

**FIX PRICE GROUP PLC**

**REPORT AND FINANCIAL STATEMENTS**

31 December 2022

# **FIX PRICE GROUP PLC**

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## **REPORT AND FINANCIAL STATEMENTS**

31 December 2022

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# FIX PRICE GROUP PLC

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## BOARD OF DIRECTORS AND OTHER OFFICERS

<b>Board of Directors:</b>	Sergei Lomakin Artem Khachatryan Alexey Makhnev Dmitry Kirsanov
<b>Chief Executive Officer:</b>	Dmitry Kirsanov
<b>Chief Financial Officer:</b>	Anton Makhnev
<b>Company Secretary:</b>	PMS MERCURY CORPORATE SERVICES LTD
<b>Independent Auditors:</b>	Papakyriacou & Partners Ltd Chartered Certified Accountants and Registered Auditors 28 Sofouli Street Chanteclair Building 4th Floor, Office 406 1096 Nicosia, Cyprus
<b>Registered office:</b>	155 Archiepiskopou Makariou III, Proteas House, 5th Floor 3026, Limassol, Cyprus
<b>Bankers:</b>	LGT Bank (Switzerland) Ltd
<b>Registration number:</b>	HE434185

# FIX PRICE GROUP PLC

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## MANAGEMENT REPORT

The Board of Directors presents its report and audited financial statements of the Company for the year ended 31 December 2022.

### **Incorporation**

Fix Price Group Ltd was incorporated in May 2008 in accordance with the Business Companies Act of the British Virgin Islands. On 11 May 2022 the Company changed its jurisdiction of incorporation from the British Virgin Islands to the Republic of Cyprus and was registered under the provisions of the Cyprus Companies Law, Cap. 113. With effect from 11 May 2022, the name of the Company was changed from Fix Price Group Ltd to Fix Price Group PLC.

### **Principal activities and nature of operations of the Company**

Fix Price Group PLC together with its subsidiaries (the "Group") is one of the leading variety value retailers globally and the largest variety value retailer in Russia operating under the trademark "Fix Price". The Group's retail operations are conducted through a chain of convenience stores, located in the Russian Federation, Belarus, Kazakhstan and Uzbekistan. The Group is also engaged in wholesale operations by servicing a number of franchisees that operate in distant regions of the Russian Federation, as well as in a number of international geographies.

On 10 March 2021 the Company completed an initial public offering of global depository receipts representing ordinary shares of Fix Price Group PLC on the London Stock Exchange and Moscow Exchange.

Fix Price Group PLC is the holding entity of the Group and there is no consolidation that takes place above the level of this Company.

### **Changes in group structure**

On 27 September 2022 under a scheme of Merger and Reorganization, the wholly owned subsidiary company Kolmaz Holdings Ltd was dissolved without liquidation following its merger with Fix Price Group PLC in accordance with Court Order dated 27 September 2022.

### **Review of current position, future developments and performance of the Company's business**

The net profit for the year attributable to the shareholders of the Company amounted to RR462,512,263 (2021 Profit: RR8,978,865,545). On 31 December 2022 the total assets of the Company were RR8,256,769,879 (2021: RR2,331,708,331) and the net assets of the Company were RR2,548,452,301 (2021: RR551,481,533). The financial position and development of the Company as presented in these financial statements are considered satisfactory.

### **Principal risks and uncertainties**

The principal risks and uncertainties faced by the Company are disclosed in notes 6, 7 and 28 of the financial statements.

### **Use of financial instruments by the Company**

The Company uses various financial instruments, including loans, cash, and various items, such as trade receivables and trade payables that arise directly from its operations. The main risks arising from the Company's financial instruments are market risk, credit risk and liquidity risk.

### **Market price risk**

Market risk encompasses three types of risk, being currency risk, interest rate risk and commodity price risk. Commodity price risk is not considered material to the business as the Company's sensitivity to commodity prices is insignificant.

### **Cash flow interest rate risk**

Interest rate risk is disclosed in note 6 of the audited financial statements.

### **Credit risk**

Credit risk is disclosed in note 6 of the audited financial statements.

### **Liquidity risk**

Liquidity risk is disclosed in note 6 of the audited financial statements.

### **Results**

The Company's results for the year are set out on page 8.

# FIX PRICE GROUP PLC

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## MANAGEMENT REPORT

### **Dividends**

No dividends were announced for 2022 during the year ended 31 December 2022.

Interim dividends for 2021 of RUB 11.52 per share, amounting to total dividends of RUB 9,788 million were announced in August 2021 and were paid in full. Final dividends for 2021 of RUB 6.82 per share, amounting to total final dividends of RUB 5,800 million were announced in February 2022. On 17 September 2022, the Board of Directors cancelled the final dividend for 2021.

### **Share capital**

As at 31 December 2022, the Company had an authorised share capital of 10,000,000,000 ordinary shares with a par value of EUR 0.0000374 per share and an issued ordinary share capital of 850,000,000 outstanding ordinary shares with a par value of EUR 0.0000374 per share.

As at 31 December 2021, the Company had an authorised share capital of unlimited number of ordinary shares with no par value and had an ordinary share capital of 850,000,000 outstanding ordinary shares.

### **Treasury shares**

On 24 January 2022, the Company announced GDR's buyback programme, which was concluded on 25 April 2022. During the year ended 31 December 2022, the Company acquired 471,307 of the Company's GDR's for a total consideration of RUB 206,787,675. As at 31 December 2022, the Company had 471,307 treasury shares with the total cost of RUB 206,787,675.

### **Board of Directors**

The members of the Company's Board of Directors as at 31 December 2022 and at the date of this report are presented on page 1.

In accordance with the Company's Articles of Association all Directors presently members of the Board continue in office.

### **Operating Environment of the Company**

Any significant events that relate to the operating environment of the Company are described in note 28 to the financial statements.

### **Events after the reporting period**

Any significant events that occurred after the end of the reporting period are described in note 32 to the financial statements.

### **Related party transactions**

Disclosed in note 29 of the financial statements.

### **Independent Auditors**

On 23 November 2022, the Board of Directors appointed Messrs. Papakyriacou & Partners Ltd as Independent Auditors for the financial year ending 31 December 2022.

By order of the Board of Directors,

Dmitry Kirsanov  
Director

Cyprus, 9 June 2023



# FIX PRICE GROUP PLC

## STATEMENT OF THE MEMBERS OF THE BOARD OF DIRECTORS RESPONSIBILITIES

The Company's Board of Directors is responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap.113, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. This responsibility includes selecting appropriate accounting policies and applying them consistently; and making accounting estimates and judgements that are reasonable in the circumstances.

In preparing the financial statements, the Board of Directors is also responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

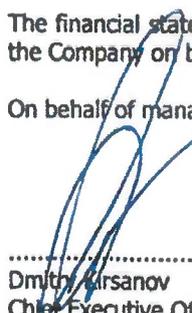
Each of the Directors confirms to the best of his or her knowledge that the financial statements, which are presented on pages 8 to 39, have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap.113, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company.

Further, the Board of Directors confirms that, to the best of its knowledge:

- adequate accounting records have been maintained which disclose with reasonable accuracy the financial position of the Company and explain its transactions;
- all information of which it is aware that is relevant to the preparation of the financial statements, such as accounting records and all other relevant records and documentation, has been made available to the Company's auditors;
- the financial statements disclose the information required by the Cyprus Companies Law, Cap.113 in the manner so required;
- the Management Report has been prepared in accordance with the requirements of the Cyprus Companies Law, Cap.113, and the information given therein is consistent with the financial statements;

The financial statements of the Company for the year ended 31 December 2022 were approved by management of the Company on behalf of the Board of Directors of the Company on 9 June 2023.

On behalf of management:

  
.....  
Dmitry Kirsanov  
Chief Executive Officer

  
.....  
Anton Makhnev  
Chief Financial Officer

Cyprus, 9 June 2023

## **Independent Auditor's Report**

### **To the Members of Fix Price Group Plc**

#### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the financial statements of parent company Fix Price Group Plc (the "Company"), which are presented in pages 8 to 39 and comprise the statement of financial position as at 31 December 2022, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of parent company Fix Price Group Plc as at 31 December 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

#### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Cyprus, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Other information**

The Board of Directors is responsible for the other information. The other information comprises the information included in the Management Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Responsibilities of the Board of Directors for the Financial Statements**

The Board of Directors is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

# **Independent Auditor's Report (continued)**

## **To the Members of Fix Price Group Plc**

### **Responsibilities of the Board of Directors for the Financial Statements (continued)**

The Board of Directors is responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### **Report on Other Legal Requirements**

Pursuant to the additional requirements of the Auditors Law of 2017, we report the following:

- In our opinion, the Management Report has been prepared in accordance with the requirements of the Cyprus Companies Law, Cap 113, and the information given is consistent with the financial statements.
- In our opinion, and in the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Management Report.

## Independent Auditor's Report (continued)

### To the Members of Fix Price Group Plc

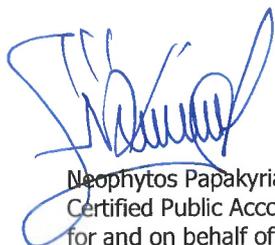
#### Other Matters

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 69 of the Auditors Law of 2017 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

We have reported separately on the consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2022.

#### *Comparative figures*

The financial statements of the Company for the year ended 31 December 2021 were not audited in accordance with International Standards of Auditing. However, we have performed extensive audit testing to verify the completeness and accuracy of the opening balances as at 1 January 2022 and we are confident of the correctness of the Company's final position as at 31 December 2021. Our opinion is not qualified with this respect.



Neophytos Papakyriacou FCCA  
Certified Public Accountant and Registered Auditor  
for and on behalf of  
**Papakyriacou & Partners Ltd**  
**Chartered Certified Accountants and Registered Auditors**

Nicosia, Cyprus, 9 June 2023

## FIX PRICE GROUP PLC

### STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME 31 December 2022

	Note	2022 RR	2021 RR
Dividend income		<b>199,500,000</b>	9,045,000,000
Loan interest income	18	<b>101,158,082</b>	-
<b>Total revenue</b>		<b>300,658,082</b>	9,045,000,000
Other operating income	9	<b>422,340,199</b>	322,892,682
Administration expenses	10	<b>(529,432,206)</b>	(418,044,799)
<b>Operating profit</b>		<b>193,566,075</b>	8,949,847,883
Net finance income	12	<b>277,202,112</b>	29,017,662
<b>Profit before tax</b>		<b>470,768,187</b>	8,978,865,545
Tax	13	<b>(8,255,924)</b>	-
<b>Net profit for the year</b>		<b>462,512,263</b>	8,978,865,545
<b>Other comprehensive income</b>		-	-
<b>Total comprehensive income/(loss) for the year</b>		<b>462,512,263</b>	8,978,865,545

The notes on pages 13 to 39 form an integral part of these financial statements.

# FIX PRICE GROUP PLC

## STATEMENT OF FINANCIAL POSITION

31 December 2022

	Note	31/12/2022 RR	31/12/2021 As restated RR	01/01/2021 As restated RR
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	15	3,210,832	-	-
Investments in subsidiaries	16	474,910,306	533,827,754	533,827,754
Receivables	19	695,740,106	1,016,850,924	-
Loans receivable	18	4,649,990,377	74,292,600	-
		<u>5,823,851,621</u>	<u>1,624,971,278</u>	<u>533,827,754</u>
<b>Current assets</b>				
Receivables	19	323,158,309	326,970,482	9,501,240,118
Cash at bank	20	2,109,759,949	379,766,571	15,000,050,116
		<u>2,432,918,258</u>	<u>706,737,053</u>	<u>24,501,290,234</u>
<b>Total assets</b>		<u>8,256,769,879</u>	<u>2,331,708,331</u>	<u>25,035,117,988</u>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital	21	1,180,035	1,180,035	1,180,035
Other reserves	22	(206,787,675)	-	-
Retained earnings		2,600,327,241	396,568,798	1,205,703,253
Additional paid-in capital	23	153,732,700	153,732,700	153,732,700
<b>Total equity</b>		<u>2,548,452,301</u>	<u>551,481,533</u>	<u>1,360,615,988</u>
<b>Non-current liabilities</b>				
Borrowings	24	4,351,945,205	-	-
Deferred income	26	915,070,432	1,337,410,631	-
		<u>5,267,015,637</u>	<u>1,337,410,631</u>	<u>-</u>
<b>Current liabilities</b>				
Trade and other payables	25	18,955,593	20,475,968	23,674,502,000
Deferred income	26	422,340,199	422,340,199	-
Borrowings	24	33	-	-
Current tax liabilities	27	6,116	-	-
		<u>441,301,941</u>	<u>442,816,167</u>	<u>23,674,502,000</u>
<b>Total liabilities</b>		<u>5,708,317,578</u>	<u>1,780,226,798</u>	<u>23,674,502,000</u>
<b>Total equity and liabilities</b>		<u>8,256,769,879</u>	<u>2,331,708,331</u>	<u>25,035,117,988</u>

The notes on pages 13 to 39 form an integral part of these financial statements.

# FIX PRICE GROUP PLC

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On 9 June 2023 the Board of Directors of Fix Price Group Plc authorised these financial statements for issue.



.....  
Dmitry Kirsanov  
Director



.....  
Aitem Khachatryan  
Director

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The notes on pages 13 to 39 form an integral part of these financial statements.

# FIX PRICE GROUP PLC

## STATEMENT OF CHANGES IN EQUITY

31 December 2022

	Note	Share capital RR	Treasury shares RR	Additional paid-in capital RR	Retained earnings RR	Total RR
<b>Balance at 1 January 2021</b>		1,180,035	-	153,732,700	1,205,703,253	1,360,615,988
<b>Comprehensive income</b>						
Net profit for the year		-	-	-	8,978,865,545	8,978,865,545
<b>Transactions with owners</b>						
Dividends	14	-	-	-	(9,788,000,000)	(9,788,000,000)
<b>Balance at 31 December 2021/ 1 January 2022</b>		1,180,035	-	153,732,700	396,568,798	551,481,533
<b>Comprehensive income</b>						
Net profit for the year		-	-	-	462,512,263	462,512,263
<b>Transactions with owners</b>						
Purchase of treasury shares	22	-	(206,787,675)	-	-	(206,787,675)
Kolmaz retained earnings following merger	17	-	-	-	1,741,246,180	1,741,246,180
<b>Balance at 31 December 2022</b>		1,180,035	(206,787,675)	153,732,700	2,600,327,241	2,548,452,301

Companies, which do not distribute 70% of their profits after tax, as defined by the Special Contribution for the Defence of the Republic Law, within two years after the end of the relevant tax year, will be deemed to have distributed this amount as dividend on the 31 of December of the second year. The amount of the deemed dividend distribution is reduced by any actual dividend already distributed by 31 December of the second year for the year the profits relate. The Company pays special defence contribution on behalf of the shareholders over the amount of the deemed dividend distribution at a rate of 17% (applicable since 2014) when the entitled shareholders are natural persons tax residents of Cyprus and have their domicile in Cyprus. In addition, the Company pays on behalf of the shareholders General Healthcare System (GHS) contribution at a rate of 2,65%, when the entitled shareholders are natural persons tax residents of Cyprus, regardless of their domicile.

The notes on pages 13 to 39 form an integral part of these financial statements.

# FIX PRICE GROUP PLC

## CASH FLOW STATEMENT

31 December 2022

	Note	2022 RR	2021 RR
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Profit before tax</b>		<b>470,768,187</b>	8,978,865,545
Adjustments for:			
Depreciation of property, plant and equipment	15	117,864	-
Dividend income		(199,500,000)	(9,045,000,000)
Interest income	12, 18	(125,425,743)	(44,952,168)
Interest expense	12, 24	92,100,822	-
Foreign exchange (profit) / loss, net	12	(345,757,072)	14,228,807
		<b>(107,695,942)</b>	(96,857,816)
<b>Changes in working capital:</b>			
Decrease/(increase) in receivables		324,922,991	(1,342,581,289)
(Decrease)/increase in trade and other payables		(1,520,375)	4,213,968
(Decrease)/increase in deferred income		(422,340,199)	1,759,750,830
<b>Cash (used in)/generated from operations</b>		<b>(206,633,525)</b>	324,525,693
Interest received		16,421,564	44,952,168
Tax paid	13	(8,255,924)	-
<b>Net cash (used in)/generated from operating activities</b>		<b>(198,467,885)</b>	369,477,861
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payment for purchase of property, plant and equipment	15	(3,328,696)	-
Loans granted	18	-	(74,044,800)
Dividends received		199,500,000	18,545,000,000
Net asset distribution from Kolmaz	17	1,741,246,180	-
<b>Net cash generated from investing activities</b>		<b>1,937,417,484</b>	18,470,955,200
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Payment for purchase of treasury shares	22	(206,787,675)	-
Dividends paid	14	-	(33,446,240,002)
<b>Net cash used in financing activities</b>		<b>(206,787,675)</b>	(33,446,240,002)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>1,532,161,924</b>	(14,605,806,941)
Cash and cash equivalents at beginning of the year		379,766,571	15,000,050,116
Effect of exchange rate fluctuations on cash held		197,831,454	(14,476,604)
<b>Cash and cash equivalents at end of the year</b>	20	<b>2,109,759,949</b>	379,766,571

The notes on pages 13 to 39 form an integral part of these financial statements.

# FIX PRICE GROUP PLC

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## NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

### 1. Incorporation and principal activities

#### Country of incorporation

Fix Price Group Ltd (earlier, prior to November 2020, Meridan Management Ltd) was incorporated in May 2008 in accordance with the Business Companies Act of the British Virgin Islands. On 11 May 2022 the Company has changed its jurisdiction of incorporation from the British Virgin Islands to the Republic of Cyprus with its registered address at 155 Archiepiskopou Makariou III, Proteas House, 3026, Limassol, Cyprus.

With effect from 11 May 2022, the name of the Company has changed from Fix Price Group Ltd to Fix Price Group PLC (the "Company").

#### Principal activities

Fix Price Group PLC together with its subsidiaries (the "Group") is one of the leading variety value retailers globally and the largest variety value retailer in Russia operating under the trademark "Fix Price". The Group's retail operations are conducted through a chain of convenience stores, located in the Russian Federation, Belarus, Kazakhstan and Uzbekistan. The Group is also engaged in wholesale operations by servicing a number of franchisees that operate in distant regions of the Russian Federation, as well as in a number of international geographies.

On 10 March 2021 the Company completed an initial public offering of global depositary receipts representing ordinary shares of Fix Price Group PLC on the London Stock Exchange and Moscow Exchange.

Fix Price Group PLC is the holding entity of the Group and there is no consolidation that takes place above the level of this Company.

Fix Price Group PLC is also engaged in financing activities with other group companies.

On 27 September 2022 under a scheme of Merger and Reorganization, the subsidiary company Kolmaz Holdings Ltd was dissolved without liquidation following its merger with Fix Price Group PLC in accordance with Court Order dated 27 September 2022. All group companies previously held directly by Kolmaz Holdings Limited are now directly owned by the Company.

### 2. Basis of preparation

The Company has prepared these parent's separate financial statements for compliance with the requirements of the Cyprus Income Tax Law.

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap. 113. The financial statements have been prepared under the historical cost convention.

The Company has also prepared consolidated financial statements in accordance with IFRSs for the Company and its subsidiaries (the "Group"). The consolidated financial statements can be obtained from the company's registered office at 155 Archiepiskopou Makariou III, Proteas House, 5th Floor, 3026, Limassol, Cyprus.

Users of these parent's separate financial statements should read them together with the Group's consolidated financial statements as at and for the year ended 31 December 2022 in order to obtain a proper understanding of the financial position, the financial performance and the cash flows of the Company and the Group.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgment in the process of applying the Company's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

# FIX PRICE GROUP PLC

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## NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

### 3. Adoption of new or revised standards and interpretations

The Company adopted IFRS 1 First-time Adoption of International Financial Reporting Standards as from 1 January 2022 and further applied IFRS 1 adoption retrospectively to the end of the last annual reporting period which was prepared under different GAAP. The Company did not identify and material adjustments to the Statement of Financial Position, the Statement Comprehensive Income and the Statement of Cash Flows.

During the current year the Company adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 January 2022. This adoption did not have a material effect on the accounting policies of the Company.

### 4. Significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented in these financial statements unless otherwise stated.

#### Subsidiary companies

Subsidiaries are all entities (including structured entities) over which the Company has control. The Company controls an entity (company) when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Investments in subsidiaries are measured at cost less impairment. Investments in subsidiaries are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised through profit or loss for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. An impairment loss recognised in prior years is reversed where appropriate if there has been a change in the estimates used to determine the recoverable amount.

#### Revenue

- **Interest income**

Interest revenue is recognised when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

- **Dividend income**

Dividends are received from investments held in subsidiary and associated companies. Dividends are recognised as revenue income in profit or loss when the right to receive payment is established.

#### Finance income

Finance income includes bank interest from deposits and foreign exchange gains. Finance income is recognised as income in the period in which is earned.

#### Finance costs

Finance expenses include interest expense on loans, foreign exchange losses as well as bank charges. Finance expenses are recognised as expenses in the period in which they fall due.

# FIX PRICE GROUP PLC

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## NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

### 4. Significant accounting policies (continued)

#### Foreign currency translation

**(1) Functional and presentation currency**

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Russian Rubles (RR), which is the Company's functional and presentation currency.

**(2) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

#### Tax

Current tax liabilities and assets are measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and laws that have been enacted, or substantively enacted, by the reporting date.

#### Dividends

Dividend distribution to the Company's shareholders is recognised in the Company's financial statements in the year in which they are approved by the Company's shareholders.

#### Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated on the straight-line method so as to write off the cost of each asset to its residual value over its estimated useful life.

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Where the carrying amount of an asset is greater than its estimated recoverable amount, the asset is written down immediately to its recoverable amount.

Expenditure for repairs and maintenance of property, plant and equipment is charged to profit or loss of the year in which it is incurred. The cost of major renovations and other subsequent expenditure are included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Company. Major renovations are depreciated over the remaining useful life of the related asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

#### Deferred income

Deferred income represents income from Depositary Bank of New York Mellon, received from the depositary as a consideration of the servicing as a sole depositary of the Group's GDRs during a contracted period of 5 years. The income is recognised on a straight line basis over a five- year contract term and is presented as other operating income.

# FIX PRICE GROUP PLC

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## NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

### 4. Significant accounting policies (continued)

#### Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non financial assets, other than goodwill, that have suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

#### Financial assets

##### Financial assets - Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification and subsequent measurement of debt financial assets depends on: (i) the Company's business model for managing the related assets portfolio and (ii) the cash flow characteristics of the asset. On initial recognition, the Company may irrevocably designate a debt financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

For investments in equity instruments that are not held for trading, the classification will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). This election is made on an investment-by-investment basis.

All other financial assets are classified as measured at FVTPL.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

##### Financial assets - Recognition and derecognition

All purchases and sales of financial assets that require delivery within the time frame established by regulation or market convention ("regular way" purchases and sales) are recorded at trade date, which is the date when the Company commits to deliver a financial instrument. All other purchases and sales are recognised when the entity becomes a party to the contractual provisions of the instrument.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

# FIX PRICE GROUP PLC

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## NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

### 4. Significant accounting policies (continued)

#### Financial assets (continued)

##### Financial assets - Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Fair value at initial recognition is best evidenced by the transaction price. A gain or loss on initial recognition is only recorded if there is a difference between fair value and transaction price which can be evidenced by other observable current market transactions in the same instrument or by a valuation technique whose inputs include only data from observable markets.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

##### Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

**Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in 'other income'. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss and other comprehensive income. Financial assets measured at amortised cost (AC) comprise: cash and cash equivalents, bank deposits with original maturity over 3 months, trade receivables and financial assets at amortised cost.

**FVOCI:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in "other income". Foreign exchange gains and losses are presented in "other gains/(losses)" and impairment expenses are presented as separate line item in the statement of profit or loss and other comprehensive income.

**FVTPL:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in profit or loss and presented net within "other gains/(losses)" in the period in which it arises.

##### **Financial assets - impairment - credit loss allowance for ECL**

The Company assesses on a forward-looking basis the ECL for debt instruments (including loans) measured at amortised cost and FVOCI and exposure arising from loan commitments and financial guarantee contracts. The Company measures ECL and recognises credit loss allowance at each reporting date. The measurement of ECL reflects: (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (ii) time value of money and (iii) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting period about past events, current conditions and forecasts of future conditions.

# FIX PRICE GROUP PLC

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## NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

### 4. Significant accounting policies (continued)

#### Financial assets (continued)

##### Financial assets - impairment - credit loss allowance for ECL (continued)

The carrying amount of the financial assets is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of profit or loss and other comprehensive income within "net impairment losses on financial and contract assets. Subsequent recoveries of amounts for which loss allowance was previously recognised are credited against the same line item.

Debt instruments carried at amortised cost are presented in the statement of financial position net of the allowance for ECL. For loan commitments and financial guarantee contracts, a separate provision for ECL is recognised as a liability in the statement of financial position.

For debt instruments at FVOCI, an allowance for ECL is recognised in profit or loss and it affects fair value gains or losses recognised in OCI rather than the carrying amount of those instruments.

The impairment methodology applied by the Company for calculating expected credit losses depends on the type of financial asset assessed for impairment. Specifically:

For trade receivables and contract assets, including trade receivables and contract assets with a significant financing component, and lease receivables the Company applies the simplified approach permitted by IFRS 9, which requires lifetime expected credit losses to be recognised from initial recognition of the financial assets.

For all other financial instruments that are subject to impairment under IFRS 9, the Company applies general approach - three stage model for impairment. The Company applies a three stage model for impairment, based on changes in credit quality since initial recognition. A financial instrument that is not credit-impaired on initial recognition is classified in Stage 1.

Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter ("12 Months ECL"). If the Company identifies a significant increase in credit risk ("SICR") since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis, that is, up until contractual maturity but considering expected prepayments, if any ("Lifetime ECL"). Refer to note 6, Credit risk section, for a description of how the Company determines when a SICR has occurred. If the Company determines that a financial asset is credit-impaired, the asset is transferred to Stage 3 and its ECL is measured as a Lifetime ECL. The Company's definition of credit impaired assets and definition of default is explained in note 6, Credit risk section.

Additionally the Company has decided to use the low credit risk assessment exemption for investment grade financial assets. Refer to note 6, Credit risk section for a description of how the Company determines low credit risk financial assets.

#### Financial assets -Reclassification

Financial instruments are reclassified only when the business model for managing those assets changes. The reclassification has a prospective effect and takes place from the start of the first reporting period following the change.

#### Financial assets - write-off

Financial assets are written-off, in whole or in part, when the Company exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The write-off represents a derecognition event. The Company may write-off financial assets that are still subject to enforcement activity when the Company seeks to recover amounts that are contractually due, however, there is no reasonable expectation of recovery.

# FIX PRICE GROUP PLC

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## NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

### 4. Significant accounting policies (continued)

#### Financial assets (continued)

##### Financial assets - modification

The Company sometimes renegotiates or otherwise modifies the contractual terms of the financial assets. The Company assesses whether the modification of contractual cash flows is substantial considering, among other, the following factors: any new contractual terms that substantially affect the risk profile of the asset (e.g. profit share or equity-based return), significant change in interest rate, change in the currency denomination, new collateral or credit enhancement that significantly affects the credit risk associated with the asset or a significant extension of a loan when the borrower is not in financial difficulties.

If the modified terms are substantially different, the rights to cash flows from the original asset expire and the Company derecognises the original financial asset and recognises a new asset at its fair value. The date of renegotiation is considered to be the date of initial recognition for subsequent impairment calculation purposes, including determining whether a SICR has occurred. The Company also assesses whether the new loan or debt instrument meets the SPPI criterion. Any difference between the carrying amount of the original asset derecognised and fair value of the new substantially modified asset is recognised in profit or loss, unless the substance of the difference is attributed to a capital transaction with owners.

In a situation where the renegotiation was driven by financial difficulties of the counterparty and inability to make the originally agreed payments, the Company compares the original and revised expected cash flows to assets whether the risks and rewards of the asset are substantially different as a result of the contractual modification. If the risks and rewards do not change, the modified asset is not substantially different from the original asset and the modification does not result in derecognition. The Company recalculates the gross carrying amount by discounting the modified contractual cash flows by the original effective interest rate, and recognises a modification gain or loss in profit or loss.

##### Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise deposits held at call with banks and bank overdrafts. In the statement of financial position, bank overdrafts are included in borrowings in current liabilities. Cash and cash equivalents are carried at amortised cost because: (i) they are held for collection of contractual cash flows and those cash flows represent SPPI, and (ii) they are not designated at FVTPL.

##### Classification as financial assets at amortised cost

These amounts generally arise from transactions outside the usual operating activities of the Company. They are held with the objective to collect their contractual cash flows and their cash flows represent solely payments of principal and interest. Accordingly, these are measured at amortised cost using the effective interest method, less provision for impairment. Financial assets at amortised cost are classified as current assets if they are due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current assets.

##### Financial liabilities - measurement categories

Financial liabilities are initially recognised at fair value and classified as subsequently measured at amortised cost, except for (i) financial liabilities at FVTPL: this classification is applied to derivatives, financial liabilities held for trading (e.g. short positions in securities), contingent consideration recognised by an acquirer in a business combination and other financial liabilities designated as such at initial recognition and (ii) financial guarantee contracts and loan commitments.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

# FIX PRICE GROUP PLC

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## NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

### 4. Significant accounting policies (continued)

#### Financial assets (continued)

##### Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings, using the effective interest method, unless they are directly attributable to the acquisition, construction or production of a qualifying asset, in which case they are capitalised as part of the cost of that asset. Borrowings are classified as current liabilities, unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the statement of financial position date.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment (for liquidity services) and amortised over the period of the facility to which it relates.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires). The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

##### Trade payables

Trade payables are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest rate method.

##### Financial liabilities - Modifications

An exchange between the Company and its original lenders of debt instruments with substantially different terms, as well as substantial modifications of the terms and conditions of existing financial liabilities, are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. (In addition, other qualitative factors, such as the currency that the instrument is denominated in, changes in the type of interest rate, new conversion features attached to the instrument and change in loan covenants are also considered.)

If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

Modifications of liabilities that do not result in extinguishment are accounted for as a change in estimate using a cumulative catch up method, with any gain or loss recognised in profit or loss, unless the economic substance of the difference in carrying values is attributed to a capital transaction with owners and is recognised directly to equity.

Borrowing costs are interest and other costs that the Company incurs in connection with the borrowing of funds, including interest on borrowings, amortisation of discounts or premium relating to borrowings, amortisation of ancillary costs incurred in connection with the arrangement of borrowings, finance lease charges and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

# FIX PRICE GROUP PLC

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## NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

### 4. Significant accounting policies (continued)

#### Financial assets (continued)

#### Financial liabilities - Modifications (continued)

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, being an asset that necessarily takes a substantial period of time to get ready for its intended use or sale, are capitalised as part of the cost of that asset, when it is probable that they will result in future economic benefits to the Company and the costs can be measured reliably.

#### Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statement of financial position.

#### Prepayments

Prepayments are carried at cost less provision for impairment. A prepayment is classified as non-current when the goods or services relating to the prepayment are expected to be obtained after one year, or when the prepayment relates to an asset which will itself be classified as non-current upon initial recognition. Prepayments to acquire assets are transferred to the carrying amount of the asset once the Company has obtained control of the asset and it is probable that future economic benefits associated with the asset will flow to the Company. Other prepayments are written off to profit or loss when the goods or services relating to the prepayments are received. If there is an indication that the assets, goods or services relating to a prepayment will not be received, the carrying value of the prepayment is written down accordingly and a corresponding impairment loss is recognised in profit or loss.

#### Share capital

Ordinary shares are classified as equity.

#### Additional paid-in capital

Advances from shareholders constitutes contributions made by the Company's shareholders other than for the issue of shares by the Company in their capacity as equity owners of the Company for which the Company has no contractual obligation to repay them. Such contributions are recognised directly in equity as they constitute transactions with equity owners in their capacity as equity owners of the Company.

### 5. New accounting pronouncements

#### Standards issued but not yet effective

Up to the date of approval of the financial statements, certain new standards, interpretations and amendments to existing standards have been published that are not yet effective for the current reporting period and which the Company has not early adopted, as follows:

#### (i) Issued by the IASB and adopted by the European Union

- *IFRS 17 "Insurance Contracts" (effective for annual periods beginning on or after 1 January 2023).*

#### Amendments

*IFRS Interpretations Committee*

# FIX PRICE GROUP PLC

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## NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

### 5. New accounting pronouncements (continued)

#### (i) Issued by the IASB and adopted by the European Union (continued)

- *Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (issued on 12 February 2021) (effective for annual periods beginning on or after 1 January 2023).*
- *Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (issued on 12 February 2021) (effective for annual periods beginning on or after 1 January 2023).*

#### (ii) Issued by the IASB but not yet adopted by the European Union

##### Amendments

- *Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Classification of Liabilities as Current or Non-current - Deferral of Effective Date (issued on 23 January 2020 and 15 July 2020 respectively) (effective for annual periods beginning on or after 1 January 2023).*
- *Amendments to IAS 12 - "Income Taxes": Deferred Tax related to Assets and Liabilities arising from a Single Transaction (issued on 7 May 2021) (effective for annual periods beginning on or after 1 January 2023).*
- *Amendments to IFRS 17 "Insurance Contracts" Initial Application of IFRS 17 and IFRS 9 - Comparative Information (effective for annual periods beginning on or after 1 January 2023).*

The above are expected to have no significant impact on the Company's financial statements when they become effective.

### 6. Financial risk management

#### Financial risk factors

The Company is exposed to credit risk, liquidity risk, market risk, and capital risk management arising from the financial instruments it holds. The risk management policies employed by the Company to manage these risks are discussed below:

##### 6.1 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to meet an obligation. Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to trade and other debtors, including outstanding receivables and contract assets as well as lease receivables.

##### (i) Risk management

Credit risk is managed on a group basis. For banks and financial institutions, the Company has established policies whereby the majority of bank balances are held with independently rated parties with a minimum rating of ['C'].

If trade and other debtors are independently rated, these ratings are used. Otherwise, if there is no independent rating, Management assesses the credit quality of the customer, taking into account its financial position, payment history, past experience and other factors.

There are no significant concentrations of credit risk, whether through exposure to individual debtors, specific industry sectors and/or regions.

The Company's investments in debt instruments are considered to be low risk investments. The credit ratings of the investments are monitored for credit deterioration.

These policies enable the Company to reduce its credit risk significantly.

##### (ii) Impairment of financial assets

The Company has the following types of financial assets that are subject to the expected credit loss model:

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

### 6. Financial risk management (continued)

#### 6.1 Credit risk (continued)

##### *(ii) Impairment of financial assets (continued)*

- trade and other receivables
- cash and cash equivalents

The impairment methodology applied by the Company for calculating expected credit losses depends on the type of financial asset assessed for impairment. Specifically:

- For trade receivables the Company applies the simplified approach permitted by IFRS 9, which requires lifetime expected losses to be recognised from initial recognition of the financial assets.
- For all other financial assets that are subject to impairment under IFRS 9, the Company applies general approach - three stage model for impairment. The Company applies a three-stage model for impairment, based on changes in credit quality since initial recognition. A financial asset that is not credit-impaired on initial recognition is classified in Stage 1. Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter ("12 Months ECL"). If the Company identifies a significant increase in credit risk ("SICR") since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis, that is, up until contractual maturity but considering expected prepayments, if any ("Lifetime ECL"). If the Company determines that a financial asset is credit-impaired, the asset is transferred to Stage 3 and its ECL is measured as a Lifetime ECL.

Impairment losses are presented as net impairment losses on financial and contract assets within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

##### *Significant increase in credit risk*

The Company considers the probability of default upon initial recognition of the asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the financial asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- internal credit rating
- external credit rating (as far as available)
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's/counterparty's ability to meet its obligations
- actual or expected significant changes in the operating results of the borrower/counterparty
- significant increases in credit risk on other financial instruments of the same borrower/counterparty
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
- significant changes in the expected performance and behaviour of the borrower/counterparty, including changes in the payment status of counterparty in the Company and changes in the operating results of the borrower/counterparty.

Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model. 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. No significant changes to estimation techniques or assumptions were made during the reporting period.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment.

# FIX PRICE GROUP PLC

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

### 6. Financial risk management (continued)

#### 6.1 Credit risk (continued)

(ii) Impairment of financial assets (continued)

##### Low credit risk

The Company has decided to use the low credit risk assessment exemption for investment grade financial assets. Management consider 'low credit risk' for listed bonds to be an investment grade credit rating with at least one major rating agency. Other instruments are considered to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

##### Default

A default on a financial asset is when the counterparty fails to make contractual payments within 90 days of when they fall due.

##### Write-off

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company. The Company categorises a debt financial asset for write off when a debtor fails to make contractual payments greater than 180 days past due. Where debt financial assets have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

The Company's exposure to credit risk for each class of (asset/instrument) subject to the expected credit loss model is set out below:

#### Loans to related parties

The gross carrying amounts below represent the Company's maximum exposure to credit risk on these assets as at 31 December 2022 and 31 December 2021:

Company internal credit rating	2022 RR	2021 RR
Performing	<u>4,649,990,377</u>	<u>74,292,600</u>
<b>Total</b>	<b><u>4,649,990,377</u></b>	<b><u>74,292,600</u></b>

The Company does not hold any collateral as security for any loans to related parties.

There were no significant loans to related parties written off during the year that are subject to enforcement activity.

#### Cash and cash equivalents

The Company assesses, on a group basis, its exposure to credit risk arising from cash at bank. This assessment takes into account, ratings from external credit rating institutions and internal ratings, if external are not available.

Bank deposits held with banks with investment grade rating are considered as low credit risk.

The gross carrying amounts below represent the Company's maximum exposure to credit risk on these assets as at 31 December 2022 and 31 December 2021:

The ECL on current accounts is considered to be approximate to 0, unless the bank is subject to capital controls. The ECL on deposits accounts is calculated by considering published PDs for the rating as per Moody's and an LGD of 40-60% as published by ECB.

# FIX PRICE GROUP PLC

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

### 6. Financial risk management (continued)

#### 6.1 Credit risk (continued)

(ii) Impairment of financial assets (continued)

#### Cash and cash equivalents (continued)

The Company does not hold any collateral as security for any cash at bank balances.

There were no significant cash at bank balances written off during the year that are subject to enforcement activity.

#### 6.2 Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Company has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

The following tables detail the Company's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

#### 31 December 2022

	Carrying amounts	Contractual cash flows			
		RR	3-12 months	1-2 years	2-5 years
Bank overdrafts	33	RR	RR	RR	RR
Trade and other payables	1,055,530	33	33	-	-
Loans from shareholders	4,351,945,205	1,055,530	1,055,530	-	-
	<b>4,353,000,768</b>	<b>4,351,945,205</b>	<b>1,055,563</b>	<b>-</b>	<b>4,351,945,205</b>

#### 31 December 2021

	Carrying amounts	Contractual cash flows	Contractual cash flows		
			3-12 months	1-2 years	2-5 years
Trade and other payables	RR	RR	RR	RR	RR
	20,475,968	20,475,968	20,475,968	-	-
	<b>20,475,968</b>	<b>20,475,968</b>	<b>20,475,968</b>	<b>-</b>	<b>-</b>

#### 6.3 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 Company's income or the value of its holdings of financial instruments.

##### 6.3.1 Cash flow and fair value interest rate risk

The Company's interest rate risk arises from interest-bearing assets and long term borrowings. Interest-bearing assets and borrowings at variable rates expose the Company to cash flow interest rate risk. Interest bearing assets and borrowings issued at fixed rates expose the Company to fair value interest rate risk.

At the reporting date the interest rate profile of interest-bearing financial instruments was:

	2022	2021
	RR	RR
<b>Fixed rate instruments</b>		
Financial assets	4,579,652,877	-
Financial liabilities	(4,351,945,205)	-
	<b>227,707,672</b>	<b>-</b>

# FIX PRICE GROUP PLC

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

### 6. Financial risk management (continued)

#### 6.3 Market risk (continued)

##### 6.3.2 Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Company's measurement currency. The Company is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the US Dollar and the Euro. The Company's Management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	Liabilities		Assets	
	2022	2021	2022	2021
	RR	RR	RR	RR
United States Dollars	1,337,410,664	1,778,323,980	2,155,087,634	452,910,964
Euro	17,907,198	1,202,818	6,448,018	2,900,457
British Pounds	-	-	16,233	588,629
KZT	37,383	-	-	-
	<b>1,355,355,245</b>	<b>1,779,526,798</b>	<b>2,161,551,885</b>	<b>456,400,050</b>

##### Sensitivity analysis

A 10% strengthening of the Russian Rubles against the following currencies at 31 December 2022 would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. For a 10% weakening of the Russian Rubles against the relevant currency, there would be an equal and opposite impact on the profit and other equity.

	Equity		Profit or loss	
	2022	2021	2022	2021
	RR	RR	RR	RR
United States Dollars	81,767,697	(132,541,302)	81,767,697	(132,541,302)
Euro	(1,145,918)	169,764	(1,187,604)	169,764
British Pounds	1,623	58,863	1,623	58,863
KZT	(3,738)	-	(3,738)	-
	<b>80,619,664</b>	<b>(132,312,675)</b>	<b>80,577,978</b>	<b>(132,312,675)</b>

#### 6.4 Capital risk management

Capital includes equity shares and other reserves.

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Company's overall strategy remains unchanged from last year.

### 7. Critical accounting estimates, judgments and assumptions

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

# FIX PRICE GROUP PLC

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## NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

### 7. Critical accounting estimates, judgments and assumptions (continued)

#### *Critical accounting estimates and assumptions*

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

- **Going concern basis**

The Directors judge that it is appropriate to prepare the financial statements on the going concern basis.

- **Calculation of loss allowance**

When measuring expected credit losses the Company uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

- **Income taxes**

Significant judgment is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

#### *Critical judgements in applying the Company's accounting policies*

- **Impairment of investments in subsidiaries**

The Company periodically evaluates the recoverability of investments in subsidiaries whenever indicators of impairment are present. Indicators of impairment include such items as declines in revenues, earnings or cash flows or material adverse changes in the economic or political stability of a particular country, which may indicate that the carrying amount of an asset is not recoverable. If facts and circumstances indicate that investment in subsidiaries may be impaired, the estimated future discounted cash flows associated with these subsidiaries would be compared to their carrying amounts to determine if a write-down to fair value is necessary.

- **Impairment of loans receivable**

The Company periodically evaluates the recoverability of loans receivable whenever indicators of impairment are present. Indicators of impairment include such items as declines in revenues, earnings or cash flows or material adverse changes in the economic or political stability of a particular country in which the borrower operates, which may indicate that the carrying amount of the loan is not recoverable. If facts and circumstances indicate that loans receivable may be impaired, the estimated future discounted cash flows associated with these loans would be compared to their carrying amounts to determine if a write-down to fair value is necessary.

# **FIX PRICE GROUP PLC**

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## **NOTES TO THE FINANCIAL STATEMENTS**

31 December 2022

### **7. Critical accounting estimates, judgments and assumptions (continued)**

- **Impairment of financial assets**

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in note 6, Credit risk section.

- **Impairment of non-financial assets**

The impairment test is performed using the discounted cash flows expected to be generated through the use of non-financial assets, using a discount rate that reflects the current market estimations and the risks associated with the asset. When it is impractical to estimate the recoverable amount of an asset, the Company estimates the recoverable amount of the cash generating unit in which the asset belongs to.

- **Useful live of depreciable assets**

The Board of Directors assesses the useful lives of depreciable assets at each reporting date, and revises them if necessary so that the useful lives represent the expected utility of the assets to the Company. Actual results, however, may vary due to technological obsolescence, mis-usage and other factors that are not easily predictable.

# FIX PRICE GROUP PLC

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

### 8. Change in accounting policy

During the year ended 31 December 2022 the Company changed its accounting policy by adopting IFRS1-First time adoption of International Financial Reporting Standards, applied retrospectively in previous year.

	As previously reported RR	Effect RR	As restated RR
1 January 2021			
Investments in subsidiaries	533,827,754	-	533,827,754
Receivables	9,501,240,118	-	9,501,240,118
Cash at bank	<u>15,000,050,116</u>	-	<u>15,000,050,116</u>
Total assets	<u>25,035,117,988</u>	-	<u>25,035,117,988</u>
Trade and other payables	<u>23,674,502,000</u>	-	<u>23,674,502,000</u>
Total liabilities	<u>23,674,502,000</u>	-	<u>23,674,502,000</u>
Share Capital	1,180,035	-	1,180,035
Paid in Capital	153,732,700	-	153,732,700
Retained Earnings	<u>1,205,703,253</u>	-	<u>1,205,703,253</u>
Total equity	<u>1,360,615,988</u>	-	<u>1,360,615,988</u>
31 December 2021			
Investments	533,827,754	-	533,827,754
Receivables	1,418,114,006	-	1,418,114,006
Cash at bank	<u>379,766,571</u>	-	<u>379,766,571</u>
Total assets	<u>2,331,708,331</u>	-	<u>2,331,708,331</u>
Trade and other payables	<u>1,780,226,798</u>	-	<u>1,780,226,798</u>
Total liabilities	<u>1,780,226,798</u>	-	<u>1,780,226,798</u>
Share Capital	1,180,035	-	1,180,035
Paid in Capital	153,732,700	-	153,732,700
Retained Earnings	<u>396,568,798</u>	-	<u>396,568,798</u>
Total equity	<u>551,481,533</u>	-	<u>551,481,533</u>

# FIX PRICE GROUP PLC

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

### 8. Change in accounting policy (continued)

Impact on the statement of profit or loss and other comprehensive income for the year ended 31 December 2021:

	As previously reported RR	Effect RR	As restated RR
Dividend income	9,045,000,000	-	9,045,000,000
<b>Gross profit</b>	<b>9,045,000,000</b>	-	<b>9,045,000,000</b>
Operating income	322,892,682	-	322,892,682
Administration Expenses	(418,044,799)	-	(418,044,799)
<b>Operating profit</b>	<b>8,949,847,883</b>	-	<b>8,949,847,883</b>
Net finance income	29,017,662	-	29,017,662
<b>Profit before tax</b>	<b>8,978,865,545</b>	-	<b>8,978,865,545</b>
Tax	-	-	-
<b>Net profit for the year</b>	<b>8,978,865,545</b>	-	<b>8,978,865,545</b>
<b>Other comprehensive income</b>			
<b>Total comprehensive income/(loss) for the year</b>	<b>8,978,865,545</b>	-	<b>8,978,865,545</b>

There has been no significant impact on the reporting amounts previously reported following adoption of IFRS1.

### 9. Other operating income

	2022 RR	2021 RR
Depository income (Note 26)	<u>422,340,199</u>	<u>322,892,682</u>
	<u>422,340,199</u>	<u>322,892,682</u>

### 10. Administration expenses

	2022 RR	2021 RR
Staff costs	154,962,115	-
Rent	386,472	-
Annual levy	21,186	-
Insurance	2,990,278	14,951,360
IT expenses	3,368,720	6,450,295
Auditors' remuneration	6,019,004	4,470,000
Legal and professional	1,346,449	899,760
Secretarial fees	500,000	-
Fines	38,183	-
Travelling	3,486,587	4,037,339
Services fees	1,000,000	31,692,000
Consulting expenses	350,640,699	355,544,045
Other administration expenses	4,554,649	-
Depreciation	117,864	-
	<u>529,432,206</u>	<u>418,044,799</u>

# FIX PRICE GROUP PLC

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

### 11. Staff costs

	2022 RR	2021 RR
Salaries	150,512,977	-
Social security costs	4,449,138	-
	<u>154,962,115</u>	<u>-</u>
Average number of employees	<u>7</u>	<u>-</u>

### 12. Finance income/(costs)

	2022 RR	2021 RR
<b>Finance income</b>		
Bank deposit interest - Cy period	23,966,153	44,952,168
Bank deposit interest - BVI period	301,508	-
Foreign exchange profit	729,280,017	447,871,038
	<u>753,547,678</u>	<u>492,823,206</u>

#### Finance costs

##### Interest expense

Loan interest (92,100,822) -

##### Sundry finance expenses

Bank charges (721,798) (1,705,701)

##### Net foreign exchange losses

Foreign exchange loss (383,522,946) (462,099,843)

(476,345,566) (463,805,544)

##### Net finance income

277,202,112 29,017,662

### 13. Tax

	2022 RR	2021 RR
Defence contribution	8,255,924	-
Charge for the year	<u>8,255,924</u>	<u>-</u>

# FIX PRICE GROUP PLC

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

### 13. Tax (continued)

The tax on the Company's profit before tax differs from theoretical amount that would arise using the applicable tax rates as follows:

	2022	2021
	RR	RR
Profit before tax	<u>470,768,187</u>	<u>8,978,865,545</u>
Tax calculated at the applicable tax rates	<b>58,846,023</b>	1,122,358,193
Tax effect of expenses not deductible for tax purposes	<b>110,527,419</b>	-
Tax effect of allowances and income not subject to tax	<b>(169,234,195)</b>	(1,122,358,193)
Tax effect of group losses surrendered due to merger	<b>(139,247)</b>	-
Defence contribution current year	<u>8,255,924</u>	-
<b>Tax charge</b>	<u><b>8,255,924</b></u>	<u>-</u>

The corporation tax rate is 12,5%.

Under certain conditions interest income may be subject to defence contribution at the rate of 30%. In such cases this interest will be exempt from corporation tax. In certain cases, dividends received from abroad may be subject to defence contribution at the rate of 17%.

Gains on disposal of qualifying titles (including shares, bonds, debentures, rights thereon etc) are exempt from Cyprus income tax.

The Company's chargeable income for the year amounted to RR1,113,977 which has been set off against tax losses surrendered to the company from other group companies. Under current legislation, tax losses may be carried forward and be set off against taxable income of the five succeeding years.

### 14. Dividends

	2022	2021
	RR	RR
Dividend paid	<u>-</u>	<u>9,788,000,000</u>
	<u>-</u>	<u>9,788,000,000</u>

No dividends were announced for 2022 during the year ended 31 December 2022.

Interim dividends for 2021 of RUB 11.52 per share, amounting to total dividends of RUB 9,788 million were announced in August 2021 and were paid in full. Final dividends for 2021 of RUB 6.82 per share, amounting to total final dividends of RUB 5,800 million were announced in February 2022. On 17 September 2022, the Board of Directors cancelled the final dividend for 2021.

Dividends are subject to a deduction of special contribution for defence at 17% for individual shareholders that are both Cyprus tax resident and Cyprus domiciled. Dividends are also subject to a 2,65% contribution to the General Healthcare System.

# FIX PRICE GROUP PLC

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

### 15. Property, plant and equipment

	Motor vehicles RR	Furniture, fixtures and office equipment RR	Total RR
<b>Cost</b>			
<b>Balance at 31 December 2021</b>	-	-	-
Additions	2,442,996	885,700	3,328,696
<b>Balance at 31 December 2022</b>	<b>2,442,996</b>	<b>885,700</b>	<b>3,328,696</b>
<b>Depreciation</b>			
<b>Balance at 31 December 2021</b>	-	-	-
Charge for the year	28,741	89,123	117,864
<b>Balance at 31 December 2022</b>	<b>28,741</b>	<b>89,123</b>	<b>117,864</b>
<b>Net book amount</b>			
<b>Balance at 31 December 2022</b>	<b>2,414,255</b>	<b>796,577</b>	<b>3,210,832</b>
<b>Balance at 31 December 2021</b>	-	-	-

### 16. Investments in subsidiaries

	2022 RR	2021 RR
Balance at 1 January	533,827,754	533,827,754
New additions from Kolmaz merger (Note 17)	474,878,464	-
Elimination of Kolmaz following merger	(533,827,754)	-
Increase in share capital of Best Price Kazakhstan LLC	31,842	-
<b>Balance at 31 December</b>	<b>474,910,306</b>	<b>533,827,754</b>

The details of the subsidiaries are as follows:

Name	Country of incorporation	Principal activities	2022	2021	2022 RR	2021 RR
			Holding %	Holding %		
Best Price LLC	Russia	Retail Trade	100	100	236,446,741	-
Best Price Export LLC	Russia	Wholesale trade	1	1	350	-
Best Price Kazakhstan LLC	Kazakhstan	Retail Trade	100	100	236,892,843	-
FE LLC Fix Price Asia	Uzbekistan	Retail Trade	100	100	1,510,826	-
Fix Price Zapad LLC	Belarus	Retail Trade	99	99	59,546	-
Kolmaz Holdings Limited	Cyprus	Holding	-	100	-	533,827,754
					<b>474,910,306</b>	<b>533,827,754</b>

Following the merging of subsidiary Kolmaz Holdings Limited with the Company as described in note 1 to the financial statements, all previously ownership interests held by the former were transfer to Fix Price Group PLC, as per note 17.

# FIX PRICE GROUP PLC

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

### 17. Merger with subsidiary

On 27 September 2022 under a scheme of Merger and Reorganization, the subsidiary company Kolmaz Holdings Ltd was dissolved without liquidation following its merger with Fix Price Group PLC in accordance with Court Order dated 27 September 2022.

The book value method of accounting is used for business combinations under common control. The method measures assets and liabilities received in the combination at their existing books values.

The assets and liabilities merged were as follows:

	RR
Investments in subsidiaries (Note 16)	474,878,464
Loans Receivable (Note 18)	4,478,494,795
Receivables	193,299
Cash at bank and in hand	1,589,306,649
Trade payables	(108,791)
Non-current borrowings (Note 24)	(4,259,844,384)
Elimination of intercompany balances	<u>(541,673,852)</u>
<b>Net assets merged</b>	<b><u>1,741,246,180</u></b>

### 18. Loans receivable

	2022	2021
	RR	RR
Balance at 1 January	<b>74,292,600</b>	-
New loans from Kolmaz merger -principal amount (Note 17)	<b>4,260,000,000</b>	-
New loans from Kolmaz merger -accumulated interest amount (Note 17)	<b>218,494,795</b>	-
New loans granted	-	74,044,800
Interest charged	<b>101,158,082</b>	-
Foreign exchange on retranslation	<b>(3,955,100)</b>	247,800
<b>Balance at 31 December</b>	<b><u>4,649,990,377</u></b>	<u>74,292,600</u>

	2022	2021
	RR	RR
Loans to fellow subsidiaries (Note 29.1)	-	74,292,600
Loans to own subsidiaries (Note 29.1)	<b>4,649,990,377</b>	-
	<b>4,649,990,377</b>	74,292,600
Less current portion	-	-
Non-current portion	<b>4,649,990,377</b>	<u>74,292,600</u>

The loans are repayable as follows:

	2022	2021
	RR	RR
Between one and five years	<b>4,649,990,377</b>	<u>74,292,600</u>

The exposure of the Company to credit risk in relation to loans receivable is reported in note 6 of the financial statements.

The fair values of non-current receivables approximate to their carrying amounts as presented above.

# FIX PRICE GROUP PLC

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

### 19. Receivables

	2022 RR	2021 RR
Deposits and prepayments	614,778	-
Advances to suppliers	1,016,850,924	1,337,961,742
Other receivables	<u>1,432,713</u>	<u>5,859,664</u>
	<b>1,018,898,415</b>	1,343,821,406
Less non-current receivables	<u>(695,740,106)</u>	<u>(1,016,850,924)</u>
<b>Current portion</b>	<b><u>323,158,309</u></b>	<b><u>326,970,482</u></b>

Advances to suppliers relate to prepaid IPO expenses.

The fair values of receivables due within one year approximate to their carrying amounts as presented above.

The exposure of the Company to credit risk and impairment losses in relation to receivables is reported in note 6 of the financial statements.

### 20. Cash at bank

	2022 RR	2021 RR
Cash at bank and in hand	27,769,949	379,766,571
Bank deposits	<u>2,081,990,000</u>	<u>-</u>
	<b><u>2,109,759,949</u></b>	<b><u>379,766,571</u></b>

The effective interest rate on short-term bank deposits was 4.25% and these deposits are denominated in US Dollars and have an average maturity of 2 days.

For the purposes of the cash flow statement, the cash and cash equivalents include the following:

	2022 RR	2021 RR
Cash at bank and in hand	27,769,949	379,766,571
Bank overdrafts (Note 24)	<u>(33)</u>	<u>-</u>
	<b><u>27,769,916</u></b>	<b><u>379,766,571</u></b>

### Cash and cash equivalents by currency:

	2022 RR	2021 RR
United States Dollars	22,655,448	375,628,086
Euro	5,030,526	1,935,816
Russian Rubles	67,709	2,174,021
British Pound	<u>16,233</u>	<u>28,648</u>
	<b><u>27,769,916</u></b>	<b><u>379,766,571</u></b>

The exposure of the Company to credit risk and impairment losses in relation to cash and cash equivalents is reported in note 6 of the financial statements.

# FIX PRICE GROUP PLC

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

### 21. Share capital

	2022 Number of shares	2022 RR	2021 Number of shares	2021 RR
<b>Issued and fully paid</b>				
Balance at 1 January	<u>850,000,000</u>	<u>1,180,035</u>	850,000,000	1,180,035
<b>Balance at 31 December</b>	<u><b>850,000,000</b></u>	<u><b>1,180,035</b></u>	850,000,000	1,180,035

As at 31 December 2022 the Company had an authorised share capital of 10,000,000,000 ordinary shares with a par value of EUR 0.0000374 per share and an issued ordinary share capital of 850,000,000 ordinary shares with a par value of EUR 0.0000374 per share.

As at 31 December 2021 the Company had an authorised share capital of unlimited number of ordinary shares with no par value and an ordinary share capital of 850,000,000 ordinary shares.

### 22. Other reserves

	Treasury shares RR
Balance at 1 January 2021	-
<b>Balance at 31 December 2021/ 1 January 2022</b>	-
Purchase of treasury shares	<u>(206,787,675)</u>
<b>Balance at 31 December 2022</b>	<u><b>(206,787,675)</b></u>

On 24 January 2022 the Company announced its GDR's buyback programme, which was concluded on 25 April 2022. During the year ended 31 December 2022, the Company acquired 471,307 of the Company's GDR's for a total consideration of RUB 206,787,675. As at 31 December 2022 the Company had 471,307 treasury shares with the total cost of RUB 206,787,675.

### 23. Additional paid-in capital

	2022 RR	2021 RR
Balance at 1 January	<u>153,732,700</u>	153,732,700
<b>Balance at 31 December</b>	<u><b>153,732,700</b></u>	<u>153,732,700</u>

The amounts from shareholders are made available to the Board of Directors for future increases of the share capital of the Company and are not refundable.

### 24. Borrowings

	2022 RR	2021 RR
Balance at 1 January	-	-
New loans from Kolmaz merger- principal amount (Note 17)	<b>4,060,000,000</b>	-
New loans from Kolmaz merger- accumulated interest amount (Note 17)	<b>199,844,383</b>	-
Interest charge	<b>92,100,822</b>	-
Bank overdrafts balance	<b>33</b>	-
<b>Balance at 31 December</b>	<u><b>4,351,945,238</b></u>	-

# FIX PRICE GROUP PLC

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

### 24. Borrowings (continued)

	2022 RR	2021 RR
<b>Current borrowings</b>		
Bank overdrafts (Note 20)	33	-
<b>Non-current borrowings</b>		
Loans from shareholders	<u>4,351,945,205</u>	-
<b>Total</b>	<u><u>4,351,945,238</u></u>	-

Maturity of non-current borrowings:

	2022 RR	2021 RR
Between two and five years	<u>4,351,945,205</u>	-

The Company borrowings are denominated in the following currencies:

	2022 RR	2021 RR
Russian Rubles	<u>4,351,945,205</u>	-
	<u><u>4,351,945,205</u></u>	-

### 25. Trade and other payables

	2022 RR	2021 RR
Social insurance and other taxes	15,597,268	-
Accruals	2,302,795	-
Other creditors	<u>1,055,530</u>	20,475,968
	<u><u>18,955,593</u></u>	<u>20,475,968</u>

The fair values of trade and other payables due within one year approximate to their carrying amounts as presented above.

### 26. Deferred income

	2022 RR	2021 RR
Depository income	<u>1,337,410,631</u>	1,759,750,830
	<u>1,337,410,631</u>	1,759,750,830
Deferred income after more than one year	<u>(915,070,432)</u>	(1,337,410,631)
<b>Deferred income within one year</b>	<u><u>422,340,199</u></u>	<u>422,340,199</u>

In connection with the IPO, the Company was entitled to receive consideration from depository Bank of New York Mellon on the number of issued GDRs. The Company has recorded this consideration as advancement received in the statement of financial position and recognizes income on a straight-line basis over a five-year contract term. Income is presented in other operating income.

# FIX PRICE GROUP PLC

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

### 27. Current tax liabilities

	2022 RR	2021 RR
Special contribution for defence	<u>6,116</u>	-
	<u>6,116</u>	-

### 28. Operating Environment of the Company

The geopolitical situation in Eastern Europe intensified on 24 February 2022 with the commencement of the conflict between Russia and Ukraine. As at the date of authorising these financial statements for issue, the conflict continues to evolve as military activity proceeds. In addition to the impact of the events on entities that have operations in Russia, Ukraine, or Belarus or that conduct business with their counterparties, the conflict is increasingly affecting economies and financial markets globally and exacerbating ongoing economic challenges.

The European Union as well as United States of America, Switzerland, United Kingdom and other countries imposed a series of restrictive measures (sanctions) against the Russian and Belarussian government, various companies, and certain individuals. The sanctions imposed include an asset freeze and a prohibition from making funds available to the sanctioned individuals and entities. In addition, travel bans applicable to the sanctioned individuals prevents them from entering or transiting through the relevant territories. The Republic of Cyprus has adopted the United Nations and European Union measures. The rapid deterioration of the conflict in Ukraine may as well lead to the possibility of further sanctions in the future.

The sanctions imposed by foreign states led to a considerable increase in a Russian Ruble exchange rate, limited the opportunities for Russia to use its foreign currency and gold reserves, the sanctions include restrictions targeting major Russian financial institutions and the Central Bank of Russia. As part of the measures imposed, the London Stock Exchange has suspended trading in a number of companies with ties to Russia, including Fix Price Group PLC. The Central Bank of Russia implemented a number of measures to sustain financial stability, including an increase of its key interest rate to 20% and limitations on cross-border transactions with certain jurisdictions. Adopted measures, together with the governmental support have led to gradual stabilisation with the key interest rate having been subsequently reduced to 7.5% and the exchange rate getting back to 2021 levels. However, as the current inflation rate exceeds 12%, the broader economy in general and the retail sector in particular are still being negatively impacted by the Russian Ruble volatility and sanctions imposed by a number of countries.

Emerging uncertainty regarding global supply of commodities due to the conflict between Russia and Ukraine may also disrupt certain global trade flows and place significant upwards pressure on commodity prices and input costs as seen through early March 2022. Challenges for companies may include availability of funding to ensure access to raw materials, ability to finance margin payments and heightened risk of contractual non-performance.

Management has considered the unique circumstances and the risk exposures of the Company and has concluded that there is no significant impact in the Company's profitability and liquidity position. The event is not expected to have an immediate material impact on the business operations. Management will continue to monitor the situation closely and will assess the need for any immediate actions required.

### 29. Related party transactions

As at 31 December 2022, the Company is ultimately controlled by a group of independent physical persons who individually do not have control over the Company.

# FIX PRICE GROUP PLC

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

### 29. Related party transactions (continued)

The following transactions were carried out with related parties:

#### 29.1 Loans to related parties (Note 18)

	2022	2021
	RR	RR
Loans to subsidiaries	<u>4,649,990,377</u>	74,292,600
	<u>4,649,990,377</u>	<u>74,292,600</u>

Loans receivable from subsidiaries bear interest between 0% - 9.5% p.a and mature between March 2025 to March 2026.

#### 29.2 Loans from related parties (Note 24)

	2022	2021
	RR	RR
Loans from shareholders	<u>4,351,945,205</u>	-
	<u>4,351,945,205</u>	<u>-</u>

Loans payable to related parties bear interest at 9% p.a. and mature in 2025.

### 30. Contingent liabilities

The Company had no contingent liabilities as at 31 December 2022.

### 31. Commitments

The Company had no capital or other commitments as at 31 December 2022.

### 32. Events after the reporting period

There were no material events after the reporting period, which have a bearing on the understanding of the financial statements.

**Independent auditor's report on pages 5 to 7**

# **FIX PRICE GROUP PLC**

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## **ADDITIONAL INFORMATION TO THE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

<b>CONTENTS</b>	<b>PAGE</b>
Detailed income statement	1
Selling and distribution expenses	2
Finance income/cost	3
Computation of wear and tear allowances	4
Computation of defence contribution	5
Computation of corporation tax	6

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# FIX PRICE GROUP PLC

## DETAILED INCOME STATEMENT

31 December 2022

	Page	2022 RR	2021 RR
<b>Revenue</b>			
Dividend income		<b>199,500,000</b>	9,045,000,000
Loan interest income		<b>101,158,082</b>	-
<b>Total revenue</b>		<b>300,658,082</b>	9,045,000,000
<b>Other operating income</b>			
Depository income		<b>422,340,199</b>	322,892,682
		<b>722,998,281</b>	9,367,892,682
<b>Operating expenses</b>			
Administration expenses	2	<b>(529,432,206)</b>	(418,044,799)
<b>Operating profit</b>		<b>193,566,075</b>	8,949,847,883
Finance income	3	<b>753,547,678</b>	492,823,206
Finance costs	3	<b>(476,345,566)</b>	(463,805,544)
<b>Net profit for the year before tax</b>		<b>470,768,187</b>	8,978,865,545

## **FIX PRICE GROUP PLC**

### **SELLING AND DISTRIBUTION EXPENSES**

31 December 2022

	<b>2022</b>	2021
	<b>RR</b>	RR
<b>Administration expenses</b>		
Staff salaries	<b>150,512,977</b>	-
Social insurance	<b>4,449,138</b>	-
Rent	<b>386,472</b>	-
Annual levy	<b>21,186</b>	-
Insurance	<b>2,990,278</b>	14,951,360
IT expenses	<b>3,368,720</b>	6,450,295
Auditors' remuneration	<b>6,019,004</b>	4,470,000
Secretarial fees	<b>500,000</b>	-
Legal and professional	<b>1,346,449</b>	899,760
Fines	<b>38,183</b>	-
Travelling	<b>3,486,587</b>	4,037,339
Services fees	<b>1,000,000</b>	31,692,000
Consulting expenses	<b>350,640,699</b>	355,544,045
Other administration expenses	<b>4,554,649</b>	-
Depreciation	<b>117,864</b>	-
	<b><u>529,432,206</u></b>	<b><u>418,044,799</u></b>

## FIX PRICE GROUP PLC

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### FINANCE INCOME/COSTS

31 December 2022

	2022 RR	2021 RR
<b>Finance income</b>		
Bank deposit interest - Cy period	23,966,153	44,952,168
Bank deposit interest - BVI period	301,508	-
Foreign exchange profit	<u>729,280,017</u>	<u>447,871,038</u>
	<u><b>753,547,678</b></u>	<u><b>492,823,206</b></u>
<b>Finance costs</b>		
<b>Interest expense</b>		
Loan interest	92,100,822	-
<b>Sundry finance expenses</b>		
Bank charges	721,798	1,705,701
<b>Net foreign exchange losses</b>		
Foreign exchange loss	<u>383,522,946</u>	<u>462,099,843</u>
	<u><b>476,345,566</b></u>	<u><b>463,805,544</b></u>

# FIX PRICE GROUP PLC

## COMPUTATION OF WEAR AND TEAR ALLOWANCES

31 December 2022

Year	%	COST				ANNUAL ALLOWANCES				Net value 31/12/2022 RR
		Balance 01/01/2022 RR	Additions for the year RR	Disposals for the year RR	Balance 31/12/2022 RR	Balance 01/01/2022 RR	Charge for the year RR	On disposals RR	Balance 31/12/2022 RR	
	-	-	2,442,996	-	2,442,996	-	28,741	-	28,741	2,414,255
	-	-	2,442,996	-	2,442,996	-	28,741	-	28,741	2,414,255
	-	-	885,700	-	885,700	-	89,123	-	89,123	796,577
	-	-	885,700	-	885,700	-	89,123	-	89,123	796,577
	-	-	3,328,696	-	3,328,696	-	117,864	-	117,864	3,210,832
	-	-	3,328,696	-	3,328,696	-	117,864	-	117,864	3,210,832

### Motor vehicles

Mercedes DB GLC 300 4Matic

2022

### Furniture, fixtures and office equipment

Office equipment and furniture

2022

Total

## FIX PRICE GROUP PLC

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### COMPUTATION OF DEFENCE CONTRIBUTION

31 December 2022

	Income RR	Income €	Rate	Defence € c
INTEREST				
Interest that was not subject to deduction at source	<u>23,966,153</u>	<u>367,534</u>		
	<u>23,966,153</u>	<u>367,534</u>	30%	110,260.20
TOTAL				110,260.20
Deductions at source				<u>(110,260.20)</u>
<b>DEFENCE CONTRIBUTION DUE TO IRD</b>				<u><u>-</u></u>

# FIX PRICE GROUP PLC

## COMPUTATION OF CORPORATION TAX

31 December 2022

	Page	RR	RR
Net profit per income statement	1		470,768,187
<u>Add:</u>			
Depreciation		117,864	
Foreign exchange loss		362,398,615	
Annual levy		21,186	
Loss from overseas permanent establishment		6,522,708	
Fines		38,183	
Other non-allowable expenses relating to investing activities		437,278,554	
Imputation of interest income as per transfer pricing study		1,423,866	
Restriction of expenses		<u>76,418,376</u>	
			<u>884,219,352</u>
			1,354,987,539
<u>Less:</u>			
Annual wear and tear allowances	4	117,864	
Dividends received		199,500,000	
Interest income		23,966,153	
Foreign exchange profit		707,949,346	
Depository income		<u>422,340,199</u>	
			<u>(1,353,873,562)</u>
<b>Chargeable income for the year</b>			1,113,977
			€
Converted into € at RR 75.655300 = €1			14,724
Losses surrendered to Company from group company KOLMAZ HOLDINGS LTD due to merger			<u>(116,303)</u>
<b>Loss carried forward</b>			<u>(101,579)</u>