O'KEY GROUP S.A.

Consolidated Financial Statements
for the year ended 31 December 2024 and
Independent Auditors' Report

CONTENTS

'000 RUB	**Note**	**31 December 2024**	**31 December 2023**
ASSETS			
Non-current assets			
Investment property	13	1,064,218	1,257,218
Property, plant and equipment	14	41,235,728	43,240,482
Construction in progress	14	892,968	1,122,363
Right-of-use assets	15	19,422,128	23,309,763
Intangible assets	16	1,513,580	1,214,553
Deferred tax assets	12	7,868,051	6,082,047
Other non-current assets	18	689,530	872,104
Total non-current assets		**72,686,203**	**77,098,530**
Current assets			
Inventories	19	26,658,555	24,975,926
Trade and other receivables	20	2,888,005	2,516,192
Prepaid income tax		72,196	97,140
Prepayments	17	1,054,761	800,312
Cash and cash equivalents	21	15,828,186	11,525,791
Total current assets		**46,501,703**	**39,915,361**
Total assets		**119,187,906**	**117,013,891**

The consolidated statement of financial position is to be read in conjunction with the notes to, and forming part of, the consolidated financial statements set out on pages 7 to 52

’000 RUB	**Note**	**31 December 2024**	**31 December 2023**
EQUITY AND LIABILITIES			
Equity	22		
Share capital		119,440	119,440
Legal reserve		10,597	10,597
Additional paid-in capital		8,555,657	8,555,657
Retained earnings		2,435,691	447,347
Translation reserve		2,255,988	1,961,350
Total equity		**13,377,373**	**11,094,391**
Non-current liabilities			
Loans and borrowings	24	36,581,181	41,128,448
Lease liabilities	25	16,978,580	20,760,179
Deferred tax liabilities	12	1,021,632	683,833
Total non-current liabilities		**54,581,393**	**62,572,460**
Current liabilities			
Loans and borrowings	24	11,069,846	6,002,850
Interest accrued on loans and borrowings	24	278,718	254,450
Lease liabilities	25	5,455,994	5,962,202
Trade and other payables	26	34,271,937	31,062,083
Current income tax payable		152,645	65,455
Total current liabilities		**51,229,140**	**43,347,040**
Total liabilities		**105,810,533**	**105,919,500**
Total equity and liabilities		**119,187,906**	**117,013,891**

The consolidated statement of financial position is to be read in conjunction with the notes to, and forming part of, the consolidated financial statements set out on pages 7 to 52

'000 RUB	**Note**	**2024**	**2023**
Revenue	6	219,358,202	207,864,636
Cost of goods sold		(167,943,290)	(160,204,388)
Gross profit		**51,414,912**	**47,660,248**
General, selling and administrative expenses	8	(42,576,608)	(42,515,886)
Other operating income and (expenses), net	9	752,575	(291,634)
Operating profit		**9,590,879**	**4,852,728**
Finance income	10	588,411	252,676
Finance costs	10	(9,035,243)	(7,519,479)
Foreign exchange loss	11	(304,310)	(1,074,086)
Profit/(loss) before income tax		**839,737**	**(3,488,161)**
Income tax benefit	12	1,148,607	610,099
Profit/(loss) for the year		**1,988,344**	**(2,878,062)**
Other comprehensive income			
Items that will never be reclassified to profit or loss:			
Exchange differences on translation to presentation currency		294,638	507,145
Other comprehensive income for the year, net of income tax		**294,638**	**507,145**
Total comprehensive income/(loss) for the year		**2,282,982**	**(2,370,917)**
Earnings/(loss) per share			
Basic and diluted earnings/(loss) per share (in RUB per share)	23	7.4	(10.7)

The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to, and forming part of, the consolidated financial statements set out on pages 7 to 52.

'000 RUB	Share capital	Legal reserve	Additional paid-in capital	Retained earnings	Translation reserve	Total equity
Balance at 1 January 2023	**119,440**	**10,597**	**8,555,657**	**3,325,409**	**1,454,205**	**13,465,308**
Comprehensive loss for the year						
Loss for the year	-	-	-	(2,878,062)	-	**(2,878,062)**
Other comprehensive income						
Foreign currency translation differences	-	-	-		507,145	507,145
Total other comprehensive income	**-**	**-**	**-**		**507,145**	**507,145**
Total comprehensive loss for the year	**-**	**-**	**-**	**(2,878,062)**	**507,145**	**(2,370,917)**
Balance at 31 December 2023	**119,440**	**10,597**	**8,555,657**	**447,347**	**1,961,350**	**11,094,391**

The consolidated statement of changes in equity is to be read in conjunction with the notes to, and forming part of, the consolidated financial statements set out on pages 7 to 52.

'000 RUB	**Share capital**	**Legal reserve**	**Additional paid-in capital**	**Retained earnings**	**Translation reserve**	**Total equity**
Balance at 1 January 2024	**119,440**	**10,597**	**8,555,657**	**447,347**	**1,961,350**	**11,094,391**
Comprehensive income for the year						
Profit for the year	-	-	-	1,988,344		**1,988,344**
Other comprehensive income						
Foreign currency translation differences	-	-	-		294,638	294,638
Total other comprehensive income	**-**	**-**	**-**		**294,638**	**294,638**
Total comprehensive income for the year	**-**	**-**	**-**	**1,988,344**	**294,638**	**2,282,982**
Balance at 31 December 2024	**119,440**	**10,597**	**8,555,657**	**2,435,691**	**2,255,988**	**13,377,373**

The consolidated statement of changes in equity is to be read in conjunction with the notes to, and forming part of, the consolidated financial statements set out on pages 7 to 52.

'000 RUB	**Note**	**2024**	**2023**
Cash flows from operating activities			
Cash receipts from customers		251,407,777	238,395,137
Other cash receipts		797,840	620,203
Interest received		573,197	227,217
Cash paid to suppliers and employees		(226,161,120)	(218,251,832)
Taxes other than on income		(835,753)	(757,037)
Other cash payments		(38,819)	(24,321)
VAT paid		(6,013,652)	(4,675,763)
Income tax paid		(302,115)	(257,872)
Net cash from operating activities		**19,427,355**	**15,275,732**
Cash flows from investing activities			
Purchase of property, plant and equipment (excluding VAT)		(1,545,214)	(4,391,908)
Purchase of intangible assets (excluding VAT)		(293,799)	(446,618)
Proceeds from sale of investment property (excluding VAT)		-	156,014
Proceeds from sale of property, plant and equipment (excluding VAT)		4,417	341,637
Net cash used in investing activities		**(1,834,596)**	**(4,340,875)**
Cash flows from financing activities			
Proceeds from loans and borrowings	27	6,500,000	15,500,003
Repayment of loans and borrowings	27	(5,999,900)	(13,834,268)
Interest paid on loans and borrowings	27	(6,074,626)	(4,939,018)
Repayment of principal amount of lease liabilities	27	(4,684,249)	(5,268,297)
Interest paid on lease liabilities	27	(2,914,997)	(2,491,371)
Other financial payments and proceeds	27	(86,392)	(125,188)
Net cash used in financing activities		**(13,260,164)**	**(11,158,139)**
Net increase/ (decrease) in cash and cash equivalents		**4,332,595**	**(223,282)**
Cash and cash equivalents at the beginning of the year	21	11,525,791	11,779,334
Effect of exchange rate fluctuations on cash and cash equivalents		(30,200)	(30,261)
Cash and cash equivalents at the end of the year	21	**15,828,186**	**11,525,791**

The consolidated statement of cash flows is to be read in conjunction with the notes to, and forming part of, the consolidated financial statements set out on pages 7 to 52.

1 Background

(a) The Group and its operations

These consolidated financial statements for the year ended 31 December 2024 have been prepared for O'KEY GROUP S.A. (the "Company") and its subsidiaries (together referred to as the "Group").

The Company was incorporated and is domiciled in Luxembourg. The Company is a public limited company (société anonyme) and was set up in accordance with Luxembourg regulations. The main part of the Group is located and conducts its business in the Russian Federation.

The Company does not have an immediate parent or an ultimate controlling party.

As at 31 December 2024 and 2023, the Company's major indirect shareholders are Mr. Troitskii, Mr. Volchek.

As at 31 December 2024 global depository receipts ("GDRs") represented 50.22% of the Company's shares, 38.17% of the Company's shares were admitted to trading on the Moscow Exchange and Astana International Exchange in the form of GDRs (as at 31 December 2023 GDRs represented 50.22% of the Company's shares, 38.17% of the Company's shares were listed on the London Stock Exchange, Moscow Exchange and Astana International Exchange).

In March 2022, the London Stock Exchange temporarily suspended the admission to trading of the Group's GDRs in order to maintain orderly markets.

In March 2023 the Astana International Exchange ("AIX") has approved the listing of global depositary receipts ("GDRs") of the Group. Since 20 March 2023 O'KEY Group's GDR's started trading on the AIX.

In November 2023, the Bank of Russia decided to register a prospectus for the Company's global depositary receipts (GDRs), each representing one ordinary share of O'KEY GROUP S.A. Thus, the Group has changed its listing status on Moscow Exchange ("MOEX") to primary. GDRs of O'KEY GROUP S.A. have been traded in Level I Quotation List on the Moscow Exchange since December 2020.

In June 2024 listing and the admission of the Group's GDRs to trading on the London Stock Exchange Main Market have been cancelled.

In view of the potential delisting from the London Stock Exchange planned June 2024, the Group had applied to the Moscow Exchange requesting to transfer the GDRs of O'KEY GROUP S.A. to Level II List, which has been done since June 2024. In December 2024, the Company announced that, due to amendment of the applicable legislation, the Company's GDRs will be transferred to the third listing tier of the Moscow Exchange from 3 January 2025. The changes do not affect the listing of the GDRs on the Astana International Exchange.

The Company continues to have and plans to keep listing on the regulated market of Moscow Exchange and Astana International Exchange. The GDR program remains in force and continues to operate.

The Company's registered office is 25C Boulevard Royal, L-2449 Luxembourg.

The Group's principal business activity is operation of retail chains in Russia under the brand names "O'KEY" (hypermarkets) and "Da!" (discounter stores). At 31 December 2024, the Group operated 301 stores including 224 discounter stores (31 December 2023: 297 stores including 220 discounter stores) in major Russian cities, including but not limited to Moscow and towns in Moscow region, St. Petersburg, Murmansk, Nizhniy Novgorod, Rostov-on-Don, Krasnodar, Lipetsk, Ekaterinburg, Novosibirsk, Krasnoyarsk, Ufa, Astrakhan and Surgut.

1 Background (Continued)

In December 2024 Company's Board of Directors has announced its intention to sell the O’KEY hypermarket assets to the chain’s management. The DA! discount chain will continue to operate within the Group. The sale of the hypermarkets to management is subject to approval by the Government Commission on Monitoring Foreign Investment in the Russian Federation and the Federal Antimonopoly Service of Russia. Any further steps are possible only after such approval. It is not possible to predict the outcome of the assessment of potential sale of hypermarkets by the government bodies. The respective approvals have not yet been obtained as at 31 December 2024.

(b) Business environment

The Group’s operations are primarily located in the Russian Federation which displays 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. However, no sanctions have been imposed against the Company and the Group, nor any of its subsidiaries, nor its major indirect shareholders.

The Bank of Russia key rate also was volatile during the reporting period. As a part of comprehensive measures to ensure the stability of credit institutions, the Bank of Russia has been gradually increased the key rate during 2024 from 16% in December 2023 up to 21% p.a. in December 2024.

Despite the volatility on the capital market, the Group’s financial position and ability to attract financing remained solid in the reporting period. In January 2025, NCR rating agency assigned the credit rating of O’Key LLC, as “A.ru”, outlook Stable. The rating reflects highly appreciated Group’s business profile due to its significant geographical distribution, a diversified supplier base and the lack of concentration of risk on any large asset. The agency also noted solid and stable operational and financial position in the market, low exposure to market risks, and high standards of corporate governance, risk management, strategic control and transparency.

It is not possible to determine how long the increased volatility in the financial market will last or at what level it will eventually level out. It is not possible for the management to predict with any degree of certainty an impact of this uncertainty on the Group’s operations. Whilst these uncertainties may affect the future dividend income of the shareholders in the medium term, they do not affect the Group’s ability to continue its operations in the foreseeable future.

2 Basis of preparation

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union under the historical cost convention, as modified by the initial recognition of financial instruments based on fair value, and by the revaluation of investment properties and financial instruments at fair value.

These consolidated financial statements were authorised for issue by the Board of Directors on 28 March 2025.

Any changes to these consolidated financial statements after issue require approval of the Board of Directors.

3 Functional and presentation currency

The functional currency of each of the Group's consolidated entities is the currency of the primary economic environment in which the entity operates. The functional currency of the Company and the Group's subsidiaries outside of the Russian Federation is the US Dollar ("USD") and the functional currency of the Group's Russian subsidiaries is the Russian Rouble ("RUB"). The consolidated financial statements are presented in RUB, which is the Group's presentation currency. All financial information presented in RUB has been rounded to the nearest thousands, except when otherwise indicated.

The results and financial position of the Group entities, which functional currencies are different from RUB, are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the end of the respective reporting period;
- income and expenses are translated at the date of transaction;
- components of equity are translated at the historic rate; and
- all resulting exchange differences are recognised in other comprehensive income.

At 31 December 2024 the principal rates of exchange used for translating foreign currency balances were USD 1 = RUB 101.6797; EUR 1 = RUB 106.1028 (31 December 2023: USD 1 = RUB 89.6883; EUR 1 = RUB 99.1919).

4 Use of estimates and judgments

The preparation of consolidated financial statements in conformity with IFRSs requires management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Management also exercises certain judgements, apart from those involving estimations, in the process of applying the accounting policies. Judgments that have the most significant effect on the amounts recognised in the consolidated financial statements and estimates that can cause a significant adjustment to the carrying amount of assets and liabilities within the next financial year include:

Tax legislation. The Group is subject to taxation in several jurisdictions. The major part of the tax burden refers to the Russian tax legislation, which is subject to varying interpretations when being applied to the transactions and activities of the Group. Significant judgement is required in determining whether the tax positions and interpretations the Group has taken can be sustained. Refer to Note 30.

4 Use of estimates and judgments (Continued)

Bonuses from suppliers. The Group receives various bonuses from suppliers which represent a significant reduction in cost of goods sold and inventory cost. The calculation of these amounts is in part dependent on an estimation of whether the amounts due under agreements with suppliers have been earned at the reporting date based on inventory purchased and other conditions. In particular, estimates and judgements are applied in determining the period-end accrual for the supplier bonuses that are conditional on the volume of promotional or marketing activities provided. The allocation of the bonuses to inventory cost also has some element of judgement in relation to the attribution of the bonuses earned to the cost of specific goods received from suppliers based on the proportion of goods purchased.

Determination of recoverable amount of non-current assets. For those non-current assets where impairment indicators exist as at reporting date, the Group estimates the recoverable amount being the higher of their value in use and fair value less costs of disposal. For details of impairment assessment performed as at 31 December 2024 refer to Notes 14-16.

Recoverability of deferred tax asset. Significant judgment is required in assessment of recoverability of deferred tax asset on tax losses of LLC Fresh Market, the Group's entity that develops a discounter chain. In 2024 LLC Fresh Market utilized part of the deferred tax asset. The Group performs analysis of future taxable profit to cover the accumulated tax losses on the basis of the long-term budget for the entity. Recognition of the deferred tax asset is contingent on the ability of the Group management to adhere to the long-term budget. Refer to Note 12.

Lease term. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

If the contractual lease term does not align with the economics of the transaction, management considers whether there are any non-contractual enforceable rights beyond the written agreement to determine the lease term with reference to mutual understanding between the parties, respective laws and regulations and other relevant factors. The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

The Group leases land and trade and other premises based on the lease agreements with various termination and extension options. To determine the lease term the management has applied judgement in performing its 'reasonably certain' assessment and determined that it is reasonably certain that the extension options will be exercised or termination options will not be exercised during the lease period which is based on the Group's business plan with the respective planning horizon.

Most extension options in leases of trade premises have been included in the lease liability, because the Group is unlikely to replace the assets within the Group's planning horizon.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, e.g. asset reconstruction, renovation and other, which affects this assessment, and that is within the control of the lessee.

For lease agreements of trade and other premises with various extension and termination options, where the lease period is based on the Group's business plan with the respective planning horizon, the Group also performs its 'reasonably certain' reassessment and determines that it is reasonably certain that the extension options will be exercised or termination options will not be exercised closer to the end of the lease term, usually six months before the end of the lease. Six-month period is considered to be sufficient to make a decision to vacate the property or continue with the lease. The financial effect of revising the lease terms to reflect the effect of exercising extension and termination options was included in the 'Modifications and reassessments' captions in Notes 15 and 25.

4 Use of estimates and judgments (Continued)

An increase in the lease term by 1 year for the leases assuming extension options at the reporting date would have increased the balances of right-of-use assets and lease liabilities by RUB 3,769,660 thousand and RUB 3,769,660 thousand, respectively (31 December 2023: by RUB 4,076,999 thousand and RUB 4,076,999 thousand, respectively).

A decrease of the lease term by 1 year for the leases assuming extension options at the reporting date would have decreased the balances of right-of-use assets and lease liabilities by RUB 4,104,139 thousand and RUB 4,198,340 thousand, respectively (31 December 2023: by RUB 4,401,328 thousand and RUB 4,448,900 thousand, respectively).

This analysis assumes that all other variables, in particular incremental borrowing rate, remain constant.

Discount rates used for determination of lease liabilities. The Group uses its incremental borrowing rate as a base for calculation of the discount rate because the interest rate implicit in the lease cannot be readily determined. In 2024, the Group's incremental borrowing rate applied to lease liabilities denominated in Russian Roubles ranged from 15 to 28%, and for contracts denominated in other currencies from 7 to 10% (2023: from 9 to 14%, and from 6 to 11%, respectively).

An increase in the discount rate by 100 basis points at the reporting date would have decreased the balances of right-of-use assets and lease liabilities by RUB 438,468 thousand and RUB 438,695 thousand, respectively (31 December 2023: by RUB 506,432 thousand and RUB 553,113 thousand, respectively).

A decrease of the discount rate by 100 basis points at the reporting date would have increased the balances of right-of-use assets and lease liabilities by RUB 479,341 thousand and RUB 479,341 thousand, respectively (31 December 2023: by RUB 608,474 thousand and RUB 608,474 thousand, respectively).

This analysis assumes that all other variables, in particular lease term, remain constant.

5 New or revised standards and interpretations adopted by the Group

A number of new standards are effective for annual periods beginning after 1 January 2024 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these consolidated financial statements.

(a) *IFRS 18 Presentation and Disclosure in Financial Statements*

IFRS 18 will replace IAS 1 Presentation of Financial Statements and applies for annual reporting periods beginning on or after 1 January 2027. The new standard introduces the following key new requirements.

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities' net profit will not change.
- Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.

The Group is still in the process of assessing the impact of the new standard, particularly with respect to the structure of the Group's statement of profit or loss and the additional disclosures required for MPMs. The Group is also assessing the impact on how information is grouped in the financial statements, including for items currently labelled as 'other'.

5 New or revised standards and interpretations adopted by the Group (Continued)

(b) ***Other accounting standards***

The following new and amended accounting standards are not expected to have a significant impact on the Group's consolidated financial statements.

– Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)
– Lack of Exchangeability (Amendments to IAS 21).

6 Segment information

Operating segments are components that engage in business activities that may earn revenues or incur expenses, whose operating results are regularly reviewed by the chief operating decision maker (CODM) and for which discrete financial information is available. The CODM is the person or group of persons who allocate resources and assess the performance for the entity. The CODM has been determined as the CEO of the Group and the Board of Directors of the Company.

The Group is engaged in management of retail stores located in the Russian Federation. Although the Group is not exposed to concentration of sales to individual customers, all of the Group’s sales are made in the Russian Federation. As such, the Group is exposed to the economic development in Russia, including the development of the Russian retail industry. The Group has no significant non-current assets outside the Russian Federation.

The Group identified its operating segments in accordance with the criteria set in IFRS 8, Operating Segments, and based on the way the operations of the Group are regularly reviewed by the CODM to analyse performance and allocate resources within the Group.

The Group has two operating segments that also represent reportable segments: “O’Key” and “Da!”. Each segment has similar format of their stores which is described below:

- O’Key – chain of modern style hypermarkets under the “O’KEY” brand;
- Da! – chain of discounter stores in Moscow and Central region.

The core assortment of goods in the stores of each segment is different, and the segments are managed separately. For each of the segments, the CODM of the Group reviews internal management reports at least on a monthly basis.

All business components within each reportable segment demonstrate similar characteristics:

- the products and customers;
- the business processes are integrated and uniform: the components manage their operations centrally. Purchasing, logistics, finance, HR and IT functions are centralised;
- the components’ activities are mainly limited to Russia which has a uniform regulatory environment.

The CODM assesses the performance of the operating segments based on revenue and earnings

before interest, tax, depreciation and amortisation adjusted for certain one-off items outlined below (“EBITDA”). The “EBITDA” term is not defined in IFRS. Other information provided to the CODM is measured in a manner consistent with that in the consolidated financial statements. The accounting policies used for the segment reporting are the same as the accounting policies applied for the consolidated financial statements (Note 33).

Basis of segmentation used in these consolidated financial statements is consistent with that used in the prior year.

6 Segment information (Continued)

The segment information for the years ended 31 December 2024 and 31 December 2023 is as follows:

'000 RUB	**O'Key**		**Da!**		**Total**	
	2024	**2023**	**2024**	**2023**	**2024**	**2023**
External revenue						
- Sales of trading stock	138,477,216	136,150,699	72,343,997	63,825,020	210,821,213	199,975,719
- Sales of self-produced catering products	6,304,033	5,796,395	-	-	6,304,033	5,796,395
Revenue from contracts with customers	**144,781,249**	**141,947,094**	**72,343,997**	**63,825,020**	**217,125,246**	**205,772,114**
Rental income	2,186,012	2,032,979	46,944	59,543	2,232,956	2,092,522
Total revenue	**146,967,261**	**143,980,073**	**72,390,941**	**63,884,563**	**219,358,202**	**207,864,636**
Inter-segment revenue	252,302	323,420	1,047,426	1,627,792	1,299,728	1,951,212
EBITDA	**13,430,785**	**12,642,821**	**7,054,375**	**4,382,904**	**20,485,160**	**17,025,725**

6 Segment information (Continued)

A reconciliation of EBITDA to profit for the year is as follows:

'000 RUB	**Note**	**2024**	**2023**
EBITDA		**20,485,160**	**17,025,725**
Net loss from disposal of non-current assets and net impairment of non-current assets	9	(45,722)	(349,457)
Loss from write-off of receivables and impairment of receivables	9	(161,308)	(229,027)
Loss from modification/ disposal of right-of-use assets	9	(542)	(80,067)
Depreciation and amortisation	8	(10,494,861)	(11,068,518)
Finance income	10	588,411	252,676
Finance costs	10	(9,035,243)	(7,519,479)
Foreign exchange loss	11	(304,310)	(1,074,086)
Other one-off items		(191,849)	(445,928)
Profit/(Loss) before income tax		**839,737**	**(3,488,161)**
Income tax benefit	12	1,148,607	610,099
Profit/(Loss) for the year		**1,988,344**	**(2,878,062)**

7 Principal subsidiaries

Details of the Company's significant subsidiaries at 31 December 2024 and 31 December 2023, all 100% owned are as follows:

Subsidiary	**Country**	**Nature of operations**
LLC O'KEY	Russian Federation	Retail
LLC Fresh Market	Russian Federation	Retail and real estate
JSC Dorinda	Russian Federation	Real estate
LLC O'KEY management	Russian Federation	Managing company
LLC O'KEY Logistics	Russian Federation	Import operations
O'KEY Investments Ltd	Cyprus	Financing

8 General, selling and administrative expenses

'000 RUB	Note	2024	2023
Personnel costs		17,801,101	17,648,595
Depreciation and amortisation	14-16	10,494,861	11,068,518
Communication and utilities		5,425,365	5,355,003
Advertising and marketing		2,109,774	2,199,563
Repairs and maintenance costs		1,845,411	1,779,811
Insurance and bank commissions		1,474,937	1,347,555
Operating taxes		864,438	717,655
Security expenses		755,729	770,506
Legal and professional expenses		745,598	673,604
Variable lease expenses and expenses relating to short-term and low value leases		563,848	439,631
Materials and supplies		396,819	441,329
Other costs		98,727	74,116
Total general, selling and administrative expenses		**42,576,608**	**42,515,886**

Total employee benefits expense for the year ended 31 December 2024 included in the cost of goods sold and general, selling and administrative expenses is RUB 22,210,514 thousand (2023: 21,150,316 thousand).

During the year ended 31 December 2024 the Group employed 18,1 thousand employees on average (2023: 19,7 thousand employees on average). Approximately 95% of the employees (2023: 95% of the employees) are store and warehouse employees and the remaining part is office employees.

Fees billed to the Group by the independent auditors for statutory and consolidated audits and other advisors are as follows:

'000 RUB	2024	2023
Fees of the réviseur d'entreprises agréé for statutory audit of annual and consolidated accounts	19,145	17,712
Fees for the independent component auditors	20,284	14,229
Fees charged for other assurance services (other advisors)	750	4,300
Fees charged for tax advisory services (other advisors)	-	1,500
Total auditors' remuneration	**40,179**	**37,741**

9 Other operating income and expenses, net

'000 RUB	2024	2023
Gain from modification of leases	755,579	368,686
Net loss from disposal of non-current assets	(45,722)	(349,457)
Impairment of receivables	(29,032)	(53,476)
Loss from write-off of receivables	(132,276)	(175,551)
Loss from disposal of right-of-use assets	(542)	(80,067)
Sundry income and expense, net	204,568	(1,769)
Total other operating income and expenses, net	**752,575**	**(291,634)**

10 Finance income and finance costs

’000 RUB	Note	2024	2023
Recognised in profit or loss			
Interest income on bank deposits		588,411	252,676
Total finance income		**588,411**	**252,676**
Interest expense on loans and borrowings		(6,120,246)	(5,029,949)
Interest expense on lease liabilities	25	(2,914,997)	(2,489,530)
Total finance costs		**(9,035,243)**	**(7,519,479)**
Net finance costs recognised in profit or loss		**(8,446,832)**	**(7,266,803)**

During 2024 the Group has capitalised borrowing costs in the amount of RUB 68,331 thousand (2023: RUB 62,308 thousand) arising on financing directly attributable to the construction of the Group’s new stores. The capitalisation rate was 16,1% (2023: 12.9%).

11 Foreign exchange (loss)/gain

The Group’s risk management policy is to receive loans and borrowings in the same currency in which revenues are generated (RUB). As at 31 December 2024, there are no USD-denominated loans and borrowings (31 December 2023: there are no USD-denominated loans and borrowings). The Group’s exposure to currency risk is disclosed in Note 28.

’000 RUB	2024	2023
Foreign exchange loss on financial items	(606,070)	(2,617,287)
Foreign exchange gain on financial items	305,477	1,764,243
Net foreign exchange (loss)/gain on financial items	**(300,593)**	**(853,044)**
Foreign exchange loss on operating items	(3,717)	(221,042)
Total foreign exchange (loss)/gain	**(304,310)**	**(1,074,086)**

In 2024 and in 2023 substantial amount of the net foreign exchange gain relates to USD-denominated intercompany loans between Group entities with different functional currencies which are eliminated on consolidation. The foreign exchange losses arose mainly from import operations.

12 Income tax

Income tax recognised in profit or loss

’000 RUB	2024	2023
Current tax expense	(299,598)	(75,164)
Deferred tax benefit	78,871	685,263
Increase in tax rate (25%)	1,369,334	-
Total income tax benefit/(expense)	**1,148,607**	**610,099**

In July 2024 Tax Code of the Russian Federation have been amended and it was declared that income tax rate should increase from 20% to 25% starting from 1 January 2025. This change has led to additional income of RUB 1,369,334 thousand related to the remeasurement of the future utilization of deferred tax assets and liabilities for the entities located in Russia which was recognised in 2024 financial statements. (2023: nil)

12 Income tax (Continued)

Reconciliation between the tax expense and profit or loss multiplied by applicable tax rate

The income tax rate applicable to the majority of the Group's 2024 and 2023 income is 20%, the income tax rate established by the Russian tax legislation. A reconciliation between the expected and the actual taxation benefit/charge is provided below.

'000 RUB	**2024**	**2023**
Profit/ (Loss) before income tax	**839,680**	**(3,488,161)**
Theoretical income tax at applicable tax rate of 20%	**(167,936)**	**697 632**
Effect of income taxed at different rates	135,807	22,323
Tax effect of items which are not deductible for taxation purposes:		
- Inventory shrinkage expenses	(7,521)	(7,274)
- Other non-deductible expenses	(156,746)	(61,730)
Adjustments to current income tax	(24,332)	(40,852)
Increase in tax rate (25%)	1,369,334	-
Income tax benefit for the year	**1,148,607**	**610,099**

Deferred tax assets and liabilities

(a) Deferred taxes in respect of subsidiaries

The Group has not recorded a deferred tax liability in respect of temporary differences of RUB 26,611,873 thousand (31 December 2023: RUB 25,648,263 thousand) associated with investments in subsidiaries as the Group is able to control the timing of the reversal of those temporary differences and does not intend to reverse them in the foreseeable future. If the temporary difference reversed in form of distributions remitted to the Company, then an enacted tax rate of 5-15% would apply.

(b) Recognised deferred tax asset on tax loss carried forward

Deferred tax asset recognised in respect of tax loss carried forward relates to the losses accumulated by the Group's subsidiary LLC Fresh Market that develops a discounter chain.

Starting from 1 January 2017 the amendments to the Russian tax legislation became effective in respect of tax loss carry forwards. The amendments affect tax losses incurred and accumulated since 2007 that have not been utilised. The 10-year expiry period for tax loss carry-forwards that was in effect prior to 2017 no longer applies, and the accumulated tax losses can now be carried forward for utilisation in future periods without any time limitation, with exception of limitation on utilisation of tax loss carry forwards that applies during the period from 2017 to 2026. The amount of losses that can be utilised each year during this period is limited to 50% of annual taxable profit.

The Group determined that future taxable profits will be available at LLC Fresh Market in the foreseeable future against which its accumulated losses can be utilised. In making this assessment the Group considered that according to the discounter chain's long-term budget the deferred tax asset of RUB 4,017,971 thousand on accumulated losses generated by LLC Fresh Market as at 31 December 2024 will be utilised in full by 2029. In 2024 LLC Fresh Market already utilised part of the deferred tax asset. The Group is following its long-term budget approved in prior years with insignificant changes on revenue and expenses planned for 2024 in order to reflect changes noted in 2023 with no impact on total net profit in monetary terms.

12 Income tax (Continued)

Recognition of the deferred tax asset is contingent on the ability of the Group management to adhere to the key assumptions made in the long-term budget. These key assumptions in the discounter chain's long-term budget covering 2024-2029 include annual expansion by approximately 40 new discounter stores per year except for 2024 year and 2025 were focus on operational efficiency is planned instead of intensive expansion; annual growth in revenue comparable with past dynamics of the discounter chain; and gradual decrease of share of semi-fixed costs due to economies of scale.

In addressing the sensitivity of the timing of full utilisation of the deferred tax asset attributable to LLC Fresh Market, the Group estimated that if the pace of openings of new discounter stores in each of the years from 2025 to 2029 is lower by 20% as compared to the chain expansion rate reflected in the segment's long-term budget, with all other assumptions held constant, the timing of full utilisation of the deferred tax asset would shift from 2029 to 2030. The Group believes that any such shift does not affect the probability that the deferred tax asset would be fully utilised, since the tax losses can be carried forward indefinitely and have no expiry date under the Russian tax legislation.

(c) Movement in temporary differences during the year

Differences between IFRS and statutory taxation regulations in Russia and other countries give rise to temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and their tax bases. The tax effect of the movements in these temporary differences is detailed below.

'000 RUB	1 January 2024	Recognised in profit or loss (20%)	Recognised in profit or loss after increase (25%)	31 December 2024
Tax effect of deductible/ (taxable) temporary differences and tax loss carry forwards				
Investment property	179,953	-	44,988	224,941
Property, plant and equipment	(1,260,559)	(58,846)	(329,851)	(1,649,256)
Construction in progress	(267,548)	198,300	(17,312)	(86,560)
Right-of-use assets	(3,620,203)	832,890	(696,808)	(3,484,121)
Intangible assets	102,622	(179,376)	(19,188)	(95,942)
Other non-current assets	151,077	(8,112)	35,741	178,706
Inventories	268,112	(54,527)	53,395	266,980
Trade and other receivables and payables	218,824	77,859	74,171	370,854
Long-term investments	5,785	-	1,446	7,231
Lease liabilities	6,065,625	(1,011,131)	1,263,666	6,318,160
Tax loss carry-forwards	3,554,526	281,815	959,085	4,795,426
Net deferred tax assets	**5,398,214**	**78,871**	**1,369,333**	**6,846,419**
Recognised deferred tax assets	6,082,047	-	-	7,868,051
Recognised deferred tax liabilities	(683,833)	-	-	(1,021,632)

12 Income tax (Continued)

(c) Movement in temporary differences during the year (continued)

'000 RUB	1 January 2023	Recognised in profit or loss	31 December 2023
Tax effect of deductible/ (taxable) temporary differences and tax loss carry forwards			
Investment property	179,953	-	179,953
Property, plant and equipment	(1,303,769)	43,210	(1,260,559)
Construction in progress	(211,505)	(56,043)	(267,548)
Right-of-use assets	(2,610,919)	(1,009,284)	(3,620,203)
Intangible assets	(106,099)	208,721	102,622
Other non-current assets	(42,157)	193,234	151,077
Inventories	258,045	10,067	268,112
Trade and other receivables and payables	440,124	(221,300)	218,824
Long-term investments	5,785	-	5,785
Lease liabilities	4,689,130	1,376,495	6,065,625
Tax loss carry-forwards	3,414,363	140,165	3,554,526
Net deferred tax assets	**4,712,951**	**685,263**	**5,398,214**
Recognised deferred tax assets	5,245,595	-	6,082,047
Recognised deferred tax liabilities	(532,644)	-	(683,833)

In the context of the Group's current structure, tax losses and current tax assets of different Group companies may not be offset against current tax liabilities and taxable profits of other Group companies and, accordingly, taxes may accrue even where there is a consolidated tax loss. Therefore, deferred tax assets and liabilities are offset only when they relate to the same taxable entity.

13 Investment property

(a) Reconciliation of carrying amount

'000 RUB	
Investment properties at fair value as at 1 January 2023	**1,474,333**
Disposals	(217,115)
Investment properties at fair value as at 31 December 2023	**1,257,218**
Investment properties at fair value as at 1 January 2024	**1,257,218**
Transfer into property, plant and equipment	(193,000)
Investment properties at fair value as at 31 December 2024	**1,064,218**

13 Investment property (Continued)

The trade premises of the Group included in investment property are subject to operating leases. During the year ended 31 December 2024 the Group transferred from investment property to property, plant and equipment one building that was previously used to generate rental income. In October 2024 a new discounter was opened there. As at 31 December 2024 the Group's investment property comprises two buildings and three land plots (31 December 2023: three buildings and three land plots).

(b) Measurement of fair value

The investment properties are valued annually on 31 December at fair value, by an independent, professionally qualified valuator who has recent experience in valuing similar properties in the Russian Federation.

The carrying values of investment properties at 31 December 2024 and 31 December 2023 agree to the valuations reported by the external valuators with the use of a combination of the market approach with reference to comparable prices for orderly transactions with similar properties and the income approach with reference to estimates of future cash flows, supported by the terms of any existing lease and other contracts and by external evidence such as current market rents for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.

The principal assumptions underlying the estimation of the fair value with reference to the income approach are those relating to: the annual net rent rate of RUB 665-1,626 per sq. m. (31 December 2023: RUB 645-1,829 per sq. m.); expected occupancy of 82 – 100% in the subsequent years (31 December 2023: 82 – 100%) and appropriate discount rate of 13,7% – 17,9% (31 December 2023: 9,82% – 15,6%).

These valuations are regularly compared to actual market yield data and actual transactions by the Group, and those reported by the market.

The fair value measurement of investment property has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

14 Property, plant and equipment and construction in progress

'000 RUB	Land	Buildings	Leasehold improvements	Machinery and equipment, auxiliary facilities and other fixed assets	Total property, plant and equipment	Construction in progress	Total property, plant and equipment and construction in progress
Cost							
Balance at 1 January 2023	**3,735,039**	**42,733,457**	**12,836,893**	**20,662,019**	**79,967,408**	**2,633,788**	**82,601,196**
Additions	21,000	53,742	4,160	2,251,065	2,329,967	3,814,811	6,144,778
Transfers	-	803,977	2,106,289	497,363	3,407,629	(3,407,629)	-
Disposals	-	(19,255)	(320,272)	(1,108,648)	(1,448,175)	(610,835)	(2,059,010)
Balance at 31 December 2023	**3,756,039**	**43,571,921**	**14,627,070**	**22,301,799**	**84,256,829**	**2,430,135**	**86,686,964**
Balance at 1 January 2024	**3,756,039**	**43,571,921**	**14,627,070**	**22,301,799**	**84,256,829**	**2,430,135**	**86,686,964**
Additions	2,600	23,747	2,312	787,078	815,737	1,095,391	1,911,128
Transfers	-	383,538	711,107	227,969	1,322,614	(1,322,614)	-
Transfer from investment property	-	193,000	-	-	193,000	-	193,000
Disposals	-	(1,481)	(161,567)	(913,425)	(1,076,473)	(2,172)	(1,078,645)
Balance at 31 December 2024	**3,758,639**	**44,170,725**	**15,178,922**	**22,403,421**	**85,511,707**	**2,200,740**	**87,712,447**

14 Property, plant and equipment and construction in progress (Continued)

'000 RUB	Land	Buildings	Leasehold improvements	Machinery and equipment, auxiliary facilities and other fixed assets	Total property, plant and equipment	Construction in progress	Total property, plant and equipment and construction in progress
Depreciation and impairment losses							
Balance at 1 January 2023	**-**	**(14,634,738)**	**(7,724,160)**	**(14,998,659)**	**(37 357 557)**	**(1,307,772)**	**(38,665,329)**
Depreciation for the year	-	(697,560)	(2,237,291)	(1,994,998)	(4 929 849)	-	(4,929,849)
Disposals	-	6,243	248,814	1,016,002	1,271,059	-	1,271, 059
Balance at 31 December 2023	**-**	**(15,326,055)**	**(9,712,637)**	**(15,977,655)**	**(41,016,347)**	**(1,307,772)**	**(42,324,119)**
Balance at 1 January 2024	**-**	**(15,326,055)**	**(9,712,637)**	**(15,977,655)**	**(41,016,347)**	**(1,307,772)**	**(42,324,119)**
Depreciation for the year	-	(719,184)	(1,769,606)	(1,777,915)	(4,266,705)	-	(4,266,705)
Disposals	-	573	137,006	869,494	1,007,073	-	1,007,073
Balance at 31 December 2024	**-**	**(16,044,666)**	**(11,345,237)**	**(16,886,076)**	**(44,275,979)**	**(1,307,772)**	**(45,583,751)**
Net book value							
At 1 January 2023	**3,735,039**	**28,098,719**	**5,112,733**	**5,663,360**	**42,609,851**	**1,326,016**	**43,935,867**
At 31 December 2023	**3,756,039**	**28,245,866**	**4,914,433**	**6,324,144**	**43,240,482**	**1,122,363**	**44,362,845**
At 31 December 2024	**3,758,639**	**28,126,059**	**3,833,685**	**5,517,345**	**41,235,728**	**892,968**	**42,128,696**

Depreciation expense of RUB 4,266,705 thousand has been charged to selling, general and administrative expenses (2023: RUB 4,929,849 thousand).

14 Property, plant and equipment and construction in progress (Continued)

Impairment assessment

At the end of each reporting period, the Group assesses whether there is any indication that its non-current assets including property, plant and equipment, right-of-use assets and other non-current assets may be impaired. Where the non-current assets relate to the Group's stores, these stores are treated as separate CGUs, and impairment assessment is performed in respect of the aggregate carrying value of the non-current assets attributable to these CGUs with reference to their actual and anticipated performance and other relevant factors.

For the CGUs subject to impairment testing, recoverable amount was determined based on value-in-use.

Value in use calculations were prepared using cash flow projections based on financial budgets and forecasts approved by management covering a one-year period. Cash flows beyond the one-year period are extrapolated using an expected growth rate for each particular CGU which depends on its maturity and other relevant factors. The discount rates are post-tax and reflect management's estimate of the risks specific to the Group.

As the result of the impairment test performed as at 31 December 2024 no impairment was identified. (31 December 2023: no impairment was identified).

The post-tax discount rate used in the assessment under the value in use approach as at 31 December 2024 was 14.8% (31 December 2023: 12.6%). If the revised estimated post-tax discount rate applied to the discounted cash flows of the CGUs had been 1300 basis points higher than management's estimates, the Group would need to reduce the carrying value of property, plant and equipment by RUB 4,000 thousand (2023: if the estimated post-tax discount rate had been 800 basis points higher than management's estimates, the Group would need to reduce the carrying value of property, plant and equipment by RUB 4,000 thousand).

Pledged assets

At 31 December 2024, trade stores with carrying value of RUB 7,751,255 thousand have been pledged to third parties as collateral for bank borrowings (31 December 2023: trade stores were pledged with carrying value of RUB 7,769,535thousand).

15 Right-of-use assets

The Group leases various trade premises, land and other assets. Rental contracts are typically made for fixed periods of 3 to 30 years but may have extension and early termination options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

The table below presents the right-of-use assets by class of underlying assets:

'000 RUB	**Trade premises**	**Land**	**Other**	**Total**
Balance at 1 January 2023	**14,929,487**	**3,373,340**	**913,989**	**19,216,816**
Additions	1,845,165	251,805	7,977	2,104,947
Modifications and reassessments	4,011,602	28,939	3,643,558	7, 684,099
Depreciation	(4,616,017)	(168,449)	(830,310)	(5,614,776)
Disposals	-	(81,323)	-	(81,323)
Balance at 31 December 2023	**16,170,237**	**3,404,312**	**3,735,214**	**23,309,763**
Balance at 1 January 2024	**16,170,237**	**3,404,312**	**3,735,214**	**23,309,763**
Additions	196,855	-	-	196,855
Modifications and reassessments	1,727,357	(237,945)	119,178	1,608,590
Depreciation	(4,603,574)	(187,929)	(901,577)	(5,693,080)
Balance at 31 December 2024	**13,490,875**	**2,978,438**	**2,952,815**	**19,422,128**

The group 'Other' is mostly represented by office premises and warehouses.

Modifications and reassessments for the year ended 31 December 2024 were driven by the reassessment of extension options for some of the Group's leases, as well as by the modification and reassessment of a number of other leases, primarily attributable to the Group's trade premises, that changed either the consideration of the lease, contractual terms, or both, with no change in size of underling assets.

Depreciation expense of RUB 5,680,729 thousand (2023: RUB 5,599,427 thousand) has been charged to general, selling and administrative expenses. During 2024 the Group has capitalised depreciation of right of use assets in the amount of RUB 12,351 thousand (2023: RUB 15,349 thousand).

Right-of-use assets are assessed for indication of potential impairment as at each reporting date. For those assets where impairment indicators exist, the Group estimates recoverable amount being the higher of their value in use and fair value less costs of disposal, on either individual asset or CGU level.

No indicators of impairment were identified for the Group's right-of-use assets that are attributable to individual leased assets and do not relate to stores in operation as at 31 December 2024 and 2023.

For those right-of-use assets that relate to the Group's stores and are therefore assessed for impairment on the store level together with the other non-current assets attributable to the stores, impairment assessment has been performed as disclosed in Note 14. No impairment attributable to the right-of-use assets was identified as at 31 December 2024 and 31 December 2023.

No reversal of impairment as at 31 December 2024 and 31 December 2023 was made.

16 Intangible assets

'000 RUB	Software	Other intangible assets	Total
Cost			
Balance at 1 January 2023	**1,974,018**	**309,460**	**2,283,478**
Additions	456,824	272,123	728,947
Disposals	(571,463)	(149,409)	(720,872)
Balance at 31 December 2023	**1,859,379**	**432,174**	**2,291,553**
Balance at 1 January 2024	**1,859,379**	**432,174**	**2,291,553**
Additions	702,821	200,558	903,379
Disposals	(406,585)	(230,085)	(636,670)
Balance at 31 December 2024	**2,155,615**	**402,647**	**2,558,262**
Amortisation and impairment losses			
Balance at 1 January 2023	**(916,221)**	**(161,742)**	**(1,077,963)**
Amortisation for the year	(491,512)	(47,730)	(539,242)
Disposals	520,939	19,266	540,205
Balance at 31 December 2023	**(886,794)**	**(190,206)**	**(1,077,000)**
Balance at 1 January 2024	**(886,794)**	**(190,206)**	**(1,077,000)**
Amortisation for the year	(480,419)	(71,022)	(551,441)
Disposals	412,245	171,514	583,759
Balance at 31 December 2024	**(954,968)**	**(89,714)**	**(1,044,682)**
Carrying amounts			
At 1 January 2023	**1,057,797**	**147,718**	**1,205,515**
At 31 December 2023	**972,585**	**241,968**	**1,214,553**
At 31 December 2024	**1,200,647**	**312,933**	**1,513,580**

Amortisation of RUB 551,441 thousand has been charged to selling, general and administrative expenses (2023: RUB 539,242 thousand).

No indicators of impairment were identified for the Group's intangible assets as at 31 December 2024 and 31 December 2023.

17 Prepayments

'000 RUB	31 December 2024	31 December 2023
Prepayments for goods	458,205	320,267
Prepayments for variable lease payments – third parties	34,946	126,277
Prepayments for services	430,985	192,597
VAT on prepayments	40,347	86,172
Other prepayments	90,278	74,999
Total prepayments	**1,054,761**	**800,312**

18 Other non-current assets

'000 RUB	31 December 2024	31 December 2023
Financial assets within other non-current assets		
Long-term refundable deposits to lessors	540,823	564,621
Total financial assets within other non-current assets	**540,823**	**564,621**
Other non-current assets		
Prepayments for non-current assets	148,707	307,483
Total other non-current assets	**689,530**	**872,104**

19 Inventories

'000 RUB	31 December 2024	31 December 2023
Goods for resale	25,871,114	24,145,751
Raw materials and consumables	1,426,329	1,562,829
Write-down to net realisable value	(638,888)	(732,654)
Total inventories	**26,658,555**	**24,975,926**

The Group tested the inventories for obsolescence and wrote down the inventories to their net realisable value, which resulted in a decrease of the carrying value of inventories by RUB 638,888 thousand as at 31 December 2024 (31 December 2023: RUB 732,654 thousand). The write down to net realisable value was determined by applying percentages of discount on sales and write-offs of slow-moving goods to the appropriate ageing of the goods. The percentages of discount were based on the management's best estimate following the experience of the discount sales.

20 Trade and other receivables

'000 RUB	31 December 2024	31 December 2023
Financial assets within trade and other receivables		
Trade receivables	201,870	420,326
Bonuses receivable from suppliers	1,722,004	1,553,709
Other financial receivables	275,734	169,427
Total financial assets within trade and other receivables	**2,199,608**	**2,143,462**
Other receivables		
VAT receivable	319,325	138,294
Prepaid taxes other than income tax	369,072	234,436
Total trade and other receivables	**2,888,005**	**2,516,192**

The Group's exposure to credit and currency risks and credit loss allowance as at 31 December 2024 and 31 December 2023 related to trade and other receivables are disclosed in Note 28.

21 Cash and cash equivalents

'000 RUB	31 December 2024	31 December 2023
Cash on hand	144,641	162,782
Bank current accounts	7,208,300	4,866,560
Term deposits	7,859,865	5,988,729
Cash in transit	615,380	507,720
Total cash and cash equivalents	**15,828,186**	**11,525,791**

Term deposits had original maturities of less than three months.

The Group's exposure to currency risk related to cash and cash equivalents is disclosed in Note 28.

22 Equity

As at 31 December 2024 and 31 December 2023, the Company's authorised, issued and fully paid share capital of RUB 119,440 thousand, the RUB equivalent of EUR 2,691 thousand, is represented by 269,074,000 ordinary shares with a par value of 0.01 EUR each. Each share is entitled to one vote, except as may be otherwise provided by the Articles of incorporation or by applicable law.

In accordance with Luxembourg Company Law, the Company is required to transfer a minimum of 5% of its net profits for each financial year to a legal reserve. This requirement ceases to be necessary once the balance of the legal reserve reaches 10% of the issued share capital. The legal reserve is not available for distribution to the shareholders. As at 31 December 2024 and at 31 December 2023, the legal reserve was formed in full.

Additional paid-in capital represents the excess of contributions received over par value of shares issued. There were no movements in additional paid-in capital during the years ended 31 December 2024 and 31 December 2023.

No dividends were declared and paid in 2024 and 2023.

23 Earnings/(loss) per share

Basic earnings per share are calculated by dividing the profit or loss attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year. The Company has no dilutive potential ordinary shares; therefore, the diluted earnings per share equals the basic earnings per share.

Earnings per share is calculated as follows:

'000 RUB	**2024**	**2023**
Profit/(loss) for the year	1,988,344	(2,878,062)
Weighted average number of ordinary shares in issue (thousands)	269,074	269,074
Basic and diluted earnings/(loss) per ordinary share (in RUB per share)	**7.4**	**(10.7)**

24 Loans and borrowings

		31 December 2024		**31 December 2023**	
'000 RUB	**Currency**	**Maturity**	**Carrying value**	**Maturity**	**Carrying value**
Non-current loans and borrowings					
Secured bank loans	RUB	2026-2027	8,266,667	2025-2027	11,794,118
Unsecured bank facilities	RUB	2026-2028	8,702,632	2025-2028	12,850,000
Unsecured bonds	RUB	2026-2030	19,611,883	2026-2030	16,484,330
Total non-current loans and borrowings			**36,581,181**		**41,128,448**
Current loans and borrowings					
Secured bank loans	RUB	2025	3,527,451		-
Unsecured bank facilities	RUB	2025	7,147,368	2024	3,500,000
Unsecured bonds	RUB	2025	392,177	2024	2,500,000
Unsecured loans from third parties	RUB	2025	2,850	2024	2,850
Total current loans and borrowings			**11,069,846**		**6,002,850**
Unsecured bonds interest	RUB		244,629		240,529
Secured bank loans	RUB		4,944		3,305
Unsecured loans interest	RUB		29,145		10,615
Interest accrued on loans and borrowings			**278,718**		**254,450**
Total current loans and borrowings, including interest accrued			**11,348,564**		**6,257,300**
Total loans and borrowings			**47,929,745**		**47,385,748**

Information about property, plant and equipment pledged as collateral for the Group's loans and borrowings is disclosed in Note 14.

24 Loans and borrowings (Continued)

As at 31 December 2024 the Group had RUB 13,050,000 thousand (31 December 2023: RUB 16,560,000 thousand) of undrawn committed borrowing facilities available in RUB on fixed and floating rate basis until March 2024-March 2028 in respect of which all conditions have been met. Proceeds from these facilities may be used to finance operating and investing activities, if necessary.

In 2024 the Group repaid bonds issued during 2019 and due in 2024 in the amount of RUB 2,500,000 thousand.

In 2023 the Group repaid bonds issued during 2019-2020 and due in 2023-2025 in the amount of RUB 6,062,700 thousand.

The following issues of unsecured bonds were also placed by the Group on Moscow exchange in 2019-2024:

- an issue made in April 2019 in the amount of RUB 5,000,000 thousand bearing coupon rate of 9.35% p.a. and maturing in April 2029 with an option for the bondholders to claim early repayment in April 2022. In October and November 2021 bonds were partially repaid in the amount of RUB 2,162,329 thousand. In April 2022 bonds were partially repaid in the amount of RUB 2,445,494 thousand. An option for the bondholders to claim early was prolonged till April 2025 bearing coupon rate of 9.9% p.a;
- an issue made in December 2019 in the amount of RUB 5,000,000 thousand bearing coupon rate of 7.85% p.a. and maturing in November 2024;
- an issue made in November 2020 in the amount of RUB 5,000,000 thousand bearing coupon rate of 7.50% p.a. and maturing in October 2030 with an option for the bondholders to claim early repayment in November 2023. In December 2022 bonds were partially repaid in the amount of RUB 1,304,799 thousand;
- an issue made in November 2022 in the amount of RUB 8,500,000 thousand bearing coupon rate of 11.5% p.a. and maturing in November 2032 with an option for the bondholders to claim early repayment in May 2026.
- an issue made in May 2023 in the amount of RUB 7,500,000 thousand bearing coupon rate of 11.75% p.a. and maturing in May 2033 with an option for the bondholders to claim early repayment in May 2026.
- an issue made in March 2024 in the amount of RUB 3,500,000 thousand bearing coupon rate of 15.50% p.a. and maturing in March 2034 with an option for the bondholders to claim early payment in March 2027.

Compliance with loan covenants

The Group monitors compliance with loan covenants on an ongoing basis. Where noncompliance is unavoidable in management's view, the Group requests waiver letters from the banks before the year-end, confirming that the banks waive their rights to demand early redemption.

At 31 December 2024 and during the years then ended the Group complied with all its loan covenants. In 2023 the Group requested waiver letters from the banks, confirming that the banks waive their rights to demand early redemption.

25 Lease liabilities

'000 RUB	2024	2023
Balance at 1 January	**26,722,381**	**22,544,804**
Additions	196,855	2,000,248
Modifications and reassessments	849,803	7,090,769
Repayment	(8,282,395)	(7,759,668)
Interest expense	2,914,997	2,491,371
Foreign exchange gain	32,933	356,113
Disposals	-	(1,256)
Balance at 31 December	**22,434,574**	**26,722,381**
Non-current lease liabilities	**16,978,580**	**20,760,179**
Current lease liabilities	**5,455,994**	**5,962,202**

Interest expense in the amount of RUB 2,914,977 thousand (2023: RUB 2,489,530 thousand) has been charged to finance costs.

Total cash outflow for leases in 2024 amounted to RUB 8,757,220 thousand (2023: RUB 8,207,325 thousand).

Some property leases contain variable payment terms that are linked to sales generated by a store. Variable payment terms are used for a variety of reasons, including minimising the fixed costs base for newly established stores. Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

Expense relating to variable lease payments not included in lease liabilities included in selling, general and administrative expenses for 2024 was RUB 489,374 thousand (2023: RUB 379,814 thousand).

Expenses relating to short-term leases and to leases of low-value assets that are not included in lease liabilities, both included in selling, general and administrative expenses, amounted to RUB 74 thousand (2023: RUB 310 thousand) and RUB 74,401 thousand (2023: RUB 59,507 thousand), respectively.

26 Trade and other payables

'000 RUB	31 December 2024	31 December 2023
Financial liabilities at amortised cost		
Trade payables	30,610,479	27,883,950
Other financial payables	99,571	198,290
Total financial liabilities at amortised cost	**30,710,050**	**28,082,240**
Payables to staff	1,618,720	1,472,151
Taxes payable other than income tax	1,375,835	1,028,784
Advances received from lessees	474,447	391,144
Contract liability related to gift cards	92,885	87,764
Total trade and other payables	**34,271,937**	**31,062,083**

The Group's contract liabilities relate to contracts with customers for periods of less than one year. RUB 92,885 thousand of revenue was recognised in the current reporting period related to the contract liabilities as at 31 December 2024, all of which related to gift cards.

The Group's exposure to currency and liquidity risks related to trade and other payables is disclosed in Note 28.

27 Reconciliation of movements of liabilities to cash flows arising from financing activities

The table below sets out an analysis of liabilities from financing activities and the movements in the Group's liabilities from financing activities for each of the periods presented. The items of these liabilities are those that are reported as financing in the consolidated statement of cash flows:

'000 RUB	**Note**	**Loans and borrowings**	**Lease liabilities**	**Total**
Balance at 1 January 2024		**47,385,748**	**26,722,381**	**74,108,129**
Cash flows from financing activities				
Proceeds from loans and borrowings		6,500,000	-	6,500,000
Repayment of loans and borrowings		(5,999,900)	-	(5,999,900)
Interest paid on loans and borrowings		(6,074,626)	-	(6,074,626)
Repayment of principal amount of lease liabilities		-	(4,684,249)	(4,684,249)
Interest paid on lease liabilities		-	(2,914,997)	(2,914,997)
Total cash flows from financing activities		**(5,574,526)**	**(7,599,246)**	**(13,173,772)**
Non-cash changes				
Additions to lease liabilities	25	-	196,855	196,855
Modifications and reassessments of lease liabilities	25	-	849,803	849,803
Accrued interest	10,25	6,120,246	2,914,977	9,035,223
Disposals	25	-	-	-
Difference between the par value of the placed bond and the actual cost of the bond redemption (income)		(1,723)	-	(1,723)
Other non-cash changes (offsetting the advance payment)		-	(683,129)	(683,129)
Effect of changes in foreign exchange rates		-	32,933	32,933
Total non-cash changes		**6,118,523**	**3,311,439**	**9,429,962**
Balance at 31 December 2024		**47,929,745**	**22,434,574**	**70,364,319**

27 Reconciliation of movements of liabilities to cash flows arising from financing activities (Continued)

'000 RUB	Note	Loans and borrowings	Lease liabilities	Total
Balance at 1 January 2023		**45,701,745**	**22,544,804**	**68,246,549**
Cash flows from financing activities				
Proceeds from loans and borrowings		15,500,003	-	15,500,003
Repayment of loans and borrowings		(13,834,268)	-	(13,834,268)
Interest paid on loans and borrowings		(4,939,018)	-	(4,939,018)
Repayment of principal amount of lease liabilities		-	(5,268,297)	(5,268,297)
Interest paid on lease liabilities		-	(2,491,371)	(2,491,371)
Other financial payments		(125,188)	-	(125,188)
Total cash flows from financing activities		**(3,398,471)**	**(7,759,668)**	**(11,158,139)**
Non-cash changes				
Additions to lease liabilities	25	-	2,000,248	2,000,248
Modifications and reassessments of lease liabilities	25	-	7,090,769	7,090,769
Accrued interest	10,25	5,029,949	2,491,371	7,521,321
Disposals	25	-	(1,256)	(1,256)
Difference between the par value of the placed bond and the actual cost of the bond redemption (income)		(40,348)	-	(40,348)
Effect of changes in foreign exchange rates		92,873	356,113	448,986
Total non-cash changes		**5,082,474**	**11,937,245**	**17,019,720**
Balance at 31 December 2023		**47,385,748**	**26,722,381**	**74,108,363**

28 Financial risk management

(a) Overview

The risk management function within the Group is carried out with respect to financial risks, operational risks and legal risks. Financial risk comprises market risk (including currency risk, interest rate risk and other price risks), credit risk and liquidity risk. The primary function of financial risk management is to establish risk limits and to ensure that any exposure to risk stays within these limits. The operational and legal risk management functions are intended to ensure the proper functioning of internal policies and procedures in order to minimise operational and legal risks.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group's Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group's Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

(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 cash and cash equivalents, trade receivables, bonuses receivable and other financial receivables.

(i) Exposure to credit risk

The carrying amounts of financial assets in the consolidated statement of financial position represent the Group's maximum credit risk exposure. The maximum exposure to credit risk at the reporting date was:

	Note	**Carrying amount**	
'000 RUB		**31 December 2024**	**31 December 2023**
Long-term refundable deposits to lessors	18	540,823	564,621
Trade and other receivables	20	2,199,608	2,143,462
Cash and cash equivalents	21	15,683,544	11,363,009
Total		**18,423,975**	**14,071,092**

28 Financial risk management (Continued)

(b) Credit risk (continued)

Due to the fact that the Group's principal activities are located in the Russian Federation, the credit risk is mainly associated with its domestic market. The credit risks associated with foreign counterparties are considered to be remote, as there are only few foreign counterparties and they were properly assessed for creditworthiness.

(ii) Trade and other receivables

The Group has no considerable balance of trade receivables because the majority of its customers are retail consumers, who are not provided with any credit. The Group's trade receivables primarily include receivables from tenants and receivables connected to provision of services. Other receivables are primarily represented by bonuses receivable from suppliers. The Group manages credit risk in respect of those bonuses receivable by maintaining a stable suppliers base and monitoring collectability of amounts due on an ongoing basis.

To measure the expected credit loss (ECL) for trade and other receivables, those have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before 31 December 2024 and 31 December 2023 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

The ECL for bonuses receivable from suppliers is determined on portfolio level based on historical default percentages applied to the total amount of bonuses receivable from suppliers, adjusted to reflect relevant current and forward-looking information.

The credit loss allowance as at 31 December 2024 determined with the use of provision matrix is summarised in the table below.

'000 RUB	**Gross amount**	**ECL**	**Carrying amount**
Trade receivables	210,829	(8,959)	201,870
Bonuses receivable from suppliers	1,756,745	(34,741)	1,722,004
Other financial receivables	287,614	(11,880)	275,734
Total	**2,255,188**	**(55,580)**	**2,199,608**

28 Financial risk management (Continued)

(b) Credit risk (continued)

The credit loss allowance as at 31 December 2023 determined with the use of provision matrix is summarised in the table below.

'000 RUB	Gross amount	ECL	Carrying amount
Trade receivables	444,579	(24,253)	420,326
Bonuses receivable from suppliers	1,560,372	(6,663)	1,553,709
Other financial receivables	207,718	(38,291)	169,427
Total	**2,212,669**	**(69,207)**	**2,143,462**

(iii) Cash and cash equivalents

The Group assesses credit risk for cash and cash equivalents based on external ratings that are available publicly. Cash and cash equivalents are mainly held with banks which are rated from Baa3 to Ca based on Moody's rating.

The Group operates in retail industry which assumes that cash from the customers flows to the Group normally at the point of sale at the moment when the revenue is recognized. Therefore, cash flow risk is considered as remote.

(c) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Liquidity risk management is a responsibility of the Group's Treasury Department. The Group's liquidity risk management objectives are as follows:

- Maintaining financial independence: a share of one creditor in debt portfolio should not exceed 30%;
- Maintaining financial stability: the Net Debt / EBITDA ratio should not exceed 5.0 (at some agreements 5.5), where Net Debt is the total of long-term and short-term loans and borrowings and lease liabilities less cash and cash equivalents as presented in the consolidated financial statements;
- Monitoring of compliance with debt covenants;
- Planning: timely preparation of operating, investing and financing cash flow forecasts on rolling basis.

28 Financial risk management (Continued)

(i) Exposure to liquidity risk

The table below shows liabilities at 31 December 2024 by their remaining contractual maturity. The amounts disclosed in the maturity table are the contractual undiscounted cash flows, including gross loan commitments. Such undiscounted cash flows may differ from the amount included in the consolidated statement of financial position because the consolidated statement of financial position amounts are based on discounted cash flows. Where the amount payable is not fixed, the amount disclosed is determined by reference to the conditions existing at the end of the reporting period. Foreign currency payments are translated using the spot exchange rate at the end of the reporting period.

31 December 2024

'000 RUB	**Carrying amount**	**Contractual cash flows**	**Demand and less than 6 months**	**From 6 to 12 months**	**From 1 to 5 years**	**More than 5 years**
Financial liabilities at amortised cost						
Secured bank loans	11,799,062	14,079,342	2,337,852	2,403,392	9,338,098	-
Unsecured bonds	20,248,689	23,918,720	1,577,459	1,215,503	21,125,758	-
Unsecured bank facilities	15,879,145	19,047,233	6,045,670	3,350,030	9,651,533	-
Unsecured loans from third parties	2,850	2,899	49	2,850	-	-
Lease liabilities	22,434,574	34,994,719	4,117,177	4,014,467	18,636,202	8,226,873
Trade and other payables	30,710,050	30,710,050	30,710,050	-	-	-
Total future payments, including future principal and interest payments	**101,074,370**	**122,752,963**	**44,788,257**	**10,986,242**	**58,751,591**	**8,226,873**

28 Financial risk management (Continued)

(c) Liquidity risk (continued)

As at 31 December 2024, the Group's current liabilities exceeded its current assets by RUB 4,727,437 thousand (31 December 2023: RUB 3,431,679 thousand). An excess of current liabilities over current assets is usual for the retail industry. The Group uses excess of trade and other payables over inventory to finance its operating and investing activities. The Group has reviewed its cash flow forecasts in the context of current and projected market conditions, as well as available undrawn credit facilities disclosed in Note 24, and is confident that it will be able to meet its obligations as they fall due.

31 December 2023

'000 RUB	Carrying amount	Contractual cash flows	Demand and less than 6 months	From 6 to 12 month	From 1 to 5 years	More than 5 years
Financial liabilities at amortised cost						
Secured bank loans	11,797,423	15,555,668	696,379	700,690	14,158,599	-
Unsecured bonds	19,224,859	23,922,236	2,516,287	2,237,253	19,028,082	140,614
Unsecured bank facilities	16,360,615	20,665,411	4,501,323	890,651	15,273,437	-
Unsecured loans from third parties	2,850	2,896	46	2,850	-	-
Lease liabilities	26,722,381	37,560,913	4,045,518	4,005,828	19,968,013	9,541,554
Trade and other payables	28,082,240	28,082,240	28,082,240	-	-	-
Total future payments, including future principal and interest payments	**102,190,368**	**125,789,364**	**39,841,793**	**7,837,272**	**68,428,131**	**9,682,168**

(d) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Management sets limits on the value of risk that may be accepted. However, the use of this approach does not prevent losses outside of these limits in the event of more significant market movements.

(i) Currency risk

The Group holds its business in the Russian Federation and mainly collects receivables nominated in Russian Roubles. However, financial assets and liabilities of the Group are also denominated in other currencies, primarily US Dollar, Euro.

28 Financial risk management (Continued)

(d) Market risk (continued)

Thus, the Group is exposed to currency risk, which may materially influence the financial position and financial results of the Group through the change in carrying value of financial assets and liabilities and amounts on foreign exchange rate gains or losses. The Group ensures that its exposure is kept to an acceptable level by keeping the proportion of financial assets and liabilities in foreign currencies to total financial liabilities at an acceptable level. From time to time the Group converts assets and liabilities from one currency to another.

Exposure to currency risk

The Group's exposure to currency risk in relation to the USD, EUR and CNY the major foreign currencies for the Group's Russian subsidiaries, was as follows based on notional amounts.

The Group's exposure to currency risk in relation to the USD was as follows based on notional amounts:

'000 RUB	31 December 2024	31 December 2023
Trade and other receivables	8,731	7,283
Cash and cash equivalents	329,137	361,035
Trade and other payables	(365,641)	(163,988)
Total	**(27,773)**	**204,330**

The Group's exposure to currency risk in relation to the EUR was as follows based on notional amounts:

'000 RUB	31 December 2024	31 December 2023
Cash and cash equivalents	38,182	49,089
Lease liabilities	-	(1,509,597)
Trade and other payables	(327)	(49,088)
Total	**37,855**	**(1,509,596)**

The Group's exposure to currency risk in relation to the CNY was as follows based on notional amounts:

'000 RUB	31 December 2024	31 December 2023
Trade and other receivables	28,672	7,815
Cash and cash equivalents	19,287	693
Trade and other payables	(125,438)	(119,268)
Total	**(77,479)**	**(110,760)**

28 Financial risk management (Continued)

(d) Market risk (continued)

Sensitivity analysis

A 20% weakening/strengthening of the RUB against the USD at 31 December 2024 would have decreased/increased equity and profit or loss by RUB 5,554 thousand (31 December 2023: 20% weakening/strengthening of the RUB against the USD would have decreased/increased equity and profit or loss by RUB 40,866 thousand).

A 20% weakening/strengthening of the RUB against the EUR at 31 December 2024 would have decreased/increased equity and profit or loss by RUB 7,571 thousand (31 December 2023: 20% weakening/strengthening of the RUB against the EUR would have decreased/increased equity and profit or loss by RUB 301,919 thousand).

A 20% weakening/strengthening of the RUB against the CNY at 31 December 2024 would have decreased/increased equity and profit or loss by RUB 15,496 thousand (31 December 2023: 20% weakening/strengthening of the RUB against the CNY would have decreased/increased equity and profit or loss by RUB 22,152 thousand).

This analysis was performed only for the foreign currency denominated monetary balances in the consolidated statement of financial position related to the Group's entities whose functional currency is the RUB and is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant.

(ii) Interest rate risk

The Group is exposed to the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows.

Profile

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments at their carrying amounts was:

'000 RUB	**31 December 2024**	**31 December 2023**
Fixed rate instruments		
Cash and cash equivalents	15,068,164	10,855,289
Loans and borrowings	(34,852,955)	(37,328,691)
Lease liabilities	(22,434,574)	(26,722,381)
Total	**(42,219,365)**	**(53,195,783)**
Variable rate instruments		
Loans and borrowings	(13,076,790)	(10,057,057)
Total	**(13,076,790)**	**(10,057,057)**

28 Financial risk management (Continued)

(e) Cash flow sensitivity analysis for variable rate instruments

A change of 1000 basis points in interest rates at the reporting date would have increased / (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Profit or loss		**Equity**	
'000 RUB	**1,000 bp increase**	**1,000 bp decrease**	**1,000 bp increase**	**1,000 bp decrease**
31 December 2024				
Variable rate instruments	1,307,679	(1,307,679)	-	-
Cash flow sensitivity (net)	**1,307,679**	**(1,307,679)**	**-**	**-**

	Profit or loss		**Equity**	
'000 RUB	**1,000 bp increase**	**1,000 bp decrease**	**1,000 bp increase**	**1,000 bp decrease**
31 December 2023				
Variable rate instruments	1,005,706	(1,005,706)	-	-
Cash flow sensitivity (net)	**1,005,706**	**(1,005,706)**	**-**	**-**

(f) Offsetting of financial assets and financial liabilities

The Group may enter into sales and purchase agreements with the same counterparty in the normal course of business. The related amounts receivable and payable do not always meet the criteria for offsetting in the consolidated statement of financial position. This is because, while generally there is an intention to settle on net basis, the Group may not have any currently legally enforceable right to offset recognised amounts, because the right to offset may be enforceable only on the occurrence of future events. In particular, in accordance with the Russian civil law an obligation can be settled by offsetting against a similar claim if it is due, has no maturity or is payable on demand, unless otherwise stated in the agreement.

28 Financial risk management (Continued)

(f) Offsetting of financial assets and financial liabilities (continued)

The following table sets out the carrying amounts of recognised financial instruments that are subject to the above agreements.

'000 RUB	Trade and other receivables	Trade and other payables
31 December 2023		
Gross amounts before offsetting	3,376,647	29,315,426
Amounts offset	(1,233,185)	(1,233,185)
Net amounts presented in the consolidated statement of financial position	**2,143,462**	**28,082,241**
Amounts related to recognised financial instruments that do not meet some or all of the offsetting criteria	(1,160,394)	(1,160,394)
Net amount	**983,068**	**26,921,847**

'000 RUB	Trade and other receivables	Trade and other payables
31 December 2024		
Gross amounts before offsetting	2,869,327	31,379,751
Amounts offset	(669,719)	(669,719)
Net amounts presented in the consolidated statement of financial position	**2,199,608**	**30,710,032**
Amounts related to recognised financial instruments that do not meet some or all of the offsetting criteria	(978,934)	(978,934)
Net amount	**1,220,674**	**29,731,098**

The net amounts presented in the consolidated statement of financial position disclosed above form part of trade and other receivables and trade and other payables, respectively. Other amounts included in these line items do not meet the criteria for offsetting and are not subject to the agreements described above.

Amounts offset comprise mainly trade payables for goods and bonuses receivable from suppliers.

(g) Capital management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Neither the Company nor its subsidiaries are subject to externally imposed capital requirements, except for statutory requirement in relation to minimum level of share capital and requirement in respect of positive net assets of LLC "O'KEY" for external loan agreement; the Group follows all requirements.

29 Capital commitments

The Group has capital commitments to acquire property, plant and equipment, mostly relating to construction of stores, and intangible assets amounting to RUB 222,694 thousand as at 31 December 2024 (31 December 2023: RUB 364,249 thousand). The Group has already allocated the necessary resources in respect of these commitments. The Group believes that future net income and funding will be sufficient to cover these and any similar commitments.

30 Contingencies

(a) Legal proceedings

From time to time and in the normal course of business, claims against the Group are received. On the basis of its own estimates and both internal and external professional advice, the management is of the opinion that no material losses will be incurred in respect of claims outstanding.

(b) Tax contingencies

Russian tax legislation which was enacted or substantively enacted at the end of the reporting period, is subject to varying interpretations when being applied to the transactions and activities of the Group. Consequently, tax positions taken by management and the formal documentation supporting the tax positions may be challenged by tax authorities. Russian tax administration is gradually strengthening, including the fact that there is a higher risk of review of tax transactions without a clear business purpose or with tax incompliant counterparties. Fiscal periods remain open to review by the authorities in respect of taxes for three calendar years preceding the year when decisions about the review was made. Under certain circumstances reviews may cover longer periods.

Russian transfer pricing (TP) legislation is generally aligned with the international TP principles developed by the Organisation for Economic Cooperation and Development (OECD), although it has specific features. The TP legislation provides for the possibility of additional tax assessment for controlled transactions (transactions between related parties and certain transactions between unrelated parties) if such transactions are not on an arm's-length basis. The management has implemented internal controls to comply with current TP legislation.

Tax liabilities arising from controlled transactions are determined based on their actual transaction prices. It is possible, with the evolution of the interpretation of the TP rules, that such prices could be challenged. The impact of any such challenge cannot be reliably estimated.

The Group includes companies incorporated outside of Russia. The tax liabilities of the Group are determined on the assumption that these companies are not subject to Russian profits tax, because they do not have a permanent establishment in Russia. This interpretation of relevant legislation may be challenged.

As Russian tax legislation does not provide definitive guidance in certain areas, the Group applies its judgement in interpretations of such uncertain areas. While management currently estimates that the tax positions and interpretations that it has taken can probably be sustained, there is a possible risk that an outflow of resources will be required should such tax positions and interpretations be challenged by the tax authorities.

The impact of any of the challenges mentioned above cannot be reliably estimated currently; however, it may be significant to the financial position and/or the overall operations of the Group.

30 Contingencies (Continued)

(b) Tax contingencies (continued)

In addition to the above matters, management estimates that as at 31 December 2024 the Group has other possible obligations of approximately 1.2 % of revenue (31 December 2023: 1.2 % of revenue) from exposure to other than remote tax risks arising from certain transactions. These exposures are estimates that result from uncertainties in interpretation of applicable legislation and related documentation requirements. Management will vigorously defend the Group's positions and interpretations that were applied in determining taxes recognised in these consolidated financial statements if these are challenged by the authorities.

31 Related party transactions

Parties are generally considered to be related if the parties are under common control or if one party has the ability to control the other party or can exercise significant influence or joint control over the other party in making financial and operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form. Related parties may enter into transactions which unrelated parties might not, and transactions between related parties may not be effected on the same terms, conditions and amounts as transactions between unrelated parties.

Related parties of the Group fall into the following categories:

1. The Company's major indirect shareholders (Note 1);
2. Other related parties under control of the major indirect shareholders;
3. Members of the Board of Directors of the Company and other key management personnel.

(a) Transactions with key management personnel

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

'000 RUB	**2024**	**2023**
Short-term employee benefits:		
Salaries and short-term bonuses	428,346	461,371
Social security contributions	45,247	23,170
Total	**473,593**	**484,541**

In addition, members of the Company's Board of Directors received remuneration in the amount of RUB 60,516 thousand for the year ended 31 December 2024 (2023: RUB 82,114 thousand) which is included in legal and professional expenses.

31 Related party transactions (Continued)

(b) Transactions with other related parties

(i) Revenue

	Income		Receivables	
'000 RUB	**2024**	**2023**	**31 December 2024**	**31 December 2023**
Sale of services	3,076	2,204	-	-
Total	**3,076**	**2,204**	**-**	**-**

All outstanding balances with other related parties are to be settled in cash within six months of the reporting date. None of the balances are secured or impaired.

(ii) Expenses

'000 RUB	Expenses	
	2024	**2023**
Variable lease expenses and expenses relating to short-term and low value leases	93,909	84,622
Interest expense on lease liabilities	100,075	119,629
Total	**193,984**	**204,251**

(iii) Leases with other related parties

Lease liabilities under related party arrangements were as follows:

'000 RUB	**31 December 2024**	**31 December 2023**
Lease liabilities due to other related parties, including:	**967,058**	**1,380,514**
Current lease liabilities	565,846	536,736
Non-current lease liabilities	401,212	843,778

Terms of the leases with other related parties are such that the Group pays rentals which include the reimbursement of all operating expenses related to the hypermarkets leased and nearby leased areas and a certain percentage of the Group's retail revenue from the operation of these hypermarkets.

32 Fair value disclosures

Fair value measurements are analysed and categorised by level in the fair value hierarchy as follows:

(i) Level 1 are measurements at quoted prices (unadjusted) in active markets for identical assets or liabilities;

(ii) Level 2 measurements are valuations techniques with all material inputs observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices);

(iii) Level 3 measurements are valuations not based on observable market data (that is, unobservable inputs).

Management applies judgement in categorising financial instruments using the fair value hierarchy. If a fair value measurement uses observable inputs that require significant adjustment, that measurement is a Level 3 measurement. The significance of a valuation input is assessed against the fair value measurement in its entirety.

(a) Recurring fair value measurements

Recurring fair value measurements are those that the accounting standards require or permit in the statement of financial position at the end of each reporting period.

Investment property. Fair value of the investment property is updated by the Group annually on 31 December applying the income approach and market approach. Refer to Note 13.

(b) Non-recurring fair value measurements

As at 31 December 2024, recoverable amount of some of the Group's non-current assets tested for impairment was determined on the basis of the fair value less costs of disposals approach. Refer to Note 14.

(c) Assets and liabilities not measured at fair value but for which fair value is disclosed

Fair value was determined by the Group for initial recognition of financial assets and liabilities which are subsequently measured at amortised cost.

Fair value of the Group's financial assets and liabilities measured at amortised cost approximate their carrying amounts except for fair value of the Group's bonds. The bonds listed on Moscow exchange are determined based on active market quotations (Level 1 fair value), fair value of which differs by no more than 20% from their carrying amount. Fair value of the Group's other financial assets and liabilities at amortised cost belongs to Level 2 measurements in the fair value hierarchy.

There were no transfers between the levels of the fair value hierarchy or changes in valuation techniques for fair value measurements during 2024 and 2023.

33 Significant accounting policies

The principal accounting policies set out below have been consistently applied to all the periods presented in these consolidated financial statements and have been applied consistently by Group entities.

(a) Financial instruments

(i) Financial assets impairment – credit loss allowance for ECL

The Group applies the IFRS 9 simplified approach to measuring ECL which uses a lifetime expected loss allowance for trade and lease receivables. For other financial assets the Group applies a three stage model for impairment, based on changes in credit quality since initial recognition.

(ii) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position only when there is a legally enforceable right to offset the recognised amounts, and there is an intention to either settle on a net basis, or to realise the asset and settle the liability simultaneously. Such a right of set off (a) must not be contingent on a future event and (b) must be legally enforceable in all of the following circumstances: (i) in the normal course of business, (ii) in the event of default and (iii) in the event of insolvency or bankruptcy.

(iii) Capitalisation of borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of assets that are not carried at fair value and that necessarily take a substantial time to get ready for intended use or sale (qualifying assets) are capitalised as part of the costs of those assets.

The commencement date for capitalisation is when (a) the Group incurs expenditures for the qualifying asset; (b) it incurs borrowing costs; and (c) it undertakes activities that are necessary to prepare the asset for its intended use or sale.

Capitalisation of borrowing costs continues up to the date when the assets are substantially ready for their use or sale.

The Group capitalises borrowing costs that could have been avoided if it had not made capital expenditure on qualifying assets. Borrowing costs capitalised are calculated at the Group's average funding cost (the weighted average interest cost is applied to the expenditures on the qualifying assets), except to the extent that funds are borrowed specifically for the purpose of obtaining a qualifying asset. Where this occurs, actual borrowing costs incurred on the specific borrowings less any investment income on the temporary investment of these borrowings are capitalised.

33 Significant accounting policies (Continued)

(b) Property, plant and equipment and construction in progress

(i) Recognition and measurement

Items of property, plant and equipment, except for land, are measured at cost less accumulated depreciation and impairment losses. The cost of property, plant and equipment at 1 January 2005, the date of transition to IFRSs, was determined by reference to its fair value at that date.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Any gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and is recognised net within “other operating income and expense” in profit or loss.

(ii) Depreciation

Land and construction in progress are not depreciated. Other items of property, plant and equipment are depreciated from the date that they are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

The estimated useful lives of significant items of property, plant and equipment for the current and comparative periods are as follows:

- Buildings — 50 years;
- Machinery and equipment, auxiliary facilities — 2-20 years;
- Leasehold improvements — the lowest of the useful life or the term of underlying lease;
- Other fixed assets — 2-10 years.

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

33 Significant accounting policies (Continued)

(c) Investment property

Investment property is property held by the Group to earn rental income or for capital appreciation or both, including land held for a currently undetermined future use, and which is not occupied by the Group. Properties that are mainly occupied by the Group and insignificant portion of which is leased out to third parties mainly for offering additional customer service are presented within property, plant and equipment.

Investment property, including assets under construction for future use as investment property, is initially recognised at cost, including transaction costs, and subsequently remeasured at fair value with any change therein recognised in profit or loss within "other operating income and expenses". If fair value of investment property under construction is not reliably determinable, the Group measures that investment property under construction at cost until either its fair value becomes reliably determinable or construction is completed (whichever is earlier).

Fair value of the Group's investment property is the price that would be received from sale of the asset in an orderly transaction, without deduction of any transaction costs. The best evidence of fair value is given by current prices in an active market for similar property in the same location and condition. Market value of the Group's investment property is determined based on reports of independent appraisers, who hold recognised and relevant professional qualifications and who have recent experience in the valuation of property in the same location and category.

When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its deemed cost for subsequent accounting.

Earned rental income is recorded in profit or loss for the year within revenue.

(d) Intangible assets

(i) Amortisation

Amortisation is based on the cost of the asset less its estimated residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use since this most closely reflects the expected pattern of consumption of future economic benefits embodied in the asset. The estimated useful lives for the current and comparative periods are as follows:

- software 1-7 years;
- other intangible assets 1-5 years.

Amortisation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

33 Significant accounting policies (Continued)

(e) Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- The contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- The Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- The Group has the right to direct the use of the asset.

The Group has the right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purposes the asset is used is predetermined, the Group has the right to direct the use of the asset if either:

- The Group has the right to operate the asset; or
- The Group designed the asset in a way that predetermines how and for what purpose it will be used.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

The estimated useful lives of right-of-use asset are as follows:

- Trade premises 3-17 years;
- Land 3-30 years;
- Other 1-5 years.

At the commencement date, lease liabilities are measured at an amount equal to the present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

33 Significant accounting policies (Continued)

(h) Leases (continued)

The following variable payments are not included in the calculation of lease liability:

- payments under land lease agreements, the calculation of which depends on the cadastral value of the land plot and other coefficients established by government decrees;
- payments for utilities and other services, determined upon the fact of consumption;
- variable lease payments that depend on turnover.

Extension options (or period after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the Group's incremental borrowing rate is used, being the rate that the Group would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, collateral and conditions.

The right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs.

(f) Inventories

The cost of inventories is based on the moving weighted average principle.

(g) Revenue

(i) Revenue from contracts with customers

Revenue from contracts with customers is represented by sales of trading stock, including retail sales of goods and sales of self-produced catering products. The major source of sales of trading stock is retail revenue.

Revenue from sale of goods and self-catering products is recognised when control of the goods and products has transferred to the customer, normally for the customers it is occurred in the store at the point of sale. No element of financing is deemed present, as payment of the transaction price is due immediately.

In accordance with the Russian consumer protection legislation, the customers have the right of return of goods in a range of categories within 14 days after the purchase. Such estimated returns are assessed at each reporting date. Based on historical data about returns, it is probable that a significant reversal in the cumulative revenue recognised will not occur.

Gift cards and award points issued by the Group are recorded as a contract liability within trade and other payables upon sale when prepaid by customers until they are redeemed or expire.

In the reporting period, the Group's hypermarkets business maintained a loyalty program where retail customers were able to accumulate award points on purchases of certain goods which entitled them to a discount on future purchases in the hypermarkets. Also, from time to time, the Group holds promotional campaigns where the Group provides discount coupons to the customers that purchase goods with total value above a pre-determined amount. The discount coupons entitle the customers to a free purchase or a discount on selected goods immediately after the campaign ends. Such

33 Significant accounting policies (Continued)

award points and coupons represent a material right to the customers and give rise to a separate performance obligation to deliver the customers additional or discounted goods. The total transaction price is allocated on the portfolio basis to the initial and the additional performance obligations on a relative stand-alone selling price basis. The estimated stand-alone selling price of the award points is determined with reference to the extent to which future performance is not expected to be required because the customer does not redeem the points awarded.

(h) Income tax

Income taxes have been provided in the consolidated financial statements in accordance with the respective legislation enacted or substantively enacted by the end of the reporting period. Income tax comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that they are recognised in other comprehensive income or directly in equity because they relate to transactions that are also recognised, in the same accounting period, in other comprehensive income or directly in equity.

In determining the amount of current and deferred tax the Group takes into account the impact of uncertain tax positions and whether additional taxes, penalties and late-payment interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Group to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact the tax expense in the period that such a determination is made.

(i) Presentation of the consolidated statement of cash flows

The Group reports cash flows from operating activities using direct method. Cash flows from investing activities are presented net of VAT. VAT paid to suppliers of non-current assets and VAT in proceeds from sale of non-current assets are presented in line "VAT paid" within cash flows from operating activities.

34 Events subsequent to the reporting date

In March 2025, the Group has decided to change its' legal registration from the Grand Duchy of Luxembourg to the Russian Federation ("redomiciliation"), subject to compliance with the applicable legal and regulatory requirements. Prior to finalising the redomiciliation procedure, all actions required by law to terminate operations in Luxembourg must be completed. In the meantime, the Group will continue to operate as a Luxembourg-registered company until the redomiciliation has been completed. The process of changing the Group's legal registration will not affect the business operations of its retail chains or its subsidiaries. The Group will continue to meet all its obligations to its partners and customers on time and in full.

In March 2025, the Group placed unsecured bonds on Moscow exchange for rate of 25% p.a. and maturing in March 2035 with an option for the bondholders to claim early repayment in June 2026.