40% of cost growth (at least 20%) comes from an increase in marketing expenses, which technically suggests you would have to accelerate your marketing in the second half of the year. Is my understanding correct? Why do you plan to accelerate marketing? Shall we see any indications of why you are happy with the outcome of what you are marketing?

Anton Terentiev – Head of Investor Relations

First, let us have a quick glance at the slide that you see on the screen. Marketing is sitting inside the remaining admin expenses. The line of the remaining admin expenses is comfortably within the guidance range. All the components you see are fitting the guidance. The only laggard when you talk about our OPEX growth is personnel. There is no indication that the marketing spend is at a subdued level in 2Q 2025 if you take the full year figure into account. We have never really communicated any sort of statement that the marketing spend will be loaded towards the end of the year. It is fair to say that our marketing and advertising come at a specific amount every quarter. Our numbers do not suggest that it should accelerate towards the end of the year if we talk about any meaningful acceleration.

To the point of your question, as we say over and over again, our marketing is associated with the growth of the Finuslugi client base. The Finuslugi team sees how this client base is expanding day by day and how many hundreds or thousands or millions of clients are already using certain services. Observing this trend,

the team can evaluate whether the marketing spend is still effective. If the trend suddenly starts to reach saturation, the rate of spending needs to be reassessed. The main focus here is on building up the audience, the client base is the priority. You also see that the underlying performance of Finuslugi is quite sound.

If you look at our financial statements, you will see segment reporting there. The pre-tax loss we have on the Finuslugi unit is not growing, it has actually declined QoQ as a percentage of pre-tax profits. If you look into the nominal amounts and imagine that we stop marketing, Finuslugi almost turns profitable. That suggests that the marketing load is proportional. There are some anticipated effects that we have already observed. I do not think we should see any dramatic rise in marketing in the second half of the year, at least, this is not what we have communicated. At the end of the day, the guidance range remains intact.

Olga Naydenova – Sinara Bank

According to your OPEX growth guidance decomposition, the factor beyond the quarter and third that account for personnel and IT expenses is marketing. It means that marketing should be at 10%. That is my logic based on the year-end results and OPEX breakdown.

Anton Terentiev – Head of Investor Relations

The proportion is quite rough to give you a broad feel of items this growth will be allocated to. Do not tie yourself too much to this.

Gleb Poleshkin – ATON AM

I have two questions: how did you achieve reduction in personnel costs this quarter and how do you see the interest rate decreasing further? How will it impact Finuslugi, in your opinion?

Anton Terentiev – Head of Investor Relations

The first question is an easier one because we have that answer on the slide. You see that split of personnel expenses by current expenses, current compensation, and a long-term incentive. There were factors that impacted the figure in the second quarter across both items. Current personnel expenses are affected by the unwinding of full-year 2024 bonus accruals in 2Q 2025. That really drove that item down. The part of long-term incentive provisions declined almost 92% because of the base effect and a share price decline. A decline in risk-free rate also supported the decline in provisions.

Answering your second question, we do not have any analytics of this sort that we can publish. The structure of Finuslugi revenue is really diversified: we have deposits, insurance products, lending and investment products. Even if we assume that against lower rates the deposit segment might at some point become slightly less attractive, other segments like lending will become more attractive. There is no clear, straightforward answer to the question, and there is definitely no information that we have at hand and can publish right now.

Gleb Poleshkin – ATON AM

Do we expect Finuslugi to break even or become profitable next year?

Anton Terentiev – Head of Investor Relations

The short answer is that we would welcome that. We will not say it is totally impossible. The truth is we expect Finuslugi to break even on the strategic horizon of 2028.

Artur Karapetyan – ATON (question submitted in writing)

There was information in the media about moving to a new office. Can you tell us more? From what funds will the purchase be financed and will it somehow affect operational activities?

Anton Terentiev – Head of Investor Relations

Over the years, we have been exploring various real estate scenarios for the Group, including those related to the headquarters on Bolshoy Kislovky Lane, our main office. It was built in late 90s and now requires special renovation or reconstruction. Accordingly, the management is considering both rent and purchase for different options. The efficiency of all options is being evaluated along with various structuring methods. That is all I can say at the moment.

Nikita Zevakin – Alfa-Capital (question submitted in writing)

Do you have any plans to further increase commission rates in 2H 2025? If so, which segments or products do you expect to benefit the most from these potential hikes?

Anton Terentiev – Head of Investor Relations

The short answer is no. We normally link any revision of our fee rates to the delivery of new products and services. We either price new services or products accordingly from scratch, or, if it is more convenient for the market like it was with the case of the unified collateral pool, we can adjust existing tariffs to include the pricing of a new product. Some time ago, we moved some of our markets to the maker-taker tariff arrangement, which helped to create more liquidity. At the moment we do not have such decisions in front of us, so the answer to your question is no.

Gleb Poleshkin – ATON

Do you have any requests for IPOs at the moment?

Anton Terentiev – Head of Investor Relations

There are many participants in the IPO process. You have investment bankers, consultants, the issuer, selling shareholders, and the exchange. If you look into this decision-making chain, you will see that the exchange is in no position to front-run any of these announcements. We can announce an IPO request only when it has been vocal in the press or in the public domain. This means that we just read the media just like you do. What we read in the media says that people keep referring to numbers between 10 and 20 IPOs per year. I have personally seen these numbers in the press, and we have not seen

any corrections to this. Then your question was whether we think that the interest rate decline will drive more IPOs. Hopefully it does. We do not have a magic formula that would help us answer your question more decisively. Let us wait and see and hope – that is all I can say.

I do not see any follow-ups on the line and I do not see any questions in the text interface. I think it is time to conclude our call. Thank you everyone for these great insightful questions. Let us stay in touch, keep our fingers crossed, and waiting for all of you to reconnect during our third quarter's financials webcast.

Operator

Ladies and gentlemen, this concludes our call for today. You may now disconnect.