**APPROVED**

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Chairman of the Executive Board

Moscow Exchange

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**MOEX IPO Index Calculation Methodology**

**Moscow 2024**

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# Overview

* 1. Terms and definitions
		1. The following terms and definitions shall apply in this MOEX IPO Index Calculation Methodology by Public Joint-Stock Company Moscow Exchange MICEX-RTS (the "Methodology"):
			+ - Stocks means stocks of Russian issuers admitted to trading on the Exchange. Stocks do not include stocks issued by joint stock investment funds.
				- Offering means initial public offering or listing on the Exchange of shares offered to the public trading for the first time.
				- Index constituents means all securities in the Index.
				- The Exchange, Moscow Exchange means Public Joint-Stock Company Moscow Exchange MICEX-RTS
				- Constituent Stocks Parameters Date means a trading day preceding the day of disclosure of information on change of the Constituent Stocks and/or the Constituent Stocks Parameters as of which the Parameters are determined.
				- Index means a benchmark calculated by the Exchange on the basis of trades executed on the Exchange measuring the aggregate price performance in RUB for a selection of securities.
				- Total Return Index means a benchmark measuring the price performance of the Index Constituents along with the income from reinvestment of constituent dividend payments.
				- Free Float Factor means an adjusting coefficient measuring the number (percentage) of stocks or represented stocks floating on the market.
				- Stock’s Weight means the Stock’s value as a percentage of the total value of all Stocks in the list of Constituents Stocks.
				- Issuer means any issuer of ordinary or preferred shares.
		2. Terms not specifically defined herein shall be construed in accordance with other documents of the Exchange as well as the law and regulatory acts of the Bank of Russia.
	2. Overview
		1. The Exchange, in line with the Methodology, calculates the MOEX IPO Index, a composite price equity index that comprises Stocks from Issuers that have made an initial public offering on the Exchange or listed their shares on the Exchange not more than two years before the Constituent Stocks Parameters Date. The English name of the index is MOEX IPO Index. The Index code is MIPO.
		2. In addition to the price index, the Exchange calculates the MOEX IPO Total Return Index. The English name is MOEX IPO Total Return Index. The Index code is MIPOTR.
		3. The word mark "MOEX Index" is a trademark of Moscow Exchange registered by the State Register of Trademarks and Service Marks of the Russian Federation on 18 September 2017 (Trademark Certificate No. 630519). The word mark "MOEX" is a trademark of Moscow Exchange registered by the Federal Service for Intellectual Property in the State Register of Trademarks and Service Marks of the Russian Federation on 29 August 2014 (trademark certificate No. 521450).
		4. This Methodology as amended from time to time is subject to approval by the Exchange and come into effect on the date determined by the Exchange.
		5. It may be amended and supplemented no more frequently than once a quarter. Information on changes introduced, including in the form of a new version of the Methodology, shall be disclosed by the Exchange not later than three business days prior to the effective date.

# Index Calculation

* 1. Price index calculation
		1. The Index is computed by dividing the aggregate value (total capitalization) of all Stocks as of the calculation moment by the value of divisor by the following formula:

$$I\_{n}=\frac{MC\_{n}}{D\_{n}} ,$$

where:

In – the value of the Index as of the nth moment;

MCn – the total value (capitalization) of all Stocks as of the nth moment, determined according to paragraph 2.1.3 of the Methodology;

Dn – the value of the Divisor as of the nth moment;

The Divisor is the aggregate value (capitalization) of all Stocks as of the first day of calculation of the Index, adjusted for the changes in the Index constituents and the initial value of the Index. On the first day of calculation of the Index, the Divisor is calculated according to the formula:

$$D\_{1}=\frac{MC\_{1}}{I\_{1}} ,$$

where:

MC1 – the total value (capitalisation) of all Stocks on the date the Index was first calculated;

I1 – the initial value of the Index.

Thereafter, the Divisor remains unchanged (Dn=Dn-1), except for the cases described in paragraph 2.6.

* + 1. The value of the MOEX IPO Index at the time of its first calculation is: I1 = 1,000 as of 11 November 2021.
		2. The total value of all Stocks at the nth moment of calculation is determined according to the formula:

$$MC\_{n}=\sum\_{i=1}^{N}MC\_{i} ,$$

where:

N – the total number of Stocks;

MCi – capitalisation of the ith Stock.

* + 1. Capitalisation of the ith Stock is calculated as follows:

$$MC\_{i}=P\_{i}∙Q\_{i}∙FF\_{i}∙W\_{i} ,$$

where:

Pi – the price of the ith Stock in RUB;

Qi – the total number of ith Stocks of one category (type) of an Issuer;

FFi– the free float factor of the ith Stock;

Wi – a coefficient restricting the proportion of capitalisation of the ith Stock (the Weighting Factor). It equals one unless otherwise set out in Clause 2.5.

* + 1. Capitalisation MCi is calculated to four decimal places.
		2. The Indices are expressed in points and rounded to two decimals.
	1. Calculating the Total Return Index
		1. The Total Return Index is calculated using the Constituents, values and parameters of the Price Index including dividend payments on the Stocks in the Price Index.
		2. Dividends are included in the calculation of the Total Return Indices on the day on which the persons entitled to receive dividends are determined according to the law (the "Record Date"). If the Record Date is not a trading day, dividends shall be accounted for on the day preceding the Record Date which is a trading day.
		3. If the Exchange becomes aware of the dividend announcement after the date when the dividend must be accounted for in accordance with paragraph 2.2.2, then the dividend is included on the day the Exchange gets the information.
		4. Sources of information about the dividend announcement are information agencies authorized to disclose information and Issuers of securities.
		5. The Total Return Indices are expressed in points accurate to two decimals.
		6. The date of the first calculation of the MOEX IPO Total Return Index was 11 November 2021, the value of the Index on the first calculation day was 1,000.
		7. Dividends to be considered in calculation of the Total Return Index are determined as follows:

$$TD\_{n}=\sum\_{i=1}^{N}Div\_{in}∙Q\_{in}∙FF\_{in}∙W\_{in} , $$

where:

TDn – total dividends from Constituent Stocks of the Index as of the day n;

N – number of Stocks in the relevant Index;

Divin – amount of a dividend on the ith Stock, RUB;

Qin – the total number of the ith Stocks of one category (type) of one issuer which are Constituents of the Index on day n;

FFin – the free float factor of the ith Stock;

Win – the weighting factor used to calculate the Index on day n.

* + 1. Dividends expressed in points of the Total Return Index:

$$ID\_{n}=\frac{TD\_{n}}{D\_{n}} ,$$

where:

Dn – the value of the Divisor of the price Index at nth moment.

* + 1. The yield resulting from reinvestment of dividends is determined according to the formula:

$$TR\_{n}=\frac{I\_{n}+ID\_{n}}{I\_{n-1}} ,$$

where:

In – the Price Index value on day n;

In-1– the Price Index value on day n-1.

* + 1. The Total Return Index is determined as follows:

$$ITR\_{n}=ITR\_{n-1} ∙TR\_{n} .$$

* 1. Determining the price of a Stock
		1. As the price of the ith stock (Pi) is used the closing price of this Stock determined at the close of trading on the Exchange in accordance with the Trading Rules for the Equity, Deposit and Credit Markets.
		2. The price of the ith Stock (Pi) is determined with the accuracy of the price tick set for this Stock in the Trading Rules for the Equity & Bond, Deposit and Credit Markets.
		3. The procedure for determining the price of the ith Stock (Pi) stipulated in clauses 2.3.1- of this Methodology shall not apply in the case stipulated in clause 3.3.3 of this Methodology.
	2. Determination of the number of stocks and Free-float Factor
		1. For the purposes of this Methodology, the total number of stocks (Qi) is determined as the total number of ith stocks in the principal issue less redeemed (cancelled) Stocks, unless otherwise specified by the Exchange decision.
		2. The total number of the ith Stocks (Qi) is calculated based on the results of the trading day preceding the trading day which is the Constituent Stock Parameters Date except where Clause 3.3.3 hereof provides otherwise.
		3. The values of the Free Float Factors are determined, revised and made public, as well as the number of the Issuer’s stocks free-floating stocks (of one category and type) are determined for the purpose of setting the Free Float Factor, on the basis of the Free Float Factor Methodology adopted by the Exchange.
		4. For the purposes of this Methodology, for the Stocks of the Issuers which have made the Offering and for which no free float factor has been determined in accordance with the Free Float Factor Methodology, the factor shall be set equal to the ratio of the Outstanding Stocks of the same category (type) to the total number of stocks of the same category (type) of the Issuer.
	3. Calculating Weighting Factors
		1. The Weight of the ith Stock is calculated according to the following formula:

$$Wght\_{i}=\frac{MC\_{i}}{\sum\_{i=1}^{N}MC\_{i} }∙100\%,$$

where:

Wghti – the weight of the ith Stock;

MCi – the capitalisation of the ith Stock;

N – the total number of Stocks.

* + 1. The Weight of Stocks of one Issuer is calculated as the sum of Weights of Stocks of the same category of such Issuer.
		2. To reduce the influence of the Stocks of individual Issuers on the value of the Indices, the weighting factor Wi is used, which is calculated in such a way that, as of the Constituent Stock Parameter Date, the Weight of the Issuer does not exceed the limit set by the laws and other regulations of the Bank of Russia for the valuation of a legal entity in the property of the mutual investment fund, reduced by 1 per cent.
		3. The Weighting Factor Wi of the ith Stock limits the proportion of capitalisation of the ith Stock depending on the Weight of the ith Stock. The Weighting Factor Wi can be anything between 0 and 1, with accuracy to seven decimal places according to the rounding rule. Weighting Factors are calculated at the end of the trading day of the Constituent Stock Parameter Date.
	1. Calculation of the Divisor
		1. The Divisor Dn is calculated where Index Constituents, a Free Float Factor, Wi Factors restricting the proportion of the ith Stocks capitalization (weighting factors) have changed, and (or) corporate events specified in Clause 3.3 hereof have occurred.
		2. Divisor Dn is calculated according to the following formula:

$$D\_{n+1}=D\_{n}∙\frac{MC\_{n}^{`}}{MC\_{n}} , $$

where:

Dn+1 – the new value of Divisor D;

Dn – the current value of Divisor D;

MCn – total value of all Stocks before the occurrence of the circumstance that is the basis for recalculation of Dividend D in accordance with clause 2.6.1 of this Methodology;

MCn – total value of all Stocks before the occurrence of the circumstance that is the basis for recalculation of Dividend D in accordance with clause 2.6.1 of this Methodology.

* + 1. Divisor Dn is calculated to four decimal places using the mathematical rounding rule.

# Index Construction and Review

* 1. Index Construction Principles
		1. The list of Index Constituents shall contain names of the Issuers of the Stocks as well as category (type) of the Stocks.
		2. Stocks that meet the following requirements shall be used as the Price Index Constituents:
			+ - The Issuer has floated its Stocks on the Exchange not earlier than two years prior to the Constituent Stocks Parameter Date.
				- The Free Float Factor of the Stock is not less than 5%, or the free float market capitalisation of the Stock is not less than RUB 10 billion. If the value of the Free Float Factor is less than 3% or the free float market capitalisation of the Stock is less than RUB 6 billion, the Stock may be excluded from the Index at its next review.
		3. The Index shall include Stocks of at least 12 Issuers. If as of the Constituent Stocks Parameter Date, the number of Issuers of Stocks is such that the requirement of clause 2.5.3 of this Methodology is not met, the Stocks of the Issuers who have floated their Stocks on the Exchange earlier than two years before that date shall remain in the Index until new Stocks to be added.
		4. The MOEX IPO Total Return Index Constituents are similar to Constituents of the MOEX IPO Price Index.
		5. The Exchange may decide to include (remove) a Stock in (from) the Index that is not included (included) in the Index in accordance with the requirements set in clause 3.1.2 of this Methodology. Such decision shall be made subject to the requirements to the content of the Constituent Stocks list established by these Methodology and the regulations of the Bank of Russia.
	2. Index Review
		1. Stocks are added to and removed from the Index at the Index reviews.
		2. Regular index reviews shall be carried out once a quarter, except for cases provided by this Methodology. Index review changes become effective from the beginning of the main trading session of the trading day following the third Thursday of March, June, September and December. The Exchange may decide to set other dates of coming into effect of the Index Constituents after review.
		3. An unscheduled review of the Index may take place in the following cases:
			+ - the commencement of trading in the Stocks of the Issuer that has floated on the Exchange; the Stocks of such Issuers shall be included in the Index on the fourth business day after the commencement of trading;
				- in case of the Stock is delisted;
				- following the introduction of trading restrictions on the Stock in the section/trading mode used for the calculation of the Indices in accordance with clause 2.3.1 of this Methodology;
				- in case of reorganization or liquidation of a securities Issuer, placement of additional issue of securities, cancellation (redemption) of securities, including as a result of their conversion, redemption (purchase) of securities by their Issuer;
				- in other cases that may have a material impact on the calculation of the Index.
		4. In the event of an extraordinary review of the Index within one month prior to the date of the next regular review, the next regular review of the Index may not be carried out.
		5. At the time of its review, the Index is structured in accordance with clauses 3.1.1-3.1.5 of this Methodology.
		6. Regular Index Reviews are announced no later than one week before the Exchange's decision to approve new Index Constituents takes effect.
		7. Extraordinary reviews of the Index are announced at the latest on the day preceding the entry into force of the new Index Constituents; in case of inclusion of Stocks in an extraordinary review of the Index, the extraordinary review is announced at the latest two Business Days before the entry into force of the new Index Constituents.
	3. Treatment of corporate events
		1. If represented stocks have been split or consolidated or scope of rights and/or procedure for exercising rights carried by the represented stocks pursuant to the foreign law have been changed, the Exchange shall make a resolution on treating such events.
		2. If trading in the ith Stock has been suspended for more than one trading day, the price measured in the Indices shall remain equal to the price calculated on the day of trading suspension.
		3. In case of splitting or reverse splitting of the ith stock, on the date of admission to trading of the issue of stocks into which the stocks were converted as a result of their splitting or reverse splitting, the total number of the ith stocks (Qi), as well as the price of the ith stock (Pi), calculated based on the results of the trading day preceding the specified date, shall be recalculated. In this case, the total number of ith stocks (Qi) is multiplied by the split ratio or divided by the reverse split ratio, and the ith Stock’s price (Pi) is divided by the split ratio or multiplied by the reverse split ratio.
		4. Upon reorganisation of a joint stock company, the price of the company's stocks is cut off at the end-of-day price of the trading day preceding the record date. Depending on the results of the reorganisation, the price and/or other parameters of the ith stock may be adjusted after the price is no longer cut off. The cut-off date for parameters, as well as the conditions under which they will no longer be cut off, are determined on the basis of judgement (expert opinion).

# Calculation timing and disclosure of the Indices

* 1. Schedule of index calculation
		1. The Price Index and Total Return Index are calculated once a day at the end of the main trading session. These single index values for the day are simultaneously current values and closing values of corresponding indices until the next calculation of the indices on the next trading day.
		2. Unless otherwise specified by the Bank of Russia regulations, the Exchange is entitled to change the time of calculation of the Price Index and the Total Return Index. Decisions taken by the Exchange in compliance with this clause shall be notified to MOEX trading members not less than five working days prior to the date of coming into effect of respective changes, unless the Exchange has set another term, by announcement of respective information.
	2. Control over the index calculation
		1. The business of creating, calculating and revising the Index, Total Return Index as well as revising this Methodology is based on a set of administrative principles and rules described in the Moscow Exchange Index Management Policy.
		2. In case of technical failure upon calculation of the Index or Total Return Index, or technical failure in the course of securities trading on the Exchange, which resulted in distortion of data used for calculation of indices, recalculation of previously calculated index values is allowed. This recalculation shall be carried out within the shortest possible time from the moment of detection of the technical failure. In case of recalculation of the Index or Total Return Index, the relevant notification is made on the Exchange official website.
		3. In case of circumstances that may adversely affect the adequacy of the Index and/or Total Return Index in reflecting the real condition of the Russian financial market, the Exchange is entitled to take any actions necessary to ensure the adequacy of the indices, including excluding Stocks from the Index, setting values of the parameters used to calculate the indices stipulated by this Methodology, etc.
	3. Disclosure
		1. Information provided for by the Methodology and regulations of the Bank of Russia is disclosed on the Exchange official website.
		2. In case of changes in factors used in calculation of the indices based on judgment (expert opinion), the Exchange discloses on the official website circumstances taken into account in changing these factors and justification of such changes not later than the day following the day of their change.
		3. The values of the Index and the Total Return Index are published every trading day not later than one hour after the end of the main trading session of the given trading day.
		4. This Methodology and index values for the past year is available to any interested person on the Exchange official website.
		5. Information subject to disclosure in accordance with this Methodology may be additionally disseminated by other means, including through information agencies disseminating MOEX market data.